Adopted Annual Budget
Fiscal Year 2018-19

City of Pittsburg, California
www.ci.pittsburg.ca.us

➢ ACKNOWLEDGEMENTS

City Council

Dwaine “Pete” Longmire, Mayor
Salvatore Evola, Vice Mayor
Marilyn “Merl” Craft, Council Member
Juan Antonio Banales, Council Member
Jelani Killings, Council Member

Other Elected Officials

Alice E. Evenson, City Clerk
Nancy L. Parent, City Treasurer

City Attorney

Ruthann G. Ziegler, Esquire, City Attorney

Management Staff

Joe Sbranti, City Manager
Garrett Evans, Assistant City Manager
Alice E. Evenson, Director of Records and Council Services
Brad Farmer, Director of Finance
Brian Addington, Chief of Police
Fritz McKinley, Director of Public Works
Jill Hecht, Director of Community Development
Maria Aliotti, Director of Community Services
Stacy Shell, Director of Human Resources

➢ ACKNOWLEDGEMENTS

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Special Thanks to City Department Staff

Ron Nevels, Engineering

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Pittsburg

California

For the Fiscal Year Beginning

July 1, 2017

Christopher P. Morrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Pittsburg for the Annual Budget beginning July 1, 2017. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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City of Pittsburg
65 Civic Avenue
Pittsburg, California 94565

June 18, 2018

Honorable Mayor and Members of the City Council:

I am pleased to submit the Fiscal Year (FY) 2018-19 Annual Budget for the City of Pittsburg (City), which provides a comprehensive financial framework for the coming year. The budget presented in this document represents the City's commitment to serve both the residents and business community, and long-term financial stability throughout the City. Over this past year bond ratings of the City have increased two times as a result of the fiscally responsible approach the City has taken with our finances and financial projections. Revenues for the City (excluding transfers) are projected to be $162.0 million, of which 24.2 percent comprises the General Fund. The City's total expenditures are projected (excluding Transfers and Capital) to be $154.7 million, of which 27.8 percent is the General Fund, the City's main source of unrestricted funds. This proposed budget funds 276 full-time equivalent employees, an increase of three full-time public safety positions over FY 2017-18 approved staffing levels. Before the recent economic recession, the City budget had 308 full-time equivalent positions. This Budget is in compliance with the requirements of the Fiscal Sustainability Ordinance which set a minimum reserve by the end of FY 2017-18.

Overview of the General Fund Proposed Operating Budget for FY 2018-19

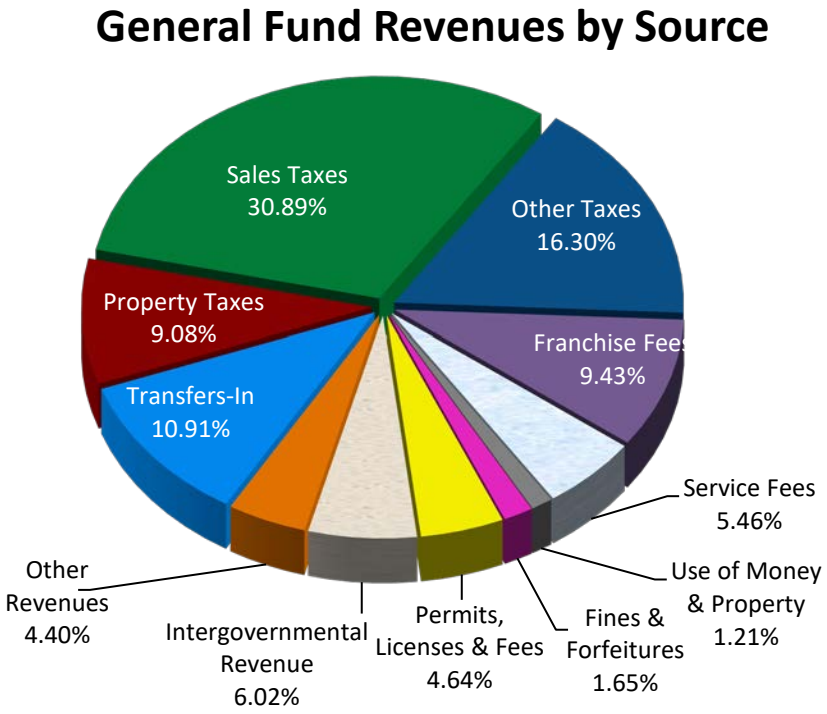
	17/18 YE Est	18/19 Budget	Difference	Percent Difference
Revenues	43,282,123	43,955,662	673,539	1.56%
Expenditures	43,407,636	44,647,834	1,240,198	2.86%
Surplus (Deficit)	(125,513)	(692,172)	(566,659)	451.47%
Use of Budget Stabilization Fund	125,513	-	-	-
Use of GF Fund Balance	-	692,172	692,172	100%

Projected FY 2018-19 ending Budget Stabilization Fund – Fund Balance	$ 3,682,529
Projected FY 2018-19 ending General Fund – Fund Balance	$13,182,997

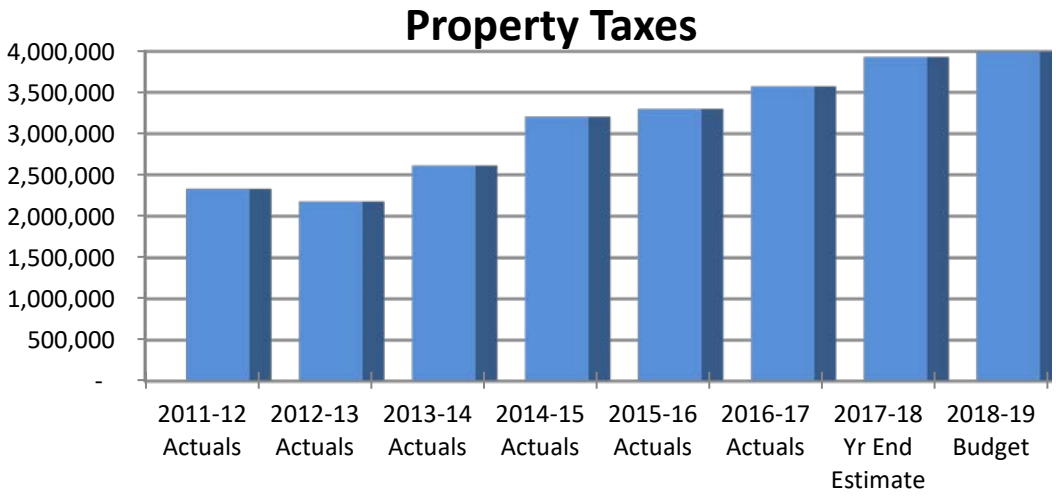
Revenues

The City's revenue streams are influenced by overall economic conditions. Total General Fund revenue projections for FY 2018-19 are approximately $1.2 million more than FY 2017-18 year-end estimates. The additions are due to a one-time realignment of approximately $450,000 in Community Facilities District Public Safety revenues along with the related operations costs being moved to the General Fund. The General Fund major revenue sources include property and sales taxes, transfers, other taxes, and franchise taxes. Together the major sources comprise

76.61 percent of total General Fund revenues for FY 2018-19, as shown on the graph below. The remaining 23.39 percent includes revenues such as intergovernmental revenue, department fee revenues and interest earnings.

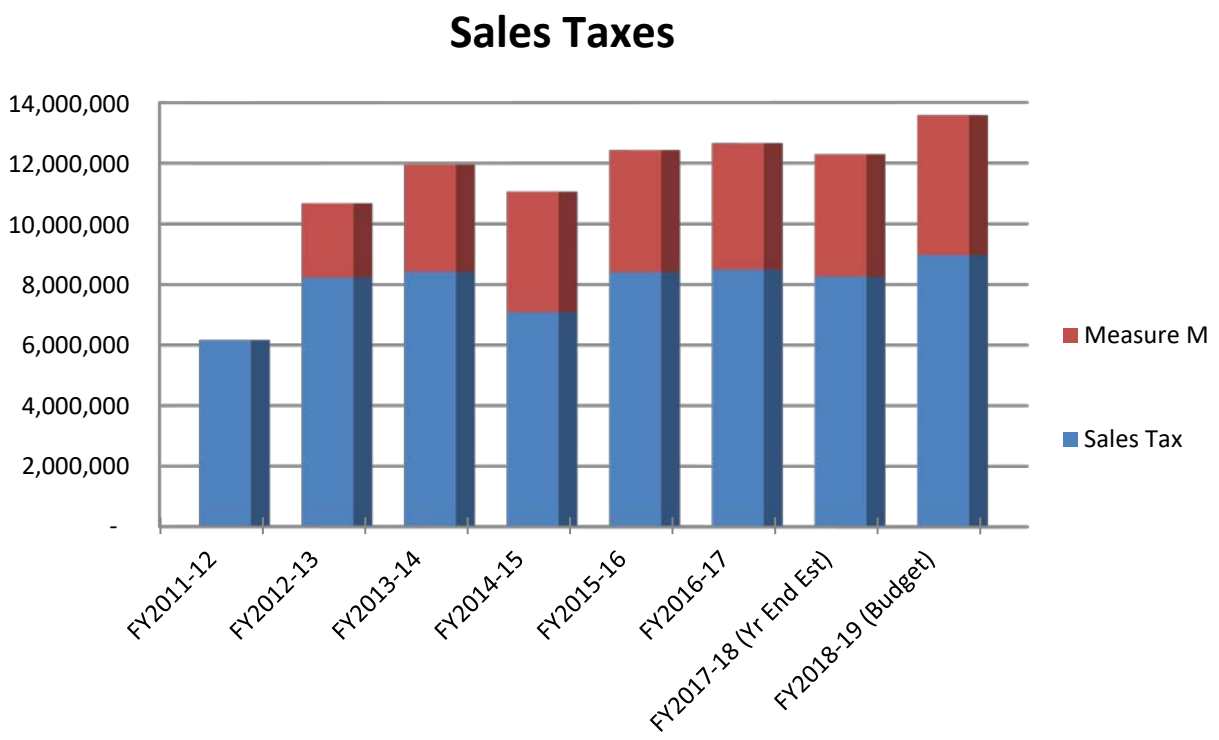


The City continues to see signs of improvement through increases in both property tax and sales tax revenues. Property tax revenue projections increased approximately $60,923 from year-end estimates; a 1.55 percent estimated increase due to additional single-family and commercial construction, as well as recovering property values.



FY 2018-19 Sales Tax revenue projections raised by $1,288,093 over FY 2017-18 year-end estimates, a 10.5 percent increase. Sales tax revenue continues to show strong growth with the addition of a new auto dealership and gasoline station accounting for most of the projected increase. Looking forward, the City is projecting Sales Tax revenue to increase at a modest rate of approximately two percent per year.

In June 2016, 81% of voters approved Measure M, which extended the City's one-half sales tax through June 2035.



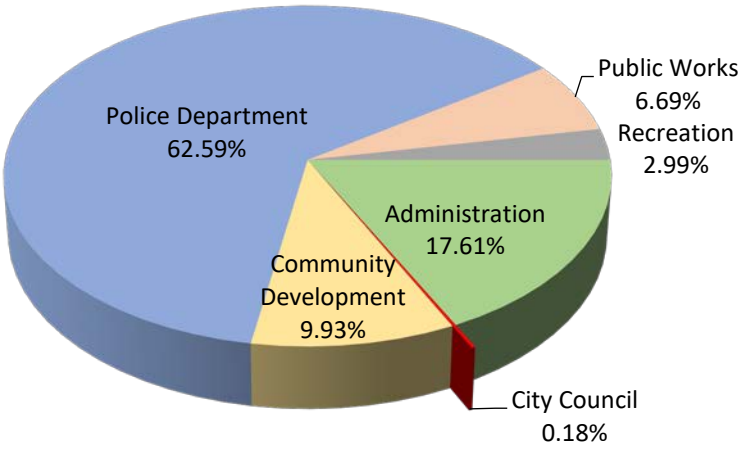
Expenditures

General Fund projected expenditures have increased by $1.2 million in FY 2018-19 over FY 2017-18 year-end estimates. An increase of approximately $450,000 resulted from a realignment of public safety costs being moved from the CFD funds to the General Fund to provide greater transparency of the City's public safety expenditures in the General Fund. For the FY 2018-19 budget, all departments were requested to keep controllable costs neutral where possible to offset normal inflationary costs. This budget continues to see additional resources being dedicated to fund the public retirement system CalPERS with higher contribution rates and additional funding requirements to cover the unfunded actuarial liabilities and changes initiated by the CalPERS Board. The CalPERS rate increases resulted from changes to proactively fund the current unfunded actuarial liabilities over the next 15 years. In response to these changes, the City

redirected program costs to other funds and away from the General Fund where possible and made necessary adjustments to the current budget and future projected budgets to minimize the impacts wherever possible for the current and future years to come.

The restructuring and reductions that were necessary in the current budget will enable the City to continue to provide the services residents and the business community have enjoyed while remaining fiscally prudent with the funds entrusted to the City.

2018-19 General Fund Expenditures by Department



7-year General Fund Balancing Plan and Implementation of the Fiscal Sustainability Ordinance

FY 2017-18 was the final year of the initial 7-year General Fund Balancing Plan and starting with FY 2018-19, the City is required to operate within the revenues provided through normal operations within the City. The initial plan to develop a sustainable plan for the City to operate within by the end of the 7-year General Fund Balancing Plan (Plan) ending with FY 2017-18. While the City is at the end of the initial Plan, we will continue to work with similar conservative revenue projections and expenditure assumptions, with the goal to operating within a structurally balanced budget. Since the inception of the Plan, actual revenues and expenses have been favorable overall. Starting with FY 2018-19, the City will no longer utilize the Budget Stabilization Fund to balance the General Fund, unless significant events occur outside of the normal predictable operating cycle. Should such an event occur, prior to utilizing any Budget Stabilization Funds, council will be apprised of the situation.

Fiscal Sustainability Ordinance – This is the sixth year that the City's budget has been developed under the guidelines of the City's Fiscal Sustainability Ordinance. The Budget Stabilization Fund projected balance at the end of FY 2018-19 is just over five percent of the General Fund operating expenditures as required by the Ordinance. While the City Council adopted a change to the Fiscal Sustainability Ordinance allowing up to ten percent (10%) of the required minimum 30 percent General Fund reserve level to be held in real estate, no expected utilization of real estate is projected for the current year to maintain the minimum requirements as outlined in the Ordinance.

20-year General Fund Forecast – The City budgets annually for the upcoming year, however the City uses a longer-range 20-year forecast to predict future fiscal measures for the City to operate within. This forecast incorporates anticipated revenues from development, assessed market value and economic recovery, as well as a systematically structured expenditure plan to cover current operational costs, post retirement liabilities (Contra Costa County Employees' Retirement Association (CCCERA), Pension, and Other Post-Employment Benefits (OPEB).

Pension - One of the benefits offered to City employees is participation in the CalPERS pension program. Following significant losses during the recession and lower than projected returns on assets held for the past several years, CalPERS changed the assumptions it applies to the funding requirements of the program. These assumptions changed the term of recovery from 30 years to 15 years, lowering the discount rate (projected annual earnings rate) from 7.375 percent to 7.0 percent over the next three years and a shortening of the amortization life from 30 years to 20 years for future years. The resulting financial impacts of these changes will significantly increase future pension obligations, possibly resulting in reduced service levels throughout the City.

Assembly Bill 340 (AB 340) created the Public Employees' Pension Reform Act (PEPRA) that implemented new benefit formulas and the final compensation period for employees hired on or after January 1, 2013. The impacts of AB 340 will be realized as the City experiences employee attrition. The City is working on reducing this liability through employee attrition, negotiated employee contributions, and additional City contributions toward the pension obligation.

By direction of the City Council, the current operating budget contains the establishment of a 115 Trust to accumulate funds that can only be used towards future Pension costs in addition to paying the required CalPERS annual pension payments. For FY 2018-19 the City has budgeted $394,215 city wide to be deposited into the Trust.

OPEB Liabilities – In December 2013, the City established an agreement with the California Public Employees' Retirement System (CalPERS) to set aside funds and deposit into the California Employer's Retiree Benefit Trust (CERBT) fund to accumulate and distribute assets for

the exclusive benefit of retirees and their beneficiaries. Plan assets are irrevocable and may not be used for any purpose other than funding post-retirement healthcare. The City continues to deposit funds with CERBT each year to reduce its unfunded OPEB liability. The City's CERBT account had a balance of $3.8 million as of March 31, 2018 and a balance of $3.4 million as of June 30, 2017. The proposed FY 2018-19 Budget contains a contribution of $500,000 towards the Trust to fund future OPEB costs.

Looking Forward

Staff will continue to streamline the City's organization and strive to optimize the existing workforce to meet the needs of residents throughout the City. By continuing to improve efficiency and focusing on the longer-term 20-year forecast for the City's General Fund, staff feels the City, residents, business leaders and community partners will continue to invest in and strengthen the community.

Crime Rates –Over the past year, the City saw an increase in Violent Crimes and a reduction in Part I Crimes. Overall crime rates continue to remain at some of the lowest levels in decades and continues to compare very well with nearby cities.

VIOLENT CRIME COMPARISON BY CITY

PER 1,000 RESIDENTS

CITY/YEAR	2016	2017
Walnut Creek	1.1	1.5
Pleasant Hill	2.6	2.0
Brentwood	2.2	2.6
Concord	3.5	3.6
Pittsburg	4.5	4.9
Antioch	6.7	5.3

PART I CRIME COMPARISON BY CITY

PER 1,000 RESIDENTS

CITY/YEAR	2016	2017
Brentwood	31.6	31.2
Pittsburg	33.8	30.6
Walnut Creek	31.2	33.8
Concord	37.4	38.2
Antioch	39.7	39.6
Pleasant Hill	47.0	49.6

Violent Crime includes: Murder, Rape, Robbery and Aggravated Assault

Part I Crimes include Murder, Rape, Robbery, Aggravated Assault, Burglary, Larceny Theft, Vehicle Theft and Arson

Development – Pittsburg is a great place to live and work, filled with many talented people with a diversity of interests. The business community works hard and City government is committed to maintaining that tradition. The Council and staff work with businesses and developers to ensure the community grows at a pace that is healthy for all parties involved. Staff's objective is to look both internally and externally, focusing not only on maintaining the quality of life in Pittsburg, but improving it.

The proposed Capital Projects budget for FY 2018-19 is approximately $12 million, as summarized on the chart below. A majority of the capital projects involve improvements to the City's water distribution and sewer systems. Funds for infrastructure projects come from water and sewer operation funds, developer fees, grants and regional fees for storm drainage and fuel taxes.

Project Name	Funding Source	Prior Allocations	FY18/19 Allocation
Range Road Sidewalk Widening	Gas Tax/TDA	$ -	$ 120,000
2018/19 Citywide Pavement Management	Gas Tax	-	400,000
West Leland Road Pavement Management	RMRA	-	974,401
2018/19 Citywide Traffic Calming Project	Measure J	-	100,000
2018/19 Citywide Fence/Soundwall/Streetlight Replacement and Installation	Measure J	-	100,000
2018/19 Citywide Striping and Signage	RMRA	-	50,000
2018/19 Traffic Signal Modification	RMRA	-	135,000
Water Treatment Capital Repairs and Improvements	WOF	75,000	75,000
Automatic Water Meter Reading System	WOF	2,206,793	300,000
2021/22 Filter Media Replacement	WOF	-	100,000
2016/17 Sewer and Water Replacement and Rehabilitation Program	SOF, SFR, WOF, Wbond, WFR	3,500,000	8,127,500
Small World Park Improvements	PDF	-	20,000
Annual Playground Replacement Project	PDF	-	80,000
City Park Soccer Field Turf Replacement	PDF	-	250,000
Annual Park Features Replacement Project	PDF	-	75,000
Biennial Restroom Replacement/Rehabilitation	PDF	-	250,000
Marina Maintenance Dredging (formerly Riverview Basin Dredging)	WO, ME	106,208	320,000
Duct Bank and Vault Replacements	IE	-	400,000
Station H KWH Metering Equipment	IE	100,000	80,000
Gas Line Removal and Replacement	IE	100,000	50,000
Totals		**$ 6,088,001**	**$12,006,901**

City of Pittsburg
65 Civic Avenue
Pittsburg, California 94565

BART – (Bay Area Rapid Transit) Construction of the $463 million extension of the BART system from the Pittsburg-Bay Point station to Antioch is complete with opening of the Pittsburg station in May 2018. The development surrounding the new station will help invigorate development along the Railroad corridor through the heart of the City of Pittsburg.

Conclusion

The FY 2018-19 Annual Budget reflects the short and long-term financial capacity of the City. It balances a variety of wants against needs, while reflecting the goals, strategic direction and plans prioritized by the Council as the community moves forward.

I would like to thank the City Council for their guidance and support throughout the development of this proposed budget. In addition, I would like to thank the Finance Department Budget staff and staff in all other City Departments that contributed to the Fiscal Year 2018-19 budget. I would like to give special thanks to Brad Farmer, Finance Director and to Diane Agar, Finance Accounting and Budget Manager for their work and expertise throughout this year's budget process.

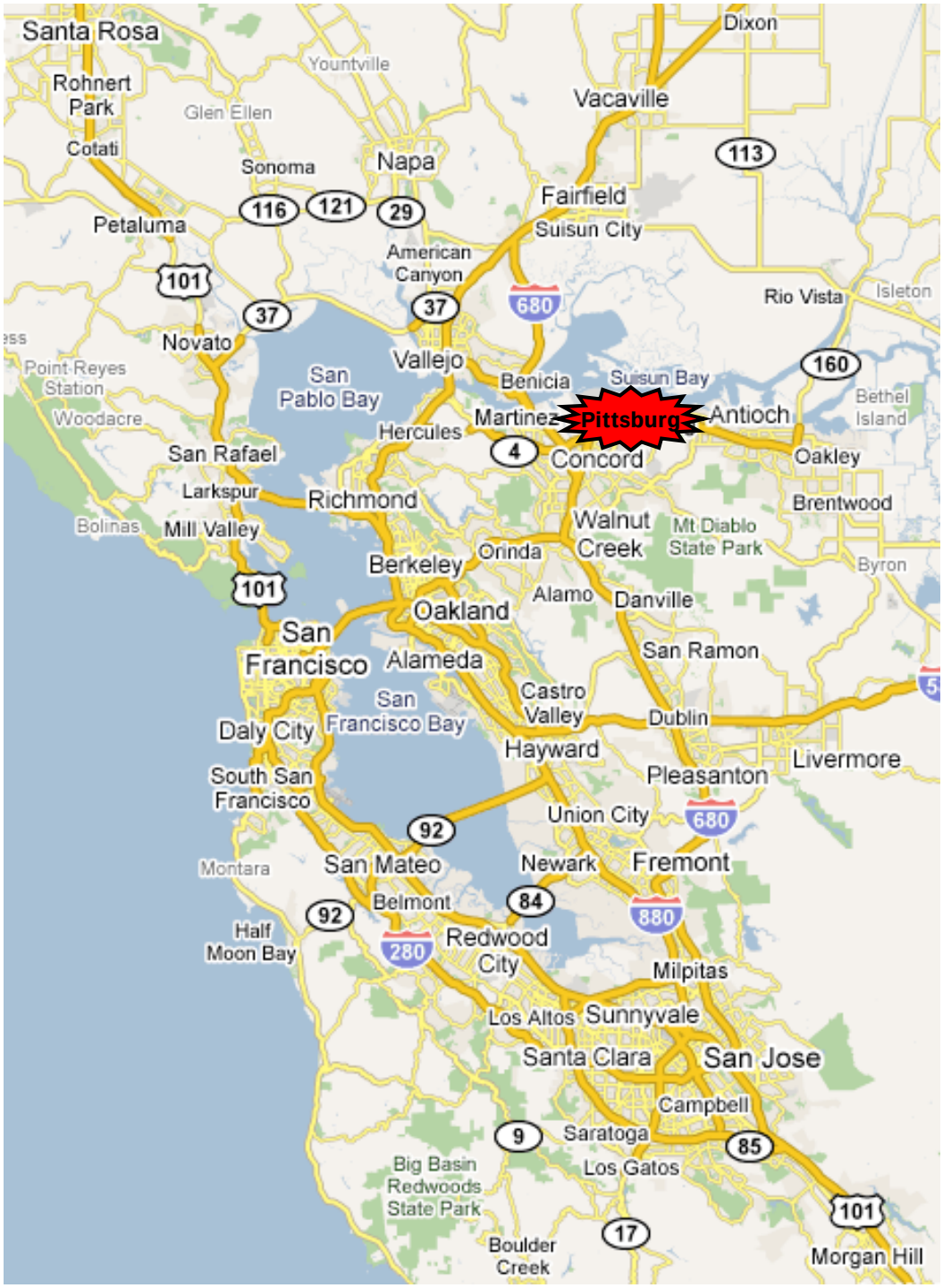
Joe Sbranti
City Manager

➢ MISSION STATEMENT

To provide responsive and high quality public services in partnership with our citizens while celebrating our community's rich history, cultural diversity, and pride in our prosperous future.

Our Continuing Values:

INTEGRITY	To be open and honest, to honor with our commitment
TRUST	To conduct all activities in ways which increase confidence in the City's policies and services
COMMITMENT	To sustain a focus on excellence in public service
RESPECT	To be responsive to all the people we work with and serve, to act in a timely and sensitive way
PRIDE	To recognize and celebrate the unique and positive characteristics of the City of Pittsburg
CONTINUOUS LEARNING	To grow in our understanding of the workplace and the community so that we can provide the most responsive and efficient service
PARTNERSHIP	To foster collaboration in meeting community challenges to maximize active citizen participation


Santa Rosa
Rohnert Park
Cotati
Petaluma
Yountville
Glen Ellen
Sonoma
Napa
Dixon
Vacaville
113
116
121
29
Fairfield
Suisun City
American Canyon
37
680
101
Novato
Point Reyes Station
Woodacre
San Pablo Bay
Vallejo
Benicia
Suisun Bay
Rio Vista
Isleton
160
Bethel Island
Pittsburg
Antioch
Martinez
Hercules
4
Concord
Oakley
San Rafael
Larkspur
Mill Valley
Bolinas
Richmond
Brentwood
Walnut Creek
Mt Diablo State Park
Byron
Orinda
Berkeley
Alamo
Danville
Oakland
San Francisco
Alameda
San Ramon
Castro Valley
Dublin
San Francisco Bay
Daly City
Hayward
Livermore
Pleasanton
South San Francisco
Union City
92
Montara
San Mateo
Newark
Fremont
Belmont
84
880
Half Moon Bay
280
Redwood City
Milpitas
Los Altos
Sunnyvale
Santa Clara
San Jose
Campbell
9
Saratoga
85
Big Basin Redwoods State Park
Los Gatos
17
Boulder Creek
Morgan Hill

➢ CITY OF PITTSBURG – OUR HISTORY

Pittsburg has been a city in progress for nearly a century and a half. Located at the point where the Sacramento and San Joaquin rivers meet, Pittsburg is a community of both progress and promise.

[1800's]

1839 – Mexican government grants 10,000 acres to Jose Antone Mesa and Miguel Jose Garcia

1840 – Named New York of the Pacific, possibly because the man who laid out the town, Colonel J.D. Stevenson, was a native of New York

1870's – First Italian fisherman, Pietro Aiello and brother Rosario, began fishing the river. Word of mouth quickly spread and by 1910 it was recorded that nearly 1,000 Italian fishermen and their families worked the rivers and canneries.

[1900 – 1929]

1903 – Town renamed Black Diamond following discovery of coal in the hills 3 miles south of town

1910 – Columbia-Geneva Steel Company starts operating on a small scale

1911 – Town renamed Pittsburg, honoring Pittsburgh, Pennsylvania (without the "H"), because of the city's associations with the steel building industry

1916 – Pacific Gas & Electric power plant was built. The Great Western Electro Chemical Company was established

1920's – Pittsburg High School opens

1927 – USS Steel purchased Columbia Geneva Steel Company

Railroad Avenue at East Sixth – 1930's

[**1930 – 1960's]**

1939 – Great Western Electro Chemical Company merges with Dow Chemical Company

1942 – Camp Stoneman was built and local industries boomed. For thousands of enlisted personnel who went to fight in the Asian-Pacific operations during WWII, Camp Stoneman was their last contact with the United States.

1954 – After the Korean War, Camp Stoneman closed and the property was added to the City of Pittsburg for commercial and residential development; however, as Camp Stoneman closed its doors, so ended that era of prosperity in Pittsburg.

1960's – Buchanan Park Swim Center and Pittsburg High School's Creative Arts Center open

[1970's – 1990's]

1970's – Pittsburg Marina first built. The berths, docks and other facilities have undergone extensive renovations over the years.

1974 – Los Medanos College opens, providing 2-year degrees and transfer programs to East Contra Costa County students, in addition to lifelong learning programs

1980's – Pittsburg's vacant land was seen as a gold mine to developers. From 1981 to 2000, Pittsburg experienced a 59% increase in population.

1990's – Bay Area Rapid Transit (BART) extended its lines to its Eastern-most point – Pittsburg/Bay Point Station at Bailey Road. The State Route 4 widening project began.

[2000 – 2010]

2000's – New High Occupancy Vehicle (HOV) lanes added to State Route 4, relieving congestion as Eastern Contra Costa County population grows. Widening project continued through 2006.

2003 – Pittsburg's Centennial Celebration

2004 – Pittsburg's Auto Plaza opens on Century Blvd. along State Route 4

2000 – 2010 - Pittsburg's population estimate grew 37%. New BART extension proposed to expand service 23 miles to the east to reduce traffic congestion

Railroad Avenue at East Sixth

[2011 – Present]

2011 – Construction begins on project to widen State Route 4 to eight lanes. Pittsburg segment is completed in 2015.

2013 – Re-opening of the historic California Theatre after a $7 million renovation.

2015 – Construction of BART extension to Antioch begins in median of State Route 4.

2018 - Extension of BART service from Pittsburg/Bay Point to Antioch is completed, including service to Pittsburg Center Station.

From a struggling settlement to an industrial center, Pittsburg has grown into a pleasant community of 26 parks, recreational facilities, shopping centers, housing, and planned business and commercial development. New homes, renovated older homes, new businesses and a revitalized historic district are all signs of even better times ahead. Additionally, Pittsburg's local government has expanded the parks system, improved roads, increased commerce and employment and expanded the City's Marina and waterfront recreation facilities.

Source: Pittsburg Chamber of Commerce

Historical Photo Courtesy of Southport Land & Commercial Co.

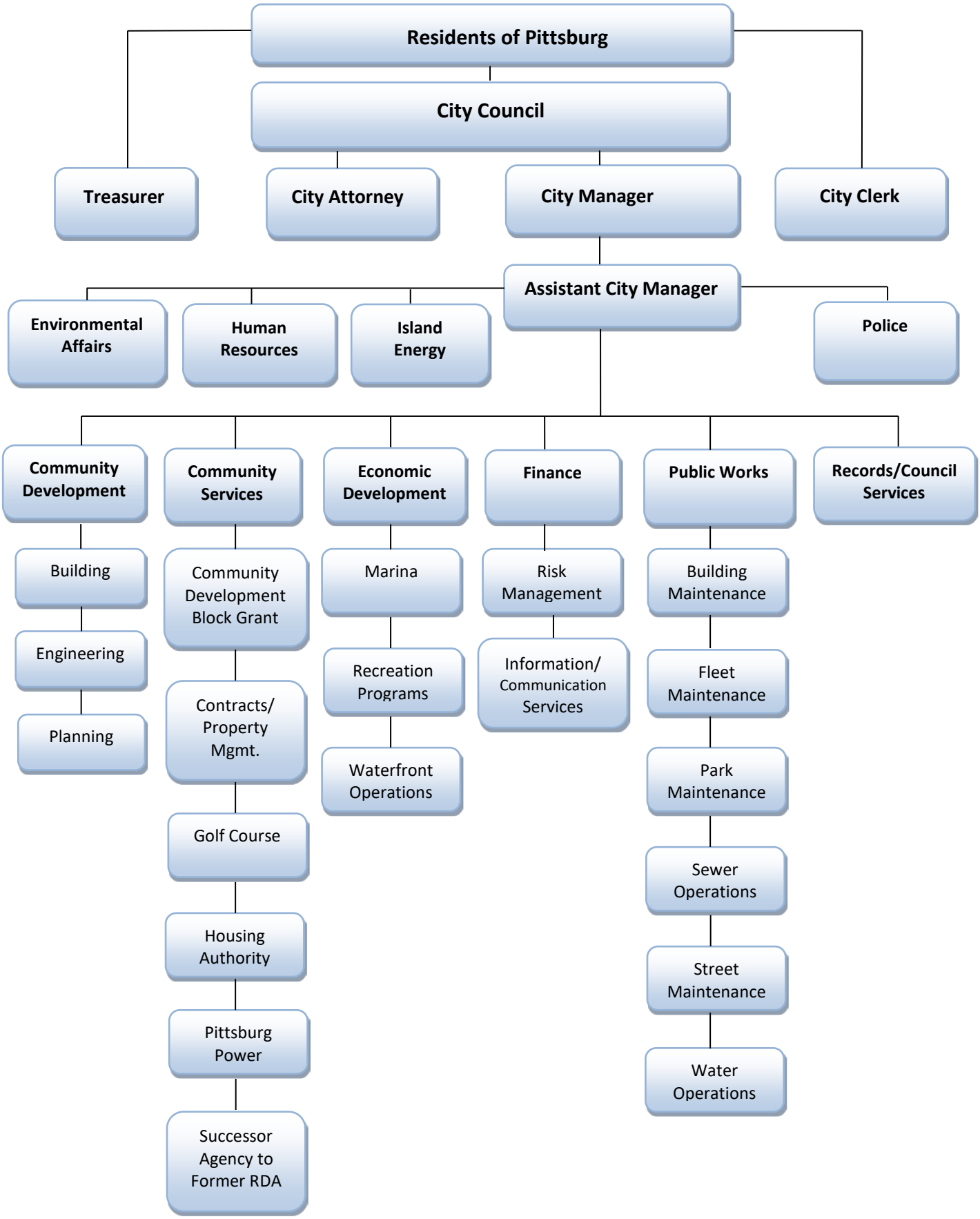
➢ LONG TERM/SHORT TERM GOALS

LONG TERM GOALS	SHORT TERM GOALS	IMPLEMENTATION THROUGH DEPARTMENTS AND PROGRAMS
Goal 1 Achieve and Maintain a Structurally Balanced Budget	Cost recovery agreements, recommend budgets consistent with Fiscal Sustainability Ordinance, update 20 year forecast, maintain or improve City's credit rating, pre-fund OPEB, establish 115 Trust, draft Local Hiring Policy, increase preference for local businesses, review water discount rate and balanced payment plans, seek grant funding, optimize HVAC system, assess pump optimization, review lighting incentives, update fee schedules, provide non-motorized watercraft rentals, execute Trust Lands leases, maximize and develop relationships for revenue sources, dispose of properties	City Attorney, Finance, Engineering, Planning, Island Energy, Pittsburg Power Company, Marina, Waterfront, Environmental Affairs, Island Energy Public Works, Successor Agency, Housing Authority, Recreation Services
Goal 2 Prioritize Public Safety	Continue specialized enforcement, continue Street Safety, Ceasefire and Crime Free Housing programs, reduce theft and illegal activity on the berm and Riverview Park, install additional camera systems, increase homeless outreach, initiate e-cites program, expand outreach with PUSD and senior community	Police, Environmental Affairs, Marina
Goal 3 Improve Public Facilities and Infrastructure	Complete construction of capital projects and update infrastructure, improve traffic operations on State Route 4, work with PUSD to maximize traffic safety/circulation at schools, begin utility relocation/right-of-way acquisition for James Donlan Blvd Extension, implement bike share program, complete Active Transportation Plan, work with developers to incorporate public spaces in new developments, improve public use facilities and infrastructure at City parks and Marina, dredge Marina, replace sidewalks and install curb ramps, evaluate policies and procedures at community facilities	Engineering, Planning, Waterfront, Marina, Public Works, Island Energy, CDBG, Recreation Services

➢ LONG TERM/SHORT TERM GOALS

LONG TERM GOALS	SHORT TERM GOALS	IMPLEMENTATION THROUGH DEPARTMENTS AND PROGRAMS
Goal 4 Continue Economic Development, Diversified Housing and Facilitate Growth and Retention of Existing Businesses	Continue being a resource for businesses in collaboration with outside agencies, market the City as a business and tourist location, seek out business opportunities, continue development inspections, issue solar energy system permits, establish Project Labor Agreement policy, update cannabis regulations and Inclusionary Housing Ordinance, evaluate brownfields for development, fund programs that result in job creation, training and placement, continue the Housing Rehabilitation and First Time Homebuyer Programs, explore energy development projects, complete installation of fiber optic	Building, Engineering, Planning, Economic Development, Waterfront, Environmental Affairs, CDBG, Pittsburg Power Company, Successor Agency
Goal 5 Increase Efficiency of City Operations and Services	Migrate to paperless file system, citywide training, recruit and retain quality staff, review/revise internal and external rules, regulations and policies, consolidate Business License and Utility Billing payment center, issue Electric Vehicle Charging Station permits, conduct customer satisfaction survey, synchronize signals at 14 intersections, increase number of Preliminary Plan Review applications, create ombudsman approach to new businesses, expand EOC preparedness, support PHS broadcasting training, implement online capability, optimize electrical system, reduce water use, evaluate storm drains and laterals, continue Automatic Water Reading System installations, work with tenants and borrowers to keep payments current	City Clerk, City Attorney, Human Resources, Finance, Building, Engineering, Planning, Economic Development, Environmental Affairs, Marina, Water, Sewer, Successor Agency, Housing Authority, Public Works, Recreation Services
Goal 6 Improve the Quality of Life for Pittsburg Residents	Increase retail in Southwest Hills, prepare for 2040 General Plan update, provide property management for City, increase Code Enforcement compliance, host gatherings/events, increase public participation, implement Polystyrene Ordinance, acquire land for a community center, continue First Time Homebuyer program, continue youth, family, recreational and community programs	Planning, Economic Development, Marina, Waterfront, Environmental Affairs, CDBG, Housing Authority, Pittsburg Power Company, Recreation Services

➢ CITY GOVERNMENT ORGANIZATION



➢ BUDGET PROCESS AND BASIS OF BUDGETING

BUDGET PROCESS

The budget process begins in December and culminates seven months later with the adoption of the Annual Budget in June.

Mid Year Budget Review

Work begins in December of each year on the mid-year review. The mid-year review is a detailed analysis of all City revenues and expenditures during the current fiscal year. The mid-year report actual and estimates is published and distributed to the City Council, staff, and the general public for consideration during the month of February each year. The mid-year financial analysis provides the financial starting point for the subsequent year's Operating Budget.

Update General Fund 20-Year Forecast

Preparing accurate General Fund revenue and expenditure forecasts is an important part of the budget process. The update of the 20-year forecast of the General Fund begins during the mid-year budget review. The forecast is revised as necessary based on different budgeting scenarios and as more accurate revenue and expenditure data is available during the budget preparation process. The update and revisions occur again once year-end financial statements have been prepared.

Revenue Estimates

Revenue estimates are developed each year using the actual revenues realized from the prior fiscal year and adjusted upwards or downwards based on whether staff has information to suggest such an adjustment is necessary. For example, property taxes are adjusted based on the most recent assessed valuation reports that the City receives from the County. Similarly, the City's sales tax advisor develops sales tax revenue projections based on trends in various sales categories. Rate based revenues such as those associated with water, sewer, and Island Energy services are based on the current rates, recent consumption patterns, and anticipated changes to water supply due to rainfall patterns.

Budget Preparation

Budget packets are distributed by the Finance Department to each City department in January. Departments submit preliminary budget requests to the Finance Department in February/March. During this time all revenue sources are projected. Budget staff reviews departmental requests and compiles the Preliminary Budget. The requested budgets are then presented to Senior Management and the City Manager for review and approval.

Recommendations and revisions from review sessions are incorporated into the proposed operating budget. The Finance Subcommittee reviews, makes revisions as necessary, and recommends the proposed operating budget.

The Oversight Board of the Successor Agency to the Former Redevelopment Agency reviews and recommends the proposed Successor Agency budget.

After recommendation by the two committees, the City Council holds Public Workshops to obtain input from the public. After giving due consideration to the public input, the City Council finalizes and adopts the budget by June 30th.

5-Year Capital Improvement Program

The City of Pittsburg 5-Year Capital Improvement Program (CIP) is a multi-year planning instrument that identifies the construction of new facilities and infrastructure, and for the expansion, rehabilitation, or replacement of existing City-owned assets. Each year a 5-year CIP is developed in conjunction with the operating budget and reflects changing priorities and funding availability. The 5-Year CIP must be approved by the Community Advisory Commission and Planning Commission prior to seeking Council approval.

Budget Amendments

All changes to the Operating Budget throughout the year require budget amendments which require the following levels of governing body approval:

Items Requiring Council/Agency Action

- Appropriation of fund balance reserves
- Transfers of appropriations between funds
- New inter-fund loans or advances
- Creation of new capital projects
- Transactions which increase total fund budgets

Items Delegated to the City Manager/Executive Director

- Budget modifications in excess of $5,000.
- Transfers between departments and divisions so that the total fund budget remains the same
- Approval of transfers within funds which increase salary and benefit appropriations so that the total fund budget remains the same

Items Delegated to Department Heads

- Budget modifications of $5,000 or less
- Allocation of departmental appropriations to line items except for salary and benefit appropriations
- Changes which exceed current funds disbursement authorizations must be approved by the City Manager/Executive Director. These changes cannot increase the department budget.

BASIS OF BUDGETING

Governmental Funds include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds. The Governmental Funds and the Successor Agency to the Former Redevelopment Agency Funds are accounted for using the modified accrual basis of accounting. Modified accrual accounting recognizes revenues when they become available and measurable and, with a few exceptions, recognizes expenditures when liabilities are incurred. This system divides available funds into separate entities within the organization to ensure that the money is being spent where it was intended.

Proprietary funds include Enterprise Funds and Internal Service Funds. These funds are accounted for using the accrual basis of accounting. Accrual basis of accounting measures the performance and position of the City by recognizing economic events regardless of when cash transactions occur. The general idea is that economic events are recognized by matching revenues to expenses (the matching principle) at the time in which the transaction occurs rather than when payment is made (or received).

The budgetary process is based upon accounting for certain transactions on a basis other than generally accepted accounting principles (GAAP basis). The major difference between the budgetary basis and GAAP basis is that year end encumbrances are recognized as the equivalent of expenditures on the budgetary basis in governmental funds, while encumbered amounts are not recognized as expenditures on the GAAP basis.

➢ FY 2018/19 Budget Development Calendar

Jan 2018

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
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28	29	30	31			

Feb 2018

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25	26	27	28			

Mar 2018

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Apr 2018

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29	30					

May 2018

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Jun 2018

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24	25	26	27	28	29	30

1/1	Winter Break - City Offices Closed
1/15	City Holiday - Martin Luther King Jr. Day - City Offices Closed
1/16	Distribution of Mid-Year Reports for Dept. Year-End Estimates
1/16	Oversight Board - Successor Agency to Former RDA Review and approval of Proposed 2018/19 Operating Budget
1/23	Department Year End Estimates Due to Finance
1/24 - 1/30	Finance Staff Review and Reporting of Year-End Estimates
2/2	City Manager Review and Approval of Year-End Estimates
2/2	7-Year General Fund Balancing Plan and 20 Yr Projections Update
2/12	City Holiday - Lincoln's Birthday - City Offices Closed
2/13	Finance Subcommittee Meeting - Mid Year Budget Review
2/15	Budget Kickoff Meeting/Distribution of Budget Packets
2/19	City Holiday - Washington's Birthday - City Offices Closed
2/20	Goal Setting Workshop at City Council
3/12	Staff Operating Budgets due to Finance
3/19	FY 2017/18 Mid Year Budget Review at City Council
3/19	CalPERS Study Session
3/13 - 3/20	Finance Staff Analysis and Preparation of Draft Budget
3/16	7-Year General Fund Balancing Plan and 20 Yr Projections Update
3/21 - 3/30	Senior Management and City Manager Begin Review of Budget
3/27	Department Narratives due to Finance
3/30	City Holiday - Cesar Chavez Day - City Offices Closed
4/1 - 4/4	City Manager's Review - Operating Budget & 20 Yr Plan
4/2	Measure P/M Oversight Committee Review Proposed Budget and discuss prior year uses of funds
4/13	Update General Fund 7 Yr Balancing Plan & 20 Yr Projections
4/17	Finance Committee 1st Review - Operating Budget & 20 Yr Plan
4/30	Public Workshop Proposed FY 2018/19 Operating Budget
5/11	Measure P/M Oversight Committee 2nd Meeting
5/17	Finance Committee 2nd Review - Operating Budget & 20 Yr Plan
5/2 - 6/8	Budget Staff's Compilation of Proposed Budget Document
5/21	Measure P/M Presentation to City Council
5/28	City Holiday - Memorial Day - City Offices Closed
6/8	Distribution of Proposed Budgets to Council & Senior Mgrs.
6/18	Adoption of Gann Spending Limit
6/18	Public Hearing and Adoption of the FY 2018/19 Budget
6/18	2018/19 Capital Improvement Program to Council
6/25	Final Adopted Budget Posted to City Website
9/7	Update General Fund 7 Yr Balancing Plan & 20 Yr Projections
9/14	End of FY 2017/18 Reports to CM (Actual Expenses/Revenues)
9/21	Proposed Finance Committee Meeting - Year End Reporting

Jul 2018

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Sep 2018

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Oct 2018

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Nov 2018

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Dec 2018

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➢ BUDGETARY FUND STRUCTURE

Governmental Funds

General Fund

Special Revenue Funds

- Asset Seizure Fund
- Bailey Road Maintenance Fund
- Budget Stabilization Fund
- California Theatre
- CalHome Program
- City Housing Fund (former Successor Agency)
- Citywide Lighting & Landscape
- Community Capital Improvements
- Community Development Block Grant (CDBG)
- COPS Hiring Recovery
- Economic Development Fund
- Emergency Operations Center (EOC)
- Environmental Affairs Grant Funds
- Fire District CFD 2017-1
- Gas Tax Fund
- Gas Tax Road Maintenance & Rehab (RMRA)
- General Plan Update
- Geologic Hazard Abatement District (GHAD)
- Hillview Jr. High Field Maintenance
- Housing Authority Section 8
- Housing Rehabilitation
- Inclusionary Housing Fund
- Infrastructure Repair & Replacement Fund
- Kirker Creek Drainage Fund
- Marina Vista Field Replacement
- Measure J Tax Fund
- Neighborhood Stabilization Program
- NPDES - Stormwater
- Oak Hills Lighting & Landscape
- Park Dedication Fund
- Park Maintenance CFD 2007-1
- Pension Obligation Fund
- Police Grant Funds
- Project Amenities Management CFD 2015-1
- Prop-1B Local Street & Road Improvement
- Public, Education & Government Fees (PEG)
- Public Safety CFD 2005-1
- R/R Ave Specific Plan (eBart) CFD 2014-1
- Recycled Water Capital Maintenance
- Regional Traffic Mitigation Fund
- San Marco CFD 2004-1
- Solid Waste Fund
- Traffic Impact Fair Share Fund
- Traffic Mitigation
- Vista Del Mar CFD 2005-2

Fiduciary Funds

- Successor Agency to RDA
- RDA Obligation Retirement
- RDA Tax Allocation Bonds
- RDA Housing Bonds
- Assessment Districts
- Regional Freeway Security

Enterprise Funds

- Water Operations
- Water Facility Reserve
- Sewer Operations
- Sewer Facility Reserve
- Marina
- Island Energy
- Pittsburg Power
- Waterfront Operations

Internal Service Funds

- Information and Communication Systems
- Fleet Maintenance
- Building Maintenance
- Fringe Benefits
- Other Post-Employment Benefits (OPEB)
- Pension Trust/Reserve Fund[1]
- Liability Insurance

(1) New fund in FY 2018-19

➢ MAJOR REVENUE SOURCES – GENERAL FUND

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this fund are property taxes, sales taxes, unrestricted revenues from the state (e.g., motor vehicle-in-lieu fees), county tipping fees, franchise fees, development service fees, police fines/fees and recreation program fees. Expenditures are made for general government, Human Resources, Finance, Police, Recreation, and Public Works and other services.

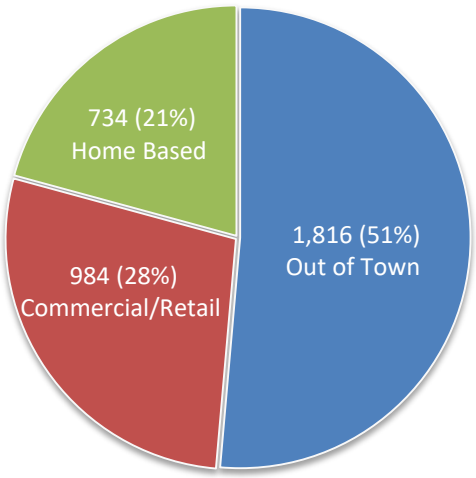
Administrative Recoveries

Administrative recoveries are from the Water and Sewer enterprises, the Lighting and Landscape Assessment District, the City of Pittsburg Housing Authority and other non-General Fund sources that reimburse the General Fund for administrative costs.

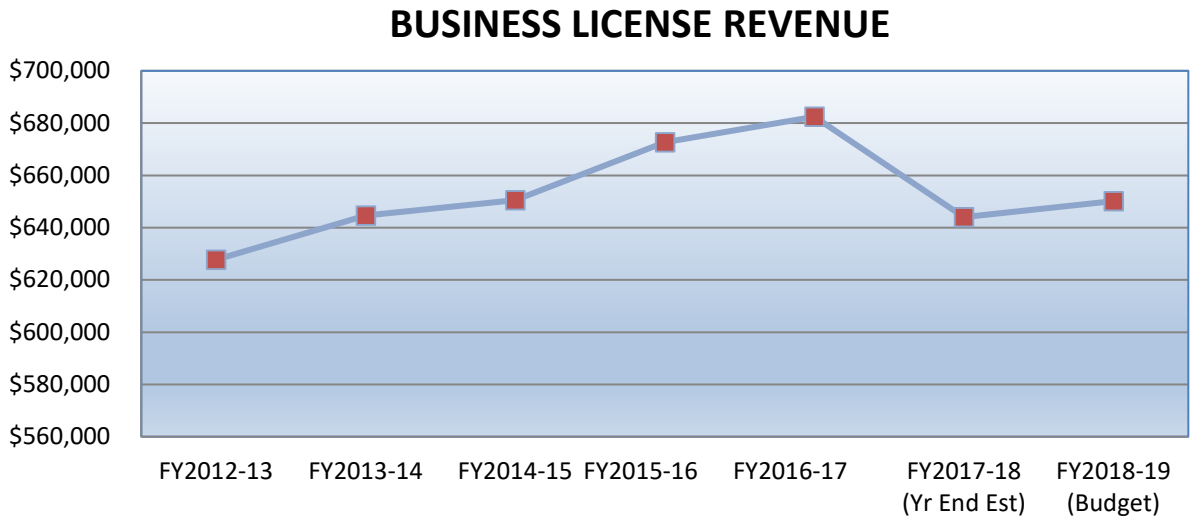
Business License Tax

This is an annual tax on local businesses, based upon either gross receipts (under progressive tax rates) or flat fees, depending on the type of business. Generally, retail businesses, service providers, and contractors pay based on gross receipts, while professionals (e.g., accountants, lawyers, dentists) pay under a flat fee. The rates are established by City Ordinance. The City currently has 3,534 active business licenses of which 1,718 are businesses located within the City and 1,816 businesses are located outside of the City. Starting with our 2018 renewals, businesses now have the convenience of processing their annual renewal applications online. Online transactions accounted for over 28% (1,005 licenses) of our completed applications.

BUSINESS LICENSE BREAKDOWN BY BUSINESS TYPE



Revenue increased by over eight percent (8%) from FY 2012-13 through FY 2016-17 ($628,000 to $682,000) because of aggressive recovery and discovery efforts. Current year revenues from business licenses are projected to decrease due to reductions in construction business revenues to $644,000 in FY 2017-18 and with a slight increase to $650,000 in FY 2018-19.



Community Benefit and Service Fee

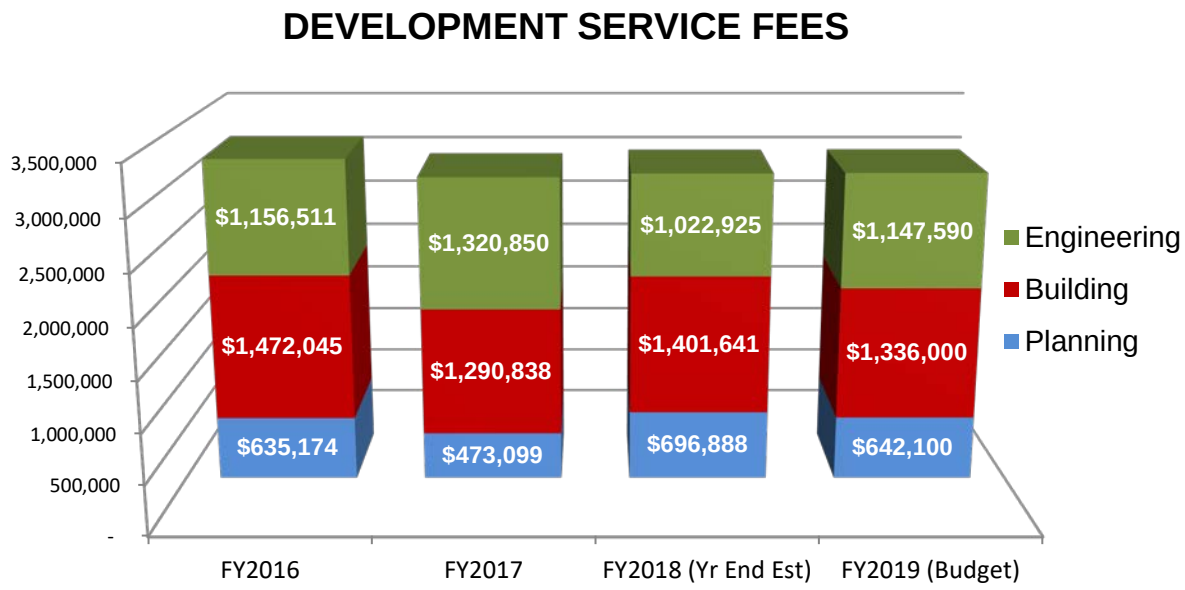
The Community Benefit and Services Fee, which began in 2011, has generated approximately $2.7 million over a six-year period. This fee allows Pittsburg Disposal Service the exclusive right to collect refuse and recycling from all sectors in the community within the City of Pittsburg. With an estimated annual CPI inflation factor of 3.0 percent, the City estimates the Community Benefit and Service Fee in FY 2018-19 at $604,000.

County Tipping Fees – Keller Canyon Mitigation

The Keller Canyon Mitigation Fund (Fund) was approved in 1994 as an Amendment to the Keller Canyon Landfill Land Use Permit. A Tipping Fee of $3.00 per ton is divided between Contra Costa County ($1.75 per ton) and the City ($1.25 per ton). The Keller Canyon Landfill processes approximately 776,000 tons of taxable solid waste annually. City staff estimates revenues to remain consistent from the previous year at $980,000 in FY 2018-19.

Development Service Fees

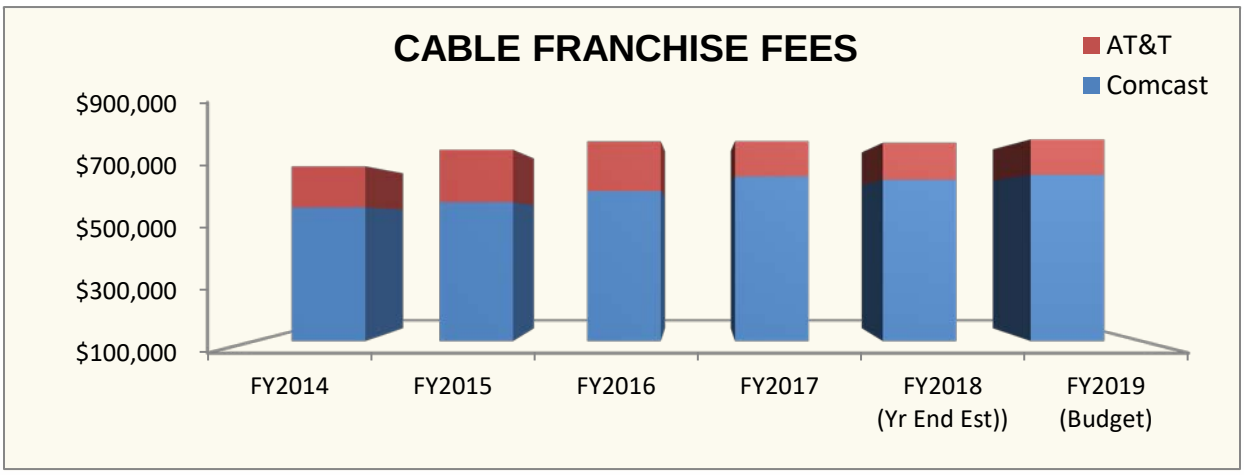
These revenues, which consist of design review charges, plan check services and building permits from the Engineering, Planning and Building Departments, are directly dependent upon the level of residential and commercial construction taking place in the community. The fees are generally collected during the planning and/or building permit process and are used to recover the costs of operating the City's development service functions such as planning, engineering, and building. The City estimates development service fees to come in at approximately $3.1 million in FY 2017-18 and FY 2018-19.



Franchise Fees on Cable

Cable service was originally regulated by local franchising authority and awarded non-exclusive franchises to serve local communities. This authority was transferred to the State Public Utilities Commission in 2007 with the passage of the Digital Infrastructure and Video Competition Act (DIVCA). The state franchise requires channels be set aside for public, educational, and government programming and a Franchise Fee, typically five percent, to be paid to the local host community. The City receives five percent (5%) franchise fees on gross receipts from Comcast Cable and AT&T U-Verse.

Based on FY 2017-18 actual gross receipts reported for the last three quarters, staff estimates gross receipts to increase slightly from prior year due to anticipated new developments. The City estimates franchise fees of $812,000 (of which $687,000 is from Comcast and $125,000 from AT&T) in FY 2018-19.

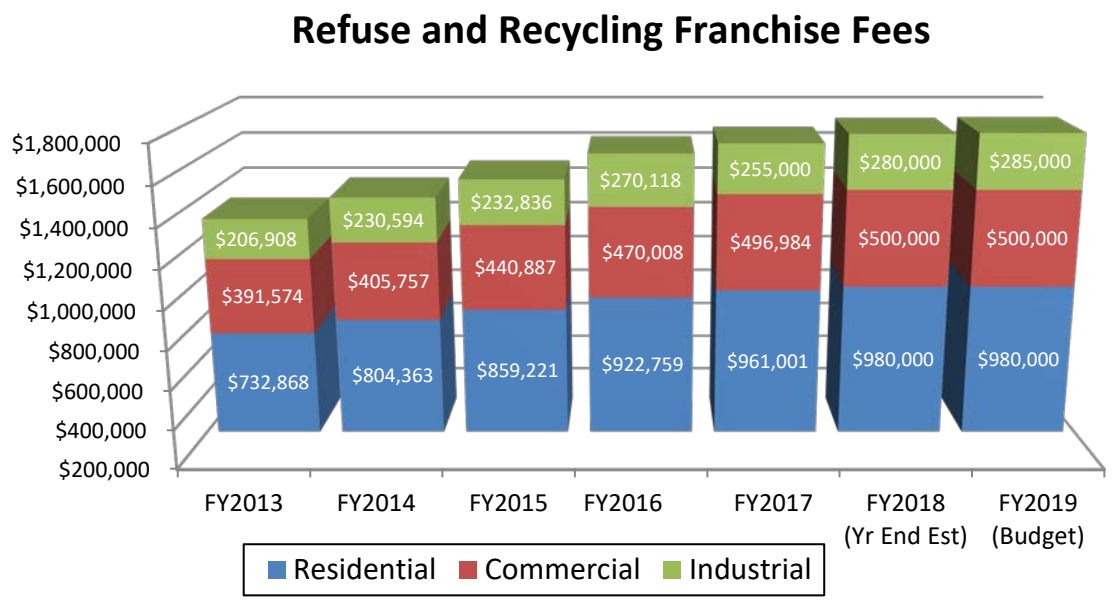


Franchise Fee from the Recycling Center & Transfer Station (RCTS)

Contra Costa Waste Service, Inc., the operator of the RCTS pays a Franchise Fee for the general benefit and to support City services. The franchise fee was $600,000 starting in FY1996-97 and adjusted by the consumer's price index (CPI) annually thereafter. Based on an annual CPI inflation factor of 3.0 percent, the City estimates franchise fees at $959,734 in FY 2018-19.

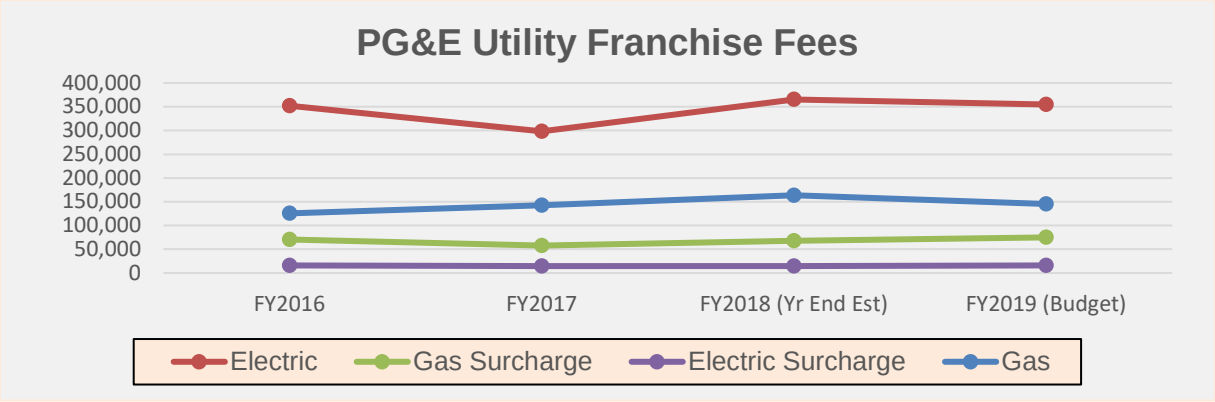
Franchise Fees on Refuse and Recycling

Pittsburg Disposal Service pays a Residential, Commercial, and Industrial Franchise Fee of 12 percent based on gross receipts. Based upon previously adopted rate increases by Pittsburg Disposal Service and increased growth of new developments and businesses within the City, their gross receipts have increased. City staff estimates franchise fees revenue to slightly increase to $1,765,000 in FY 2018-19 due to new development within the City.



Franchise Fees on Utilities

This Franchise Fee is paid by Pacific Gas & Electric Company for using City right-of-way for the transmission and distribution of electricity and natural gas to its customers. The Franchise Fee is a percentage of gross receipts; the Electricity Franchise is five percent (5%) and the Gas Franchise is one percent (1%). In addition, the City is paid a Surcharge on electricity and natural gas to replace Franchise Fees lost due to deregulation. Although demand is lower reflecting a nine percent (9%) decrease in FY 2016-17, California Public Utilities Commission (CPUC) approval to increase utility rates increased Pacific Gas & Electric Company reported gross income, resulting in an increase in the City's revenue in FY 2017-2018. City staff anticipates revenue to stay consistent at $591,000 in FY 2018-19.

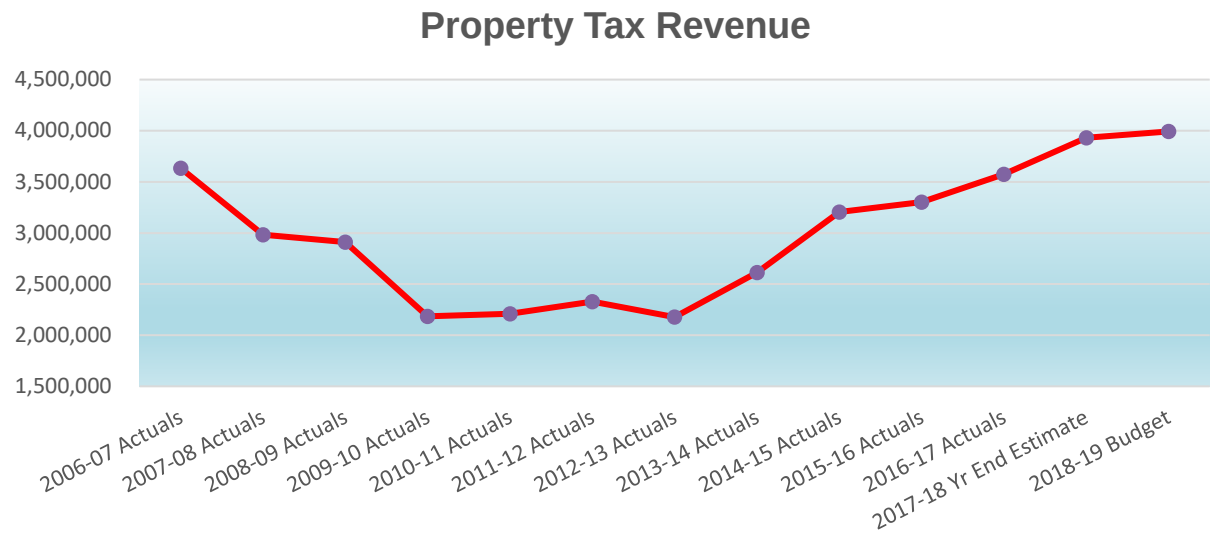


Investment Earnings

The City utilizes a strict cash management program to ensure that all available funds are invested to earn the maximum yield consistent with safety and liquidity. Investment income is subject to extreme fluctuation making it difficult to analyze and predict trends. The continued persistence of historically low interest rates has greatly reduced the City's ability to earn a strong investment return. Based on the recent interest rates earned on our investments, staff estimates FY 2018-19 to be $130,000.

Property Tax

Homes, businesses, and other taxable real and personal property are subject to a property tax rate of one percent of the assessed value. Assessed values are based on the 1975 property values with subsequent increases limited to two percent or CPI (Consumer Price Index), whichever is lower. However, when there is a transfer of property ownership, or when a new property is constructed, it is appraised at the current market value. The City of Pittsburg's tax rate, excluding the Pittsburg Successor Agency to the former Redevelopment Agency's project area, is approximately 15% of the property tax rate on secured, unsecured and unitary taxes that homeowners pay to the County.



However, over 70 percent of the City is within the Successor Agency to the former Redevelopment Agency project area, therefore the City received approximately $15 for every $100 in property tax collected.

The City's property taxes were severely reduced in the past due to the State's need to finance its own budget. Pittsburg property taxes shifted downward as a result of the passage of Educational Relief Augmentation Fund (ERAF) and AB 860. In recent years, we have seen a slight rise in property tax revenues attributable to increased property values as housing demand has picked up within the City, as well as the addition of several single-family and multi-family developments. With recent property values increasing, the number of adjustments and/or appeals to Property Assessment Value (AV) are expected to increase.

Based on the Property Assessment Value (AV) report from the county, City staff estimates property taxes to increase by two percent (2%), close to $4.0 million in FY 2018-19.

HISTORICAL GROSS ASSESSMENT VALUATION

Fiscal Year	Land	Improvements	Personal Prop	Gross	Prior Year Variance
FY2008-09	1,900,179,131	4,641,377,192	134,495,806	**$ 6,676,052,129**	
FY2009-10	1,368,193,784	4,249,265,527	130,709,789	**$ 5,748,169,100**	*-13.9%*
FY2010-11	1,291,970,726	4,261,648,442	139,832,660	**$ 5,693,451,828**	*-1.0%*
FY2011-12	1,212,412,953	4,256,357,435	141,090,919	**$ 5,609,861,307**	*-1.5%*
FY2012-13	1,165,223,630	4,223,853,661	137,267,135	**$ 5,526,344,426**	*-1.5%*
FY2013-14	1,255,042,127	4,347,436,227	128,832,623	**$ 5,731,310,977**	*3.7%*
FY2014-15	1,442,385,836	4,664,153,180	133,949,553	**$ 6,240,488,569**	*8.9%*
FY2015-16	1,605,095,513	4,888,258,096	125,511,128	**$ 6,618,864,737**	*6.1%*
FY2016-17	1,742,190,654	4,930,330,068	127,586,933	**$ 6,800,107,655**	*2.7%*
FY2017-18	1,920,471,203	5,170,256,626	114,841,147	**$ 7,205,568,976**	*6.0%*

Source: Contra Costa County Assessor

Property Transfer Tax

A transfer tax is imposed upon the transfer of real property. Pittsburg receives $0.55 per $1,000 of property value, which is the standard allowed under State law. Estimates are based on historical experience and market conditions. With high housing demand as well as increased housing values, the City experienced higher than normal transfer of real property in FY 2017-18. Actual transfer tax revenue is already at $508,000 compared to $195,000 in the same period last year. City staff estimates transfer tax revenue will be at its highest in FY 2017-18 and gradually slow down to $350,000 in FY 2018-19 as the housing market transfer rate stabilizes.

Police Fines/Fees

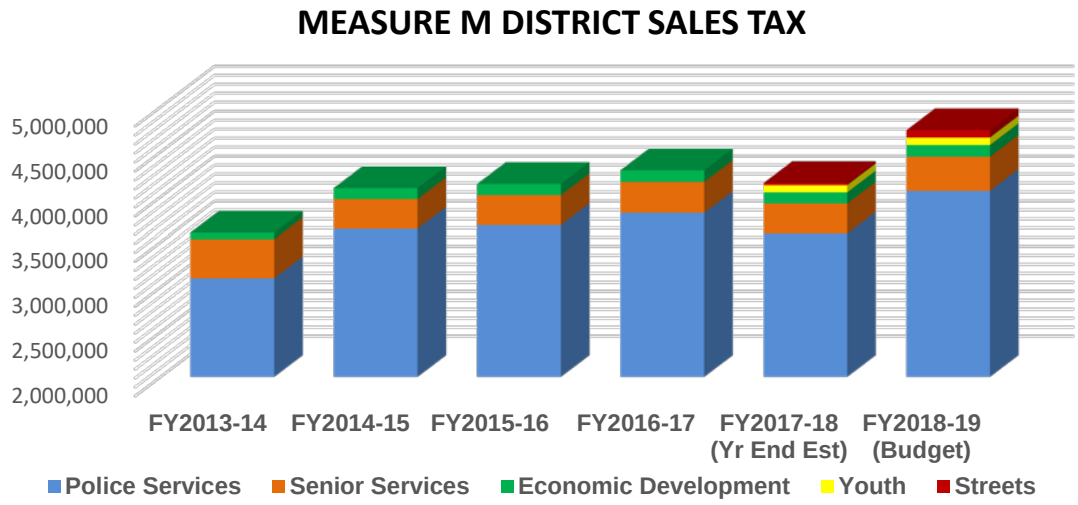
The Police Department's revenues are comprised largely from citations, moving violations, abandoned vehicle abatement, administrative citations and Proposition 172, the half-cent sales tax (Measure M) for public safety services. A smaller portion of the revenues are generated from fees for services which include document/report reproduction, research services, court appearances, vehicle inspections, and fingerprinting services. Because of the nature of these fees and how they are derived, it is difficult to predict the level of activity and revenues generated, therefore estimates are based on the prior year's projected receipts. City estimates revenue at $6.3 million in FY 2017-2018 and $6.7 million in FY 2018-2019 in administrative and support fees.

Recreation Program Fees

Recreational fees are charged to participants to cover the costs to provide the program services. Fees are charged for facility rentals, community events, Small World Park, youth activities, sports, aquatics, and recreation classes. Fee increases, if any, occur on July 1 and are based on the twelve-month average Consumer Price Index change for the San Francisco-Oakland-San Jose All Urban Workers. The City estimates program fees to generate $612,000 in revenue in FY 2018-19.

Sales Tax (Local Bradley Burns)

Sales tax is levied on goods and services at the point-of-sale. The Sales tax rate in Pittsburg is 8.75 percent, of which the City receives one percent. With the opening of All Star Hyundai dealership in 2017, and projected growth in service station gross sales as gasoline rates increases, revenue from sales tax are expected to increase from $8.3 million in FY 2017-18 to $9.0 million in FY 2018-19.

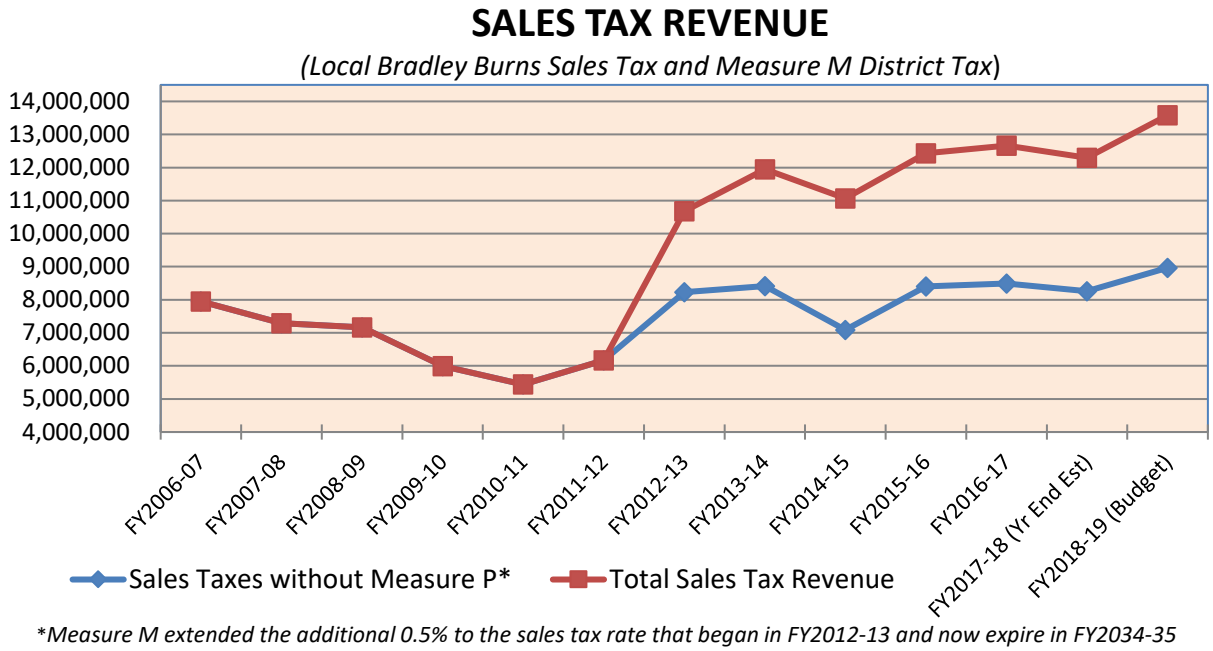


Measure M – Temporary District Sales Tax Increase

In June 2012, the voters approved Measure P a limited one-half percent sale and use tax to preserve essential services throughout the City. Measure P originally was to reduce to

one-quarter percent in FY 2017-18 and expire in FY 2022-23. In June 2016, the voters passed Measure M extending Measure P until June of 2035. Voters approved Measure M with 81.31% of the vote. Measure M will continue to support public safety, the Senior Center, jobs programs, road repair, youth services and services for victims of domestic violence within the City. Measure M require a Citizens Oversight Committee to report on the revenues and expenditures of the measures. Staff estimate revenue from Measure M at $4.1 million in FY 2017-18 with an increase to over $4.7 million in FY 2018-19.

Total revenues from both the Sales Tax and Measure M are projected to be approximately $13.6 million in FY 2018-19.



Measure M extended the additional 0.5% to the sales tax rate that began in FY2012-13 and now expire in FY2034-35

Transfer-In from other Funds

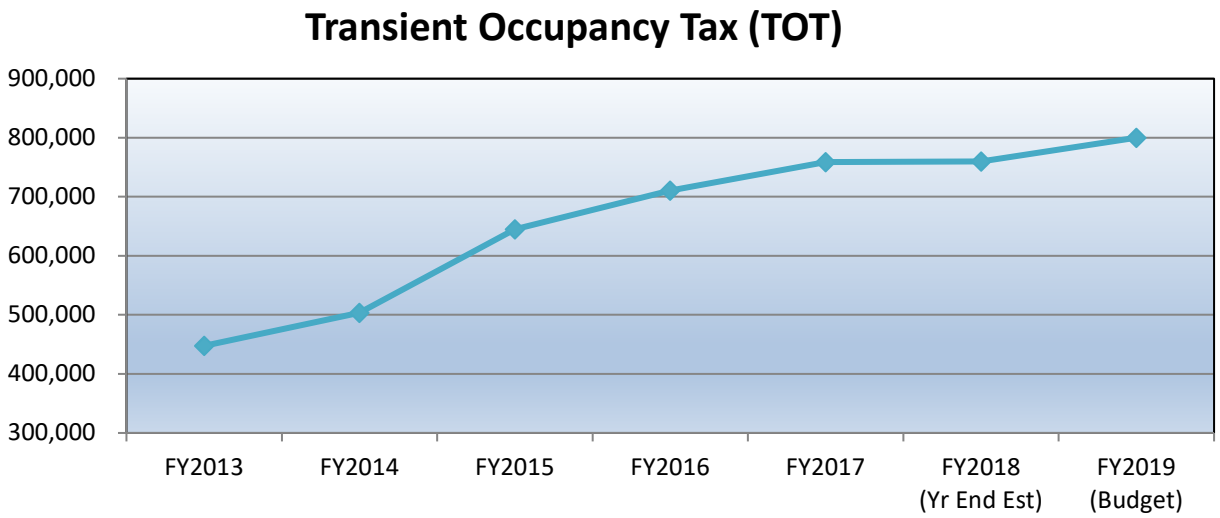
Transfers-In represent a transfer of cash from other funds to reflect the administrative support and other services provided by the General Fund. Examples would be Water and Sewer, Storm Water, Power, Island Energy, and miscellaneous Assessment District funds. Other transfers such as Gas Tax and Measure J reflect street related expenses incurred by the General Fund.

Transient Occupancy Tax (TOT or Hotel Tax)

The City of Pittsburg's Transient Occupancy Tax rate is currently ten percent (10%) and is paid by travelers staying at any of the City's four (4) hotels. This current rate was increased from eight percent to ten percent effective January 2012. TOT revenues saw major increases during the Highway 4 construction project between FY 2012-13 and FY 2015-16, when a new mid-sized Hampton Inn hotel opened in Pittsburg. On July 2017, the City secured a voluntary collection agreement with Airbnb to facilitate the reporting, collection and remittance of TOT on behalf of their registered hosts and short-rentals

within the City of Pittsburg. This accounts for approximately $8,000 in additional revenue annually.

Local hotels have continued to maintain a high occupancy rate after the construction project due to the demand in our region for temporary lodging. We project revenue to remain stable with modest increases in the next two years. The City estimates TOT revenues to come in at $760,000 in FY 2017-18 to just over $800,000 in FY 2018-19.



➢ MAJOR REVENUE SOURCES – INTERNAL SERVICE FUNDS

There are several internal services funds that were created to account for the cost and revenues of services provided to other City departments for which those departments are charged.

Building Maintenance Fund

The Building Maintenance Division of the Department of Public Works maintains and oversees maintenance and service contracts for all City owned buildings. User charges are applied to the respective City departments, based on square footage, to provide the revenues to support the building maintenance functions, as well as to plan for future maintenance costs.

Fleet Maintenance Fund

The Fleet Maintenance Division provides maintenance of the City's vehicle and equipment fleet. User charges are applied to the respective City departments, based on the number of vehicles and usage, to provide the revenues to support this function.

Other Post-Employment Benefits (OPEB) Fund

The OPEB Fund provides for centralized accounting and funding of Retiree Medical expenses for the current year and funding for future years to reduce the long-term retiree health benefit liability. Each department contributes to this fund based on the number of employees.

Fringe Benefit Fund

The Fringe Benefit Fund provides for centralized accounting and funding of employee benefits including vacation buy back, termination payouts, Workers Compensation, dental and unemployment insurance and other miscellaneous benefit administration costs. Each department contributes to this fund based on salary percentage.

General Liability Insurance Fund

The General Liability Insurance Fund provides a centralized funding mechanism to pay the City's insurance premiums, liability claims, and deductible expenses. The City procures insurance through Municipal Pooling Authority (MPA). Charges to City departments are based on salary percentage and claims received.

Information and Communications Fund

Centrally budgeted for the operation, maintenance and replacement of the Citywide network infrastructure, telephone, computer equipment and other hardware and software needs. User charges are applied to the other departments based on infrastructure usage.

➢ MAJOR REVENUE SOURCES – ENTERPRISE FUNDS

The City's Enterprise Funds account for the acquisition, operation and maintenance of government facilities and services which are entirely self-supported through user charges.

Marina Fund

Pittsburg's Marina is divided into three distinct harbors with a total of 649 berths; 274 are covered berths. The Marina is self-sufficient generating all its revenues through the use of its berthing facilities and the sale of gasoline. The annual operation of the Marina Fund generates approximately $2 million in gross revenue and $2 million in operating expenses.

Pittsburg Power and Island Energy Funds

The Pittsburg Power Company (PPC) is a municipal utility formed under the California Constitution. PPC does business in the City of Pittsburg and as Island Energy on Mare Island located in Vallejo, California. PPC develops revenue streams for the City of Pittsburg while retaining existing businesses and attracting new business.

Island Energy distributes natural gas and electricity to the industries, schools, businesses and residents on Mare Island. Island Energy's focus is to build capital asset value and income for the City of Pittsburg as Mare Island is redeveloped over time. The estimated gross revenue in FY 2018-19 is $6.0 million of which $5.0 million is revenue from the electric operation.

Sewer Operating Fund

The City maintains the collection system that transports sewage to the treatment plant at Delta Diablo Sanitation District. The City charges water customers a fee to cover the cost to operate and maintain the system. The monthly sewer charge for a residential family is a flat fee. The non-single family and non-residential fees are based on a flat fee multiplied by their water consumption. The City's sewer fees have remained the same since March 2014. The annual operation of the Sewer Fund is estimated to generate approximately $5.1 million in gross revenue and $3.7 million in operating expenses in FY 2018-19. Excess annual revenues over operating expenses are utilized to maintain and update the infrastructure of the system through capital projects.

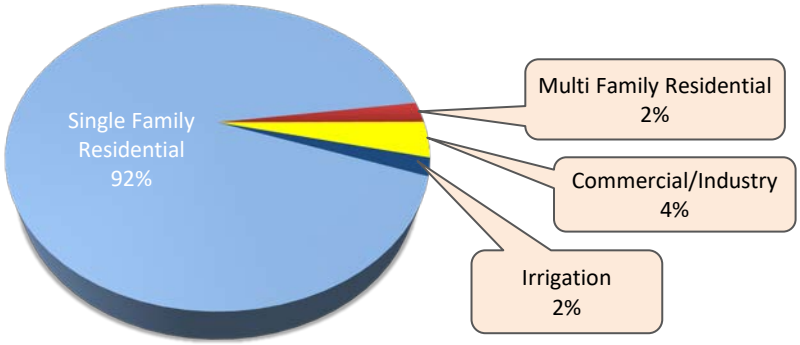
Waterfront Operations Fund

The Waterfront Operations Department manages existing Trust Land leases, negotiating expired Trust Lands leases, and identifying un-leased areas for which Trust Lands leases are required. Staff estimates lease revenue at $1.5 million in FY 2018-19.

Water Operating Fund

The City operates and maintains its own water treatment plant. The City charges water customers fees for water usage to cover the cost to procure water as well as operate and maintain the City's water system. Currently the City provides water service to approximately 18,741 customers of which 92 percent (17,250) of these accounts are for residential locations. The annual operation of the Water Fund generates approximately $20.9 million in gross revenue and $17.3 million in operating expenses. Excess annual revenues over operating expenses are utilized to maintain and update the infrastructure of the system through capital projects.

WATER ACCOUNT BY CUSTOMER TYPE



Water and Sewer Facility Reserve Charge Funds

A Facility Reserve Charge (FRC) or development impact mitigation fee is a charge to pay for public facilities in existence at the time the charge is imposed and to serve new development, or to pay for new facilities that will be of benefit to the person or property being charged (new development or upgrades to existing meter capacity). FRCs are intended to recover a portion of the City's Capital Improvement Program costs and utility rate payers' prior investment in capital facilities that support land development through utility system expansion prior to new development.

The city has separate FRCs for both the water and sewer utilities. However, the development of FRC unit costs for the water and sewer utilities is very similar and addresses the same fundamental concerns. The payment of appropriate FRCs should:

1) Recoup the cost of new utility facilities that are necessary to provide utility services to new development, or
2) Recoup the value of utility facilities that have been previously provided for by ratepayer investment through construction, maintenance and rehabilitation and are now available for use by new developments.

The City has established separate funds to account for the water and sewer facility reserve charges.

➢ MAJOR REVENUE SOURCES – SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The City has several special revenue funds: Citywide Lighting and Landscape District, Oak Hills Lighting and Landscape District, National Pollutant Discharge Elimination System (NPDES) Storm Water, Geological Hazard Abatement District (GHAD), Community Development Block Grant (CDBG), San Marco Community Facilities District (CFD 2004-01), Vista del Mar Community Facilities District (CFD 2005-2), Public Safety Community Facilities District (CFD 2005-1), Park Maintenance Community Facilities District (CFD 2007-1), Gas Tax, Measure C and M, Railroad Avenue Community Facilities District (CFD 2014-1) Park Dedication, Traffic Mitigation, Kirker Creek Drainage, Inclusionary Housing, Traffic Impact Fair Share, Economic Development and the Budget Stabilization Fund. The following defines several of the City's larger Special Revenue Funds:

Budget Stabilization Fund

This Budget Stabilization Fund (BSF) was established by the City Council on October 18, 2004 which shall provide the City a cushion to help absorb costs during economic downturns and/or budget shortfalls. The BSF must maintain a minimum balance of $2,000,000 or five percent (5%) of the city's general fund operating expenses, whichever is greater but no more than $7,500,000 or 25 percent of the annual city's general fund operating expenses, whichever is greater. One-time revenues and projected recurring revenues that exceed ten percent (10%) or more from previous fiscal years are deposited into the fund. Appropriations from the Budget Stabilization Fund require a majority vote of the City Council.

Economic Development Fund

During FY 2004-05, the City Council adopted Resolution No. 02-9703 that transferred $6 million from the General Fund reserve to the newly created Economic Development Fund to provide financing for economic development activities within the City. The Economic Development Fund is funded through the Business Improvement District Tax (BID) collected on business license applications, an allocation of two and three quarters percent (2.75%) of the City's Measure M proceeds for FY 2018-19, and from rental income. The operating revenue which includes a $150,000 transfer from the Pittsburg Power Company is estimated at $449,763 in FY 2018-19.

Citywide Lighting and Landscape District

In 1988 the City established a Citywide Assessment District 1988-01 to fund the following services:

- Park maintenance, including park-related structures (restrooms, park facilities)

- Street median and right-of-way landscaping maintenance
- Street tree maintenance
- Sidewalk repair related to street tree damage only
- Street light energy maintenance and replacement costs

In June 2007, voters approved the $25 per benefit factor for each residential land use, resulting in a total assessment of $102.18 per residential unit and $77.18 for commercial, institutional, churches, parking lots and nonprofit parcels. Assessment collections average at $2.9 million annually.

Lighting and Landscaping - Oak Hills Assessment District

In 1988 the City established a Citywide Assessment District 1988-02 Oak Hills to fund the following services:

- Right-of-way landscaping maintenance
- Street tree maintenance
- Sidewalk repair related to street tree damage only
- Street light energy maintenance and replacement costs

The assessment per benefit factor is $77.18. There are 440 single family parcels in the district. The assessments collected are estimated to be $33,959 for FY 2018-19.

Gas Tax Fund – Highway Users Tax Account (HUTA)

The State of California imposes per-gallon excise taxes on gasoline and diesel fuel, sales taxes on gasoline and diesel fuel and registration taxes on motor vehicles with allocations dedicated to transportation purposes. These allocations and grant monies are to be used for the maintenance, repair, and design of streets. The use of gas tax funds is restricted to street expenditures by State and Federal legislation.

Revenue from the motor vehicle fuel taxes imposed are allocated under the following:

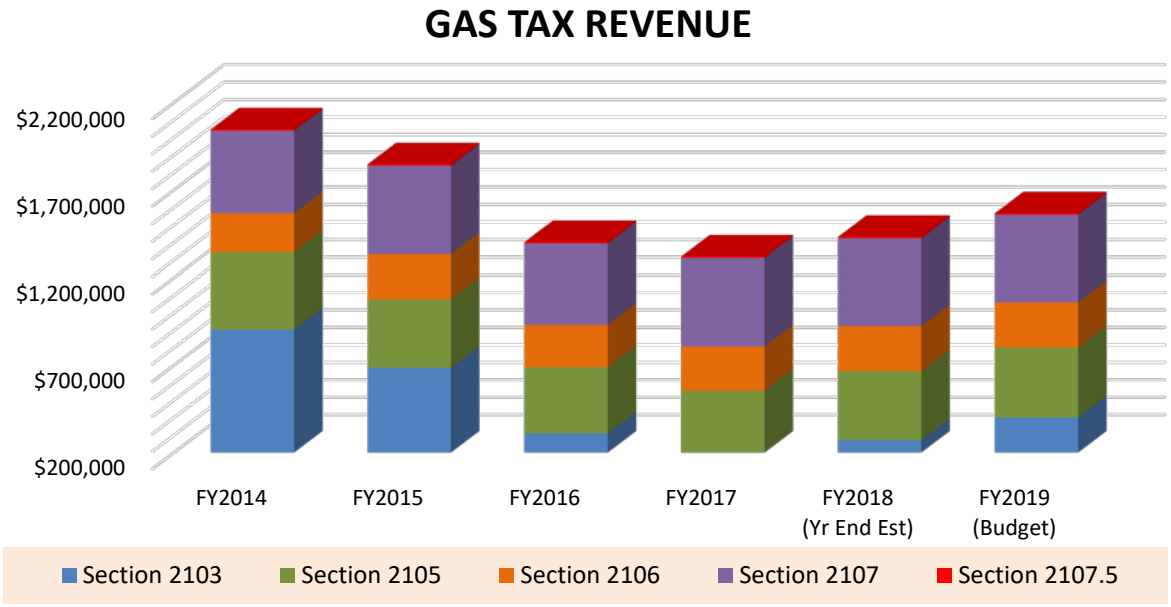
Section 2103 - Beginning in FY 2010-11, Section 2103 was added to allocate funds from a new motor vehicle fuel excise tax that replaced previous city and county allocations from the Proposition 42 sales tax on gasoline. Section 2103 is known as the "fuel tax swap of 2010". The funds are allocated to cities on a per capita basis and to counties based on the proportion of registered vehicles and maintained county road miles.

Section 2105 – Allocates 11.5 percent of the tax revenues in excess of 9 cents per gallon monthly among cities based on population.

Section 2106 – Revenues equal to 1.04 cents per gallon are allocated as follows:

- $7.2 million per year to the State Bicycle Transportation Account
- $400 per month to each city
- $800 per month to each county
- The residual amount to each county and cities based on registered vehicles.

Section 2107 – Monthly allocations to cities of $1.315 cents per gallon of gasoline, $1.8 cents per gallon of diesel, and $2.59 per liquefied petroleum gas.



Section 2107.5 – Funds are allocated to cities annually in July based on population. Funds must be used for engineering costs and administrative expenses related to city streets.

Based on projections from California League of Cities, City staff estimate gas tax revenue to increase from $1.4 million in FY 2017-18 to $1.6 million in FY 2018-19.

Gas Tax Fund – Road Maintenance and Rehabilitation Account (RMRA)

Road Maintenance and Rehabilitation Account (RMRA) was enacted under the Road Repair and Accountability Act of 2017 also known as SB1. Announced on March 29, 2017, the Act increased the gasoline excise tax by $0.12 cents per gallon and $0.20 cents per gallon to the diesel fuel excise tax effective November 1, 2017, in addition to other vehicle registration tax and fee increases that became effective in January 1, 2018. Unlike the HUTA funds, SB1 revenues must be used for road maintenance projects and contain specific accountability and reporting requirements. Since this is a new source of revenue, subject to legal challenges, including a recall measure expected to be on the November 2018 ballot the City has only estimated $1.1 million in revenue in FY 2018-19.

Housing Authority Fund

The Federal Housing and Urban Development Department (HUD) provides housing vouchers to eligible low-income families, the elderly, and the disabled allowing them to afford decent, safe, and sanitary housing in the private market.

HUD also provides housing vouchers to homeless veterans participating in the HUD Veterans Affairs Supportive Housing (VASH) Program. The HUD-VASH program combines the HUD Housing Choice Voucher rental assistance for homeless veterans with the case management and clinical services provided by the Department of Veterans Affairs (VA) at its medical centers in the community. The City's Housing Authority manages the HUD system and is reimbursed for vouchers issued by HUD. Additional information regarding the housing authority revenue assumptions can be found in the Overview Section labeled Housing Authority 7-Year Forecast and Balancing Plan.

Kirker Creek Drainage Fund

The City collects fees from developers of properties that are within the Kirker Creek Watershed Drainage Area. These fees are deposited into a separate special revenue fund to be expended solely for land acquisition, construction, engineering, administration, repair maintenance and operating of planned drainage facilities within the drainage area, or to reduce the principal or interest of any bonded indebtedness of the drainage area.

Measure J Fund

In 1988, the Contra Costa County voters approved a one-half cent sales tax called Measure C for the purpose of funding transportation projects within the County. The imposition of the sales tax expired 03/31/2009 and was replaced with Measure J. This measure allocates sales tax to cities within the County based on population and road mileage. These funds may be used only for transportation and transit related projects. Staff estimates allocations from the county at $809,000 in FY 2017-18 and $833,000 in FY 2018-19.

National Pollutant Discharge Elimination System (NPDES)

NPDES is a joint effort of the Planning, Engineering and Public Works departments through the Contra Costa County Clean Water Program. Since 1993, the City has worked with Contra Costa County, Contra Costa County Flood Control and Water Conservation District and 15 other cities in the county to meet federal mandates for minimizing pollutants in storm water runoff.

Revenues are used to fund its pro-rata share of the Clean Water Program's staffing and overhead costs as well as local level activities necessary to comply with provisions of the joint Municipal Regional Permit (MRP). Contra Costa County collects a property assessment of $30 per Equivalent Runoff Unit each year on behalf of the City to fund its clean water activities. The fee cannot be increased without a two-thirds majority vote of property owners. Revenue is estimated to be at $1.1 million in FY 2018-19.

Park Maintenance Community Facility District (CFD 2007-1)

The Park Maintenance CFD 2007-1 is dedicated to enhancing the quality of life for the citizens and visitors of the District and provides a level of grounds care and customer service that promotes a positive community image. There are a total of 1,316 parcels in the district. In FY 2018-19 revenues are estimated to be $80,355 with maximum special tax rate per residential unit of $61.06.

Public, Education & Government Fees (PEG)

The California Public Utility Commission (CPUC) administers certain provisions of the state franchises under the Digital Infrastructure and Video Competition Act (DIVCA). Some areas of DIVCA are administered by the City, specifically, the collection of franchise fee, PEG issuance, and enforcement of customer service standards. Each state franchise holder shall remit to the City a fee to support PEG channel facilities in the amount of one percent of the gross revenues of the state franchise holder. Revenues collected shall be only expended for the purpose of supporting PEG channel facilities. The City receives one percent on gross receipts from Comcast Cable and AT&T U-Verse. The City anticipate receiving $138,000 from Comcast and $25,000 from AT&T in FY 2018-19.

Park Dedication Fee Fund

The City collects Park Dedication Fees in lieu of land from developers of properties and deposits these monies in this separate special revenue fund. These funds may be used for the design, development and construction of new parks or the expansion and rehabilitation of existing parks within the City.

Railroad Avenue Specific Plan Area Community Facilities District (CFD 2014-1)

On March 3, 2014, the City Council adopted the formation of the Railroad Avenue Specific Plan Area CFD 2014-1. This is a one-time special tax to finance the construction of a Bay

Area Rapid Transit (BART) station at the intersection of Railroad Avenue and Highway 4. This levy will also include the acquisition and development of certain public facilities in and for the City which includes roadway widening and construction of pedestrian and bicycle pathways, public transportation improvements, bicycle facilities and public parking, construction of a plaza and streetscape as well as installation of public art. The special levy tax rate ranges from $660/unit to $2,000/unit based on tax zone for residential properties and $0.49/square foot to a maximum of $1.50/square foot based on tax zone for non-residential properties. Effective July 1, 2014 and each July thereafter, these rates shall be increased by 2% annually. City staff estimates revenue to be at $73,000 in FY 2018-19.

The BART Pittsburg Center station opened on Memorial Day weekend 2018 and is located in the center of Railroad Avenue and Highway 4. It is anticipated that the opening of the Pittsburg Center station will help to alleviate traffic congestion on Highway 4 and jump start development around the station.

Southwest Pittsburg GHAD II

On February 20, 2001 the City Council created the Southwest Pittsburg Geological Hazard Abatement District II (GHAD) as a separate legal entity from the City to provide maintenance of slopes in the open space areas of Southwest Pittsburg. Funding for the GHAD is provided through assessment fees levied on the property taxes of the homes built in the hillside areas. Of the approximately 2,401 parcels included in the district, most are single-family units under two acres in Oak Hills and San Marco and are assessed

$242.82 per year. Detached single-family unit parcels located in the Vista Del Mar subdivision are assessed $419.62 per year. This fund centralizes the accounting for the revenues and expenses associated with GHAD as required by law. Staff estimates revenue to come in at $849,113 in FY 2017-18 and $880,000 in FY 2018-19.

San Marco Community Facilities District (CFD 2004-1)

On June 7, 2004 the City Council approved the formation of the San Marco CFD 2004-1 to provide police services to the surrounding area. There is a total of 1,045 units (284 units = 1 parcel) in the district. Staff estimates revenue to be $939,481 during FY 2018-19, with a maximum special tax rate of $643.48 per unit.

Solid Waste Fund

Under the Recycling Center and Transfer Stations (RCTS) operating agreement with the Contra Costa Waste Service, Inc., the City receives a Recycling and Inspection Fee of a flat rate ($1.83/ton effective October 2017) plus annual CPI adjustment on all solid waste and recycled material accepted at the transfer station. Solid Waste Management creates and implements programs and services for schools, City offices, businesses and the community by promoting waste prevention, reuse and recycling to meet the state-mandated, AB 939 (50 percent waste diversion requirements leading to the eventual 'zero-waste' formula). With a slight increase anticipated in tonnage (approximately 312,000 tons) next year, City staff expects solid waste recycling and inspection fee revenue of $540,000 for FY 2018-19.

Vista Del Mar Community Facilities District (CFD 2005-2)

On September 19, 2005 the City Council approved the formation of the Vista Del Mar CFD 2005-2. The authorized services funded by the special tax revenue include police protection services for the residents within the CFD. There is a total of 518 residential parcels. Staff estimates revenue in the amount of $333,323 for FY 2018-19 with a maximum special tax rate per residential unit of $643.48.

Public Safety Community Facilities District (CFD 2005-1)

On August 1, 2005 the City Council approved the formation of the Public Safety Services CFD 2005-1 to provide funding for public safety services to residents and businesses within the District. There is a total of 615 residential and non-residential parcels. Staff estimates revenues to be $464,247 for FY 2018-19, with maximum special tax rates per residential unit of $643.48 and $1,286.96 per acre for non-residential.

➢ MAJOR REVENUE SOURCES – FIDUCIARY FUNDS

Successor Agency to the Former Pittsburg Redevelopment Agency - Redevelopment Obligation Retirement Fund

AB1X 26, adopted in June 2011, required redevelopment agencies to be dissolved and replaced with Successor Agencies responsible for winding down the affairs of the redevelopment agencies including disposing of their assets. The City is the Successor Agency to the former Pittsburg Redevelopment Agency. Successor Agencies must adopt Recognized Obligation Payment Schedules (ROPS) annually that identify enforceable obligations consisting of bonds, loans, payments required by governments (except pass-through payments), court judgments and settlements, legal contracts and agreements and contracts necessary for continued administration.

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➢ General Fund 7-Year Balancing Plan and 20-Year Forecast

In 2004, the City Council established a Budget Stabilization Fund (BSF) to assist with balancing the City's Funds, but primarily the City's General Fund, in the event revenues decline or the City experiences unexpected and/or uncontrollable cost escalations due to changes in the economy. When the BSF was established, Council ensured funding by requiring one-time General Fund monies be deposited into the BSF. Again, in 2012 and 2017, Council made modifications affecting the BSF by implementing and updating the Financial Sustainability Ordinance (FSO). These requirements ensure that the City's General, Infrastructure Repair and Replacement, Internal Service, and Enterprise Funds be structurally balanced enough to maintain a 30% minimum reserve balance and the BFS must also maintain a minimum of $2,000,000 or five percent (5%) of the General Funds operating expenses by the end of FY 2017-18. At the end of FY 17-18, all funds subject to the FSO will have met these requirements. The City's ability to meet these requirements required consistent attention to the fiscal health of the City and this attention will continue.

The initial 7-Year General Fund Balancing plan ends in FY 2017-18. The 7-Year General Fund Balancing Plan and the 20-year Forecast has been a great tool for Management and Council to develop current fiscal year budgets while establishing longer-range forecasts that incorporate anticipated fluctuations of revenues and expenditures over the next 20 years. Council and staff are aware of the continuing need to balance providing services while controlling costs and will continue to utilize this forecast model to address the City's fiscal projections. The accompanying 20-year forecasts utilizes the latest information from both external experts and staff to project revenues and expenditure impacts on the General Fund.

Major assumptions used to develop long-term forecasts are as follows:

Revenue Assumptions	**Expenditure Assumptions**
• Annual Increase in Operating Revenues of 2% • Administrative recoveries grow by 1% annually • Increases in Housing, Commercial and Industrial revenues starting in FY 19-20 • Measure M sales tax revenues will expire June 2035 • RDA pass-through will end in FY 2029-30, offset by additional property taxes in FY 2030-31 • New Rental and Hotel TOT income starting in FY 2019-20 • Transfers-In for Public Safety CFD revenue will start in FY 2018-19. A comparison is shown on the forecast to illustrate what the effect would have been in FY 2017-18 for comparative purposes.	• Salary increases for 18-19 & 19-20 are shown based upon the current Sworn MOU. All other bargaining groups are currently under negotiations. • Salary increases beyond FY 2019-20 at shown at a 1% increase thereafter • Salary Savings – 3.5% vacancy rate used compared to prior year's 3.0% based upon prior experience • PERS liability prefunding of $251,009 was established in FY 2018-19 and the OPEB prefunding liability continues at $200,000/year • Other Expenses – average increase of 2% annually

City of Pittsburg 20-year General Fund Forecast	FY 2017-18 General Fund YE Projections	FY 17-18 CFD's YE Projections[1]	General Fund and CFD's Combined YE Estimate FY 2017-18[1]	FY 2018-19	FY 2019-20
Annual Revenues					
Taxes - Property, Sales, TOT, Franchise, Vehicle and Other	27,478,855	-	27,478,855	28,882,525	29,432,967
Fees, Intergovernmantal, Fines and Interest Earnings	5,713,613	-	5,713,613	5,881,087	5,940,245
Transfers-in from Other City Funds to fund administration and other General Fund services	3,697,682	1,606,807	5,304,489	4,706,237	4,956,992
Adminstrative and Other Revenues	3,816,722	-	3,816,722	3,768,005	3,796,323
RDA Pass-through Payments	606,070	-	606,070	487,808	497,564
Total Annual Revenues	41,312,942	1,606,807	42,919,749	43,725,662	44,624,091
Potential New or Limited Revenues					
Police Grants	362,374	-	362,374	230,000	-
Developer Agreements/City Property Lease Revenues	-	-	-	-	50,000
New Hotel TOT	-	-	-	-	98,550
Increased Revenues from Commercial and Industrial Development	-	-	-	-	328,837
Increased Property Taxes from Housing Development Projects	-	-	-	-	-
Total Potential New Revenues	362,374	-	362,374	230,000	477,387
Total Revenues	41,675,316	1,606,807	43,282,123	43,955,662	45,101,477
Annual Expenses					
Salaries - Non-sworn	5,668,527	-	5,668,527	6,848,775	7,019,994
Salaries - Sworn	8,830,814	661,408	9,492,222	10,103,193	10,355,773
Salaries - Part-time combined	952,567	-	952,567	788,871	796,760
Salaries - Overtime combined	1,444,261	95,353	1,539,614	1,076,537	1,076,537
Salaries - Step Increases & Other Adjustments combined	-	-	-	-	125,000
Vacancy Rate/Attrition Savings	(437,005)	-	(437,005)	(774,246)	(860,351)
Pension - Non-Sworn	842,726	-	842,726	996,324	1,288,400
Pension - Sworn	2,403,692	190,822	2,594,514	2,953,347	3,050,020
Health Care (combined)	2,167,030	93,146	2,260,176	2,715,016	2,891,492
FICA & Medicare (combined)	658,141	10,757	668,898	733,742	755,754
CCCERA Liability and Pension Bonds	2,790,440	123,637	2,914,077	3,007,671	3,024,558
Contractual and Professional Services	3,458,599	-	3,458,599	3,268,098	3,333,460
Building Maintenance and Reserves	1,449,839	-	1,449,839	1,547,498	1,577,648
Retiree Health	1,107,276	49,429	1,156,705	1,071,822	1,146,850
Information Systems	790,214	-	790,214	705,643	719,756
PERS and OPEB Liability Reduction	200,000	14,982	214,982	451,009	451,009
Other Expenses	9,710,717	130,264	9,840,981	9,154,534	9,361,879
Total Annual Expenses	42,037,838	1,369,798	43,407,636	44,647,834	46,114,538
Proposed Adjustments					
Use of General Fund Reserves	-	-	-	(692,172)	(1,013,061)
New Revenues or (Reductions) Not Yet Identified			-		
New Revenues or (Reductions) Not Yet Identified			-		
New Revenues or (Reductions) Not Yet Identified			-		
New Revenues or (Reductions) Not Yet Identified	-	-	-	-	-
Total Proposed Adjustments	-	-	-	(692,172)	(1,013,061)
Total Annual Expense + Proposed Adjustments	42,037,838	1,369,798	43,407,636	43,955,662	45,101,477
Surplus/(Deficit) (Revenues - Expenditures)	(362,522)	237,009	(125,513)	0	0
General Fund Reserve Balance	14,797,118			14,572,118	14,497,118
General Fund Reserve held in Property	-			-	-
Total General Fund Reserve	14,797,118			14,572,118	14,497,118
Total General Fund Reserve as a percentage of Annual Expenses (30% minimum)	35.2%			32.6%	31.4%
Available Balance of Budget Stablization Fund (BSF)	2,109,078			2,334,078	2,409,078
BSF as a Percentage of Annual Expenses (5% minimum)	5.02%			5.23%	5.22%
Indicates significant change		1 - Not subject to reserve requirements			

City of Pittsburg 20-year General Fund Forecast	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Annual Revenues					
Taxes - Property, Sales, TOT, Franchise, Vehicle and Other	30,056,411	30,685,612	31,280,849	31,888,125	32,507,692
Fees, Intergovernmantal, Fines and Interest Earnings	6,000,297	6,061,265	6,123,168	6,186,026	6,249,861
Transfers-in from Other City Funds to fund administration and other General Fund services	5,204,316	5,367,740	5,545,800	5,737,862	5,727,437
Adminstrative and Other Revenues	3,824,878	3,853,671	3,882,705	3,911,981	3,941,503
RDA Pass-through Payments	507,515	517,666	528,019	538,579	549,351
Total Annual Revenues	45,593,418	46,485,954	47,360,540	48,262,574	48,975,844
Potential New or Limited Revenues					
Police Grants	-	-	-	-	-
Developer Agreements/City Property Lease Revenues	131,162	215,669	219,098	222,612	226,214
New Hotel TOT	295,650	394,200	402,084	410,126	418,328
Increased Revenues from Commercial and Industrial Development	482,413	492,062	643,103	235,965	314,084
Increased Property Taxes from Housing Development Projects	63,833	102,021	211,745	281,451	293,352
Total Potential New Revenues	973,059	1,203,951	1,476,030	1,150,154	1,251,979
Total Revenues	46,566,476	47,689,906	48,836,570	49,412,727	50,227,823
Annual Expenses					
Salaries - Non-sworn	7,090,194	7,161,096	7,232,707	7,305,034	7,378,085
Salaries - Sworn	10,459,331	10,563,924	10,669,563	10,776,259	10,884,021
Salaries - Part-time combined	804,727	812,775	820,902	829,111	837,402
Salaries - Overtime combined	1,076,537	1,076,537	1,076,537	1,076,537	1,076,537
Salaries - Step Increases & Other Adjustments combined	127,500	130,050	132,651	135,304	138,010
Vacancy Rate/Attrition Savings	(881,861)	(896,143)	(910,996)	(926,416)	(942,507)
Pension - Non-Sworn	1,471,580	1,623,913	1,765,258	1,890,097	2,005,408
Pension - Sworn	3,586,844	4,065,568	4,569,945	4,913,160	5,542,414
Health Care (combined)	3,079,439	3,279,603	3,492,777	3,719,807	3,961,595
FICA & Medicare (combined)	778,427	801,780	825,833	850,608	876,126
CCCERA Liability and Pension Bonds	3,059,299	3,095,426	3,172,948	3,211,260	3,250,448
Contractual and Professional Services	3,400,129	3,468,132	3,537,494	3,608,244	3,680,409
Building Maintenance and Reserves	1,608,401	1,639,769	1,671,764	1,704,400	1,737,688
Retiree Health	1,227,129	1,313,028	1,404,940	1,503,286	1,608,516
Information Systems	734,151	748,834	763,811	779,087	794,669
PERS and OPEB Liability Reduction	451,009	451,009	451,009	451,009	451,009
Other Expenses	9,581,517	9,734,607	9,969,002	10,212,034	10,464,085
Total Annual Expenses	47,654,353	49,069,907	50,646,147	52,038,821	53,743,916
Proposed Adjustments					
Use of General Fund Reserves	(1,087,877)	-	-	-	-
New Revenues or (Reductions) Not Yet Identified		(1,000,000)	(1,500,000)	(1,500,000)	(1,500,000)
New Revenues or (Reductions) Not Yet Identified		-	-	-	(1,500,000)
New Revenues or (Reductions) Not Yet Identified		-	-	-	-
New Revenues or (Reductions) Not Yet Identified	-	-	-	-	-
Total Proposed Adjustments	(1,087,877)	(1,000,000)	(1,500,000)	(1,500,000)	(3,000,000)
Total Annual Expense + Proposed Adjustments	46,566,476	48,069,907	49,146,147	50,538,821	50,743,916
Surplus/(Deficit) (Revenues - Expenditures)	(0)	(380,001)	(309,577)	(1,126,094)	(516,093)
General Fund Reserve Balance	14,422,118	13,967,117	13,582,540	12,381,447	11,765,354
General Fund Reserve held in Property	-	800,000	1,750,000	3,400,000	4,550,000
Total General Fund Reserve	14,422,118	14,767,117	15,332,540	15,781,447	16,315,354
Total General Fund Reserve as a percentage of Annual Expenses (30% minimum)	30.3%	30.1%	30.3%	30.3%	30.4%
Available Balance of Budget Stablization Fund (BSF)	2,484,078	2,559,078	2,634,078	2,709,078	2,809,078
BSF as a Percentage of Annual Expenses (5% minimum)	5.21%	5.22%	5.20%	5.21%	5.23%
Indicates significant change					

City of Pittsburg 20-year General Fund Forecast	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Annual Revenues					
Taxes - Property, Sales, TOT, Franchise, Vehicle and Other	33,139,805	33,784,724	34,442,715	35,114,050	35,799,007
Fees, Intergovernmantal, Fines and Interest Earnings	6,314,694	6,380,547	6,447,445	6,515,409	6,584,464
Transfers-in from Other City Funds to fund administration and other General Fund services	5,840,029	5,958,726	6,049,112	6,190,549	6,518,794
Adminstrative and Other Revenues	3,971,272	4,001,290	4,031,560	4,062,084	4,092,865
RDA Pass-through Payments	560,338	571,545	582,976	594,635	606,528
Total Annual Revenues	49,826,138	50,696,832	51,553,808	52,476,727	53,601,658
Potential New or Limited Revenues					
Police Grants	-	-	-	-	-
Developer Agreements/City Property Lease Revenues	229,906	233,691	237,570	241,546	195,622
New Hotel TOT	426,695	435,229	443,933	452,812	461,868
Increased Revenues from Commercial and Industrial Development	328,766	343,741	359,016	374,596	559,488
Increased Property Taxes from Housing Development Projects	378,894	465,291	552,551	689,498	930,887
Total Potential New Revenues	1,364,261	1,477,951	1,593,071	1,758,453	2,147,865
Total Revenues	51,190,399	52,174,784	53,146,879	54,235,180	55,749,524
Annual Expenses					
Salaries - Non-sworn	7,451,865	7,526,384	7,601,648	7,677,664	7,754,441
Salaries - Sworn	10,992,862	11,102,790	11,213,818	11,325,956	11,439,216
Salaries - Part-time combined	845,776	854,234	862,777	871,404	880,118
Salaries - Overtime combined	1,076,537	1,076,537	1,076,537	1,076,537	1,076,537
Salaries - Step Increases & Other Adjustments combined	140,770	143,586	146,457	149,387	152,374
Vacancy Rate/Attrition Savings	(959,164)	(976,532)	(994,614)	(1,013,454)	(1,033,133)
Pension - Non-Sworn	2,098,152	2,192,277	2,288,321	2,384,745	2,483,089
Pension - Sworn	5,861,419	6,184,884	6,510,830	6,840,383	7,173,463
Health Care (combined)	4,219,098	4,493,340	4,785,407	5,096,458	5,427,728
FICA & Medicare (combined)	902,410	929,482	957,367	986,088	1,015,671
CCCERA Liability and Pension Bonds	3,290,413	3,129,491	3,166,631	3,201,791	3,241,573
Contractual and Professional Services	3,754,017	3,829,098	3,905,680	3,983,793	4,063,469
Building Maintenance and Reserves	1,771,641	1,806,274	1,841,600	1,877,632	1,914,384
Retiree Health	1,721,112	1,841,590	1,970,501	2,108,436	2,256,027
Information Systems	810,562	826,773	843,309	860,175	877,378
PERS and OPEB Liability Reduction	451,009	451,009	451,009	451,009	451,009
Other Expenses	10,725,559	10,996,878	11,278,483	11,570,839	11,874,430
Total Annual Expenses	55,154,040	56,408,095	57,905,760	59,448,843	61,047,774
Proposed Adjustments					
Use of General Fund Reserves	-	-	-	-	-
New Revenues or (Reductions) Not Yet Identified	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
New Revenues or (Reductions) Not Yet Identified	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
New Revenues or (Reductions) Not Yet Identified	(1,250,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
New Revenues or (Reductions) Not Yet Identified	-	-	(250,000)	(1,000,000)	(1,200,000)
Total Proposed Adjustments	(4,250,000)	(4,500,000)	(4,750,000)	(5,500,000)	(5,700,000)
Total Annual Expense + Proposed Adjustments	50,904,040	51,908,095	53,155,760	53,948,843	55,347,774
Surplus/(Deficit) (Revenues - Expenditures)	286,359	266,689	(8,881)	286,337	401,749
General Fund Reserve Balance	11,976,713	12,168,401	12,109,520	12,320,857	12,647,606
General Fund Reserve held in Property	4,850,000	5,100,000	5,790,576	5,944,884	6,104,777
Total General Fund Reserve	16,826,713	17,268,401	17,900,096	18,265,741	18,752,383
Total General Fund Reserve as a percentage of Annual Expenses (30% minimum)	30.5%	30.6%	30.9%	30.7%	30.7%
Available Balance of Budget Stablization Fund (BSF)	2,884,078	2,959,078	3,009,078	3,084,078	3,159,078
BSF as a Percentage of Annual Expenses (5% minimum)	5.23%	5.25%	5.20%	5.19%	5.17%
Indicates significant change					

City of Pittsburg 20-year General Fund Forecast	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35
Annual Revenues					
Taxes - Property, Sales, TOT, Franchise, Vehicle and Other	43,064,666	44,126,532	45,219,529	46,344,754	47,503,353
Fees, Intergovernmantal, Fines and Interest Earnings	6,654,635	6,725,948	6,798,428	6,872,102	6,946,999
Transfers-in from Other City Funds to fund administration and other General Fund services	6,759,158	6,722,641	6,823,856	6,951,659	7,073,002
Adminstrative and Other Revenues	4,123,903	4,155,203	4,186,766	4,218,595	4,250,692
RDA Pass-through Payments	-	-	-	-	-
Total Annual Revenues	60,602,362	61,730,324	63,028,579	64,387,111	65,774,046
Potential New or Limited Revenues					
Police Grants	-	-	-	-	-
Developer Agreements/City Property Lease Revenues	199,799	204,081	208,470	212,969	217,580
New Hotel TOT	471,105	480,528	490,138	499,941	509,940
Increased Revenues from Commercial and Industrial Development	579,078	595,612	612,477	629,679	677,225
Increased Property Taxes from Housing Development Projects	1,045,333	1,130,885	1,224,050	1,311,389	1,399,601
Total Potential New Revenues	2,295,316	2,411,106	2,535,135	2,653,977	2,804,345
Total Revenues	62,897,678	64,141,430	65,563,714	67,041,088	68,578,391
Annual Expenses					
Salaries - Non-sworn	7,831,986	7,910,305	7,989,408	8,069,303	8,149,996
Salaries - Sworn	11,553,608	11,669,144	11,785,835	11,903,694	12,022,731
Salaries - Part-time combined	888,920	897,809	906,787	915,855	925,013
Salaries - Overtime combined	1,076,537	1,076,537	1,076,537	1,076,537	1,076,537
Salaries - Step Increases & Other Adjustments combined	155,422	158,530	161,701	164,935	168,234
Vacancy Rate/Attrition Savings	(1,053,664)	(1,075,017)	(1,097,490)	(1,120,898)	(1,145,384)
Pension - Non-Sworn	2,582,813	2,683,377	2,785,861	2,889,726	2,994,970
Pension - Sworn	7,510,093	7,849,879	8,195,999	8,543,427	8,895,402
Health Care (combined)	5,780,530	6,156,265	6,556,422	6,982,589	7,436,458
FICA & Medicare (combined)	1,046,141	1,077,525	1,109,851	1,143,146	1,177,441
CCCERA Liability and Pension Bonds	3,282,428	3,314,063	3,319,265	3,357,868	3,399,182
Contractual and Professional Services	4,144,738	4,227,633	4,312,186	4,398,430	4,486,398
Building Maintenance and Reserves	1,951,872	1,990,109	2,029,112	2,068,894	2,109,472
Retiree Health	2,413,948	2,582,925	2,763,730	2,957,191	3,164,194
Information Systems	894,926	912,824	931,081	949,703	968,697
PERS and OPEB Liability Reduction	451,009	451,009	451,009	451,009	451,009
Other Expenses	12,189,766	12,517,380	12,857,832	13,211,708	13,469,115
Total Annual Expenses	62,701,073	64,400,299	66,135,126	67,963,114	69,749,462
Proposed Adjustments					
Use of General Fund Reserves	-	-	-	-	-
New Revenues or (Reductions) Not Yet Identified	(500,000)	(750,000)	(1,100,000)	(1,500,000)	(1,800,000)
New Revenues or (Reductions) Not Yet Identified	-	-	-	-	-
New Revenues or (Reductions) Not Yet Identified	-	-	-	-	-
New Revenues or (Reductions) Not Yet Identified	-	-	-	-	-
Total Proposed Adjustments	(500,000)	(750,000)	(1,100,000)	(1,500,000)	(1,800,000)
Total Annual Expense + Proposed Adjustments	62,201,073	63,650,299	65,035,126	66,463,114	67,949,462
Surplus/(Deficit) (Revenues - Expenditures)	696,605	491,130	528,588	577,974	628,929
General Fund Reserve Balance	13,244,210	13,635,341	14,063,929	14,541,903	15,120,831
General Fund Reserve held in Property	6,220,107	6,215,030	6,213,513	6,221,311	6,214,946
Total General Fund Reserve	19,464,318	19,850,371	20,277,441	20,763,214	21,335,778
Total General Fund Reserve as a percentage of Annual Expenses (30% minimum)	31.0%	30.8%	30.7%	30.6%	30.6%
Available Balance of Budget Stablization Fund (BSF)	3,259,078	3,359,078	3,459,078	3,559,078	3,609,078
BSF as a Percentage of Annual Expenses (5% minimum)	5.20%	5.22%	5.23%	5.24%	5.17%
Indicates significant change					

City of Pittsburg 20-year General Fund Forecast	FY 2035-36	FY 2036-37	FY 2037-38
Annual Revenues			
Taxes - Property, Sales, TOT, Franchise, Vehicle and Other	36,140,970	37,118,826	38,128,757
Fees, Intergovernmantal, Fines and Interest Earnings	7,023,146	7,100,572	7,179,308
Transfers-in from Other City Funds to fund administration and other General Fund services	7,209,944	7,362,095	7,491,841
Adminstrative and Other Revenues	4,283,060	4,315,700	4,348,616
RDA Pass-through Payments	-	-	-
Total Annual Revenues	54,657,120	55,897,194	57,148,521
Potential New or Limited Revenues			
Police Grants	-	-	-
Developer Agreements/City Property Lease Revenues	222,306	227,151	232,117
New Hotel TOT	520,139	530,541	541,152
Increased Revenues from Commercial and Industrial Development	665,121	683,376	8,015,975
Increased Property Taxes from Housing Development Projects	1,497,707	1,602,801	2,055,904
Total Potential New Revenues	2,905,273	3,043,870	10,845,147
Total Revenues	57,562,393	58,941,064	67,993,669
Annual Expenses			
Salaries - Non-sworn	8,231,495	8,313,810	8,396,949
Salaries - Sworn	12,142,958	12,264,388	12,387,032
Salaries - Part-time combined	934,263	943,606	953,042
Salaries - Overtime combined	1,076,537	1,076,537	1,076,537
Salaries - Step Increases & Other Adjustments combined	171,598	175,030	178,531
Vacancy Rate/Attrition Savings	(1,171,014)	(1,197,858)	(1,225,989)
Pension - Non-Sworn	3,102,054	3,210,518	3,320,362
Pension - Sworn	9,251,951	9,612,204	9,977,087
Health Care (combined)	7,919,828	8,434,616	8,982,866
FICA & Medicare (combined)	1,212,764	1,249,147	1,286,621
CCCERA Liability and Pension Bonds	-	-	-
Contractual and Professional Services	4,576,126	4,667,649	4,761,002
Building Maintenance and Reserves	2,150,861	2,193,078	2,236,140
Retiree Health	3,385,688	3,622,686	3,876,274
Information Systems	988,071	1,007,832	1,027,989
PERS and OPEB Liability Reduction	451,009	451,009	451,009
Other Expenses	13,674,984	14,058,579	14,229,710
Total Annual Expenses	68,099,173	70,082,832	71,915,159
Proposed Adjustments			
Use of General Fund Reserves	-	-	-
New Revenues or (Reductions) Not Yet Identified	(10,000,000)	(11,750,000)	(4,500,000)
New Revenues or (Reductions) Not Yet Identified	-	-	-
New Revenues or (Reductions) Not Yet Identified	-	-	-
New Revenues or (Reductions) Not Yet Identified	-	-	-
Total Proposed Adjustments	(10,000,000)	(11,750,000)	(4,500,000)
Total Annual Expense + Proposed Adjustments	58,099,173	58,332,832	67,415,159
Surplus/(Deficit) (Revenues - Expenditures)	(536,780)	608,232	578,509
General Fund Reserve Balance	14,584,051	15,192,283	15,670,792
General Fund Reserve held in Property	6,209,917	6,208,283	6,216,516
Total General Fund Reserve	20,793,969	21,400,566	21,887,308
Total General Fund Reserve as a percentage of Annual Expenses (30% minimum)	30.5%	30.5%	30.4%
Available Balance of Budget Stablization Fund (BSF)	3,609,078	3,609,078	3,709,078
BSF as a Percentage of Annual Expenses (5% minimum)	5.30%	5.15%	5.16%
Indicates significant change			

➢ Section 8 Housing Choice Voucher/Veteran Affairs Support Housing Program 7-Year Forecast

In January 2012, the Department of Housing and Urban Development (HUD) implemented a new cash management policy aimed at reducing the amount of excess Net Restricted Assets ("NRA") or fund balance retained by individual public housing authorities since 2005. As a result of this policy, The City of Pittsburg's Housing Authority's ("COPHA") fund balance decreased dramatically over the past couple of years to less than one month of operating expenses. Currently, COPHA has not received the HUD's Calendar Year 2018 Renewal Funding annual increment. In April 2017, COPHA received notification from HUD that it is in a shortfall position and continues the status through fiscal year 2017-18. The shortfall status means COPHA might not have enough funding to support the current leasing level through December 2018. COPHA has been working closely with HUD to ensure that measures have been in place for cost control and have stopped additional leasing activities. After HUD's review and approval, COPHA will be eligible to apply for set aside funding from HUD to offset the shortfall.

The FY 2018-19 budgeted revenue projections are based on estimates derived from the number of units leased. Additional provisions have been made to include the potential set aside funding and utilization of the existing HUD reserve. The administrative funding is based on HUD's funding letter, which was prorated to 76% of eligibility to the FY 2017-18 funding. As a result, we estimate utilizing $124,902 in reserves to balance the Housing Authority's FY 2018-19 budget.

COPHA continues to be challenged to maintain the level of service with significant increases in costs from the raising rental market coupled with lower earned administrative fees. COPHA's plan is to closely balance units leased with a healthy dose of administrative revenue and attempt to cover all the costs. However, the City of Pittsburg Housing Authority may still anticipate a net loss in program revenue if HUD's funding level fails to keep up with the increased rental market costs, implementing future reductions to the current administrative fee proration.

The City of Pittsburg Finance Department has established a 7-year forecast to help manage the City of Pittsburg Housing Authority's budget. COPHA anticipates using existing reserves to supplement its' shortfall through FY 2018-19. However, by FY 2019-20, COPHA will completely deplete its reserve if funding from HUD does not keep up with increasing costs.

Staff will update this forecast periodically according to the latest revenue and expenditure information.

Major assumptions used to develop forecasts in the 7-year Plan are as follows:

Revenue Assumptions

Annual Increase in Operating Revenues

FY's 2018-19 through 2023-24 1%

Estimated Available Ending Fund Balance @ 6/30/18 264,977

Expenditure Assumptions

Annual Increase in Operating Expenditures

1%-2.5% increase in Program
2% increase in Personnel costs
1%-3% increase in other Admin expenses

SECTION 8 HOUSING CHOICE VOUCHER/VETERAN AFFAIRS SUPPORT HOUSING PROGRAM 7 YEAR FORECAST

	YE Estimate	Proposed Budget	Projected				
	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Program Revenue from HUD	$ 15,938,689	$ 16,098,076	$ 16,259,057	$ 16,421,648	$ 16,585,864	$ 16,751,723	$ 16,919,240
Program Expenses	(15,756,138)	(16,124,791)	(16,286,039)	(16,448,899)	(16,613,387)	(16,779,521)	(16,947,317)
Net Operating Income/(Deficit)	**$ 182,551**	**$ (26,715)**	**$ (26,982)**	**$ (27,251)**	**$ (27,523)**	**$ (27,798)**	**$ (28,077)**
Administrative Revenue							
Administrative Overhead from HUD	$ 1,079,983	$ 1,090,783	$ 1,101,691	$ 1,112,708	$ 1,123,835	$ 1,135,073	$ 1,146,424
Other Service Fees (including Port In & Unreported Income)	5,230	4,000	4,000	4,000	4,000	4,000	4,000
Interest Income	1,658	2,000	2,000	2,000	2,000	2,000	2,000
Rental Income	112,000	98,000	98,980	99,969	100,969	101,979	102,999
Total Administrative Revenue	1,198,871	1,194,783	1,206,671	1,218,677	1,230,804	1,243,052	1,255,423
Administrative Expenses							
Salaries and Benefits	(846,933)	(832,023)	(851,409)	(864,980)	(878,987)	(893,454)	(908,403)
Retirement	(72,116)	(70,444)	(74,048)	(80,738)	(89,044)	(96,254)	(101,937)
Pension Bonds & CCCERA Loan Payment	(115,564)	(105,233)	(109,515)	(110,491)	(111,515)	(112,591)	(113,721)
Administrative Overhead for Port Out	(83,523)	(83,500)	(84,335)	(85,178)	(86,030)	(86,890)	(87,759)
Rental Property Expenses	(11,125)	(12,079)	(12,435)	(12,808)	(13,196)	(13,601)	(14,025)
Other Administrative Expenses	(211,605)	(189,691)	(190,282)	(197,020)	(202,975)	(209,709)	(215,862)
Total Administrative Expenses	(1,340,866)	(1,292,970)	(1,322,024)	(1,351,215)	(1,381,747)	(1,412,499)	(1,441,707)
Net Administrative Income/(Deficit)	**$ (141,995)**	**$ (98,187)**	**$ (115,353)**	**$ (132,538)**	**$ (150,943)**	**$ (169,447)**	**$ (186,284)**
Total Fund Income/(Deficit)	***$ 40,556***	***$ (124,902)***	***$ (142,335)***	***$ (159,789)***	***$ (178,466)***	***$ (197,245)***	***$ (214,361)***
Available Beginning Fund Balance	$ 224,421	$ 264,977	$ 140,075	$ (2,260)	$ (162,049)	$ (340,515)	$ (537,760)
Use of Fund Balance	40,556	(124,902)	(142,335)	(159,789)	(178,466)	(197,245)	(214,361)
Available Ending Fund Balance	**$ 264,977**	**$ 140,075**	**$ (2,260)**	**$ (162,049)**	**$ (340,515)**	**$ (537,760)**	**$ (752,121)**

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Summary of Fund Condition
Table 1

	Estimated Reserves June 30, 2018[1]	Projected Revenues 2018-19	Transfers-In	Projected Expenditures 2018-19	Transfers-Out	Estimated Balance June 30, 2019
General Fund						
General Fund	13,875,169	39,161,425	4,794,237	43,302,464	1,345,370	13,182,997
Subtotal, General Fund	$ 13,875,169	$ 39,161,425	$ 4,794,237	$ 43,302,464	$ 1,345,370	$ 13,182,997
Internal Service Funds						
Building Maintenance	1,242,814	1,801,321	60,000	1,785,072	11,597	1,307,466
Fleet Maintenance	801,985	2,086,449	-	2,079,214	9,642	799,578
Fringe Benefits	750,542	2,532,493	-	2,519,657	-	763,378
Information Communication Services	1,111,167	1,096,210	-	1,246,210	-	961,167
Insurance	463,024	1,697,729	-	1,657,729	-	503,024
Other Post-Employment Benefits (OPEB)[2]	220,404	1,679,599	500,000	2,174,899	-	225,104
Pension Trust/Reserve Fund[3]	-	394,215	-	394,215	-	-
Subtotal, Internal Service Funds	$ 4,589,936	$ 11,288,016	$ 560,000	$ 11,856,996	$ 21,239	$ 4,559,717
Enterprise Funds						
Island Energy	2,898,872	6,199,861	-	6,053,888	28,927	3,015,918
Marina	1,042,943	2,035,971	-	1,972,477	266,909	839,528
Pittsburg Power	2,285,141	2,558,174	50,000	1,507,746	729,891	2,655,678
Sewer Utility	1,809,265	4,950,000	6,777,500	11,054,966	1,269,951	1,211,848
Water Front Operations	714,918	1,525,598	250,000	1,780,761	10,481	699,274
Water Utility	15,254,899	20,945,100	789,867	20,953,534	6,705,734	9,330,598
Subtotal, Enterprise Funds	$ 24,006,038	$ 38,214,704	$ 7,867,367	$ 43,323,372	$ 9,011,893	$ 17,752,844
Special Revenue Funds						
Assets Seizure	31,640	-	-	-	-	31,640
Budget Stabilization	3,682,529	-	-	-	-	3,682,529
CA Energy Conservation Program	6	-	74,500	74,498	-	8
CalHome Program	120,064	900	-	-	-	120,964
California Theatre	(9,420)	93,828	175,000	254,250	-	5,158
Economic Development	112,684	299,763	150,000	413,095	51,258	98,094
Emergency Operations Center	894	52	55,000	34,700	20,000	1,246
Fire District CFD	(10,484)	4,682	-	4,515	-	(10,317)
Gas Tax	(26,329)	1,709,928	-	520,000	1,139,325	24,274
Gas Tax - Road Maint & Rehab (RMRA)	15,013	1,159,401	-	1,159,401	-	15,013
General Plan Update	163,012	-	100,000	-	-	263,012
GHAD Administration	-	-	494,825	490,353	4,472	-
Golf Course	2,752	-	-	10,200	-	(7,448)
Hillview Jr. High Athletic Field Replacement	285,826	52,500	-	-	-	338,326
Housing Authority-Section 8	264,977	17,292,859	-	17,399,175	18,586	140,075
HUD Community Development Block Grant	112,486	889,896	-	500,072	407,109	95,201
Lighting and Landscape	86,411	2,913,110	994,707	3,880,907	113,321	-
Lighting and Landscaping Oak Hills	17,680	33,959	663	35,175	-	17,127
Marina Vista Field Replacement	284,593	29,400	-	-	-	313,993
Measure J Tax Fund	168,930	832,740	-	210,000	683,757	107,913
Miscellaneous Grants	-	70,000	-	-	70,000	-
Neighborhood Stabilization	44,454	-	-	-	-	44,454
Park Maintenance CFD 2007-1	79,773	110,505	-	75,767	-	114,511
Project Amenities Mgmt (CFD 2016-1)	24,791	25,289	-	6,500	-	43,580
Public Safety CFD 2005-1	180,829	464,387	-	11,300	610,000	23,916
Public, Education & Gov't Fees (PEG)	566,614	165,600	-	126,000	-	606,214
R/R Ave Specific Plan (e-BART) CFD 2014	64,638	73,000	-	-	-	137,638
San Marco CFD 2004-1	122,405	939,541	-	14,400	1,020,000	27,546
Small Cities Grant	3,608	-	154,031	154,031	-	3,608
Solid Waste	162,115	541,150	-	526,179	104,192	72,894
Southwest Pittsburg GHAD II	3,628,389	922,700	-	171,850	494,825	3,884,414
Storm Water Utility NPDES	420,504	1,120,994	100,000	1,133,760	62,965	444,773
Successor Agency Housing Fund	1,114,990	266,868	101,541	389,128	559	1,093,712
Vista Del Mar CFD 2005-2	118,869	333,393	-	1,050	425,000	26,212
Subtotal, Special Revenue Funds	$ 11,835,243	$ 30,346,445	$ 2,400,267	$ 27,596,306	$ 5,225,369	$ 11,760,280
Capital Projects Funds						
Bailey Road Maintenance	1,102,520	140,000	-	-	-	1,242,520
Capital Improvement	10,144	-	-	-	-	10,144
Community Capital Improvement	92,845	-	-	-	-	92,845
Inclusionary Housing	391,733	-	-	-	-	391,733

	Estimated Reserves June 30, 2018	Projected Revenues 2018-19	Transfers-In	Projected Expenditures 2018-19	Transfers-Out	Estimated Balance June 30, 2019
Infrastructure Repair & Replacement	8,597	-	-	-	-	8,597
Kirker Creek Drainage Fees	383,727	-	-	-	18,000	365,727
Park Dedication	1,142,506	-	-	734,906	-	407,600
RDA - Project Fund	116,394	-	-	-	-	116,394
Recycled Water Capital Maintenance	30,997	-	-	-	-	30,997
Regional Traffic Mitigation	58,259	-	-	-	-	58,259
Traffic Impact Fair Share	490,374	-	-	-	-	490,374
Traffic Mitigation	511,870	125,000	-	83,698	-	553,172
Subtotal, Capital Projects Funds	$ 4,339,966	$ 265,000	$ -	$ 818,604	$ 18,000	$ 3,768,362
Successor Agency to RDA Funds						
Successor Agency to RDA-Tax Increment	509,192	356,042	361,960	431,811	36,500	758,883
Successor Agency Obligation Retirement Fund	-	33,827,124			33,827,124	-
Subtotal, Successor Agency to RDA Funds	$ 509,192	$ 34,183,166	$ 361,960	$ 431,811	$ 33,863,624	$ 758,883
Debt Service Funds[4]						
Assessment Districts Funds	6,991,148	4,080,964	-	2,832,505	-	8,239,607
Pension Obligations	2,826,609	4,427,276	-	4,425,976	-	2,827,909
Successor Agency to RDA – Bond Funds	40,052,997	50,000	31,545,640	31,145,693	50,000	40,452,944
Successor Agency to RDA - HSG Bond Funds	2,549,948	-	2,006,024	2,030,665	-	2,525,307
Subtotal, Debt Service Funds	$ 52,420,702	$ 8,558,240	$ 33,551,664	$ 40,434,839	$ 50,000	$ 54,045,767
Total, All Funds	$ 111,576,246	$ 162,016,996	$ 49,535,495	$ 167,764,392	$ 49,535,495	$ 105,828,850

[1] Represents working capital and does not include fixed assets, inventory, long-term advances or loans

[2] Does not include CERBT trust funds held by CalPERS

[3] Pension trust funds are collected and disbursed to a trustee

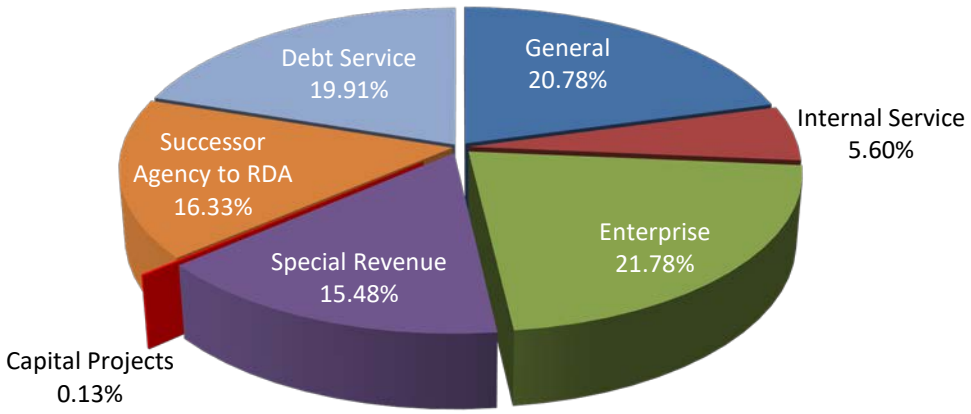
[4] Debt service fund balances include debt service reserves held by a trustee

Summary of Revenues and Expenditures – All Funds
Table 2

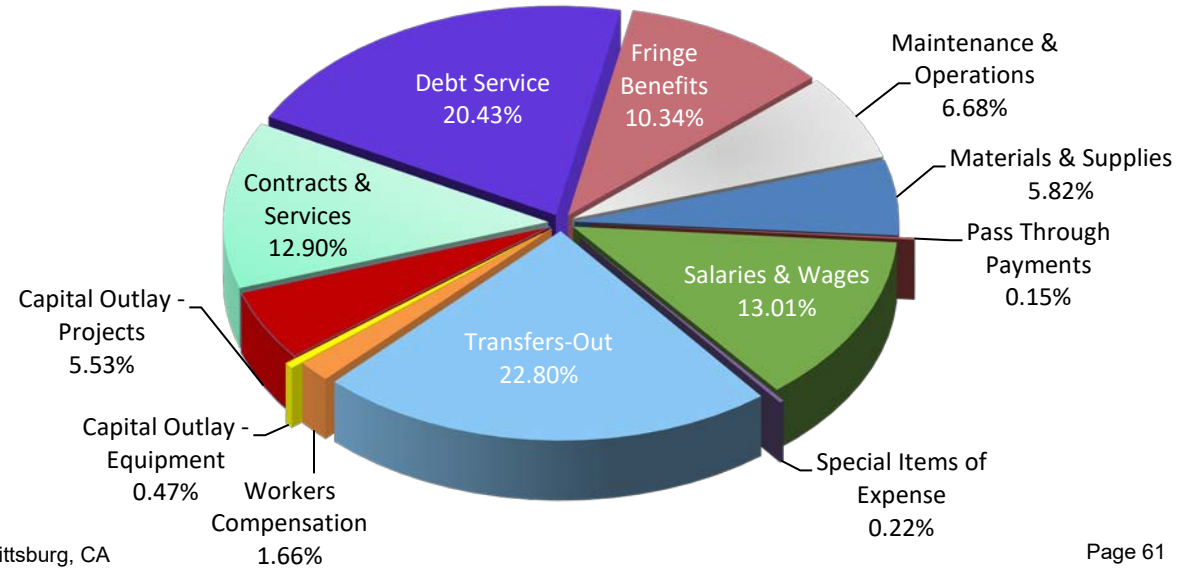
	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
Revenue					
General Fund	41,600,835	45,579,831	43,955,662	(1,624,169)	-3.56
Internal Service Funds	10,327,463	11,641,522	11,848,016	206,494	1.77
Enterprise Funds	78,785,164	42,718,902	46,079,071	3,360,169	7.87
Special Revenue Funds	30,097,134	38,610,035	32,746,712	(5,863,323)	-15.19
Capital Projects Funds	3,520,656	3,106,462	265,000	(2,841,462)	-91.47
Successor Agency to RDA Funds	11,359,278	34,139,962	34,545,126	405,164	1.19
Debt Service Funds	48,662,958	42,334,823	42,112,904	(221,919)	-0.52
Total, Revenues	$ 224,353,488	$ 218,131,537	$ 211,552,491	$ (6,579,046)	-3.02 %
Expenditure					
Capital Outlay - Equipment	2,121,593	5,962,516 [1]	1,013,000	(4,949,516)	-83.01
Capital Outlay - Projects	17,696,303	32,916,962	12,006,901	(20,910,061)	-63.52
Contracts & Services	26,443,990	30,479,814 [1]	28,025,350	(2,454,464)	-8.05
Debt Service Funds	80,882,553	43,834,096	44,389,147	555,051	1.27
Fringe Benefits	20,388,074	20,820,980	22,467,006	1,646,026	7.91
Maintenance & Operations	12,299,461	14,351,845	14,516,311	164,466	1.15
Materials & Supplies	9,931,381	11,911,107	12,638,186	727,079	6.10
Pass Through Payments	320,916	322,151	333,414	11,263	3.50
Salaries & Wages	26,178,501	27,987,234	28,277,593	290,359	1.04
Special Items of Expense	436,607	389,516	471,200	81,684	20.97
Transfers-Out	54,304,349	52,802,007	49,535,495	(3,266,512)	-6.19
Workers Compensation	2,685,961	3,362,803	3,626,284	263,481	7.84
Total, Expenditures	$ 253,689,689	$ 245,141,031	$ 217,299,887	$ (27,841,144)	-11.36 %

(1) Includes a $3.5M multi-jurisdictional freeway security network project funded by CalTrans. The project is cost-neutral to the City.

2018-19 Revenues by Fund Type



2018-19 Expenditures by Category



Revenue Source by Category and Object – All Funds
Table 3

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
General Fund					
Fines & Forfeitures	686,962	489,500	726,850	237,350	48.49
Franchise Fees	3,980,309	4,096,870	4,145,234	48,364	1.18
Intergovernmental Revenue	3,031,399	2,665,698	2,646,275	(19,423)	-0.73
Other Revenues	1,946,807	2,189,749	1,935,437	(254,312)	-11.61
Other Taxes	6,684,716	6,916,881	7,165,000	248,119	3.59
Permits, Licenses & Fees	2,105,519	1,918,040	2,038,849	120,809	6.30
Property Taxes	3,573,823	3,668,495	3,992,731	324,236	8.84
Sales Taxes	12,659,580	12,291,467	13,579,560	1,288,093	10.48
Service Fees	2,331,974	2,376,787	2,400,343	23,556	0.99
Transfers-In	4,093,226	8,373,068	4,794,237	(3,578,831)	-42.74
Use of Money & Property	506,520	593,276	531,146	(62,130)	-10.47
Subtotal, General Fund	$ 41,600,835	$ 45,579,831	$ 43,955,662	$ (1,624,169)	-3.56 %
Internal Service Funds					
Other Revenues	5,428,100	6,008,762	6,431,417	422,655	7.03
Service Fees	4,144,874	4,757,915	4,856,599	98,684	2.07
Transfers-In	754,181	874,845	560,000	(314,845)	-35.99
Use of Money & Property	308	-	-	-	-100.00
Subtotal, Internal Service Funds	$ 10,327,463	$ 11,641,522	$ 11,848,016	$ 206,494	1.77 %
Enterprise Funds					
Debt Service	34,886,360	50	-	(50)	-100.00
Fines & Forfeitures	431	-	-	-	-100.00
Franchise Fees	580,000	880,000	880,000	-	-
Intergovernmental Revenue	199,937	440,404	70,000	(370,404)	-84.11
Other Revenues	2,464,686	1,341,519	1,247,589	(93,930)	-7.00
Service Fees	32,377,517	33,280,670	33,861,677	581,007	1.75
Transfers-In	6,239,604	4,795,577	7,867,367	3,071,790	64.05
Use of Money & Property	2,036,629	1,980,682	2,152,438	171,756	8.67
Subtotal, Enterprise Funds	$ 78,785,164	$ 42,718,902	$ 46,079,071	$ 3,360,169	7.87 %
Special Revenue Funds					
Fines & Forfeitures	19,410	1,000	-	(1,000)	-100.00
Franchise Fees	161,435	160,000	163,000	3,000	1.88
Intergovernmental Revenue	16,029,674	18,645,523	17,742,343	(903,180)	-4.84
Other Revenues	1,673,220	5,861,060	1,349,108	(4,511,952)	-76.98
Other Taxes	2,213,740	2,673,101	3,670,998	997,897	37.33
Sales Taxes	128,877	124,662	130,441	5,779	4.64
Service Fees	188,041	109,094	93,950	(15,144)	-13.88
Special Assessments	6,159,385	6,447,468	6,871,235	423,767	6.57
Transfers-In	3,053,804	4,192,439	2,400,267	(1,792,172)	-42.75
Use of Money & Property	469,548	395,688	325,370	(70,318)	-17.77
Subtotal, Special Revenue Funds	$ 30,097,134	$ 38,610,035	$ 32,746,712	$ (5,863,323)	-15.19 %
Capital Projects Funds					
Intergovernmental Revenue	1,183,805	912,972	140,000	(772,972)	-84.67
Other Revenues	200,000	1,604,781	-	(1,604,781)	-100.00
Service Fees	1,828,607	9,816	125,000	115,184	1,173.43
Transfers-In	242,692	578,893	-	(578,893)	-100.00
Use of Money & Property	65,552	-	-	-	-100.00
Subtotal, Capital Projects Funds	$ 3,520,656	$ 3,106,462	$ 265,000	$ (2,841,462)	-91.47 %
Successor Agency to RDA Funds					
Other Revenues	735,612	272,220	212,380	(59,840)	-21.98
Property Taxes	10,218,501	33,641,674	33,827,124	185,450	0.55
Transfers-In	221,239	75,000	361,960	286,960	382.61
Use of Money & Property	183,926	151,068	143,662	(7,406)	-4.90
Subtotal, Successor Agency to RDA Funds	$ 11,359,278	$ 34,139,962	$ 34,545,126	$ 405,164	1.19 %
Debt Service Funds					
Debt Service	162,273	90,067	11,800	(78,267)	-86.90
Service Fees	4,926,918	4,445,017	4,475,976	30,959	0.70
Special Assessments	3,674,562	3,878,584	4,058,578	179,994	4.64
Transfers-In	39,851,830	33,912,185	33,551,664	(360,521)	-1.06
Use of Money & Property	47,375	8,970	14,886	5,916	65.95
Subtotal, Debt Service Funds	$ 48,662,958	$ 42,334,823	$ 42,112,904	$ (221,919)	-0.52 %
Total, All Funds	$ 224,353,488	$ 218,131,537	$ 211,552,491	$ (6,579,046)	-3.02 %

Summary of Expenditures by Program – All Funds
Table 4

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
City Council					
City Council	83,145	76,048	79,285	3,237	4.26
Subtotal, City Council	$ 83,145	$ 76,048	$ 79,285	$ 3,237	4.26 %
Administration					
City Manager	250,259	237,229	174,382	(62,847)	-26.49
City Clerk	437,389	416,297	455,755	39,458	9.48
City Attorney	459,513	431,313	541,745	110,432	25.60
Human Resources	890,121	980,865	1,171,835	190,970	19.47
Treasurer	6,355	6,536	6,286	(250)	-3.82
Finance	2,843,758	3,001,632	3,043,471	41,839	1.39
General Fund - Non Departmental	4,445,839	4,799,750	3,930,512	(869,238)	-18.11
Emergency Operation Center	-	55,000	54,700	(300)	-0.55
Information Technology	1,026,242	1,204,868	1,246,210	41,342	3.43
Employee Fringe Benefits	2,060,987	2,483,801	2,519,657	35,856	1.44
Other Post-Employment Benefits (OPEB)	1,970,293	2,395,645	2,174,899	(220,746)	-9.21
Pension Trust	-	-	394,215	394,215	-100.00
Insurance	1,187,522	1,228,798	1,657,729	428,931	34.91
Budget Stabilization	25,000	4,478,386	-	(4,478,386)	-100.00
Subtotal, Administration	$ 15,603,278	$ 21,720,120	$ 17,371,396	$ (4,348,724)	-20.02 %
Police Department					
Police Services	24,110,407	25,124,762	27,944,932	2,820,170	11.22
San Marco CFD	720,954	740,467	1,034,400	293,933	39.70
Vista Del Mar CFD	286,219	309,109	426,050	116,941	37.83
Public Safety CFD	284,742	368,752	621,300	252,548	68.49
Asset Forfeitures	875	-	-	-	-100.00
Police Grants	396,796	4,083,195 [3]	70,000	(4,013,195)	-98.29
Subtotal, Police Department	$ 25,799,993	$ 30,626,285	$ 30,096,682	$ (529,603)	-1.73 %
Enterprise Services					
Marina	1,759,544	2,092,696	2,239,386	146,690	7.01
Golf Course	13,051	32,776	10,200	(22,576)	-68.88
Fire District CFD	8,197	-	4,515	4,515	-100.00
R/R Avenue-BART CFD	3,501,635	-	-	-	-100.00
Environmental Affairs	692,167	972,460	830,869	(141,591)	-14.56
Housing Rehab Loans - CDBG	65,913	100,000	154,031	54,031	54.03
CDBG Entitlements	684,669	1,007,012	907,181	(99,831)	-9.91
CalHome Program	-	-	-	-	-100.00
Waterfront Operations	1,149,369	2,001,990	1,791,242	(210,748)	-10.53
Economic Development	545,854	514,727	464,353	(50,374)	-9.79
Subtotal, Enterprise Services	$ 8,420,399	$ 6,721,661	$ 6,401,777	$ (319,884)	-0.05 %
Community Development					
Planning Division	1,171,589	1,465,027	1,517,672	52,645	3.59
Planning Grants	-	312,000	-	(312,000)	-100.00
Building Division	1,052,294	1,019,964	1,032,596	12,632	1.24
Engineering Division	2,016,881	1,753,875	1,885,084	131,209	7.48
Gas Tax	1,432,086	3,497,552	2,818,726	(678,826)	-19.41
Measure J Tax	1,468,994	4,171,024	893,757	(3,277,267)	-78.57
NPDES	1,034,380	1,045,830	1,196,725	150,895	14.43
Southwest Pittsburg GHAD	684,793	645,721	666,675 [1]	20,954	3.25
GHAD Administration	-	446,478	494,825 [1]	48,347	10.83
Pittsburg CIP	258,144	1,787,978	-	(1,787,978)	-100.00
Developer Fee Fund	3,472,966	4,208,483	836,604	(3,371,879)	-80.12
Community Capital Improvements	211,328	1,246,630	-	(1,246,630)	-100.00
Project Amenities Mgmt CFD	29,024	5,400	6,500	1,100	20.37
Infrastructure Repair & Replacement	170,617	902,295	-	(902,295)	-100.00
Subtotal, Community Development	$ 13,003,096	$ 22,508,257	$ 11,349,164	$ (11,159,093)	-0.50 %
Public Works - Maintenance Services					
Swim Center Maint.	131,094	150,120	148,777	(1,343)	-0.89
Landscape	2,701,285	2,560,620	2,548,842	(11,778)	-0.46
Landscape - Oak Hills Assessment	32,130	32,406	35,175	2,769	8.54
Park Maintenance CFD	73,560	84,328	75,767	(8,561)	-10.15
Public Works Administration	92,639	98,702	97,114	(1,588)	-1.61
Streets	2,243,733	2,310,179	2,578,131	267,952	11.60

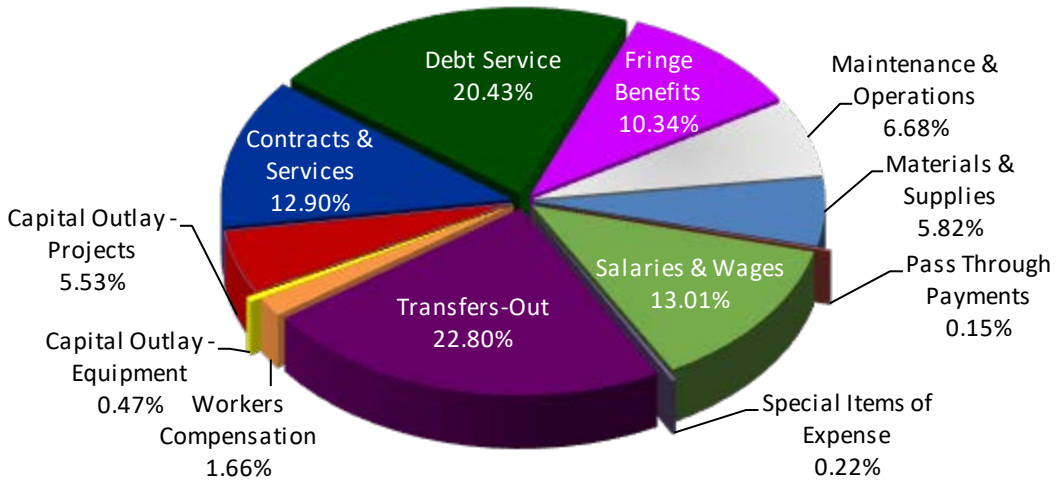
	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
Street Lighting	817,335	804,366	888,050	83,684	10.40
Street Trees	487,903	652,063	496,977	(155,086)	-23.78
Concrete	93,007	77,330	60,359	(16,971)	-21.95
Fleet Maintenance	2,115,171	2,410,514	2,088,856	(321,658)	-13.34
Building Maintenance	1,912,971	1,955,213	1,796,669	(158,544)	-8.11
Graffiti Removal Program	148,962	155,297	164,186	8,889	5.72
Subtotal, Public Works - Maintenance Services	$ 10,849,790	$ 11,291,138	$ 10,978,903	$ (312,235)	-2.77 %
Recreation					
Recreation Administration	130,462	197,395	212,020	14,625	7.41
Recreation Services	960,003	1,099,810	1,123,786	23,976	2.18
Recreation Grants	9,692	17,745	-	(17,745)	-100.00
California Theatre	358,772	394,032	254,250	(139,782)	-35.47
Subtotal, Recreation	$ 1,458,929	$ 1,708,982	$ 1,590,056	$ (118,926)	-0.07 %
Public Works - Water and Sewer Enterprises					
Water Operating	17,494,450	17,758,225	21,526,885	3,768,660	21.22
Water CIP	5,239,277	1,558,850	475,000	(1,083,850)	-69.53
Water Facility Reserve Fee Funds	7,059,760	5,150,966	77,500	(5,073,466)	-98.50
Sewer Maintenance	2,681,522	4,161,675	2,931,983	(1,229,692)	-29.55
Sewer CIP	226,305	13,047,864	8,127,500	(4,920,364)	-37.71
Sewer Facility Reserve Fee Funds	2,865	233,113	460,000	226,887	97.33
Water Bond Debt Service	41,158,050	3,913,952	4,120,148	206,196	5.27
Sewer Bond Debt Service	809,986	806,268	805,434	(834)	-0.10
Subtotal, Public Works - Water & Sewer Enterprises	$ 74,672,215	$ 46,630,913	$ 38,524,450	$ (8,106,463)	-17.38 %
Housing Authority					
Housing Authority - Section 8	15,699,518	16,335,709	17,417,761	1,082,052	6.62
Housing - Successor Agency	602,632	379,758	389,687	9,929	2.61
Subtotal, Housing Authority	$ 16,302,150	$ 16,715,467	$ 17,807,448	$ 1,091,981	6.53 %
Pittsburg Power Company					
Island Energy	4,431,876	5,635,400	5,552,815	(82,585)	-1.47
Pittsburg Power	2,096,355	2,559,669	2,237,637	(322,032)	-12.58
Power Company Capital Projects	558,904	1,414,641	530,000	(884,641)	-62.53
Subtotal, Pittsburg Power Company	$ 7,087,135	$ 9,609,710	$ 8,320,452	$ (1,289,258)	-13.42 %
Successor Agency to Former RDA					
RDA General	10,255,651	33,641,675	33,863,624 [2]	221,949	0.66
RDA Administration	401,514	998,157	431,811	(566,346)	-56.74
RDA Capital Projects Fund	113,307	415,229	-	(415,229)	-100.00
RDA Tax Allocation Bonds	58,651,433	31,026,326	31,195,693 [2]	169,367	0.55
RDA Housing Bonds	3,452,531	2,037,103	2,030,665 [2]	(6,438)	-0.32
Subtotal, Successor Agency to Former RDA	$ 72,874,436	$ 68,118,490	$ 67,521,793	$ (596,697)	-0.88 %
Debt Service Funds					
Pension Obligation Bond	4,793,127	4,370,018	4,425,976	55,958	1.28
Assessment Districts	2,741,996	5,043,942	2,832,505	(2,211,437)	-43.84
Subtotal, Debt Service Funds	$ 7,535,123	$ 9,413,960	$ 7,258,481	$ (2,155,479)	-22.90 %
Total, Uses by Program	$ 253,689,689	$ 245,141,031	$ 217,299,887	$ (27,841,144)	-11.36 %

(1) Includes transfers between funds in the amount of $494,825, therefore uses appear to be overstated by $494,825

(2) Includes transfers between funds to pay for debt obligation in the amount of $33,135,772, therefore uses appear to be overstated by $33,135,772

(3) Includes a $3.5M multi-jurisdictional freeway security network project funded by CalTrans. The project is cost-neutral to the City.

2018-19 Expenditures by Category



Expenditure by Fund Type - All Funds
Table 5

	General	Internal Service	Enterprise	Special Revenue
City Council				
City Council	79,285	-	-	-
Subtotal, City Council	$ 79,285	$ -	$ -	$ -
Administration				
City Manager	174,382	-	-	-
City Clerk	455,755	-	-	-
City Attorney	541,745	-	-	-
Human Resources	1,171,835	-	-	-
Treasurer	6,286	-	-	-
Finance	1,583,736	-	1,459,735	-
General Fund - Non Departmental	3,930,512	-	-	-
Emergency Operation Center	-	-	-	54,700
Information Technology	-	1,246,210	-	-
Employee Fringe Benefits	-	2,519,657	-	-
Other Post-Employment Benefits (OPEB)	-	2,174,899	-	-
Pension Trust	-	394,215	-	-
Insurance	-	1,657,729	-	-
Budget Stabilization	-	-	-	-
Subtotal, Administration	$ 7,864,251	$ 7,992,710	$ 1,459,735	$ 54,700
Police Department				
Police Services	27,944,932	-	-	-
San Marco CFD	-	-	-	1,034,400
Vista Del Mar CFD	-	-	-	426,050
Public Safety CFD	-	-	-	621,300
Asset Forfeitures	-	-	-	-
Police Grants	-	-	-	70,000
Subtotal, Police Department	$ 27,944,932	$ -	$ -	$ 2,151,750
Enterprise Services				
Marina	-	-	2,239,386	-
Golf Course	-	-	-	10,200
Fire District CFD	-	-	-	4,515
R/R Ave e-BART CFD	-	-	-	-
Environmental Affairs	-	-	-	830,869
Housing Rehab Loans - CDBG	-	-	-	154,031
CDBG Entitlements	-	-	-	907,181
CalHome Program	-	-	-	-
Waterfront Operations	-	-	1,791,242	-
Economic Development	-	-	-	464,353
Subtotal, Enterprise Services	$ -	$ -	$ 4,030,628	$ 2,371,149
Community Development				
Planning Division	1,517,672	-	-	-
Planning Grants	-	-	-	-
Building Division	1,032,596	-	-	-
Engineering Division	1,885,084	-	-	-
Gas Tax	-	-	-	2,818,726
Measure J Tax	-	-	-	893,757
NPDES	-	-	-	1,196,725
Southwest Pittsburg GHAD	-	-	- [1]	666,675
GHAD Administration	-	-	- [1]	494,825
Pittsburg CIP	-	-	-	-
Developer Fee Fund	-	-	-	-
Community Capital Improvements	-	-	-	-
Project Amenities Mgmt CFD	-	-	-	6,500
Infrastructure Repair & Replacement	-	-	-	-
Subtotal, Community Development	$ 4,435,352	$ -	$ -	$ 6,077,208
Public Works Maint. Svcs.				
Swim Center Maint.	148,777	-	-	-
Landscape	-	-	-	2,548,842
Landscape - Oak Hills Assessment	-	-	-	35,175
Park Maintenance CFD	-	-	-	75,767

[1] Includes transfers between funds for the administration of the GHAD program in the amount of $494,825, therefore uses appear to be overstated by $494,825

Expenditure by Fund Type - All Funds
Table 5

	Capital Projects	Debt Service	Successor Agency	Total
City Council				
City Council	-	-	-	79,285
Subtotal, City Council	$ -	$ -	$ -	$ 79,285
Administration				-
City Manager	-	-	-	174,382
City Clerk	-	-	-	455,755
City Attorney	-	-	-	541,745
Human Resources	-	-	-	1,171,835
Treasurer	-	-	-	6,286
Finance	-	-	-	3,043,471
General Fund - Non Departmental	-	-	-	3,930,512
Emergency Operation Center	-	-	-	54,700
Information Technology	-	-	-	1,246,210
Employee Fringe Benefits	-	-	-	2,519,657
Other Post-Employment Benefits (OPEB)	-	-	-	2,174,899
Pension Trust	-	-	-	394,215
Insurance	-	-	-	1,657,729
Budget Stabilization	-	-	-	-
Subtotal, Administration	$ -	$ -	$ -	$ 17,371,396
				-
Police Department				-
Police Services	-	-	-	27,944,932
San Marco CFD	-	-	-	1,034,400
Vista Del Mar CFD	-	-	-	426,050
Public Safety CFD	-	-	-	621,300
Asset Forfeitures	-	-	-	-
Police Grants	-	-	-	70,000
Subtotal, Police Department	$ -	$ -	$ -	$ 30,096,682
				-
Enterprise Services				-
Marina	-	-	-	2,239,386
Golf Course	-	-	-	10,200
Fire District CFD	-	-	-	4,515
R/R Ave e-BART CFD	-	-	-	-
Environmental Affairs	-	-	-	830,869
Housing Rehab Loans - CDBG	-	-	-	154,031
CDBG Entitlements	-	-	-	907,181
CalHome Program	-	-	-	-
Waterfront Operations	-	-	-	1,791,242
Economic Development	-	-	-	464,353
Subtotal, Enterprise Services	$ -	$ -	$ -	$ 6,401,777
				-
Community Development				-
Planning Division	-	-	-	1,517,672
Planning Grants	-	-	-	-
Building Division	-	-	-	1,032,596
Engineering Division	-	-	-	1,885,084
Gas Tax	-	-	-	2,818,726
Measure J Tax	-	-	-	893,757
NPDES	-	-	-	1,196,725
Southwest Pittsburg GHAD	-	-	-	666,675
GHAD Administration	-	-	-	494,825
Pittsburg CIP	-	-	-	-
Developer Fee Fund	836,604	-	-	836,604
Community Capital Improvements	-	-	-	-
Project Amenities Mgmt CFD	-	-	-	6,500
Infrastructure Repair & Replacement	-	-	-	-
Subtotal, Community Development	$ 836,604	$ -	$ -	$ 11,349,164
				-
Public Works Maint. Svcs.				-
Swim Center Maint.	-	-	-	148,777
Landscape	-	-	-	2,548,842
Landscape - Oak Hills Assessment	-	-	-	35,175
Park Maintenance CFD	-	-	-	75,767

Expenditure by Fund Type - All Funds
Table 5

	General	Internal Service	Enterprise	Special Revenue
Public Works Administration	97,114	-	-	-
Streets	2,578,131	-	-	-
Street Lighting	-	-	-	888,050
Street Trees	-	-	-	496,977
Concrete	-	-	-	60,359
Fleet Maintenance	-	2,088,856	-	-
Building Maintenance	-	1,796,669	-	-
Graffiti Removal Program	164,186	-	-	-
Subtotal, Public Works Maint. Svcs.	$ 2,988,208	$ 3,885,525	$ -	$ 4,105,170
Recreation				
Recreation Administration	212,020	-	-	-
Recreation Services	1,123,786	-	-	-
Recreation Grants	-	-	-	-
California Theatre	-	-	-	254,250
Subtotal, Recreation	$ 1,335,806	$ -	$ -	$ 254,250
Water and Sewer Enterprises				
Water Operating	-	-	21,526,885	-
Water CIP	-	-	475,000	-
Water Facility Reserve Fee Funds	-	-	77,500	-
Sewer Maintenance	-	-	2,931,983	-
Sewer CIP	-	-	8,127,500	-
Sewer Facility Reserve Fee Funds	-	-	460,000	-
Water Bond Debt Service	-	-	3,180,148	-
Sewer Bond Debt Service	-	-	805,434	-
Subtotal, Water and Sewer Enterprises	$ -	$ -	$ 37,584,450	$ -
Housing Authority				
Housing Authority - Section 8	-	-	-	17,417,761
Housing - Successor Agency	-	-	-	389,687
Subtotal, Housing Authority	$ -	$ -	$ -	$ 17,807,448
Pittsburg Power Company				
Island Energy	-	-	5,552,815	-
Pittsburg Power	-	-	2,237,637	-
Power Company Capital Projects	-	-	530,000	-
Subtotal, Pittsburg Power Company	$ -	$ -	$ 8,320,452	$ -
Successor Agency to Former RDA				
RDA General	-	-	-	-
RDA Administration	-	-	-	-
RDA Capital Projects Fund	-	-	-	-
RDA Tax Allocation Bonds	-	-	-	-
RDA Housing Bonds	-	-	-	-
Subtotal, Successor Agency to RDA	$ -	$ -	$ -	$ -
Debt Service Funds				
Pension Obligation Bond	-	-	-	-
Assessment Districts	-	-	-	-
Subtotal, Debt Service Funds	$ -	$ -	$ -	$ -
Total, Expenditures	$ 44,647,834	$ 11,878,235	$ 51,395,265	$ 32,821,675

Expenditure by Fund Type - All Funds
Table 5

	Capital Projects	Debt Service	Successor Agency	Total
Public Works Administration	-	-	-	97,114
Streets	-	-	-	2,578,131
Street Lighting	-	-	-	888,050
Street Trees	-	-	-	496,977
Concrete	-	-	-	60,359
Fleet Maintenance	-	-	-	2,088,856
Building Maintenance	-	-	-	1,796,669
Graffiti Removal Program	-	-	-	164,186
Subtotal, Public Works Maint. Svcs.	$ -	$ -	$ -	$ 10,978,903
				-
Recreation				-
Recreation Administration	-	-	-	212,020
Recreation Services	-	-	-	1,123,786
Recreation Grants	-	-	-	-
California Theatre	-	-	-	254,250
Subtotal, Recreation	$ -	$ -	$ -	$ 1,590,056
				-
Water and Sewer Enterprises				-
Water Operating	-	-	-	21,526,885
Water CIP	-	-	-	475,000
Water Facility Reserve Fee Funds	-	-	-	77,500
Sewer Maintenance	-	-	-	2,931,983
Sewer CIP	-	-	-	8,127,500
Sewer Facility Reserve Fee Funds	-	-	-	460,000
Water Bond Debt Service	-	940,000	-	4,120,148
Sewer Bond Debt Service	-	-	-	805,434
Subtotal, Water and Sewer Enterprises	$ -	$ 940,000	$ -	$ 38,524,450
				-
Housing Authority				-
Housing Authority - Section 8	-	-	-	17,417,761
Housing - Successor Agency	-	-	-	389,687
Subtotal, Housing Authority	$ -	$ -	$ -	$ 17,807,448
				-
Pittsburg Power Company				-
Island Energy	-	-	-	5,552,815
Pittsburg Power	-	-	-	2,237,637
Power Company Capital Projects	-	-	-	530,000
Subtotal, Pittsburg Power Company	$ -	$ -	$ -	$ 8,320,452
				-
Successor Agency to Former RDA				-
RDA General	-	-	33,863,624 [2]	33,863,624
RDA Administration	-	-	431,811	431,811
RDA Capital Projects Fund	-	-	-	-
RDA Tax Allocation Bonds	-	31,195,693 [2]	-	31,195,693
RDA Housing Bonds	-	2,030,665 [2]	-	2,030,665
Subtotal, Successor Agency to RDA	$ -	$ 33,226,358	$ 34,295,435	$ 67,521,793
				-
Debt Service Funds				-
Pension Obligation Bond	-	4,425,976	-	4,425,976
Assessment Districts	-	2,832,505	-	2,832,505
Subtotal, Debt Service Funds	$ -	$ 7,258,481	$ -	$ 7,258,481
				-
Total, Expenditures	$ 836,604	$ 41,424,839	$ 34,295,435	$ 217,299,887

[2] Includes transfers between funds in the Successor Agency program budget to pay for debt obligation in the amount of $33,135,772, therefore uses appear to be overstated by $33,135,772

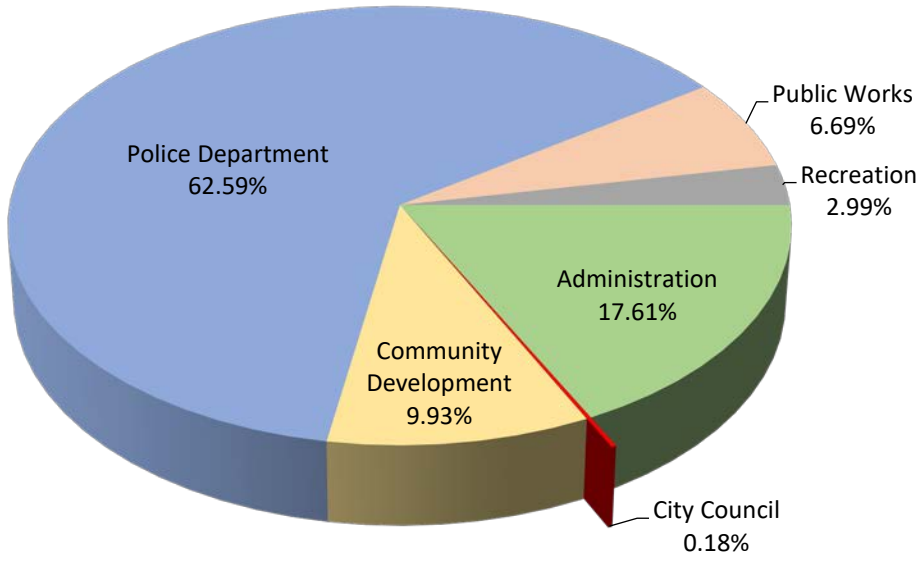
General Fund Revenues and Expenditures
Table 6

	2016-17 Actual	2017-18 Amended Budget[2]	2018-19 Proposed Budget	Change from 2017-18	% Change
General Fund Reserves[1]	$ 10,190,154	$ 13,875,169	$ 13,182,997	$ (692,172)	- 4.99 %
Revenues					
Fines & Forfeitures	686,962	489,500	726,850	237,350	48.49
Franchise Fees	3,980,309	4,096,870	4,145,234	48,364	1.18
Intergovernmental Revenue	3,031,399	2,665,698	2,646,275	(19,423)	-0.73
Other Revenues	1,946,807	2,189,749	1,935,437	(254,312)	-11.61
Other Taxes	6,684,716	6,916,881	7,165,000	248,119	3.59
Permits, Licenses & Fees	2,105,519	1,918,040	2,038,849	120,809	6.30
Property Taxes	3,573,823	3,668,495	3,992,731	324,236	8.84
Sales Taxes	12,659,580	12,291,467	13,579,560	1,288,093	10.48
Service Fees	2,331,974	2,376,787	2,400,343	23,556	0.99
Transfers-In	4,093,226	8,373,068	4,794,237	(3,578,831)	-42.74
Use of Money & Property	506,520	593,276	531,146	(62,130)	-10.47
Total, General Fund Revenues	$ 41,600,835	$ 45,579,831	$ 43,955,662	$ (1,624,169)	-3.56 %
Expenditures					
Administration	9,323,234	8,443,637	7,864,251	(579,386)	-6.86
City Council	83,145	76,048	79,285	3,237	4.26
Community Development	4,240,764	4,238,866	4,435,352	196,486	4.64
Police Department	24,110,407	25,124,762	27,944,932	2,820,170	11.22
Public Works	2,616,428	2,714,298	2,988,208	273,910	10.09
Recreation	1,090,465	1,297,205	1,335,806	38,601	2.98
Total, General Fund Expenditures	$ 41,464,443	$ 41,894,816	$ 44,647,834	$ 2,753,018	6.57 %

[1] Represents working capital and does not include fixed assets, inventory, long-term advances or loans.

[2] Substantial increase in General Fund reserves represents transfer-in from Budget Stabilization to meet 30% of operating expense Reserve requirement, which became mandatory at the end of FY2017/18

2018-19 General Fund Expenditures by Department

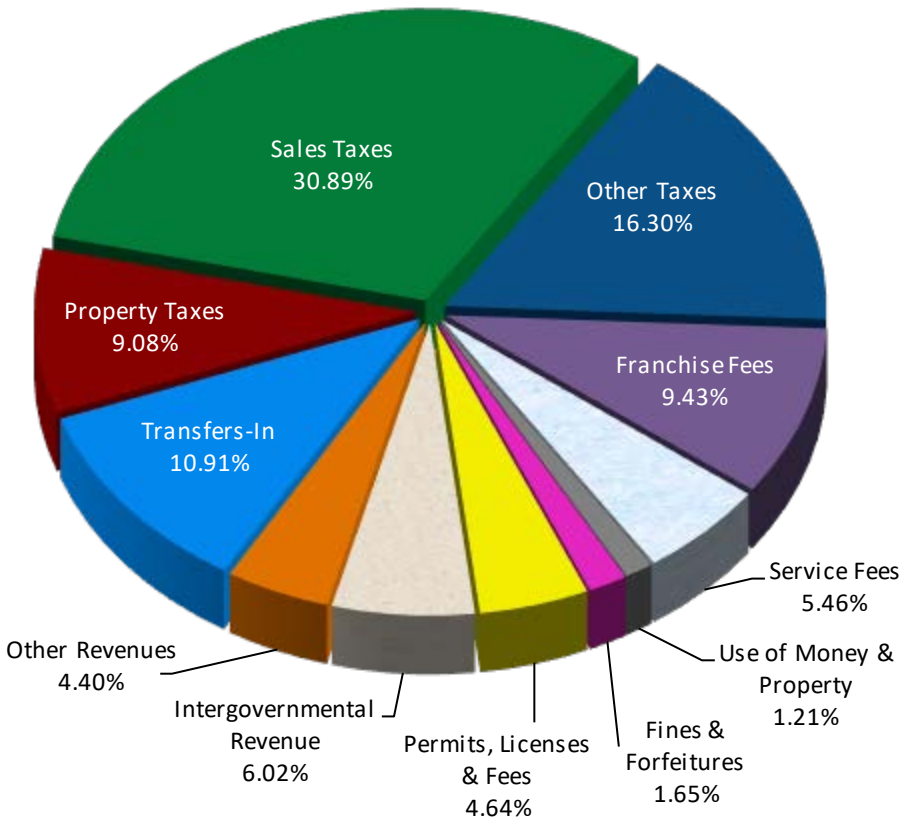


General Fund Revenues
Table 7

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
Property Taxes					
Homeowners Tax Relief	78,281	80,000	80,000	-	-
Prior Year Taxes	77,136	(30,000)	(30,000)	-	-
Secured Property Taxes	2,536,092	2,776,467	2,887,822	111,355	4.01
Supplemental Taxes	292,112	200,000	400,000	200,000	100.00
Unitary Taxes	279,350	320,000	320,000	-	-
Unsecured Property Taxes	310,852	322,028	334,909	12,881	4.00
Subtotal, Property Taxes	$ 3,573,823	$ 3,668,495	$ 3,992,731	$ 324,236	8.84 %
Sales Taxes					
Sales & Use Taxes	8,492,550	8,260,708	8,966,700	705,992	8.55
Sales Taxes - Increase	4,167,030	4,030,759	4,612,860	582,101	14.44
Subtotal, Sales Taxes	$ 12,659,580	$ 12,291,467	$ 13,579,560	$ 1,288,093	10.48 %
Other Taxes					
Business License Tax	541,269	525,000	530,000	5,000	0.95
Motor Vehicle Tax	4,544,316	4,787,481	4,900,000	112,519	2.35
Other Taxes	256,528	260,000	350,000	90,000	34.62
Public Safety - Prop 172 Sales Tax	583,789	585,000	585,000	-	-
Transient Occupancy Taxes	758,814	759,400	800,000	40,600	5.35
Subtotal, Other Taxes	$ 6,684,716	$ 6,916,881	$ 7,165,000	$ 248,119	3.59 %
Franchise Fees					
Calpine	18,007	16,000	17,500	1,500	9.38
Comcast Broadband	681,660	670,000	687,000	17,000	2.54
Franchise Fees - Other	123,981	129,918	125,000	(4,918)	-3.79
PG&E	513,007	571,000	591,000	20,000	3.50
Pittsburg Disposal	1,738,661	1,760,000	1,765,000	5,000	0.28
RCTS	904,993	949,952	959,734	9,782	1.03
Subtotal, Franchise Fees	$ 3,980,309	$ 4,096,870	$ 4,145,234	$ 48,364	1.18 %
Service Fees					
Building Service Fees	290,923	278,640	255,335	(23,305)	-8.36
Engineering Service Fees	1,410	510	2,226	1,716	336.47
Other Reimbursements	321,745	449,000	400,000	(49,000)	-10.91
Other Service Fees	642,735	593,713	623,370	29,657	5.00
Planning Service Fees	26,795	30,100	36,100	6,000	19.93
Police Service Fees	525,998	502,224	503,512	1,288	0.26
Public Works Service Fees	280,654	281,000	276,000	(5,000)	-1.78
Recreation Entrance Fees	140,442	150,000	172,500	22,500	15.00
Recreation Service Fees	81,006	76,600	87,300	10,700	13.97
Recreation Sports Fees	20,266	15,000	44,000	29,000	193.33
Subtotal, Service Fees	$ 2,331,974	$ 2,376,787	$ 2,400,343	$ 23,556	0.99 %
Use of Money & Property					
Investment Earnings	140,608	266,000	207,400	(58,600)	-22.03
Rental Income	365,912	327,276	323,746	(3,530)	-1.08
Sale of Property	-	-	-	-	-100.00
Subtotal, Use of Money & Property	$ 506,520	$ 593,276	$ 531,146	$ (62,130)	-10.47 %
Fines & Forfeitures					
Abandoned Vehicle Abatement	158,406	145,000	140,000	(5,000)	-3.45
Booking Fees	8,118	8,000	5,500	(2,500)	-31.25
Code Enforcement Fines	150,194	46,000	61,500	15,500	33.70
Fines and forfeitures	4,409	1,000	1,000	-	-
Police Fines	210,482	98,000	76,500	(21,500)	-21.94
Police Forfeitures	3,474	2,000	3,000	1,000	50.00
POST Reimbursements	5,069	-	5,000	5,000	-100.00
Traffic Fines	144,973	-	-	-	-100.00
Vehicle Code Fines	1,837	189,500	434,350	244,850	129.21
Subtotal, Fines & Forfeitures	$ 686,962	$ 489,500	$ 726,850	$ 237,350	48.49 %
Permits, Licenses & Fees					
Building Fees	111,379	209,240	188,220	(21,020)	-10.05
Building Permits	930,737	908,400	888,925	(19,475)	-2.14
Business License Fees	146,068	145,500	125,000	(20,500)	-14.09
Code Enforcement Fee	-	-	10,000	10,000	-100.00
Engineering Fees	765,177	439,464	602,043	162,579	36.99

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
Other Fees	10,261	10,261	10,261	-	-
Other Permits	13,629	3,575	8,900	5,325	148.95
Planning & Zoning	118,106	195,600	198,000	2,400	1.23
Police Fees	10,162	6,000	7,500	1,500	25.00
Subtotal, Permits, Licenses & Fees	$ 2,105,519	$ 1,918,040	$ 2,038,849	$ 120,809	6.30 %
Intergovernmental Revenue					
Grants	188,588	406,222	110,500	(295,722)	-72.80
Other Reimbursements	136,221	300,500	453,810	153,310	51.02
RDA AB-1290/City Pass Through	1,366,332	605,623	487,808	(117,815)	-19.45
School Resource Officer Reimbursement	360,672	346,800	505,000	158,200	45.62
State Mandated Costs	22,888	26,553	109,157	82,604	311.09
Tipping Fee	956,698	980,000	980,000	-	-
Subtotal, Intergovernmental Revenue	$ 3,031,399	$ 2,665,698	$ 2,646,275	$ (19,423)	-0.73 %
Other Revenues					
Administrative Overhead	1,636,718	1,852,489	1,859,638	7,149	0.39
Donations	10,055	5,260	11,799	6,539	124.32
Grants	-	-	-	-	-100.00
Loan Repayments	-	100,000	-	(100,000)	-100.00
Other Reimbursements	242,902	192,000	52,500	(139,500)	-72.66
Other Revenues	57,132	40,000	11,500	(28,500)	-71.25
Subtotal, Other Revenues	$ 1,946,807	$ 2,189,749	$ 1,935,437	$ (254,312)	-11.61 %
Transfers-In					
Transfers-In	4,093,226	8,373,068	4,794,237	(3,578,831)	-42.74
Subtotal, Transfers-In	$ 4,093,226	$ 8,373,068	$ 4,794,237	$ (3,578,831)	-42.74 %
Total, General Fund Revenues	$ 41,600,835	$ 45,579,831	$ 43,955,662	$ (1,624,169)	-3.56 %

General Fund Revenues by Source

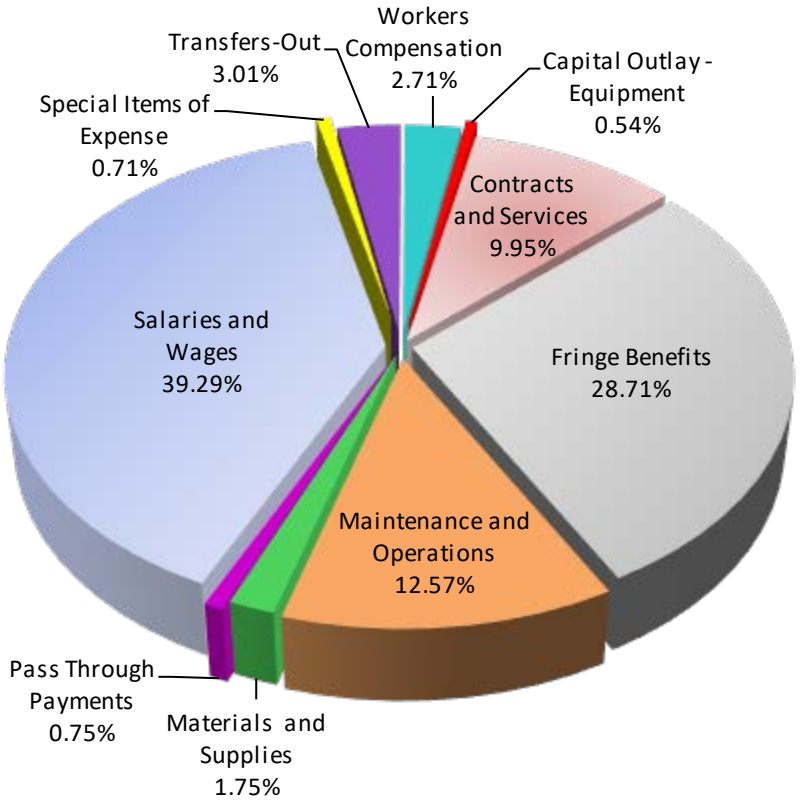


General Fund Expenditures by Category

Table 8

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
Capital Outlay - Equipment	184,870	648,222	242,000	(406,222)	-62.67
Contracts & Services	5,444,388	5,030,713	4,442,251	(588,462)	-11.70
Fringe Benefits	11,694,163	10,907,670	12,819,677	1,912,007	17.53
Maintenance & Operations	4,682,043	5,482,194	5,613,435	131,241	2.39
Materials & Supplies	795,334	793,361	781,645	(11,716)	-1.48
Pass Through Payments	302,670	322,151	333,414	11,263	3.50
Salaries & Wages	16,119,811	15,918,117	17,543,130	1,625,013	10.21
Special Items of Expense	104,835	214,516	319,000	104,484	48.71
Transfers-Out	1,295,808	1,535,266	1,345,370	(189,896)	-12.37
Workers Compensation	840,521	1,042,606	1,207,912	165,306	15.86
Total, Expenditures	$ 41,464,443	$ 41,894,816	$ 44,647,834	$ 2,753,018	6.57 %

2018-19 General Fund Expenditures by Category



FY 2018-2019 FUNDED POSITIONS

FY 2018-2019 Adopted Base	Title of Position	Salary		
1.00	City Manager	Contract		
1.00	Chief of Police	14,656	-	18,528
1.00	Assistant City Manager	14,033	-	17,908
1.00	Director of Public Works	12,968	-	15,764
2.00	Police Captain	12,420	-	15,851
1.00	City Attorney	12,000	-	15,168
1.00	Director of Community Development	12,000	-	15,168
1.00	Director of Community Services	12,000	-	15,168
1.00	Director of Finance	12,000	-	15,168
1.00	Director of Human Resources	12,000	-	15,168
1.00	City Engineer	10,903	-	13,252
1.00	Power Company Manager	10,903	-	13,252
5.00	Police Lieutenant	10,827	-	13,818
1.00	Assistant Director of Public Works	10,662	-	12,960
1.00	Assistant Director of Economic Development & Recreation	10,184	-	12,378
1.00	Lead Public Works Superintendent	10,176	-	12,369
1.00	Environmental Affairs Manager	9,783	-	11,891
1.00	Planning Manager	9,783	-	11,891
1.00	Director of Records & Council Services	9,782	-	11,890
1.00	Water Plant Superintendent	9,230	-	11,220
1.00	Public Works Superintendent	8,790	-	10,685
3.00	Sr. Civil Engineer	8,702	-	10,578
3.00	Finance Division Manager	8,557	-	10,401
1.00	Housing Manager	8,557	-	10,401
11.00	Police Sergeant	8,390	-	10,707
1.00	Utility Supervisor	8,338	-	10,136
1.00	Water Plant Supervisor	8,338	-	10,136
1.00	Building Inspection Supervisor	8,338	-	10,136
2.00	Senior Planner	7,930	-	9,638
1.00	Compliance Principal	7,868	-	9,563
1.00	Harbormaster	7,868	-	9,563
1.00	Police Services Administrator	7,868	-	9,563
1.00	Senior Financial Analyst	7,810	-	9,492
1.00	Water Instrument / Maintenance Technician II	7,762	-	9,434
1.00	Sr. Administrative Analyst	7,437	-	9,039
1.00	Sr. Human Resources Analyst	7,437	-	9,039
2.00	Civil Engineer II	7,161	-	8,705
1.00	Water Quality Analyst II	7,107	-	8,638
1.00	Sr. Combination Building Inspector	6,979	-	8,483
1.00	Financial Analyst	6,746	-	8,199
5.00	Water Plant Operator	6,734	-	8,186
1.00	Water Maintenance Mechanic I	6,705	-	8,150
4.00	Utility Technician I	6,470	-	7,866
1.00	Administrative Analyst II	6,425	-	7,809
1.00	Crime Analyst	6,425	-	7,809
1.00	Human Resources Analyst	6,425	-	7,809
1.00	Paralegal	6,425	-	7,809

FY 2018-2019 FUNDED POSITIONS

FY 2018-2019 Adopted Base	Title of Position	Salary		
2.00	Recreation Supervisor	6,289	-	7,644
1.00	Equipment Shop Supervisor	6,287	-	7,642
6.00	Public Works Supervisor	6,287	-	7,642
1.00	Police Records Manager	6,276	-	7,629
1.00	Utility Billing Supervisor	6,276	-	7,629
1.00	Combination Building Inspector	6,211	-	7,549
3.00	Civil Engineer I	6,185	-	7,518
2.00	Engineering Technician II	6,004	-	7,297
1.00	Environmental Health Specialist	5,946	-	7,227
67.00	Police Officer	5,906	-	8,726
3.00	Electrician	5,725	-	6,959
1.00	Lead Community Services Specialist	5,715	-	6,947
1.00	Police Property and Evidence Coordinator	5,713	-	6,945
3.00	Accountant I	5,370	-	6,528
1.00	Deputy City Clerk	5,324	-	6,472
1.00	Executive Secretary to the Chief of Police	5,324	-	6,472
2.00	Human Resources Specialist	5,324	-	6,472
1.00	Payroll Specialist	5,324	-	6,472
1.00	Lead Marina Services Worker	5,293	-	6,434
6.00	Maintenance Lead Worker	5,293	-	6,434
1.00	Community Outreach Coordinator	5,238	-	6,367
1.00	Engineering Technician I	5,185	-	6,302
3.00	Administrative Specialist	5,070	-	6,164
2.00	Equipment Mechanic	5,057	-	6,148
3.00	Permit Technician	5,003	-	6,082
1.00	Planning Technician	5,003	-	6,082
1.00	Police Evidence Technician	5,003	-	6,082
8.00	Community Services Specialist	4,937	-	6,001
1.00	Recreation Coordinator	4,814	-	5,852
5.00	Accounting Technician	4,744	-	5,767
4.00	Housing Specialist	4,665	-	5,670
16.00	Maintenance Worker II	4,572	-	5,558
2.00	Utility Lineworker	4,572	-	5,558
5.00	Police Records Clerk (Part 2 of 2)	4,297	-	5,224
6.00	Administrative Assistant (Part 2 of 2)	4,092	-	4,975
15.00	Maintenance Worker I	3,950	-	4,802
3.00	Marina Maintenance Worker	3,950	-	4,802
2.00	Sweeper Operator	3,950	-	4,802
3.00	Police Records Clerk (Part 1 of 2)	3,712	-	4,513
4.00	Account Clerk (Part 1 of 2)	3,542	-	4,305
7.00	Maintenance Assistant	3,211	-	3,904
3.00	Office Assistant	3,211	-	3,904
276.00	**City Wide Total**			

FY 2018 - 2019 FULL TIME PERSONNEL ALLOCATIONS

Department/Division	FY 2016-2017 Amended Base	FY 2017-2018 Amended Base	FY 2018-2019 Adopted Base
Administration			
City Manager	0.85	0.80	0.50
City Clerk	2.25	2.20	1.40
City Attorney	0.00	0.00	2.30
Human Resources	4.00	4.00	5.00
Finance/Accounting	10.15	9.46	8.95
Finance/Utility Billing	7.35	8.04	7.55
Information/Communication Systems	0.60	0.00	0.00
Community Development			
Planning	4.48	4.43	4.33
Building - Code Enforcement	5.78	5.73	5.48
Engineering	11.48	11.48	11.98
NPDES Administration & Outreach	1.21	1.21	1.26
Southwest Pittsburg GHAD II	1.85	1.60	1.45
Local Traffic Mitigation Fee Fund	0.10	0.10	0.10
Enterprise Services			
Solid Waste	1.50	1.50	1.50
Economic Development	0.45	0.45	0.45
CDBG Entitlements	0.45	0.55	0.55
Waterfront Operations	3.45	3.75	4.75
Marina	6.05	6.05	6.05
Police Department			
Police - Admin & Support Services	3.00	3.00	7.00
Police - Operations Bureau	60.57	62.50	72.00
Police - Investigations	18.30	17.30	14.80
Police - Support Services	15.00	15.00	16.00
Police - Family Justice Center	0.20	0.20	0.20
San Marco Police CFD 2004-1	2.93	2.98	0.00
Vista Del Mar CFD 2005-2	1.71	1.39	0.00
Public Safety Service CFD 2005	1.29	1.63	0.00
Recreation Services			
Recreation - Admin	0.00	0.75	0.75
Recreation - Sports	1.15	1.15	1.15
Recreation - Senior Center	2.00	2.00	2.00

FY 2018 - 2019 FULL TIME PERSONNEL ALLOCATIONS

Department/Division	FY 2016-2017 Amended Base	FY 2017-2018 Amended Base	FY 2018-2019 Adopted Base
Public Works - Maintenance Services			
Graffiti Removal Program	1.15	1.15	1.15
Public Works/Streets	11.70	11.95	13.05
Citywide Street Lighting	1.30	1.30	1.30
Citywide Street Trees	2.70	2.70	2.50
Citywide Concrete Program	0.25	0.25	0.10
Citywide Landscape	9.64	9.64	8.65
Park Maintenance CFD 2007-1	0.36	0.36	0.25
NPDES - Maintenance/Trash & Illicit Disc	2.90	2.75	2.65
Fleet Maintenance	3.60	3.45	3.55
Building Maintenance	4.30	4.15	4.25
Public Works - Water and Sewer Enterprises			
Water Operating	31.15	32.10	32.60
Sewer Maintenance	9.65	8.90	8.40
Housing Authority			
Housing Authority - Section 8	6.70	6.65	6.65
RDA Housing - Administration	0.25	0.20	0.20
Pittsburg Power Company			
Island Energy	10.30	10.35	10.25
Pittsburg Power	1.80	1.75	1.85
Successor Agency to Former Redevelopment Agency			
RDA Administration	1.10	1.10	1.10
Citywide Totals:	**267.00**	**268.00**	**276.00**

CHANGES TO FY 2017-18 ADOPTED BUDGET BASE POSITIONS

Additions:	***Department***
Administrative Specialist	City Manager
Building Inspection Supervisor	Building
Community Outreach Coordinator	Police
Engineering Technician I	Engineering

Reclassifications:

Administrative Analyst to Sr. Admin Analyst	Community Services
Associate Planner to Senior Planner	Planning
Civil Engineer to Compliance Principal	Engineering

Unfunded:

Chief Building Official	Building
Civil Engineer I	Engineering
Executive Assistant	City Manager

CHANGES FOR FY 2018-19 BUDGET BASE POSITIONS

Additions:	***Department***
City Attorney	City Attorney
City Engineer	Engineering
Civil Engineer	Engineering
Human Resources Analyst	Human Resources
Lead Public Works Superintendent	Public Works
Paralegal	City Attorney
Permit Technician	Community Development
Police Evidence Technician	Police
Police Officer x 2	Police
Police Sergeant	Police
Police Services Administrator	Police
Property and Evidence Coordinator	Police

Reclassifications:

Accounting Technician to Administrative Specialist	Public Works
Administrative Assistant to Administrative Specialist	Finance
Community Services Specialist to Lead Community Services Specialist	Police

Unfunded:

Business License Coordinator	Finance
Director of Recreation and Maintenance Services	Recreation
Lead Police Records Clerk	Police
Senior Civil Engineer	Engineering

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➢ ADMINISTRATION

CITY MANAGER'S OFFICE

CITY TREASURER

CITY CLERK/RECORDS/COUNCIL SERVICES

CITY ATTORNEY

HUMAN RESOURCES

FINANCE

INFORMATION & COMMUNICATION SERVICES

➢ ADMINISTRATION – CITY MANAGER

Overview

The City Manager's Office (CMO) provides daily direction and leadership to City operations and the organization to implement the City Council's goals and priorities. The CMO provides information to the City Council and makes recommendations on policy issues. In carrying out the direction and vision of the City Council, the City Manager ensures that the City's services are equally available to the entire community, and that residents have access to information regarding City policies, programs, and services.

Service Levels

- Maintain the long-term fiscal health of the City while continuing to provide services to the public in a way that is responsive to community needs and interests
- Promote and facilitate cooperative and constructive interaction and communication among the City, local and regional agencies, service providers, and community organizations to ensure delivery of comprehensive, coordinated and high-quality services to Pittsburg residents
- Recommend the annual Operating Budget and Capital Improvements Program (CIP) budget
- Coordinate and integrate City services to ensure effective, efficient and responsive service delivery

➢ADMINISTRATION - TREASURER

Overview

Nancy Parent
City Treasurer

The elected City Treasurer is responsible for auditing and examining all investments made by the City of Pittsburg authorized personnel. Such audits may be performed as deemed necessary and subsequently reported to the City Council.

Service Levels

- Review and approve all quarterly investment reports including cash reserves and bond proceeds to ensure compliance with state law and the City's investment policy

➢ADMINISTRATION - CITY CLERK/RECORDS AND COUNCIL SERVICES

Overview

The City Clerk serves as the Clerk of the City Council and Secretary to all other Agencies within the City. The City Clerk is also the City's elections official, the filing officer for the Political Reform Act of 1974 regulations, the official custodian of the City's vital records and legislative history, and administrator of the City's records management program. The City Clerk is responsible for production and publication of all Council/Agency agendas; attends the meetings, records and prepares minutes; conducts the City's elections; ensures public access to, authenticates and preserves public records; ensures compliance with legal noticing requirements for all meetings; coordinates recruitment, interview and appointment of the City's commissions and maintains the City's Municipal Code. The City Clerk is an elected position.

Alice Evenson
Pittsburg City Clerk

Service Levels

- Provides support to the City Council in all aspects of City operations, to assist policy-making while ensuring the availability of information to all citizens
- Recruits candidates for the City's Commissions, and posts Local Appointive List in accordance with the Maddy Act
- Oversees and maintains the City's records management system and retention schedules, incorporating all local, state, and federal guidelines
- Responsible for the production and publication of agendas and minutes for the City Council and other bodies
- Administers City elections and ensures compliance with all applicable codes
- Maintains conflict of interest, financial disclosure records, and campaign statement filings submitted by public officials in accordance with the Political Reform Act of 1974
- Administers the oath of office to newly elected Council Members and appointed commissioners

Goals

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Administer provisions of the City's Conflict of Interest Code and ensure bi-annual update as required

- ✓ Coordinate recruitment of openings on the City Commissions, schedule and coordinate Commission applicants for interviews with the City Council for the June 2018 vacancies (four vacancies on Planning Commission and four vacancies on Community Advisory Commission)
- ✓ Perform all statutory duties within timelines, including Filing Officer duties as required by the Political Reform Act for campaign disclosure statements for candidates and officeholders
- ✓ Finalize the migration of documents into the updated Electronic Document Management System
- ✓ Analyze programs, policies and procedures utilized in the City Clerk's office to ensure the department is operating in the most efficient manner
- ✓ Administer the City's November Election which includes three City Council seats, one City Treasurer and one City Clerk

Accomplishments

- ✓ City Logo and Seal Usage Policy drafted
- ✓ Coordinated responses to Grand Jury surveys and reports
- ✓ Assembled, published and processed 49 City Council/Oversight Board and Planning Commission Meeting Agendas
- ✓ Processed 202 Resolutions, 16 Ordinances, 18 Minute Order Actions, 12 various reports submitted to Council for approval
- ✓ Responded to 162 Public Records Requests
- ✓ Eight Commission vacancies were filled

➢ADMINISTRATION – CITY ATTORNEY

Overview

The City Attorney function is currently contracted to an outside legal firm to provide legal services to the City Council and staff as directed on legal matters relating to Pittsburg. The City Attorney represents the City in certain litigation and non-litigation matters. The City is currently advertising to bring the City Attorney to a staff position in FY 2018-19.

Service Levels

- Provides legal services citywide
- Attends all regular City Council meetings and special meetings if attendance is requested

Goals

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

✓ Continue to implement cost recovery agreements for proposed development projects (residential, commercial, etc.) so each project pays its fair share and is not subsidized by General Fund

✓ Through changes in the retainer agreement, and continuing evaluation thereof, increase staffing and efficiency in providing the City Attorney Services

Citywide Goal 2 – Prioritize Public Safety First in the City Budget

✓ Verify that all projects subject to CFD are included

Citywide Goal 5 – Increase Efficiency of City Operations and Services

✓ Continue coordination with staff on code enforcement issues

✓ Conduct training for City's elected and appointed officials, including AB 1234

➢ADMINISTRATION – HUMAN RESOURCES

Overview

The Human Resources Department supports the City of Pittsburg by providing comprehensive and timely human resources services. We have the responsibility for developing and implementing innovative strategies and programs that enhance the work experience for our employees. Our objective is to attract, develop, motivate and retain the best-qualified employees whose diversity and skills contribute to and sustain the City of Pittsburg as a quality organization.

Service Levels

- Maintain all department records, including employee personnel files
- Provide information and support to employees regarding recruitment, salary and benefit information, policies and procedures, and other human resources issues
- Administer the City's personnel merit system, employee benefits, employee relations and equal employment opportunity programs
- Administer City's risk management programs including workers' compensation and employment liability
- Provide diverse and skilled applicant pools, classification and compensation administration, labor relations, human resources management tools; policies and procedures, and other support to City departments
- Represent the City Council and City Manager on all employee relations matters with representatives of recognized employee organizations
- Assure that the City has fair and equitable policies and procedures that are uniformly interpreted and implemented
- Assure that all recruitment, hiring, placements, transfers and promotions are made on the basis of individual qualifications for the position

Goals

Citywide Goal 5 - Increase Efficiency of City Operations and Services

- ✓ Implement a two-year strategic plan to provide relevant training and development opportunities for City employees, with an emphasis on skill building for front-line supervisors and managers

- ✓ Develop a benefits education program designed to ensure all full-time City employees are aware of the City's comprehensive benefits programs, as well as communicating the full value of City employment through the establishment of an annual Total Compensation Statement

- ✓ Perform a comprehensive review and updating of key City personnel rules and
- ✓ policies to ensure compliance with MOU provisions, state and federal legislation
- ✓ Conduct negotiations and complete successor MOUs for three of the five bargaining units by December 31, 2018
- ✓ Promote the City as an attractive employer to secure highly qualified applicants for vacancies and to complete recruitments, on average, within 60 days
- ✓ With a high degree of innovation, continue to audit workplace practices, enhance efficiencies and implement change to enable the City and its workforce to fix problems, create opportunity, and build towards the community's prosperous future

Accomplishments

- ✓ Facilitated the City's CalPERS agency contract amendment process to provide members of the Teamsters and AFSCME bargaining units with the distribution of pension cost sharing credits
- ✓ Lead the Joint Labor Management Committee to evaluate health benefit program options, resulting in the implementation of new health plans that provided equivalent employee and retiree benefits while providing the City with savings
- ✓ Negotiated lower dental insurance premium rates for 2018 resulting in savings
- ✓ Negotiated 3-year term labor agreements with two of the City's five bargaining units
- ✓ Developed and offered an early retirement incentive plan that exceeded the City's utilization expectation by 100%

- ✓ Conducted 28 full-time regular position recruitments and filled 40 vacancies from certified eligibility lists on average, recruitments were completed within 50 days, surpassing the goal of 60 days
- ✓ Audited the City's retiree health benefit program and successfully implemented a Retiree Health Reimbursement Arrangement
- ✓ Effectively facilitated seven employment relations workshops that provided professional development training for 32 City supervisors and managers

The following are indicators of the types and volume of activities occurring within this program:

Performance Measure	Relates to Goal(s)	FY 16-17 Actual	FY 17-18 Estimate	FY 18-19 Projected
Number of Regular Recruitments Conducted	5	14	28	20
Number of Regular Vacancies Filled	5	29	40	30
Average Number of Calendar Days from Requisition to Eligibility List	5	45	50	60
Number of Employees Contributing Pre-Tax Dollars to Deferred Compensation Benefit Plans	5	199	215	237
Number of Injury Incidents Requiring Medical Attention Beyond First Aid	5	43	36	40
Number of Safety Workshops Offered	5	3	4	2
Number of Wellness Events Offered	5	5	2	4
Number of Staff Development/ Compliance Trainings Offered	5	11	14	13

➢ADMINISTRATION – FINANCE

Overview

The Finance Department is responsible for accounting operations, payroll, utility billing, budget, financial reporting, debt issuance and management, risk management programs and investments for all of the City departments and agencies within the framework of City policies and procedures.

Service Levels

- Provide administration, accounting, fiscal management, and support services to the City
- Manage Citywide budget development
- Provide payroll servicing for the City
- Administer the financial provisions of all debt, bond, tax sharing and other contractual agreements
- Provide billing services and effective collection of business license taxes, assessment district taxes, sewer and water charges, and miscellaneous revenues

- Maintain up-to-date accounting and finance policy and procedure manuals
- Maintain a high level of professionalism and integrity in all of the City's financial practices and procedures
- Monitor and report the City's fiscal condition semi-annually
- Administer the City's risk management programs

Goals

Citywide Goal 1- Achieve and Maintain a Structurally Balanced Budget

- ✓ Recommend budgets consistent with the City's Fiscal Sustainability Ordinance using sustainable revenues to cover operational expenses
- ✓ Continue to update the General Fund 20-Year Forecast based upon current trends
- ✓ Strive to continually improve the City's credit rating
- ✓ Continue to pre-fund Other Post-Employment Benefits (OPEB)

- ✓ Establish a Section 115 Trust to begin pre-funding CalPERS pension obligations
- ✓ Review the Senior and Disabled Citizens water rate discount
- ✓ Review and determine if a balanced payment plan is feasible for the Water Utility Department
- ✓ Draft and adopt a Local Hiring Policy
- ✓ Increase the Purchasing Policy preference for local businesses from 1% to 3%

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Complete the review and update to the City's purchasing policies
- ✓ Consolidate the Business License and Utility Billing payment center

Accomplishments

- ✓ Worked with Council and City departments to submit a budget consistent with the City's Fiscal Sustainability Ordinance
- ✓ Maintained bond ratings while increasing Standard & Poor's payment indicators
- ✓ Funded OPEB side fund as authorized
- ✓ Issued an RFP for investment advisory services
- ✓ Increased customer payment options, thereby reducing walk-in payments for Utility Billing

The following are indicators of the types and volume of activities occurring within this program:

Performance Measure	Relates to Goal(s)	FY 16-17 Actual	FY 17-18 Estimate	FY 18-19 Projected
Business Licenses Issued	1,5	3,494	3,534	3,600
Utility Bills Generated	5	221,391	223,692	225,929
Credit Rating Increases	1	1	2	2
Online/Automatic Payments Processed	5	93,882	99,459	105,000

➢ ADMINISTRATION – INFORMATION/COMMUNICATIONS SYSTEMS

Overview

The Information and Communications Systems Department centrally manages the operation, maintenance and replacement of the citywide network infrastructure, telephone, computer equipment and other hardware and software needs. This activity falls under the Internal Service Fund relative to the management of information technology planning and technical support of the hardware and software required for citywide operations.

Service Levels

- Maintain the Citywide Network System in a reliable and consistent manner
- Provide hardware support to sustain the City's information technology systems including servers, network devices, specialized appliances, etc.
- Provide equipment support for personal computers, laptops and all other associated peripheral equipment

- Provide software support to sustain the City's local and wide area networks including electronic mail, remote access to City computers at offsite locations, Internet access, mobile access to City information technology systems and the City website
- Provide operational support for the City's VoIP telephony system. Maintain and manage the various application systems being used by the City in a reliable and consistent manner

Accomplishments

- ✓ Upgraded VMWare platform, established a cloud-based storage system through Evidence.com, and enhanced the wireless network for the Police department
- ✓ Migrated Island Energy's billing system and Housing Authority to new software systems

- ✓ Enhanced the wireless network at the California Theater
- ✓ Added layers to the Geographic Information System (GIS), including some citizen-accessible layers
- ✓ GraniteNet Sewer Video Inspection system was implemented and integrated with current GIS system for Public Works
- ✓ Wireless bridge between City Hall & City Park Field 1 for game broadcasts
- ✓ Radio AM1670 was established for Emergency Operations Center

The following are indicators of the types and volume of activities occurring within this program:

Performance Measure	Relates to Goal(s)	FY 16-17 Actual	FY 17-18 Estimate	FY 18-19 Projected
High Priority Projects Completed	5	10	12	12
Service Requests Completed	5	2,034	2,000	2,000

FY 2018 - 2019 FULL TIME PERSONNEL ALLOCATIONS
Administration

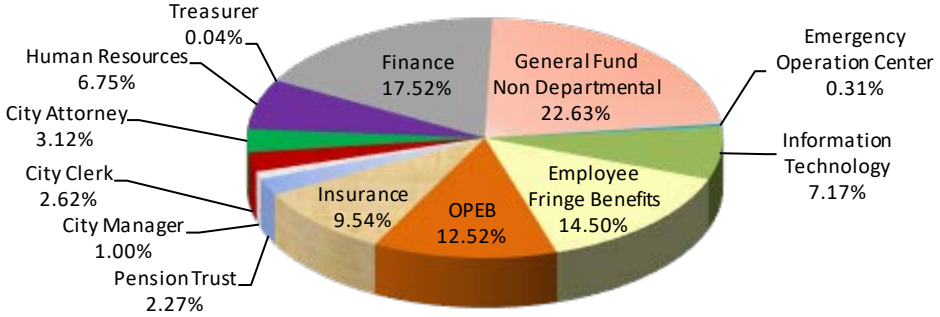
Department/Division	FY 2016-2017 Amended Base	FY 2017-2018 Amended Base	FY 2018-2019 Adopted Base
City Manager	0.85	0.80	0.50
City Clerk	2.25	2.20	1.40
City Attorney	0.00	0.00	2.30
Human Resources	4.00	4.00	5.00
Finance/Accounting	10.15	9.46	8.95
Finance/Utility Billing	7.35	8.04	7.55
Information/Communication Syste	0.60	0.00	0.00
TOTAL:	**25.20**	**24.50**	**25.70**

Detailed Program Budget
Administration

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
AUTHORIZED POSITIONS					
Total Authorized	25.20	24.50	25.70	1.20	4.90%
SOURCES OF REVENUE					
General Fund	11,660,267	11,480,707	9,874,735	(4,758,729)	-32.52
Enterprise Funds	-	768,993	799,867	30,874	4.01
Internal Service Funds	6,599,377	7,338,699	7,900,246	561,547	7.65
Special Revenue Funds	15,000	55,000	55,052	52	0.09
Transfer-in to General Fund Reserves	-	3,152,757 [1]	-	(3,152,757)	-100.00
(Addition To)/Reduction in Fund Balance	(2,671,366)	(1,076,006) [1]	(1,258,504)	(182,468)	16.96
TOTAL SOURCES OF REVENUE	**$ 15,603,278**	**$ 21,720,120**	**$ 17,371,396**	**$ (4,348,724)**	**-20.02 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	1,865,084	1,945,723	2,354,126	408,403	20.99
Maintenance & Operations	2,816,512	2,848,181	3,448,992	600,811	21.09
Workers Compensation	1,418,163	1,754,456	1,879,732	125,276	7.14
Materials & Supplies	180,898	205,227	397,500	192,273	93.69
Pass Through Payments	302,670	322,151	333,414	11,263	3.50
Contracts & Services	3,874,406	3,365,909	2,807,349	(558,560)	-16.59
Fringe Benefits	3,726,398	3,913,639	4,594,213	680,574	17.39
TOTAL USES - OPERATING EXPENDITURES	$ 14,184,131	$ 14,355,286	$ 15,815,326	$ 1,460,040	10.17 %
USES - OTHER EXPENDITURES					
Special Items of Expense	67,992	249,666	285,700	36,034	14.43
TOTAL USES - OTHER EXPENDITURES	$ 67,992	$ 249,666	$ 285,700	$ 36,034	14.43 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	50,867	110,000	5,000	(105,000)	-95.45
Capital Outlay - Projects	-	740,000	-	(740,000)	-100.00
TOTAL USES - CAPITAL EXPENDITURES	$ 50,867	$ 850,000	$ 5,000	$ (845,000)	-99.41 %
USES - TRANSFERS-OUT					
Transfers-Out	1,300,288	6,265,168	1,265,370	(4,999,798)	-79.80
TOTAL USES - TRANSFERS-OUT	$ 1,300,288	$ 6,265,168	$ 1,265,370	$ (4,999,798)	-79.80 %
TOTAL USES	**$ 15,603,278**	**$ 21,720,120**	**$ 17,371,396**	**$ (4,348,724)**	**-20.02 %**
USES BY PROGRAM RECAP					
City Manager	250,259	237,229	174,382	(62,847)	-26.49
City Clerk	437,389	416,297	455,755	39,458	9.48
City Attorney	459,513	431,313	541,745	110,432	25.60
Human Resources	890,121	980,865	1,171,835	190,970	19.47
Treasurer	6,355	6,536	6,286	(250)	-3.82
Finance	2,843,758	3,001,632	3,043,471	41,839	1.39
General Fund - Non-Departmental	4,445,839	4,799,750	3,930,512	(869,238)	-18.11
Emergency Operation Center	-	55,000	54,700	(300)	-0.55
Information Technology	1,026,242	1,204,868	1,246,210	41,342	3.43
Employee Fringe Benefits	2,060,987	2,483,801	2,519,657	35,856	1.44
Other Post-Employment Benefits (OPEB)	1,970,293	2,395,645	2,174,899	(220,746)	-9.21
Pension Trust	-	-	394,215	394,215	-100.00
Insurance	1,187,522	1,228,798	1,657,729	428,931	34.91
Budget Stabilization	25,000	4,478,386 [1]	-	(4,478,386)	-100.00
TOTAL USES BY PROGRAM RECAP	**$ 15,603,278**	**$ 21,720,120**	**$ 17,371,396**	**$ (4,348,724)**	**-20.02 %**

(1) Total Sources of Revenue includes an one-time transfer of $3,152,757 from Budget Stabilization Fund to General Fund Reserves fund balance.

Administration - Uses by Division



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➢ CITY COUNCIL

MAYOR LONGMIRE

VICE MAYOR EVOLA

COUNCIL MEMBER CRAFT

COUNCIL MEMBER BANALES

COUNCIL MEMBER KILLINGS

➢CITY COUNCIL

Overview

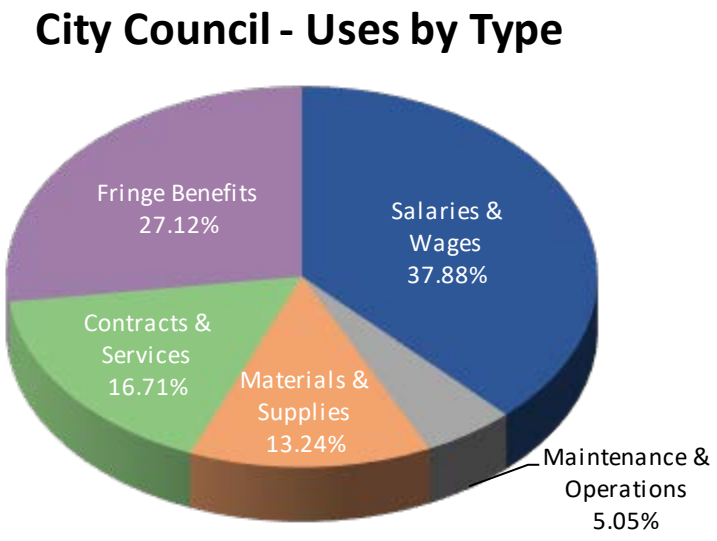
The City of Pittsburg operates under a council manager form of government and derives its authority from both the California constitution and laws enacted by the state legislature. All legislative power is held by the publicly elected, five member City Council, which consists of the Mayor and four Council Members. All Council Members have equal authority. The Mayor, however, has the additional responsibility of presiding over the City Council meetings, signing official documents and performing ceremonial functions. City Council Members are elected at large in November and hold office for four years. The Mayor is selected among the Council Members and serves for a one-year term.

Service Levels

- Appoint the City Manager and City Attorney to implement policy
- Meet at least once a month, encouraging public comment
- Represent the community on a variety of outside agencies' boards

Detailed Program Budget
City Council

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
AUTHORIZED POSITIONS					
Total Authorized	-	-	-	-	-
SOURCES OF REVENUE					
(Addition To)/Reduction in Fund Balance	83,145	76,048	79,285	3,237	4.26
TOTAL SOURCES OF REVENUE	**$ 83,145**	**$ 76,048**	**$ 79,285**	**$ 3,237**	**4.26 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	48,172	29,654	30,030	376	1.27
Maintenance & Operations	1,740	2,000	4,000	2,000	100.00
Materials & Supplies	8,954	8,500	10,500	2,000	23.53
Contracts & Services	14,637	8,125	13,250	5,125	63.08
Fringe Benefits	9,642	27,769	21,505	(6,264)	-22.56
TOTAL USES - OPERATING EXPENDITURES	$ 83,145	$ 76,048	$ 79,285	$ 3,237	4.26 %
TOTAL USES	**$ 83,145**	**$ 76,048**	**$ 79,285**	**$ 3,237**	**4.26 %**
USES BY PROGRAM RECAP					
City Council	83,145	76,048	79,285	3,237	4.26
TOTAL USES BY PROGRAM RECAP	**$ 83,145**	**$ 76,048**	**$ 79,285**	**$ 3,237**	**4.26 %**



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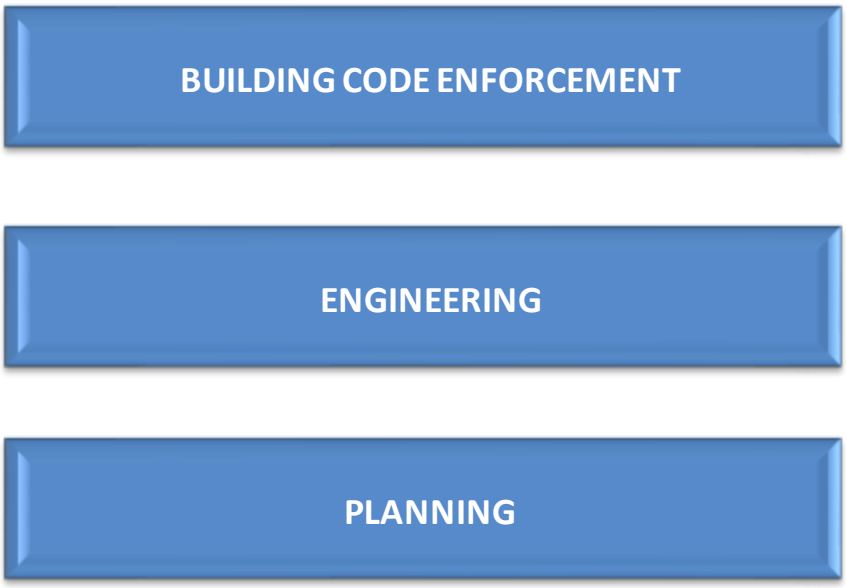
➢ COMMUNITY DEVELOPMENT



➢ COMMUNITY DEVELOPMENT – BUILDING CODE ENFORCEMENT

Overview

The Building Division is responsible for enforcing the California Building and Construction Codes as enacted by the California State Building Standards Commission. These codes apply to nearly all forms and levels of construction throughout the City. The Building Division is responsible for managing the construction permit process; including relaying general information and regulating plan submittal, plan review, permit issuance, inspection and document retention. The Building Division also administers the City's Residential Rental Inspection Program, which includes identification and registration of residential rental properties, inspections, and issuance of correction notices and citations when necessary.

Service Levels

- Next day construction inspection services
- Provide both general information and technical guidance for all types of construction projects within the City both personally and online
- Actively investigate citizen complaints regarding municipal code violations

Goals

Citywide Goal 4 – Continue Economic Development, Diversified Housing and Facilitate Growth and Retention of Existing Businesses

- ✓ Complete plan reviews and inspections for major development projects, including Waterstone (remaining phase), Stoneman Apartments, Positano Phase II and commercial developments
- ✓ Inspect residential development for compliance with applicable codes (average 250 new housing starts per year)

- ✓ Issue 300 solar energy system permits (average 300 to 400 per year)
- ✓ Provide 1,800 Housing Quality Inspections for Pittsburg Housing Authority

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Increase awareness and efficiency for issuance of Electric Vehicle Charging Stations permits, with goal of approving 25 new charge stations in FY 2018-19
- ✓ Customer satisfaction survey

Accomplishments

- ✓ Issued permits and provided inspection of 150 new single-family homes and issued 440 solar permits
- ✓ City Council adopted resolution to streamline plan review for Electric Vehicle (EV) Charging Stations. To date, 8 EV stations approved for residential use, 23 stations within 10-mile radius of center of the City
- ✓ Provided approximately 1,600 Housing Authority inspections
- ✓ Implemented on-line payments for Residential Rental Inspection program

The following are indicators of the types and volume of activities occurring within this program:

Performance Measure	Relates to Goal(s)	FY 16-17 Actual	FY 17-18 Estimate	FY 18-19 Projected
Solar Energy Permits Issued	4	377	440	300
Electric Vehicle Charging Station Permits Issued	4	8	17	25
New Single-Family Home Permits and Inspections Issued	4	210	150	250
Housing Authority Inspections Provided	4	1,558	1,600	1,800

➢ COMMUNITY DEVELOPMENT - ENGINEERING

Overview

The Engineering Division provides skilled staff to assure that City-owned facilities such as streets, storm drain systems, water distribution networks, sewer collection facilities, parks, and similar improvements are constructed where needed and that the improvements are built to meet appropriate standards.

Service Levels

- Manage the design and construction of City projects
- Assure that development projects (residential and commercial) meet City requirements
- Manage traffic related issues and improvements such as signal timing
- Process and issue the permits for encroachments within the public right-of-way, site grading, parking permits, and wide load permits
- Maintain records of the constructed improvements and the description of properties and easements within the City
- Serve as the City's Stormwater National Pollutant Discharge Elimination System (NPDES) manager to ensure compliance with the City's Stormwater permit
- Provide staff to manage and support the Southwest Pittsburg Geological Hazard Abatement District II

Goals

Citywide Goal 1- Achieve and Maintain a Structurally Balanced Budget

- ✓ Seek at least $1 million in new grants to fund public infrastructure improvements

Citywide Goal 3 – Improve Public Facilities and Infrastructure

- ✓ Complete construction of five capital projects scheduled including pedestrian trails and water filtration
- ✓ Prepare annual update to the City's Five-Year Capital Improvement Program
- ✓ Identify project management team for James Donlon Boulevard Extension, and begin utility relocation and right-of-way acquisition needed for the project
- ✓ Work with the CalTrans, MTC and CCTA to improve traffic operations on State Route 4 within city limits

- ✓ Partner with Pittsburg Unified School District, Police and other City departments to maximize traffic safety and circulation at schools

Citywide Goal 4 – Continue Economic Development, Diversified Housing and Facilitate Growth and Retention of Existing Businesses

- ✓ Establish Project Labor Agreement Policy for City construction projects

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Complete synchronization of traffic signals at 14 intersections along West Leland Road corridor to reduce traffic congestion and reduce average travel time by 10% during peak hours

Accomplishments

- ✓ Completed cooperative projects, including pedestrian and intersection improvements and agreements for security cameras for the Pittsburg Center BART station which began service in May 2018
- ✓ City awarded $4.5 million in new grants in for design and construction of pedestrian trails
- ✓ Traffic engineers met with principals at each school campus to improve traffic flow and pedestrian safety
- ✓ Synchronized traffic signals at 17 intersections along Railroad Avenue/Kirker Pass Road corridor
- ✓ Converted the irrigation system at John Buckley Square to recycled water
- ✓ Replaced Sidewalk along Buchanan Road from Suzanne to Loveridge Road
- ✓ Added 50 information map layers to the GIS system to improve access to accurate information by Field Inspectors, Police, infrastructure maintenance, code enforcement and other, including five layers accessible to the public

Scheduled Capital Project Completions

Project Name	Relates to Goal(s)	Scheduled Completion
Pavement Maintenance (Loveridge Road/West Leland Road)	3	Fall 2018
San Marco Class I Trail	3	Spring 2019
Traffic Calming Project	3	Spring 2019
SS-30 Sewer Replacement Program	3	Spring 2019
FY 2018-19 CDBG ADA Curb Ramp Project	3	Spring 2019
Citywide Sewer Replacement Program (Cornwall Neighborhood)	3	Summer 2019

➢ COMMUNITY DEVELOPMENT – PLANNING

Overview

The Planning Division facilitates new development's compliance with the City's development regulations and guidelines, California Environmental Quality Act (CEQA) and other applicable state, federal, and local regulations. Specifically, the Planning Division is responsible for development, maintenance, and implementation of the City's General Plan; development and administration of Pittsburg Municipal Code Title 18 (Zoning) and Title 19 (Signs) of the Pittsburg Municipal Code; co-administration of Title 17 (Subdivisions); administration of the East Contra Costa County Habitat Conservation Plan (HCP); and preparation and coordination of CEQA documents for the City.

Service Levels

- Provides inter-departmental coordination for processing applications for private development within city limits, through Planning Commission and City Council
- Provides oversight and direction in the implementation and maintenance of the City's General Plan, Zoning Ordinance and other planning-related documents

- Serves as a resource for coordination and preparation of CEQA documents for both public and private developments within the City
- Serves as staff support to the Planning Commission and Historic Resources Commission, ensuring timely processing and distribution of public notices, agendas, staff reports, minutes and resolutions
- Represents the City and participates in regional planning activities, such as the East Contra Costa County Habitat Conservation Plan, meetings of the Contra Costa County Planning Directors, meetings with staff of Local Agency Formation Commission (LAFCO) and Bay Point Municipal Advisory Commission, as needed
- Receives and responds to complaints of Zoning and Sign ordinance violations, and assists in enforcement of other municipal code provisions

- Accepts, processes, analyzes and evaluates planning applications for conformance with the City of Pittsburg General Plan, Zoning Ordinance, CEQA, Subdivision Ordinance, Sign Ordinance and other state, federal and local planning regulations
- Provides feedback to other, surrounding jurisdictions regarding planning applications that have potential to impact the Pittsburg community

Goals

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget per the Fiscal Sustainability Ordinance

- ✓ Continue and improve cost recovery on large-scale development projects
- ✓ Secure and utilize grant funding to support at least one City-initiated project

Citywide Goal 3 – Improve Public Facilities and Infrastructure

- ✓ Complete implementation of city bike-share (Phase I) program
- ✓ Work with developers to incorporate public spaces as appropriate in new developments in Railroad Avenue Specific Plan area
- ✓ Complete the grant-funded Active Transportation Plan

Citywide Goal 4 – Continue Economic Development, Diversified Housing and Facilitate Growth and Retention of Existing Businesses

- ✓ Complete update to cannabis regulations to promote business expansion and retention for existing medical manufacturers in the city
- ✓ Incorporate analysis related to existing housing income and type mix into all staff reports for new housing projects
- ✓ Update the Inclusionary Housing Ordinance, as directed by the Certified Housing Element

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Increase the number of Preliminary Plan Review applications filed to create more predictability and efficiency for new development applications
- ✓ Provide an upcoming tentative project listing to the City Council on a quarterly basis

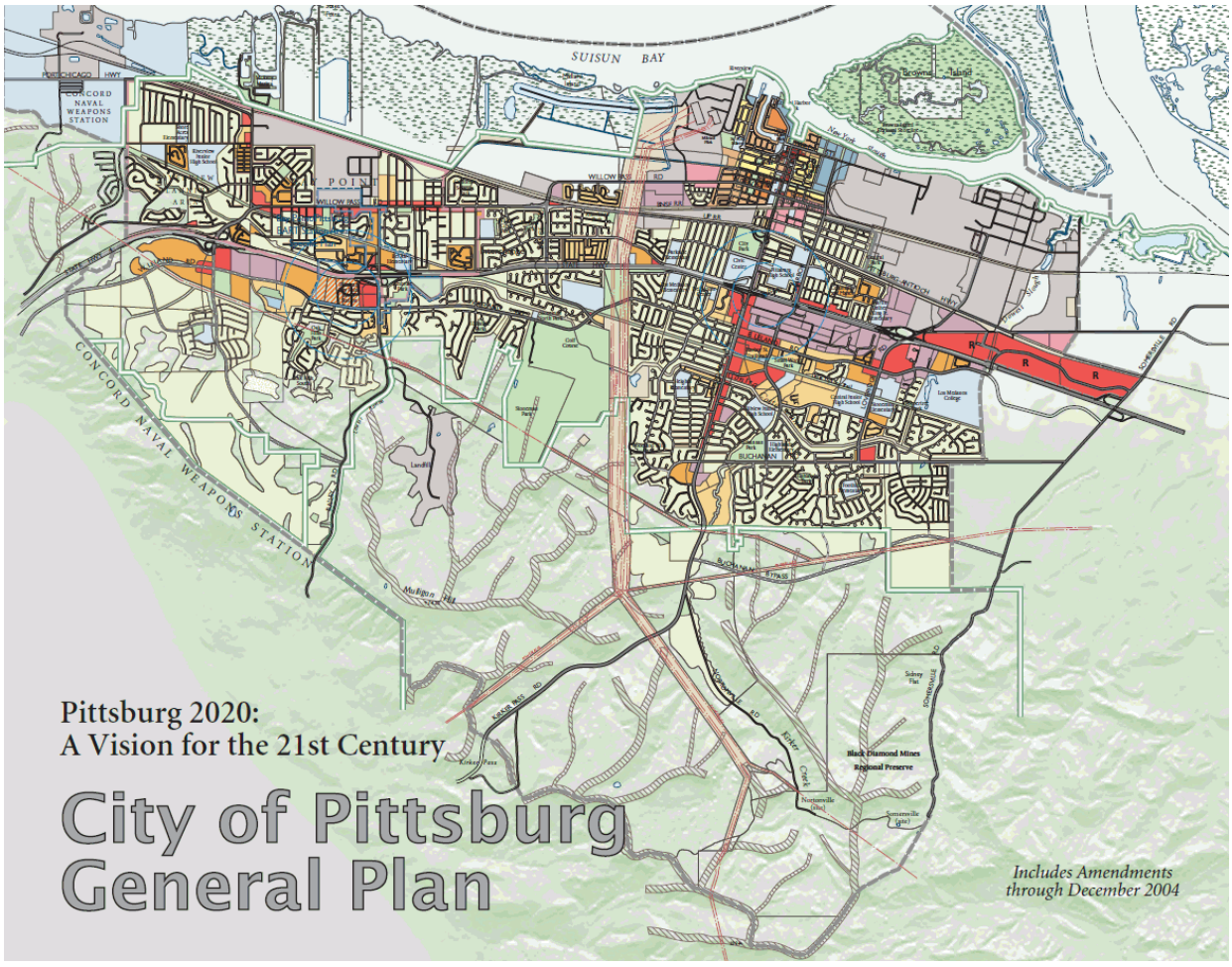
Citywide Goal 6 – Improve the Quality of Life for Pittsburg Residents

- ✓ Increase voluntary compliance of Code Enforcement cases by 5% over last year
- ✓ Complete necessary zoning and General Plan changes in the southwest hills by June 2019, to help encourage retail growth

- ✓ Initiate an RFP and select consultant to begin multi-year process to develop 2040 General Plan Comprehensive Update, due in 2020

Accomplishments

- ✓ Adopted new more flexible zoning standards to promote economic development in the downtown core
- ✓ Updated the procedures for large family daycare homes to streamline permitting and ensure consistency with State law
- ✓ Held two neighborhood meetings regarding commercial retail in southwest hills
- ✓ Held first public workshop for General Plan Update
- ✓ Opened 45 new code violation cases, voluntary compliance in 26 of them



FY 2018 - 2019 FULL TIME PERSONNEL ALLOCATIONS
Community Development

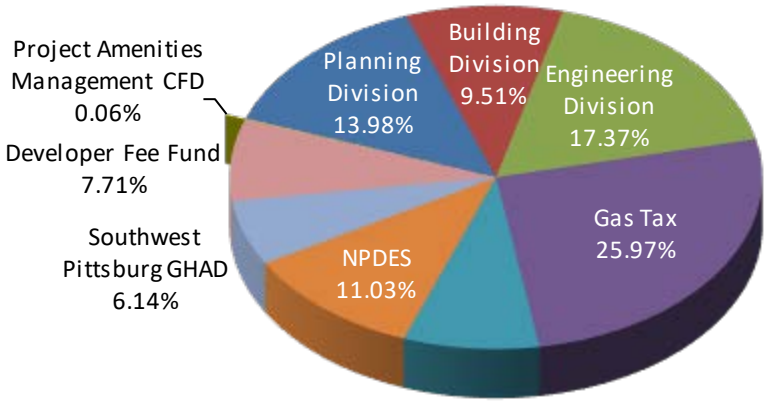
Department/Division	FY 2016-2017 Amended Base	FY 2017-2018 Amended Base	FY 2018-2019 Adopted Base
Planning	4.48	4.43	4.33
Building - Code Enforcement	5.78	5.73	5.48
Engineering	11.48	11.48	11.98
NPDES Administration & Outreach	1.21	1.21	1.26
Southwest Pittsburg GHAD II	1.85	1.60	1.45
Local Traffic Mitigation Fee Fund	0.10	0.10	0.10
TOTAL:	**24.90**	**24.55**	**24.60**

Detailed Program Budget
Community Development

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
AUTHORIZED POSITIONS					
Total Authorized	24.90	24.55	24.60	.05	0.20%
SOURCES OF REVENUE					
General Fund	3,084,787	3,056,595	3,125,690	69,095	2.26
Capital Projects Funds	3,407,218	2,691,233	265,000	(2,426,233)	-90.15
Special Revenue Funds	5,297,252	9,114,744	6,465,877	(2,648,867)	-29.06
(Addition To)/Reduction in Fund Balance	1,213,839	7,645,685	1,492,597	(6,153,088)	-80.48
TOTAL SOURCES OF REVENUE	**$ 13,003,096**	**$ 22,508,257**	**$ 11,349,164**	**$ (11,159,093)**	**-49.58 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	2,600,413	2,653,085	2,234,333	(418,752)	-15.78
Maintenance & Operations	665,765	1,386,626	635,023	(751,603)	-54.20
Workers Compensation	137,955	153,588	186,382	32,794	21.35
Materials & Supplies	79,906	115,195	122,045	6,850	5.95
Contracts & Services	1,005,322	1,553,480	1,170,577	(382,903)	-24.65
Fringe Benefits	1,959,383	1,851,729	1,943,059	91,330	4.93
TOTAL USES - OPERATING EXPENDITURES	$ 6,448,744	$ 7,713,703	$ 6,291,419	$ (1,422,284)	-18.44 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	150,669	109,333	-	(109,333)	-100.00
Capital Outlay - Projects	3,271,715	10,157,758	2,554,401	(7,603,357)	-74.85
TOTAL USES - CAPITAL EXPENDITURES	$ 3,422,384	$ 10,267,091	$ 2,554,401	$ (7,712,690)	-75.12 %
USES - TRANSFERS-OUT					
Transfers-Out	3,131,968	4,527,463	2,503,344	(2,024,119)	-44.71
TOTAL USES - TRANSFERS-OUT	$ 3,131,968	$ 4,527,463	$ 2,503,344	$ (2,024,119)	-44.71 %
TOTAL USES	**$ 13,003,096**	**$ 22,508,257**	**$ 11,349,164**	**$ (11,159,093)**	**-49.58 %**
USES BY PROGRAM RECAP					
Planning Division	1,171,589	1,465,027	1,517,672	52,645	3.59
Planning Grants	-	312,000	-	(312,000)	-100.00
Building Division	1,052,294	1,019,964	1,032,596	12,632	1.24
Engineering Division	2,016,881	1,753,875	1,885,084	131,209	7.48
Gas Tax	1,432,086	3,497,552	2,818,726	(678,826)	-19.41
Measure J Tax	1,468,994	4,171,024	893,757	(3,277,267)	-78.57
NPDES	1,034,380	1,045,830	1,196,725	150,895	14.43
Southwest Pittsburg GHAD[1]	684,793	645,721	666,675	20,954	3.25
GHAD Administration	-	446,478	494,825	48,347	10.83
Pittsburg CIP	258,144	1,787,978	-	(1,787,978)	-100.00
Developer Fee Fund	3,472,966	4,208,483	836,604	(3,371,879)	-80.12
Community Capital Improvements	211,328	1,246,630	-	(1,246,630)	-100.00
Project Amenities Mgmt CFD	29,024	5,400	6,500	1,100	20.37
Infrastructure Repair & Replacement	170,617	902,295	-	(902,295)	-100.00
TOTAL USES BY PROGRAM RECAP	**$ 13,003,096**	**$ 22,508,257**	**$ 11,349,164**	**$ (11,159,093)**	**-49.58 %**

(1) Includes transfers between funds for the administration of the GHAD program in the amount of $494,825, therefore uses appear to be overstated by $494,825

Community Development - Uses by Division



➢ ENTERPRISE SERVICES

COMMUNITY DEVELOPMENT BLOCK GRANT

ECONOMIC DEVELOPMENT

ENVIRONMENTAL AFFAIRS

MARINA OPERATIONS

WATERFRONT DEVELOPMENT

➢ENTERPRISE SERVICES – COMMUNITY DEVELOPMENT BLOCK GRANT

Overview

The City of Pittsburg (City) Community Development Block Grant (CDBG) Program receives its annual funding from the United States Department of Housing and Urban Development (HUD). Through Pittsburg's citizen participation process, programs and projects are identified and implemented in accordance with the goals and objectives of the Five Year Consolidated Plan. The various activities funded by CDBG must meet one of HUD's national objectives: 1) Benefit low and moderate income people; 2) Aid in prevention or elimination of slums or blight; and 3) Urgent need (i.e. damage due to natural disasters).

For FY 2018-19, the City is estimating to receive $592,712 from HUD. Along with $12,500 in program income and $284,684 of unallocated funds from prior years, the total CDBG funding for FY 18-19 is $889,896.

Service Levels

- The City funds programs and projects that benefit the residents of Pittsburg. The funded activities include public services (youth, elderly, and health), economic development, code enforcement, infrastructure (ADA ramps and sidewalk replacement) and the housing rehabilitation program

Goals

Citywide Goal 3 – Improve Public Facilities and Infrastructure

- ✓ Improve access to public transportation, schools, businesses, and other community facilities for the mobility impaired or physically challenged persons through installing curb ramps in targeted areas

Citywide Goal 4 – Continue Economic Development, Diversified Housing and Facilitate Growth of Existing Businesses

- ✓ Fund job training and placement programs
- ✓ Fund programs that assist micro-enterprises which results in job creation
- ✓ Fund the Housing Rehabilitation Program

Citywide Goal 6 – Improve the Quality of Life for Pittsburg Residents

- ✓ Fund programs and services that help create a more livable, better functioning, and attractive community
- ✓ Improve declining neighborhoods by addressing property conditions that contribute to blight
- ✓ Acquire property to assist development of public facility/community center

Accomplishments

- ✓ CDBG funded job training and placement programs, as well as provided assistance to support micro-enterprises that resulted in job creation or business growth, with at least 26 residents benefitting from these services
- ✓ Replaced 2,349 linear feet of sidewalk in targeted areas and installed 14 ADA ramps
- ✓ CDBG funded code enforcement efforts to address the decline in targeted neighborhoods
- ✓ Allocated funds to a variety of supportive services including assistance for the homeless population, victims of abuse, legal counseling for the seniors and programs for at risk youth. Approximately 1,000 residents received services during the first half of the fiscal year. Another 700 residents are anticipated to receive services by the end of the fiscal year
- ✓ Allocated funds to the housing rehabilitation program to provide low-interest loans to three income-qualified Pittsburg homeowners for the purpose of improving their property and preserving the affordable housing stock in the community

The following are indicators of the types and volume of activities occurring within this program:

Performance Measure	Relates to Goal(s)	FY 16-17 Actual	FY 17-18 Estimate	FY 18-19 Projected
ADA Ramps Installed	3	-	14	15
Linear Feet of Sidewalk Replaced	3	895	2,349	1,500
Housing Rehabilitation Loans Issued	4	2	2	3
Number of Residents Helped Through Supportive Services	6	1,500	1,700	1,500

➢ ENTERPRISE SERVICES – ECONOMIC DEVELOPMENT

Overview

The Economic Development Department is responsible for building strong partnerships with local business and non-profit communities. Its mission is to provide, attract, retain, and expand employment opportunities for area residents, stimulate the local economy, expand the local sales and property tax base, while maintaining a positive balance between growth, social equity and the economy.

Service Levels

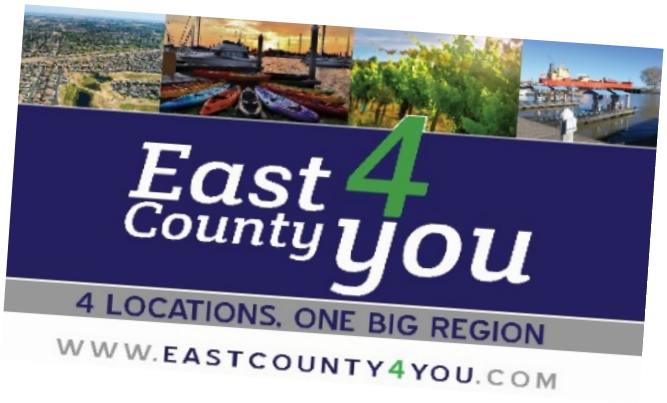
- Promote business success by providing services, resources, and information to businesses
- Develop and implement the economic development goals of the City and provide economic information to support job creation and business with a focus on the City's shopping districts
- Manage City-owned commercial property, as well as serve as a liaison between brokers and businesses for business retention, expansion, and site selection assistance

Goals

Citywide Goal 4 - Continue Economic Development, Diversified Housing and Facilitation Growth of Existing Businesses

- ✓ Conduct two one-on-one meetings per year with each of the top 10 large employers and sales tax providers to emphasize retention
- ✓ Conduct one-on-one business meetings with small to mid-sized businesses to emphasize business retention with a goal of meeting with a minimum of 30 businesses per year
- ✓ Market the City as a business and tourist location through regional and national advertising campaigns
- ✓ Seek out companies that provide non-traditional business financing for small businesses

- ✓ Become a resource for small businesses by providing three free seminars in collaboration with ICA Fund Good Jobs, Los Medanos Community College, Chamber of Commerce, Small Business Development Center and Contra Costa County Workforce Development Board
- ✓ Collaborate within the region on marketing efforts to increase visibility
- ✓ Identify potential internal processes that could be improved to assist in the growth of new small businesses including, but not limited to, fee waivers



Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Work with other City departments to create an ombudsman "red carpet" approach to new businesses and identify internal processes that can be improved to promote business growth and attraction

Citywide Goal 6 – Improve the Quality of Life for Pittsburg Residents

- ✓ Work with Planning staff to increase retail in the southwest hills area of the City
- ✓ Provide ongoing property management, administer leases, protect City assets and mitigate the risk of future property damage while maintaining a minimum 80% occupancy rate
- ✓ Continue to administer the Sister City Program with improved visibility on City website

Accomplishments

- ✓ Assisted in securing a space in Pittsburg for MCE/Calpine Call Center providing for up to 16 jobs
- ✓ Became one of 27 Bay Area cities to join the Bay Area Urban Manufacturing Initiative in support of keeping a focus on manufacturing jobs and businesses
- ✓ Worked with companies to expand their business within their first year

- ✓ Collaborated with Antioch, Oakley, and Brentwood to create EastCounty4you.com, a marketing site to promote our region and direct site selectors to our individual cities for sites, questions and more
- ✓ Accompanied a Sister City student delegation to Shimonoseki, Japan for a cultural exchange
- ✓ Hosted a delegation tour from Isola delle Femmine, Italy

The following are indicators of the types and volume of activities occurring within this program:

Performance Measure	Relates to Goal(s)	FY 16-17 Actual	FY 17-18 Estimate	FY 18-19 Projected
Small Business Retention Visits	4	5	15	30
Large Employer Retention Visits	4	5	10	10

➢ ENTERPRISE SERVICES – ENVIRONMENTAL AFFAIRS

Overview

The Environmental Affairs Division encompasses the following responsibilities: solid waste/recycling for the community, schools and businesses; Local Enforcement Agency (LEA) for enforcement and permitting of solid waste facilities; stormwater outreach, education, and compliance; sustainability/climate change; energy efficiency for City buildings and street lighting; cable/wireless communications, community TV/broadcasting and franchises; environmental compliance and safety; Emergency Operation Center support; and other environmental programs.

Service Levels

Solid Waste/Recycling/Local Enforcement Agency:

- Oversee City's compliance with State-mandated AB 939 solid waste reduction programs and annual reporting
- Implement programs and grants for commercial recycling, construction and demolition disposal reduction, e-waste
- Manage and oversee the City's solid waste franchise agreements and mitigation fees
- Promote and implement programs for residents and small businesses to manage household hazardous waste through the Delta Household Hazardous Waste Collection Facility
- Implement mandated state programs such as commercial

recycling and organic (green/wood/food) recycling

- Provide recycling programs to schools, businesses and government offices
- School Outreach: Challenge of the Classes – Pittsburg High School, Recycling and Pollution Prevention – Jr. High Schools
- Conduct required monthly/quarterly inspections of solid waste facilities (transfer stations, landfills, chipping and grinding operations, composting operations)
- Investigate and provide enforcement on illegal dumping activities
- Solid Waste Facility permitting, review, implementations associated with CEQA review requirements

Stormwater Outreach, Education, and Compliance:

- Responsible for the implementation and compliance with portions of the Municipal Regional Stormwater permit
- Promote Integrated Pest Management (IPM) concepts and pesticide alternatives.
- Participate in watershed management education and activities in local schools
- Trash reduction education and implementation: Plastic Bag Ordinance, Polystyrene Ordinance, Creek Cleanups; Civic Pride Day, Adopt a Spot
- School program outreach: Delta Waters Education, Kids for the Bay

Sustainability / Climate Change Energy Efficiency:

- Manage the City's participation in the International Council for Local Environmental Initiatives (ICLEI), collect data and create plan to reduce City's carbon footprint
- Oversee and manage PG&E's franchise
- Install Light Emitting Diode (LED) within City owned streetlights system and park system
- Monitor and audit City facilities and parks for energy efficiency and implement reduction measures
- Education and Program Outreach: Green Footprint Festival, Sustainable Contra Costa Advisor, Pittsburg Unified School District Sustainability Committee, Beacon Award

Environmental & Other Programs:

- Emergency Operation Center coordination, programs, training
- Supporting Idle Free Program throughout Pittsburg Unified School District
- Oversight of air monitoring station
- Federal Communication Commission licensing
- Neighborhood Improvement Team meetings

Environmental Compliance and Safety:

- Hazardous materials inspection and compliance of City facilities for various agencies
- Provide annual required safety training, policies, and medical testing (respiratory / hearing) for Public Works and Maintenance personnel
- Required reporting and oversight of regulations

Cable and Wireless Communications:

- Oversee the City's Cable / Public Education and Government (PEG) and Wireless Franchises
- Manage the Memorandum of Understanding (MOU) with Contra Costa Television (CCTV) and the City's Public Education and Government (PEG) programming on Delta TV - Channel 24

- Promote production of programing for Delta TV with show sponsorship, government programing, sports broadcasting, and youth education

Goals

Citywide Goal 1- Achieve and Maintain a Structurally Balanced Budget

- ✓ Refine and optimize new City Hall HVAC system for additional 10 percent energy use savings
- ✓ Explore feasibility and energy savings assessments of pump optimization as well as feasibility and energy savings of fuel cell at the Water Treatment Plant

- ✓ Review lighting incentives for upgrades at the Marina for potential 25 percent energy use savings
- ✓ Review lighting incentives for potential 10-25 percent energy use savings at various City facilities

Citywide Goal 2 - Prioritize Public Safety

- ✓ Continue the Street Safety committee in coordination with local schools and other City departments to improve safety for pedestrians, cyclists and vehicles
- ✓ Create on-site safety message/assembly for junior high schools

Citywide Goal 4 - Continue Economic Development, Diversified Housing and Facilitate Growth and Retention of Existing Businesses

- ✓ Complete one installation with Comcast per build-out plan of fiber optic in commercial and industrial areas of the City

Citywide Goal 5 - Increase Efficiency of City Operations and Services

- ✓ Expand Emergency Operations Center (EOC) preparedness by:
  - Send seven staff members to California Specialized Training Institute (CSTI) four-day earthquake training and introduction to EOC, four staff members to various other related classes sponsored by CSTI, as well as completing one scenario/tabletop
  - Prepare draft Debris Management Plan for California Emergency Operations Center
  - Update Emergency Operation Plan
  - Add one shelter facility location and MOU to City locations
- ✓ Implement ADA Closed Captioning on PEG Broadcasting Delta TV
- ✓ Support Pittsburg High School Broadcasting ROP / Job Training
- ✓ Finalize the Confined Space and Lock Out Tag Out policies

Citywide Goal 6 - Improve the Quality of Life for Pittsburg residents

- ✓ Take Polystyrene Ordinance to City Council for consideration and implement if adopted
- ✓ Increase participation in Civic Pride Day to 250 participants

Accomplishments

- ✓ Completed PG&E Energy Efficiency report for rebate on the newly installed City Hall HVAC system
- ✓ Completed conversions to LED lighting at 24 City Parks and outside of the Library
- ✓ Formed the Street Safety Committee in collaboration with City departments and the Pittsburg Unified School District, which completed assessments of school sites needing improvements, a letter to parents regarding traffic, drop off locations and alternative transportation to decrease congestion
- ✓ Developed plan with Comcast for fiberoptic buildout
- ✓ Complete the File Hazard Mitigation Plan and obtained approval from the Federal Emergency Management Agency (FEMA)
- ✓ Broadcasted the Pittsburg Diamonds baseball games held at City Park Field 1 on Delta TV
- ✓ Completed Low Voltage Electrical Safety policies
- ✓ Held Civic Pride Day Litter Project in conjunction with the community and schools, with cleanups at five locations and 120 participants

The following are indicators of the types and volume of activities occurring within this program:

Performance Measure	Relates to Goal(s)	FY 16-17 Actual	FY 17-18 Estimate	FY 18-19 Projected
Energy Savings at City Hall	1	-	10%	20%
Energy Savings due to Facility Lighting Upgrades*	1	70%	25%	35%
Participants in Civic Pride Day	6	120	175	250
EOC Preparedness Trainings	5	5	8	11

**FY16-17 reflects Highlands Ranch Park upgrade savings from baseline of 2011. Future projects will have various percentage of savings. Size, wattage and lamp type are factors in all energy savings.*

➢ ENTERPRISE SERVICES - MARINA

Overview

The Pittsburg Marina is located between the Sacramento and San Joaquin rivers. The Marina has 575 berths and occupies approximately 38 acres, which includes both a motorized and non-motorized public launch ramp. The Marina also has a yacht club, public boat launch, and privately owned marine repair yard. Recent re-design efforts have increased the accommodations for larger slips which are in greater demand.

Service Levels

- Offer free boat launching, fueling facilities, free pump-out at the fuel docks, overnight guest berthing, boat repairs, live-aboard berthing and other waterfront recreational activities

Goals

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

- ✓ Update Marina fee schedule
- ✓ Implement new fees without disrupting the Marina's customer-friendly reputation
- ✓ Provide non-motorized watercraft rentals from Marina

Citywide Goal 2 – Prioritize Public Safety

- ✓ Reduce theft at Riverview Park by 30%
- ✓ Reduce illegal activity on the berm (west of Marina Basin 2) by 50%

Citywide Goal 3 – Improve Public Facilities and Infrastructure

- ✓ Obtain 10-year dredge permits by December 2018
- ✓ Begin dredging of Episode 1 (Lowy & Launch Ramps) in Army Corps of Engineers 2019 work window

Citywide Goal 5 – Increase Efficiency of City Operations & Services

- ✓ Install and train relevant staff on new administrative software for management of the marina
- ✓ Update the Rules & Regulations of the Marina
- ✓ Allow for online bill payments
- ✓ Release a periodic (quarterly or bi-annual) Marina newsletter to all slip holders

Citywide Goal 6 – Improve the Quality of Life for Pittsburg Residents

- ✓ Host periodic (bi-weekly or monthly) gatherings for slip holders to build community among Marina users

Accomplishments

- ✓ Contributed $41,000 to the Marina Dredging CIP Project
- ✓ Built rack for rental equipment and fully stocked with kayaks
- ✓ Worked with Waterfront and manufacturer to design an ADA kayak launch ramp for the Marina

The following are indicators of the types and volume of activities occurring within this program:

Performance Measure	Relates to Goal(s)	FY 16-17 Actual	FY 17-18 Estimate	FY 18-19 Projected
Update Marina Fees	1	CPI	CPI	6%
Non-motorized Watercraft Rentals	1,6	-	10	20
Host Gatherings for Slip Holders	6	-	-	6
Funds Contributed to Marina Dredging Project	3	47,000	41,000	250,000
Cubic Yards of Marina Dredged (17,500 total)	3	-	-	5,000

➢ ENTERPRISE SERVICES – WATERFRONT DEVELOPMENT

Overview

The Waterfront Operations and Development Division (Division) is responsible for overseeing compliance with Senate Bill 551 (SB551) which granted tidelands and submerged Trust Lands to the City of Pittsburg (City). Under SB551 the Division strives to bring widespread public benefit to the area by providing events and activities at the waterfront as well as services for existing and prospective Public Trust Lands ("Trust Lands") tenants including assistance with leasing and development, property inspections, and marketing and promotion of waterfront properties. The Division is also a one-stop shop for Trust Lands lease applications and development services to prospective tenants and new businesses.

Service Levels

- Manage existing Trust Lands leases, negotiate expired Trust Lands leases, and identify un-leased areas for which leases are required.

- Implement the 2017 Trust Lands Use Plan, draft 5-year Trust Lands Utilization Reports Plans, and submit annual Statements of Revenues and Expenditures as required by SB551 to guide the development of the City's Waterfront.

- Ensure that the use of granted Trust Lands is in accord with the Public Trust Doctrine.

- Solicit new development and tenants that will benefit maritime and local commerce and create jobs.

- Manage federal, state, and local permits related to marina dredging and similar operations.

- Design and execute capital projects that implement the Trust Lands Use Plan and enhance the Trust Lands in a manner consistent with the Public Trust Doctrine for purposes of commerce, navigation, fisheries, recreation, and other public trust purposes.

- Work with State Lands Commission and a survey consultant to survey granted Trust Lands, existing lease areas, proposed lease areas, and historic high tide line.

- Communicate with the local community regarding desires for future waterfront development and activities.

- Maintain clear lines of communication with the California State Lands Commission and other federal, state, and local permitting agencies.

Goals

Citywide Goal 1- Achieve and Maintain a Structurally Balanced Budget

- ✓ Seek three to five grants for brownfield cleanup and/or redevelopment, and outdoor waterfront recreational opportunities
- ✓ Execute new recreational Trust Lands leases to bring all tidelands users in compliance with SB 551
- ✓ Contribute at least $50,000 to the Marina Dredging Project

Citywide Goal 2 – Prioritize Public Safety

- ✓ Foster tideland infrastructure updates that align with the spirit and regulations of the Trust Lands Use Plan and General Plan

Citywide Goal 3 – Improve Public Facilities and Infrastructure

- ✓ Install an ADA accessible non-motorized launch ramp at the Marina
- ✓ Work with waterfront property owners to create, enhance and maintain public access to the waterfront
- ✓ Obtain 10-year marina dredge permits

Citywide Goal 4 – Continue Economic Development Diversified Housing and Facilitate Growth and Retention of Existing Businesses

- ✓ Environmentally assess three to five underutilized waterfront sites and complete the draft phase of a master plan for their redevelopment

Citywide Goal 6 – Improve the Quality of Life for Pittsburg Residents

- ✓ Host three waterfront events, two event series and one new event in collaboration with various City departments and outside organizations

- ✓ Increase number of competitors in the Fourth Annual Delta Board Meeting by 15%
- ✓ Increase public participation in Summer Waterfront Activities Program by 20%

Accomplishments

- ✓ Awarded three grants in FY 17-18 totaling $430,000
  - Environmental Protection Agency Community-wide Brownfield Assessment Grant - $300,000
  - National Fitness Campaign - $10,000
  - Community Development Block Grant - $120,000
- ✓ Made funding for environmental assessments available to four waterfront property owners
- ✓ Recreational Tidelands Lease Documents drafted
- ✓ In collaboration with the Recreation Department, PACF, and outside organizations, the Waterfront Division hosted three waterfront events and two event series
  - Third Annual Delta Board Meeting – 32 competitors
  - Independence Day fireworks
  - First Fridays Series
  - Jazz, Blues and Funk Festival
  - Musical Holiday Light Shows
- ✓ In collaboration with waterfront businesses, kicked off the first Summer Waterfront Activities Program with kayak and stand-up paddle board lessons, tours and rentals
- ✓ Consultant for 10-year dredge permits obtained

The following are indicators of the types and volume of activities occurring within this program:

Performance Measure	Relates to Goal(s)	FY 16-17 Actual	FY 17-18 Estimate	FY 18-19 Projected
Seek Grant Funding for Brownfield Cleanup and/or Redevelopment, and Outdoor Waterfront Recreation	1	3 (Applied)	3 (Applied), 3 (Awarded)	5 (Applied), 3 (Awarded)
Contribute Funds to the Marina Dredging Capital Improvement Project	3	-	65,000	70,000
Assess Underutilized Waterfront Sites	4	-	-	4
Host Waterfront Events	6	7	8	15
Delta Board Meeting Competitors	6	50	37	43
Public Participation in Summer Waterfront Activities Program (kayak and stand-up paddle board rentals)	6	N/A	20	25

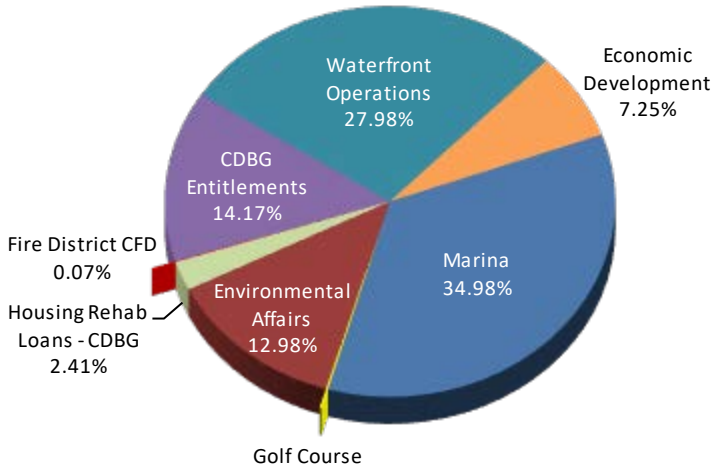
FY 2018 - 2019 FULL TIME PERSONNEL ALLOCATIONS
Enterprise Services

Department/Division	FY 2016-2017 Amended Base	FY 2017-2018 Amended Base	FY 2018-2019 Adopted Base
Solid Waste	1.50	1.50	1.50
Economic Development	0.45	0.45	0.45
CDBG Entitlements	0.45	0.55	0.55
Waterfront Operations	3.45	3.75	4.75
Marina	6.05	6.05	6.05
TOTAL:	**11.90**	**12.30**	**13.30**

Detailed Program Budget
Enterprise Services

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
AUTHORIZED POSITIONS					
Total Authorized	11.90	12.30	13.30	1.00	8.13%
SOURCES OF REVENUE					
Enterprise Funds	3,493,377	4,027,127	3,811,569	(215,558)	-5.35
Special Revenue Funds	2,107,933	2,481,951	2,353,522	(128,429)	-5.17
(Addition To)/Reduction in Fund Balance	2,819,089	212,583	236,686	24,103	11.34
TOTAL SOURCES OF REVENUE	**$ 8,420,399**	**$ 6,721,661**	**$ 6,401,777**	**$ (319,884)**	**-4.76 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	984,120	1,129,704	1,197,390	67,686	5.99
Maintenance & Operations	610,106	587,049	622,654	35,605	6.07
Workers Compensation	53,368	65,190	77,944	12,754	19.56
Materials & Supplies	512,551	787,784	695,640	(92,144)	-11.70
Contracts & Services	1,607,977	2,230,983	1,601,308	(629,675)	-28.22
Fringe Benefits	686,856	759,274	812,392	53,118	7.00
TOTAL USES - OPERATING EXPENDITURES	$ 4,454,978	$ 5,559,984	$ 5,007,328	$ (552,656)	-9.94 %
USES - OTHER EXPENDITURES					
Special Items of Expense	7,093	124,000	146,500	22,500	18.15
TOTAL USES - OTHER EXPENDITURES	$ 7,093	$ 124,000	$ 146,500	$ 22,500	18.15 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	78,221	192,861	88,000	(104,861)	-54.37
Capital Outlay - Projects	3,486,152	140,000	320,000	180,000	128.57
TOTAL USES - CAPITAL EXPENDITURES	$ 3,564,373	$ 332,861	$ 408,000	$ 75,139	22.57 %
USES - TRANSFERS-OUT					
Transfers-Out	393,955	704,816	839,949	135,133	19.17
TOTAL USES - TRANSFERS-OUT	$ 393,955	$ 704,816	$ 839,949	$ 135,133	19.17 %
TOTAL USES	**$ 8,420,399**	**$ 6,721,661**	**$ 6,401,777**	**$ (319,884)**	**-4.76 %**
USES BY PROGRAM RECAP					
Marina	1,759,544	2,092,696	2,239,386	146,690	7.01
Golf Course	13,051	32,776	10,200	(22,576)	-68.88
Fire District CFD	8,197	-	4,515	4,515	-100.00
R/R Avenue-BART CFD	3,501,635	-	-	-	-100.00
Environmental Affairs	692,167	972,460	830,869	(141,591)	-14.56
Housing Rehab Loans - CDBG	65,913	100,000	154,031	54,031	54.03
CDBG Entitlements	684,669	1,007,012	907,181	(99,831)	-9.91
CalHome Program	-	-	-	-	-100.00
Waterfront Operations	1,149,369	2,001,990	1,791,242	(210,748)	-10.53
Economic Development	545,854	514,727	464,353	(50,374)	-9.79
TOTAL USES BY PROGRAM RECAP	**$ 8,420,399**	**$ 6,721,661**	**$ 6,401,777**	**$ (319,884)**	**-4.76 %**

Enterprise Services - Uses by Division



➢ HOUSING AUTHORITY

HOUSING AUTHORITY – SECTION 8

HOUSING – SUCCESSOR AGENCY

➢ HOUSING AUTHORITY

Overview

The City of Pittsburg Housing Authority (Housing Authority) provides rental subsidy to low income households to the extent of the maximum budget authority received from the United States Department of Housing and Urban Development (HUD) and awarded through an Annual Contributions Contract. The number of households assisted is based on funding and expenses. Rental assistance is granted in the form of a Housing Choice Voucher (Voucher or HCV) which families utilize to rent a unit of their choice. Factors determining program expenses include the number of Vouchers awarded, the average housing assistance payment, fair market rents established by HUD and administrative costs. Based on these factors, the Housing Authority's allocation is to assist 1,118 households, which include previously homeless Veterans.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Certificate of Recognition

2018 Housing Choice Voucher Program High Performer

This certificate is awarded to:

City of Pittsburg
Housing Authority

Presented by

Gerard R. Windt, Director

Service Levels

- Develop program policies, guidelines, and procedures in accordance with federal regulations and state and local laws
- Prepare and submit mandatory HUD reports, including but not limited to the Five-Year Plan, Annual Plan, monthly Voucher Management System reports, monthly transmission of Family Reports and Administrative Plan revisions
- Maintain the balance of service deliverables within the federal grant for the HCV-Section 8 program which includes assistance for Veterans under the Veterans Affairs Supportive Housing (VASH) program and continue to collaborate with the Veterans Affair Department to fully utilize leasing under this program
- Respond to landlords and clients on issues, concern and/or complaints as they relate to the program services including HUD, group advocates and legal aid

Goals

Citywide Goal 1- Achieve and Maintain a Structurally Balanced Budget

- ✓ Maximize utilization of vouchers based on annual budget authority
- ✓ Conduct two Landlord Workshops to solicit participation in the program
- ✓ Anticipate 10 new owners to participate in the program

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Continue to perform and score as a "High Performer Agency" through the end of next fiscal year
- ✓ Staff will purge and prepare to convert paper files to electronic files; thereby improving efficiency, reducing costs and enhancing customer service
- ✓ Initiate new rental agreements and institute a maintenance charge schedule for all Housing Authority-owned properties to reduce costs

Citywide Goal 6 – Improve the Quality of Life for Pittsburg Residents

- ✓ Continue to offer homeownership opportunities to families under the first-time homeownership programs sponsored by local financial institutions
- ✓ Continue to foster close relationships with local non-profits to assist families in need
- ✓ Additional VASH Vouchers requested and scheduled to be used to house more veterans
- ✓ The Housing Authority will explore the feasibility of becoming Moving to Work (MTW) Agency to allow more flexibility in developing local affordable housing options for the residents of Pittsburg

Accomplishments

- ✓ Received a Certificate of Recognition from HUD for being a high-performing housing authority for the tenth year in a row
- ✓ Upgraded client software to enhance efficiency of their operations and prepare for future technological innovations
- ✓ Obtained increased subsidies to protect families from future reductions in funding
- ✓ Homeownership participation increased, with two additional families becoming homeowners

- ✓ Awarded 11 additional VASH Vouchers, increasing subsidies for the program to assist veteran families
- ✓ Added an additional rental home to its portfolio, increasing rental income to the program
- ✓ The Landlord Workshop resulted in the increase of 68 additional rental units participating in the program

The following are indicators of the types and volume of activities occurring within this program:

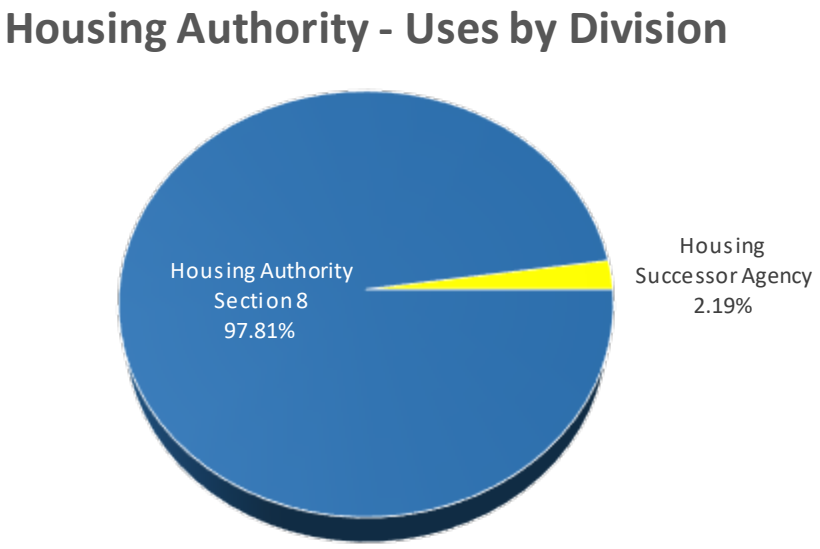
Performance Measure	Relates to Goal(s)	FY 16-17 Actual	FY 17-18 Estimate	FY 18-19 Projected
Landlord Summits Conducted	1	1	1	2
New Owners in First Time Home Ownership Program	6	517	520	527
Veterans Assisted Housing Vouchers	1, 6	135	139	145

FY 2018 - 2019 FULL TIME PERSONNEL ALLOCATIONS
Housing Authority

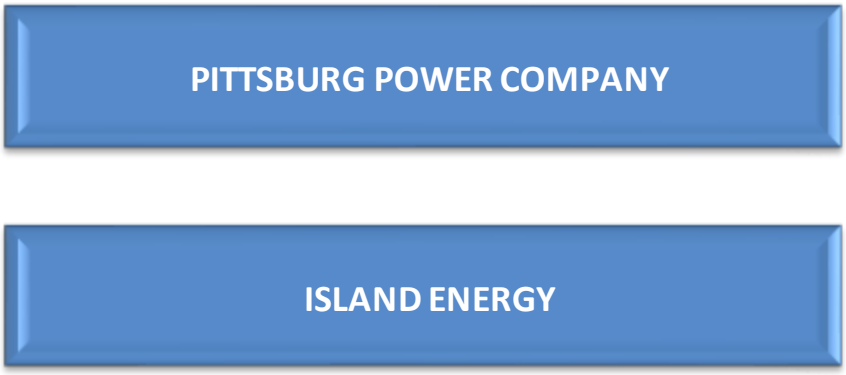
Department/Division	FY 2016-2017 Amended Base	FY 2017-2018 Amended Base	FY 2018-2019 Adopted Base
Housing Authority - Section 8	6.70	6.65	6.65
RDA Housing - Administration	0.25	0.20	0.20
TOTAL:	**6.95**	**6.85**	**6.85**

Detailed Program Budget
Housing Authority

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
AUTHORIZED POSITIONS					
Total Authorized	6.95	6.85	6.85	-	-
SOURCES OF REVENUE					
Special Revenue Funds	16,321,897	16,738,591	17,661,268	922,677	5.51
(Addition To)/Reduction in Fund Balance	(19,747)	(23,124)	146,180	169,304	-5.32
TOTAL SOURCES OF REVENUE	**$ 16,302,150**	**$ 16,715,467**	**$ 17,807,448**	**$ 1,091,981**	**6.53 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	465,066	521,774	512,915	(8,859)	-1.70
Maintenance & Operations	305,334	282,423	318,665	36,242	12.83
Workers Compensation	25,018	34,335	33,291	(1,044)	-3.04
Materials & Supplies	23,280	23,726	25,975	2,249	9.48
Contracts & Services	14,698,344	15,301,147	16,504,077	1,202,930	7.86
Fringe Benefits	427,537	417,961	393,380	(24,581)	-5.88
TOTAL USES - OPERATING EXPENDITURES	$ 15,944,579	$ 16,581,366	$ 17,788,303	$ 1,206,937	7.28 %
USES - OTHER EXPENDITURES					
Special Items of Expense	324,271	-	-	-	-100.00
TOTAL USES - OTHER EXPENDITURES	$ 324,271	$ -	$ -	$ -	0.00 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	-	15,000	-	(15,000)	-100.00
Capital Outlay - Projects	15,000	101,541	-	(101,541)	-100.00
TOTAL USES - CAPITAL EXPENDITURES	$ 15,000	$ 116,541	$ -	$ (116,541)	-100.00 %
USES - TRANSFERS-OUT					
Transfers-Out	18,300	17,560	19,145	1,585	9.03
TOTAL USES - TRANSFERS-OUT	$ 18,300	$ 17,560	$ 19,145	$ 1,585	9.03 %
TOTAL USES	**$ 16,302,150**	**$ 16,715,467**	**$ 17,807,448**	**$ 1,091,981**	**6.53 %**
USES BY PROGRAM RECAP					
Housing Authority - Section 8	15,699,518	16,335,709	17,417,761	1,082,052	6.62
Housing - Successor Agency	602,632	379,758	389,687	9,929	2.61
TOTAL USES BY PROGRAM RECAP	**$ 16,302,150**	**$ 16,715,467**	**$ 17,807,448**	**$ 1,091,981**	**6.53 %**



➢ PITTSBURG POWER COMPANY



➢ PITTSBURG POWER COMPANY

Overview

Pittsburg Power Company ("PPC") is a Municipal Utility formed under the California Constitution. PPC does business in the City of Pittsburg, and as Island Energy on Mare Island in Vallejo, California.

PPC develops revenue streams for the City of Pittsburg while working to retain existing businesses and attract new business developments. PPC has partnered with private enterprise to develop over $2 billion of industrial projects in Pittsburg since its creation in 1996.

Currently, PPC is advancing several local energy and other projects currently in the developmental stage. In addition, PPC staff continues to support the evaluation of renewable and alternative energy projects to lower City of Pittsburg's annual electricity costs.

Service Levels

- Act as liaison between City Staff, the community, businesses, industry and the Board of Directors on potential businesses interested in power development projects
- Review new business opportunities that become available to PPC through legislative changes and/or technical advances in the gas and electric industry
- Act as liaison with various power and gas sales agencies, regulatory groups and other public and private organizations
- PPC supports a broad community outreach program to support community outreach activities that take place in the City of Pittsburg

Goals

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

- ✓ Effectively manage existing revenue sources from energy-related projects (Calpine, TransBay Cable) by maintaining a positive relationship with counterparties and addressing any counterparty concerns

Citywide Goal 4 – Continue Economic Development, Diversified Housing and Facilitate Growth and Retention of Existing Businesses

- ✓ Bring various energy development projects into option agreement signing and permitting stage

Citywide Goal 6 – Improve the Quality of Life for Pittsburg Residents

- ✓ Funding support to General Fund and Economic Development of approximately $1,000,000 per year
- ✓ PPC sponsorship and funding of the Future Build Program
- ✓ Implement and communicate MCE Renewables Program Benefit

Accomplishments

- ✓ The Future Build program admitted 40 students and had a graduation rate of 95% and an employment rate of 90%, with graduates earning an average of $18 per hour
- ✓ Calpine and TransBay Cable concessions remain in place providing significant financial contributions
- ✓ Actively pursued and advanced energy delivery solutions, battery storage and other energy projects
- ✓ Collaborate with MCE Clean Energy to launch the Community Choice Aggregation Program into the City of Pittsburg

The following are indicators of the types and volume of activities occurring within this program:

Performance Measure	Relates to Goal(s)	FY 16-17 Actual	FY 17-18 Estimate	FY 18-19 Projected
Future Build Graduates	5	42	38	40
Identify Development Opportunities and Initiate Agreement Process	4	-	2	1

➢ PITTSBURG POWER COMPANY – ISLAND ENERGY

Overview

After Pittsburg Power Company's ("PPC") establishment, the US Navy awarded PPC a franchise service agreement to operate as a Municipal Utility and provide electric and natural gas retail services on Mare Island, a decommissioned Naval base and now part of the City of Vallejo.

Island Energy
providing energy solutions for Mare Island customers

Service Levels

- Provide responsive Customer Service and reliable Utility Services at competitive prices to customers throughout the Island Energy service area.

Goals

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

- ✓ Support new residential customer growth at Island Energy to continue growing revenue: estimated 50 new customer connections per Lennar build-plan
- ✓ Complete four new commercial interconnects per Lennar lease targets
- ✓ Effectively manage operational spending to ensure an annual reservation of $500,000 to capital improvement projects

Citywide Goal 3 – Improve Public Facilities and Infrastructure

- ✓ Complete Phase 3 and 4 of the Island Energy Cable Replacement Project
- ✓ Complete upgrade and expansion of the electrical distribution system
- ✓ Complete natural gas distribution system upgrades

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Identify and reduce electrical system/line losses down to 5% by eliminating "mal-functioning meters" and oversized transformers

Accomplishments

- ✓ Brewery, Distillery, Film Production interconnects related support
- ✓ New modular home manufacturer, Lennar residential development interconnections
- ✓ New Billing system is operational with staff training underway
- ✓ Completed Phase 2 of the Island Energy Cable Replacement Project: 12,948 linear feet = 4,316 duct feet of cable replacement
- ✓ Complete new Metering Systems Project
  - 570 new electric meters installed
  - 431 gas meters to be installed

The following are indicators of the types and volume of activities occurring within this program:

Performance Measure	Relates to Goal(s)	FY 16-17 Actual	FY 17-18 Estimate	FY 18-19 Projected
Residential Customer Connections	1	-	40	50
Commercial Customer Connections	1	-	4	4
Cable Replacement (feet)	3	4,000	13,000	6,000
Gas Line Upgrades (Units)	3	-	6	6
Electrical System/Line Losses (%)	5	12.5%	14.5%	5%

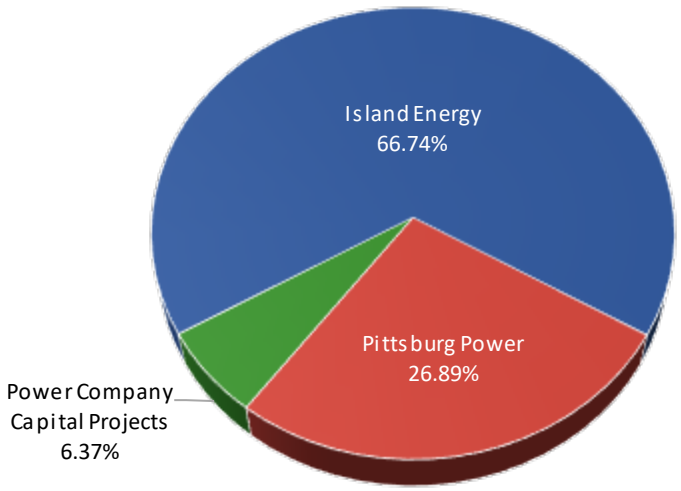
FY 2018 - 2019 FULL TIME PERSONNEL ALLOCATIONS
Pittsburg Power Company

Department/Division	FY 2016-2017 Amended Base	FY 2017-2018 Amended Base	FY 2018-2019 Adopted Base
Island Energy	10.30	10.35	10.25
Pittsburg Power	1.80	1.75	1.85
TOTAL:	**12.10**	**12.10**	**12.10**

Detailed Program Budget
Pittsburg Power Company

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
AUTHORIZED POSITIONS					
Total Authorized	12.10	12.10	12.10	-	-
SOURCES OF REVENUE					
Enterprise Funds	7,723,269	8,289,471	8,808,035	518,564	6.26
(Addition To)/Reduction in Fund Balance	(636,134)	1,320,239	(487,583)	-1,807,822	-1369.31
TOTAL SOURCES OF REVENUE	**$ 7,087,135**	**$ 9,609,710**	**$ 8,320,452**	**$ (1,289,258)**	**-13.42 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	1,269,630	1,437,793	1,537,638	99,845	6.94
Maintenance & Operations	605,014	686,086	683,184	(2,902)	-0.42
Workers Compensation	67,170	89,080	99,111	10,031	11.26
Materials & Supplies	1,633,474	1,678,663	2,060,549	381,886	22.75
Contracts & Services	1,323,006	1,917,821	1,598,229	(319,592)	-16.66
Fringe Benefits	783,657	874,460	871,923	(2,537)	-0.29
TOTAL USES - OPERATING EXPENDITURES	$ 5,681,951	$ 6,683,903	$ 6,850,634	$ 166,731	2.49 %
USES - OTHER EXPENDITURES					
Special Items of Expense	408	1,000	1,000	-	-
TOTAL USES - OTHER EXPENDITURES	$ 408	$ 1,000	$ 1,000	$ -	0.00 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	496,343	819,228	180,000	(639,228)	-78.03
Capital Outlay - Projects	89,984	832,344	530,000	(302,344)	-36.32
TOTAL USES - CAPITAL EXPENDITURES	$ 586,327	$ 1,651,572	$ 710,000	$ (941,572)	-57.01 %
USES - TRANSFERS-OUT					
Transfers-Out	818,449	1,273,235	758,818	(514,417)	-40.40
TOTAL USES - TRANSFERS-OUT	$ 818,449	$ 1,273,235	$ 758,818	$ (514,417)	-40.40 %
TOTAL USES	**$ 7,087,135**	**$ 9,609,710**	**$ 8,320,452**	**$ (1,289,258)**	**-13.42 %**
USES BY PROGRAM RECAP					
Island Energy	4,431,876	5,635,400	5,552,815	(82,585)	-1.47
Pittsburg Power	2,096,355	2,559,669	2,237,637	(322,032)	-12.58
Power Company Capital Projects	558,904	1,414,641	530,000	(884,641)	-62.53
TOTAL USES BY PROGRAM RECAP	**$ 7,087,135**	**$ 9,609,710**	**$ 8,320,452**	**$ (1,289,258)**	**-13.42 %**

Pittsburg Power Company - Uses by Division



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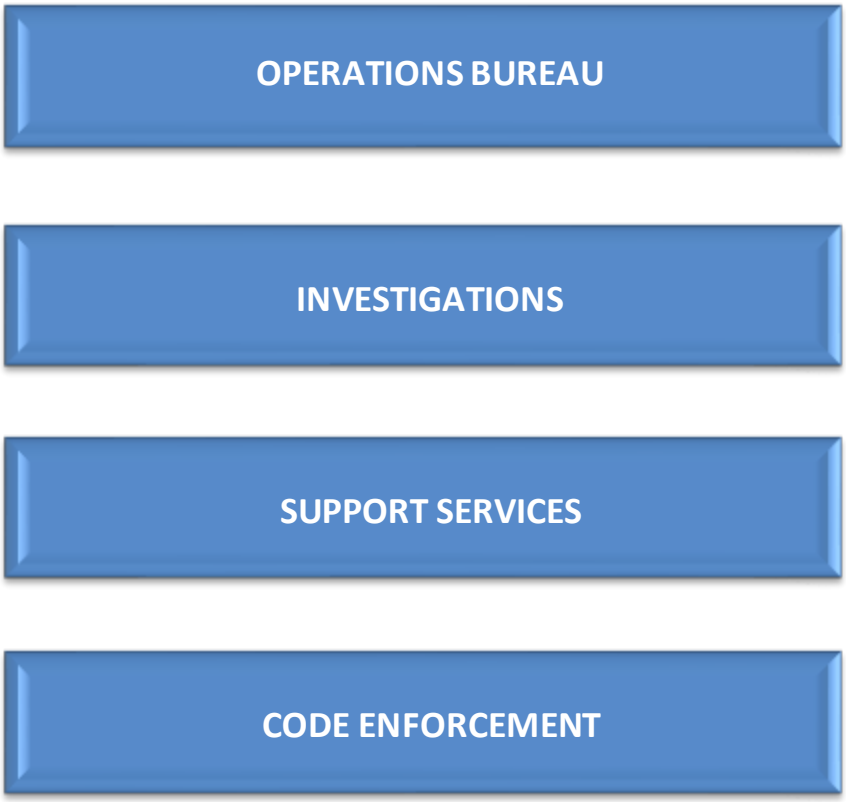
➢ POLICE DEPARTMENT



➢ POLICE DEPARTMENT

Overview

The protection of life and property is the Police Department's highest priority. To this end, the Department is committed to forging an alliance with the residents served by providing police services that are fair, professional, and respectful of the dignity of all individuals.

The Operations Bureau is responsible for the management of the Patrol Division and the Traffic Unit. The Patrol Division represents the largest component of the Police Department.

The Support Services Bureau is responsible for the management of the Investigations Division, Property/ Evidence Division, Code Enforcement Division, Records Division, School Resource Officer Program, and the Neighborhood Policing Team (NPT). The Support Services Bureau also provides in-service training and certified courses to ensure compliance with Peace Officer Standards and Training (POST) and applicable educational mandates for all sworn and civilian police personnel.

Service Levels

Operations Bureau:

- Serve in the critical capacity of first responder for approximately 80,000 calls-for-service annually
- Identify and develop solutions to community problems utilizing an array of government and community resources
- Provide proactive enforcement of the State's DUI and boating while intoxicated laws, including patrol saturation and sobriety checkpoints, to ensure the highest level of roadway and waterway safety

- Reduce traffic collisions and promote safe driving. Each motor officer is assigned a section of the City to vigorously enforce traffic laws and investigate traffic collisions
- Serve the community in the capacity of School Resource Officers and Canine Officers. School Resource Officers operate in close partnership with the Pittsburg Unified School District while Canine Officers are available for response to missing or lost persons, narcotic searches, firearm and explosive searches, felony suspect searches and various officer safety concerns

Support Services Bureau:

- Responsible for investigating the more complex and time consuming criminal cases as well as thoroughly preparing cases for prosecution
- Provide security and control of seized, recovered, and evidentiary property as well as abandoned and lost and found property in the custody of the Police Department
- Serve as the central repository for all police reports, citations, and related police records
- Handle requests for public information regarding crime reports, auto accidents, restraining orders, arrests, etc
- Enforce codes, laws and regulations or the abatement of substandard housing conditions and zoning violation, blight issues and the abatement of abandoned, dismantled or inoperative vehicles

Goals

Citywide Goal 2 – Prioritize Public Safety

- ✓ Increase awareness and involvement in the Crime-Free Housing program throughout the City, complete certifications and expand the number of participating apartment complexes

- ✓ Install additional wireless camera systems throughout the City at cluster mail boxes and work with Postal Inspector to replace current boxes with heavy duty mail boxes

- ✓ Reach homeless community to assist with available resources. Continue support and dedication to the Countywide Mental Health Evaluation Team (MHET) and youth and community services
- ✓ Continue participation in the Ceasefire program and the reduction of gun violence
- ✓ Initiate the e-cites program for paperless traffic citations
- ✓ Community Outreach to expand programs with the Pittsburg Unified School District and the senior community
- ✓ Create a Parking Enforcement position to uphold parking laws throughout the City
- ✓ Implementation of Regional Freeway Security Network

Accomplishments

- ✓ Participated in Regional Multiagency and FBI Safe Streets Task Force resulting in investigations of violent gangs and multiple arrests
- ✓ Added new technology to assist Officers and Detectives in identifying and registering sex offenders in the field
- ✓ Installed a wireless camera system at targeted cluster mail boxes
- ✓ Implemented new software to restructure workflow in Code Enforcement, creating the ability to track cases and capture statistical data for analysis

- ✓ Increased traffic enforcement over 100%
- ✓ Executed the Crime Free Housing program and increased community outreach
- ✓ Utilizing grant funding, initiated a voucher program that will assist with temporary housing and personal hygiene packages for the homeless community

- ✓ Created the Professional Standards Unit which oversees internal investigations and professional standards

The following are indicators of the types and volume of activities occurring within this program:

Performance Measure	Relates to Goal(s)	FY 16-17 Actual	FY 17-18 Estimate	Increase/ (Decrease)	% Increase/ (Decrease)
Calls for Service	2	72,426	80,631	8,205	11.33%
Arrests	2	2,805	3,329	524	18.68%
Traffic Citations	2	2,541	5,428	2,887	113.62%
Guns Recovered	2	126	156	30	23.81%

FY 2018 - 2019 FULL TIME PERSONNEL ALLOCATIONS
Police Department

Department/Division	FY 2016-2017 Amended Base	FY 2017-2018 Amended Base	FY 2018-2019 Adopted Base
Police - Admin & Support Services	3.00	3.00	7.00
Police - Operations Bureau	66.50	68.50	72.00
Police - Investigations	18.30	17.30	14.80
Police - Support Services	15.00	15.00	16.00
Police - Family Justice Center	0.20	0.20	0.20
TOTAL:	**103.00**	**104.00**	**110.00**

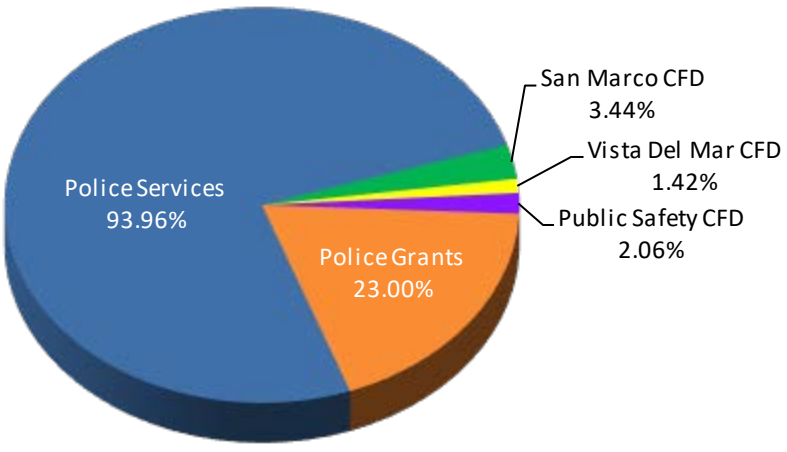
Detailed Program Budget
Police Department

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
AUTHORIZED POSITIONS					
Total Authorized	103.00	104.00	110.00	6.00	5.77%
SOURCES OF REVENUE					
General Fund	24,110,407	25,124,762	25,819,932	695,170	2.77
Special Revenue Funds	1,765,068	5,536,935 [1]	1,807,321	(3,729,614)	-67.36
(Addition To)/Reduction in Special Revenue Funds Fund Balance	(75,482)	(35,412)	2,469,429 [2]	2,504,841	-7073.42
TOTAL SOURCES OF REVENUE	**$ 25,799,993**	**$ 30,626,285**	**$ 30,096,682**	**$ (529,603)**	**-1.73 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	11,942,991	12,407,031	12,536,739	129,708	1.05
Maintenance & Operations	1,949,899	2,132,985	2,677,139	544,154	25.51
Workers Compensation	615,426	789,647	836,925	47,278	5.99
Materials & Supplies	350,976	422,668	260,680	(161,988)	-38.33
Contracts & Services	2,302,071	3,394,380 [1]	2,507,134	(887,246)	-26.14
Fringe Benefits	8,259,667	8,002,418	8,911,065	908,647	11.35
TOTAL USES - OPERATING EXPENDITURES	$ 25,421,030	$ 27,149,129	$ 27,729,682	$ 580,553	2.14 %
USES - OTHER EXPENDITURES					
Special Items of Expense	32,581	5,000	5,000	-	-
TOTAL USES - OTHER EXPENDITURES	$ 32,581	$ 5,000	$ 5,000	$ -	0.00 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	203,628	3,260,174 [1]	237,000	(3,023,174)	-92.73
TOTAL USES – CAPITAL EXPENDITURES	$ 203,628	$ 3,260,174	$ 237,000	$ (3,023,174)	-92.73 %
USES – TRANSFERS-OUT					
Transfers-Out	142,754	211,982	2,125,000 [2]	1,913,018	902.44
TOTAL USES – TRANSFERS-OUT	$ 142,754	$ 211,982	$ 2,125,000	$ 1,913,018	902.44 %
TOTAL USES	**$ 25,799,993**	**$ 30,626,285**	**$ 30,096,682**	**$ (529,603)**	**-1.73 %**
USES BY PROGRAM RECAP					
Police Services	24,110,407	25,124,762	27,944,932	2,820,170	11.22
San Marco CFD	720,954	740,467	1,034,400	293,933	39.70
Vista Del Mar CFD	286,219	309,109	426,050	116,941	37.83
Public Safety CFD	284,742	368,752	621,300	252,548	68.49
Asset Forfeitures	875	-	-	-	-100.00
Police Grants	396,796	4,083,195 [1]	70,000	(4,013,195)	-98.29
TOTAL USES BY PROGRAM RECAP	**$ 25,799,993**	**$ 30,626,285**	**$ 30,096,682**	**$ (529,603)**	**-1.73 %**

(1) Includes a multi-jurisdictional freeway security project funded by CalTrans. The project is cost neutral to the City. Therefore, grant funding appears to be overstated by $3.5M and contracts & services/capital outlay appear to be overstated by $2.5M and $1.5M, respectively.

(2) Includes transfers between Police CFD's/Grants to Police Services in the amount of $2,125,000. This results in a draw on Special Revenue fund balances.

Police Department - Uses by Division



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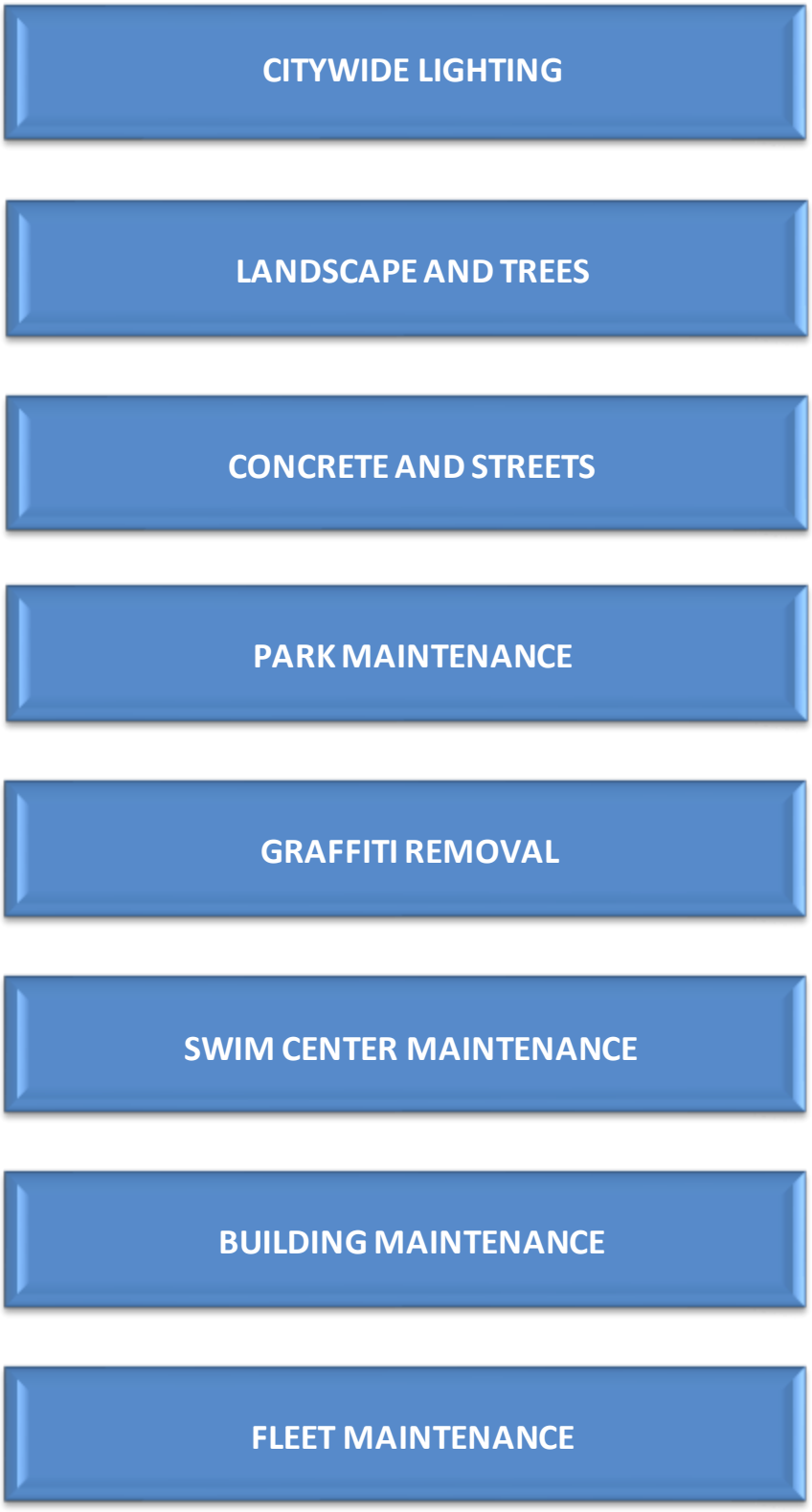
➢ PUBLIC WORKS – MAINTENANCE SERVICES



➢ PUBLIC WORKS - MAINTENANCE SERVICES

Overview

The Public Works Department is responsible for the operation and/or maintenance of City facilities and infrastructure. The Public Works Maintenance Services Department maintains within the limits of respective budgets all City streets, storm drains, landscaping, park facilities and City-owned buildings.

Service Levels

Administration:

- Provide planning, direction, personnel, and training to the maintenance and operations divisions of the Public Works Department
- Review new projects related to utilities, streets, landscape, parks, traffic signals, and storm drain facilities

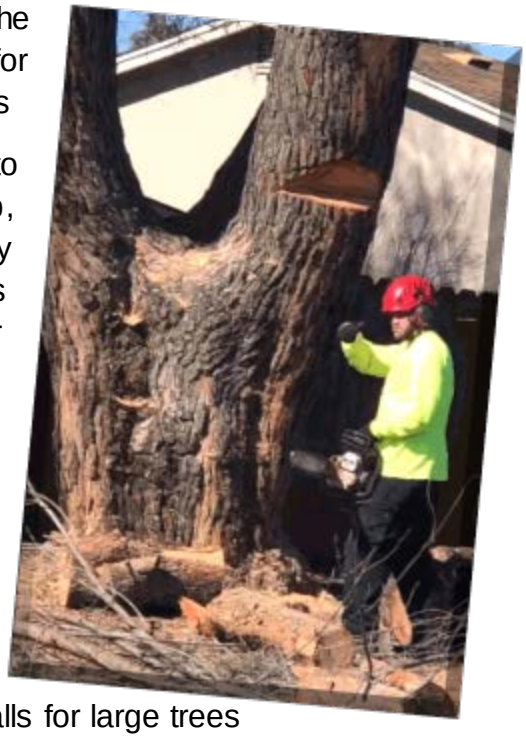
Citywide Street Lighting:

- Perform Citywide monthly nighttime street light inspections including inspections of City owned parking lots and facilities to identify inoperative or malfunctioning lights
- Replace City owned light poles damaged by vehicular accidents
- Prepare and forward to PG&E a list of non-operable PG&E maintained streetlights requiring repair, and monitor these streetlights for compliance

- Construct and install a limited number of new streetlight poles in areas that do not have efficient lighting in order to resolve customer complaints pertaining to City rights-of-way, parking lots and streets including the use of solar powered street lights to reduce electrical power consumption and operating costs
- Repair underground electrical conductors and replace conductors stolen by thieves taking the wire for scrap/recycling value

Concrete:

- Mark any sidewalk lifts in orange paint and schedule the repairs of damaged sidewalks, curbs, and gutters based on the severity of damage and its potential for contributing to personal injury as budget allows
- Work with the Engineering Department to educate the public on the responsibility for curb, gutter, and sidewalk damage not caused by city street trees and notify private property owners to repair damaged sidewalk fronting on their property when damage is not street tree or utility related



Street Trees:

- Provide oversight and direction to tree service companies performing work for the City of Pittsburg
- Deploy one tree crew to respond to service calls for large trees and to dedicate the second crew to various neighborhoods for a concentrated impact on one area
- Respond to tree failure emergencies due to storms, vehicle accidents, etc.

Graffiti Removal:

- Inspect and respond to graffiti incidents both private and public throughout the City with most graffiti removed within 24 hours
- Work with Code Enforcement to log and identity serial taggers for future recovery of costs associated with Graffiti Removal and to help in prosecution

Citywide Landscape and Parks:

- Responsible for the grounds care of municipal landscaping which includes 152 acres of parks, 67 acres of medians, 17.5 acres of right-of-ways and 13 acres of facilities

- Maintain grounds, picnic areas, ball fields and facilities at each of the 26 parks within the City

Swim Center Maintenance:

- Maintain the pool, associated equipment and facilities according to State standards

Accomplishments

- ✓ Continued successful graffiti abatement program, responding within 24 hours on weekdays
- ✓ Increased safety and lighting in Oak Hills Park by installing solar lighting in dimly lit location

BUCHANAN PARK - 16 acres

Rental Facilities:

Community Center

2 Large Picnic Areas with Stainless Steel Sinks, Prep Tables and BBQ Pits – Capacity 100

3 Small Picnic Areas under Shade Structures with BBQ Pits – Capacity 50

Other Amenities:

Large Pond with Fountain and Walking Trails

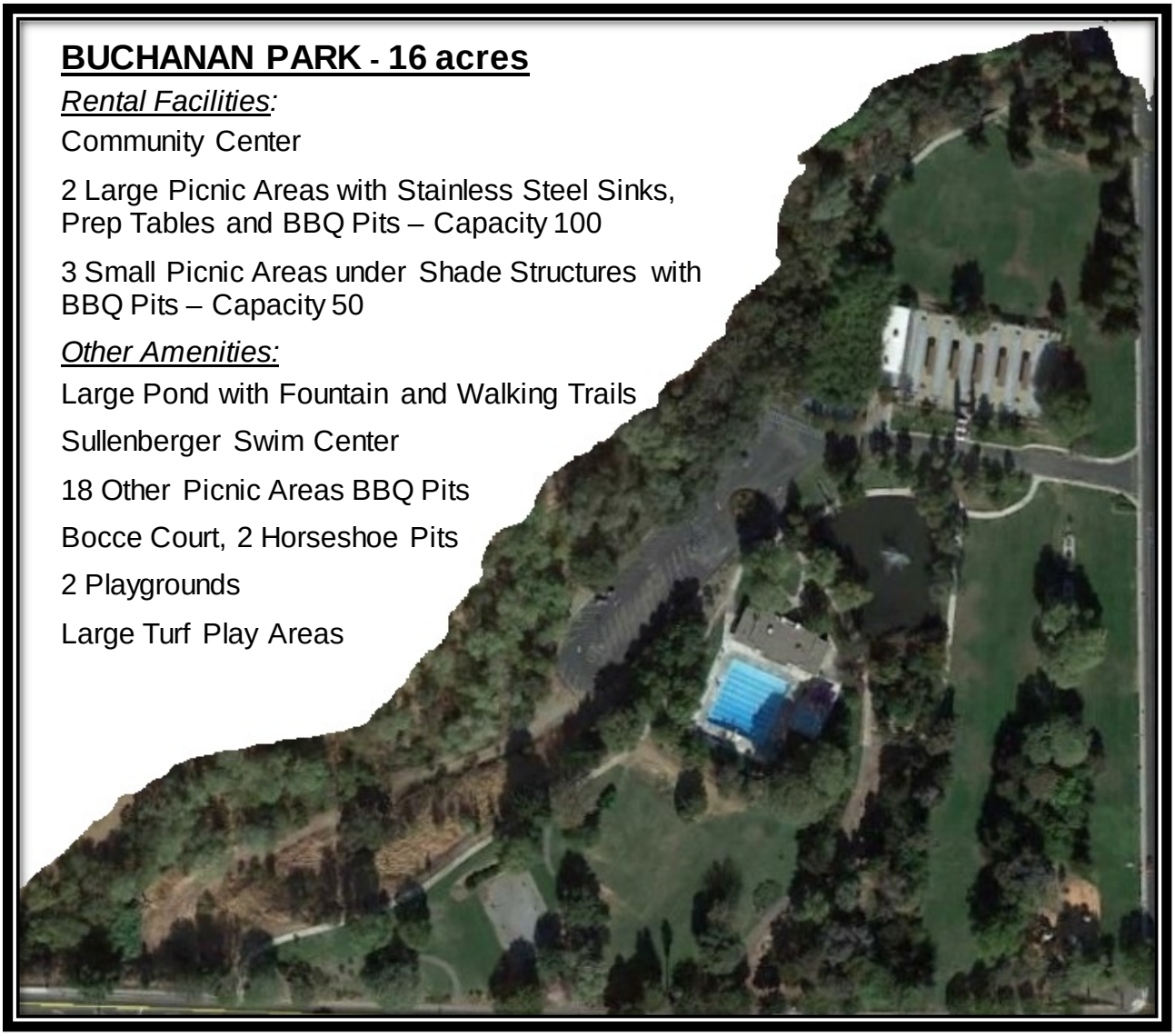
Sullenberger Swim Center

18 Other Picnic Areas BBQ Pits

Bocce Court, 2 Horseshoe Pits

2 Playgrounds

Large Turf Play Areas



➢ PUBLIC WORKS – BUILDING MAINTENANCE

Overview

Building Maintenance maintains and/or oversees maintenance and service contracts for all or part of 23 City-owned buildings. Building Maintenance is charged with exploring avenues to reduce cost while providing enhanced user functionality and greater community access. User charges to respective departments provide the revenues to support the Building Maintenance function; these charges are described as “Building – Allocated Costs”.

Service Levels

Inspection:

- Inspect janitorial service performed at four sites per the contracted scope of work. Meet with the janitorial service site manager regarding complaints, and provide/coordinate required staffing for other City sites
- Inspect the maintenance and repairs of elevators at the Civic Center, California Theatre and Plaza Marina as performed by contractor, schedule the annual permit inspection with the State of California and maintain respective records
- Perform Heating, Ventilation and Air Conditioning (HVAC) controls and maintenance contract scheduling, authorize major repair work not performed under contract, and maintain required maintenance records. Oversee contractor inspection, maintenance and repairs for all City sites

Maintenance:

- Maintain the fire alarm monitoring system at the Civic Center, Plaza Marina, California Theatre and Senior Center to meet State regulatory requirements, schedule/contract quarterly contractor inspection, inspect all repairs and maintain required records
- Maintain the security monitoring system and system support for eight locations, including the Civic Center and the Senior Center, and schedule respective inspections
- Contract required repairs to fire sprinkler system, schedule the annual inspection for re-certification and fire extinguisher service for the Civic Center, Senior Center and other facilities

- Provide monthly pest control service at City facilities
- Schedule annual testing for certification and maintenance of Fire/Roll-down doors at the Civic Center
- Provide general building maintenance services including the removal of recyclable materials, janitorial outside of contract scope, work area modification, roofing, moving of furniture, routine electrical repairs and upgrades, after hours and weekend building access, building security system and key control, set-up of meeting rooms, set up and maintenance of the Civic Center lobby area and Council Chambers for various events, plumbing repair and maintenance, vector control, minor painting and roof repairs
- Assist other departments with respective property management, projects, and building maintenance needs.

Building Maintenance Responsibility	
Number of City-Owned Buildings Maintained	23
Cumulative Square Footage of City-Owned Buildings	128,511
Number of Fire Alarm Monitoring Systems Maintained	4
Number of Security Alarm Monitoring Systems Maintained	8

➢ PUBLIC WORKS – FLEET MAINTENANCE

Overview

Fleet Maintenance is responsible for the maintenance of over 256 vehicles and pieces of equipment. This includes 28 police patrol cars, 18 sedans, 5 motorcycles, 47 heavy-duty trucks and construction equipment, and 92 light-duty and medium-duty trucks, vans and SUVs, and 66 other pieces of equipment (compressors, mowers, train, carousel, etc.).

Fleet Maintenance prepares and implements a preventative maintenance schedule for all City-owned vehicles. Fleet Maintenance prepares recommendations for replacement of vehicles based upon maintenance history and reliability, and subsequently prepares specifications for bids. User charges to respective departments provide the revenues which support the Fleet Maintenance function; these charges are described as "Fleet Maintenance Allocated Costs".

Service Levels

- Ensure vehicle service turn-around time is four hours or less 90% of the time
- Service Police vehicles every six weeks
- Service light trucks and cars every three months or 3,000 miles
- Service heavy equipment (backhoe, Vacon, etc.) every 200 hours
- Complete a weekly inspection of amusement rides at Small World Park during the operational season

Fleet Maintenance Responsibility	
Number of Police Patrol Cars	28
Routine Service for Patrol Cars (7 times per year)	196
Number of Police Motorcycles	5
Number of City Sedans, Light-Duty and Medium-Duty Trucks and Vans	110
Routine Service for Sedans, Light-Duty and Medium Duty Trucks and Vans (4 times per year)	440
Heavy-Duty Trucks and Other Heavy Equipment	47
Routine Service for Heavy-Duty Trucks and Other Heavy Equipment (2 times per year)	94
Miscellaneous Equipment (i.e. compressors, mowers, amusement park rides)	66

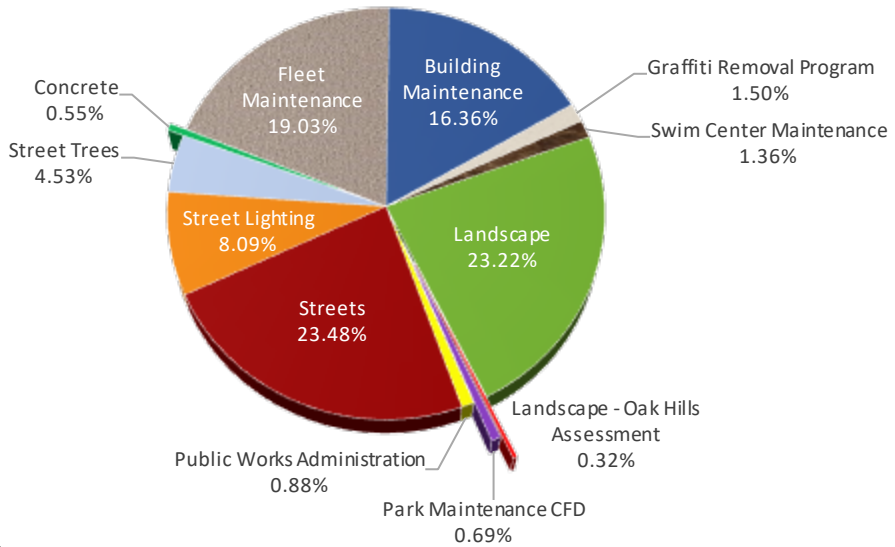
FY 2018 - 2019 FULL TIME PERSONNEL ALLOCATIONS
Public Works - Maintenance Services

Department/Division	FY 2016-2017 Amended Base	FY 2017-2018 Amended Base	FY 2018-2019 Adopted Base
Graffiti Removal Program	1.15	1.15	1.15
Public Works/Streets	11.70	11.95	13.05
Citywide Landscape	9.64	9.64	8.65
Citywide Street Lighting	1.30	1.30	1.30
Citywide Street Trees	2.70	2.70	2.50
Citywide Concrete Program	0.25	0.25	0.10
NPDES - Storm Drain Clean-Up	2.90	2.75	2.65
Park Maintenance CFD 2007-1	0.36	0.36	0.25
Fleet Maintenance	3.60	3.45	3.55
Building Maintenance	4.30	4.15	4.25
TOTAL:	**37.90**	**37.70**	**37.45**

Detailed Program Budget
Public Works – Maintenance Services

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
AUTHORIZED POSITIONS					
Total Authorized	37.90	37.70	37.45	-0.25	-0.66%
SOURCES OF REVENUE					
General Fund	1,833,518	1,876,016	1,935,924	59,908	3.19
Internal Service Funds	3,728,086	4,302,823	3,947,770	(355,053)	-8.25
Special Revenue Funds	4,191,185	4,310,060	4,134,844	(175,216)	-4.07
(Addition To)/Reduction in Fund Balance	1,097,001	802,239	960,365	158,126	19.71
TOTAL SOURCES OF REVENUE	**$ 10,849,790**	**$ 11,291,138**	**$ 10,978,903**	**$ (312,235)**	**-2.77 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	3,005,648	2,980,973	3,095,615	114,642	3.85
Maintenance & Operations	2,694,308	2,815,973	2,910,749	94,776	3.37
Workers Compensation	158,468	192,819	203,622	10,803	5.60
Materials & Supplies	1,157,570	1,312,950	1,294,950	(18,000)	-1.37
Contracts & Services	727,916	813,875	983,621	169,746	20.86
Fringe Benefits	1,975,156	1,934,724	1,955,786	21,062	1.09
TOTAL USES - OPERATING EXPENDITURES	$ 9,719,066	$ 10,051,314	$ 10,444,343	$ 393,029	3.91 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	1,042,912	1,109,360	400,000	(709,360)	-63.94
TOTAL USES - CAPITAL EXPENDITURES	$ 1,042,912	$ 1,109,360	$ 400,000	$ (709,360)	-63.94 %
USES - TRANSFERS-OUT					
Transfers-Out	87,812	130,464	134,560	4,096	3.14
TOTAL USES - TRANSFERS-OUT	$ 87,812	$ 130,464	$ 134,560	$ 4,096	3.14 %
TOTAL USES	**$ 10,849,790**	**$ 11,291,138**	**$ 10,978,903**	**$ (312,235)**	**-2.77 %**
USES BY PROGRAM RECAP					
Swim Center Maint.	131,094	150,120	148,777	(1,343)	-0.89
Landscape	2,701,285	2,560,620	2,548,842	(11,778)	-0.46
Landscape - Oak Hills Assessment	32,130	32,406	35,175	2,769	8.54
Park Maintenance CFD	73,560	84,328	75,767	(8,561)	-10.15
Public Works Administration	92,639	98,702	97,114	(1,588)	-1.61
Streets	2,243,733	2,310,179	2,578,131	267,952	11.60
Street Lighting	817,335	804,366	888,050	83,684	10.40
Street Trees	487,903	652,063	496,977	(155,086)	-23.78
Concrete	93,007	77,330	60,359	(16,971)	-21.95
Fleet Maintenance	2,115,171	2,410,514	2,088,856	(321,658)	-13.34
Building Maintenance	1,912,971	1,955,213	1,796,669	(158,544)	-8.11
Graffiti Removal Program	148,962	155,297	164,186	8,889	5.72
TOTAL USES BY PROGRAM RECAP	**$ 10,849,790**	**$ 11,291,138**	**$ 10,978,903**	**$ (312,235)**	**-2.77 %**

Public Works Maintenance Services - Uses by Division



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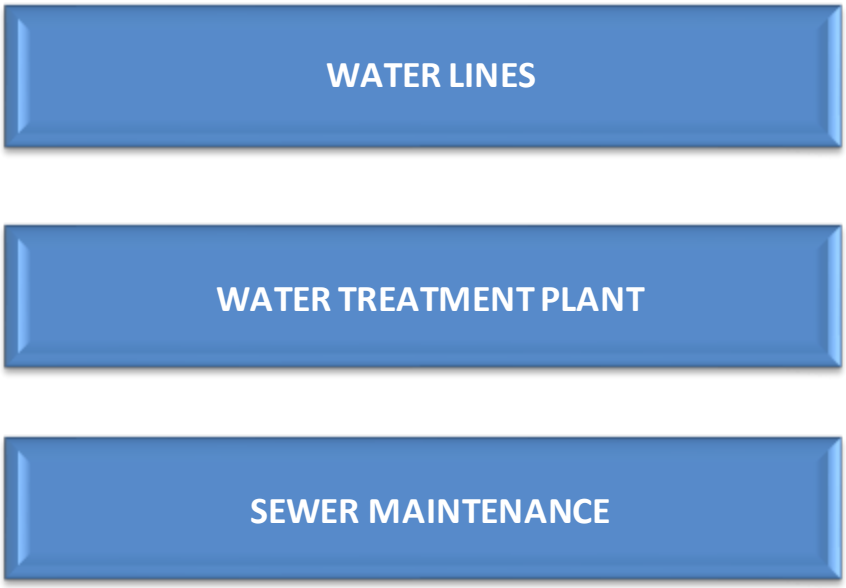
➢ PUBLIC WORKS – WATER AND SEWER SYSTEM ENTERPRISES



➢ PUBLIC WORKS – WATER AND SEWER SYSTEM ENTERPRISES – WATER

Overview

Water Line Maintenance is responsible for the repair and maintenance of the water distribution system needed to meet all State of California Department of Public Health's water distribution system regulations.

The Water Treatment Plant provides management, operation and maintenance of the City's thirty-two million gallon per day water treatment plant, eight distribution reservoirs, nine pumping stations and two wells to reliably provide adequate supplies of highest quality drinking water that meets or exceeds all Federal and State requirements.

Service Levels

Water Lines:

- Maintain and perform scheduled and emergency repairs on approximately 225 miles of water mains, 5,900 isolation valves, 18,200 customer service lines and meters, and 1,840 fire hydrants to maintain system reliability
- Manage Hydrant Flushing/Valve Exercising Program, Backflow Prevention Program (State Mandated): Provide record keeping, enforcement, repairs, testing and installations of 1,262 backflow prevention devices
- Provide monthly water meter reading for customer billing, meter replacement and repairs, service turn-on/shut-off, and respond to customer service complaints and service emergencies

Water Treatment Plant:

- Operate the Water Treatment Plant, adjusting water production to meet system demand and maintain adequate system pressure
- Test water on a regular basis to ensure that the water produced meets or exceeds all Federal and State standards

- Utilize the SCADA (Supervisory Control and Data Acquisition) system to monitor the distribution system, reservoirs, pumping stations and wells; and adjust the chemical feed system to maintain optimum water quality
- Provide for the maintenance and repair of the water treatment plant, two wells, eight reservoirs and nine pumping stations that include 27 vertical turbine pumps and motors with capacities to 6,000 gallons per minute

Goals

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Continue program to install Automatic Meter Reading System, currently in the seventh year, bringing the overall system to 73% complete
- ✓ Continue construction of Water Treatment Plant modifications to improve water taste and treatment capabilities
- ✓ Continue with annual water loss audit of City's water treatment and delivery system
- ✓ Continue annual replacement program for poly water service laterals to decrease water loss in the distribution system

Accomplishments

- ✓ In the process of rebuilding two large pumps at water treatment plant for higher efficiencies
- ✓ Completed sixth year of the program to install Automatic Meter Reading System to improve accuracy and efficiency of meter reading
- ✓ Completed first annual water loss audit for the water treatment and distribution system to help identify potential loss sources
- ✓ Completed the replacement of 125 poly water services to help reduce potential source of water loss

Water Maintenance Responsibility	
Water Distribution System (in miles)	225
Fire Hydrants	1,840
Water Isolation Valves	5,900
Water Meter Conversions to Automatic System Completed (1,500 annual goal)	12,000
Water Customer Service Lines and Meters	18,200

➢ PUBLIC WORKS – WATER AND SEWER SYSTEM ENTERPRISES – SEWER

Overview

Sewer Maintenance is responsible for the maintenance and repair of 176 miles of sewer mains, two sewer lift stations and 17,000 sewer laterals (80 miles) within the City of Pittsburg rights-of-way.

Service Levels

- Provide cleaning for 154 miles of sewer mains and manholes in the sewer system
- by rotating through four maintenance zones each year as part of a comprehensive Preventative Maintenance Program (PMP). Routine work includes root cutting and video inspections of main lines and laterals. New CCTV truck has allowed a more efficient maintenance program by pinpointing problems and chronic areas
- Provide preventative cleaning for 19 miles of problem sewer lines that have been identified with chronic or regularly reoccurring problems. Chronic sewer line problems result in increased operating costs, but this added maintenance on weekly, monthly or quarterly basis is intended to prevent overflows until these lines can be replaced as part of a Capital Improvement Program project
- The City has responsibility for repairs and/or replacement for sewer laterals within the City's right-of-way (lower laterals). City staff responds to lateral blockages and conducts video inspections and schedules repair or replacement if problem is in the lower lateral

Goals

Citywide Goal 5- Increase Efficiency of City Operations and Services

- ✓ Use new CCTV truck to evaluate 38,000 linear feet of sewer and storm drain pipe to help increase efficiency of our Preventative Maintenance Program by locating areas for spot repair and more effective cleaning

Accomplishments

- ✓ Repaired 26 lower sewer laterals

- ✓ Root-foamed over 16,000 feet of problem sewer line to reduce potential for sewer back-up
- ✓ Evaluated approximately 30,000 linear feet of sewer lines with the CCTV truck to identify mainline problems and confirm new installations/replacements

Sewer Maintenance Responsibility	
Sewer Lateral Service Lines (in miles)	80
Sewer Main Collection System (in miles)	176
Sewer Lateral Service Lines	17,000
Annual Sanitary Sewer and Storm Drain Maintenance Inspection Goal (in linear feet)	38,000

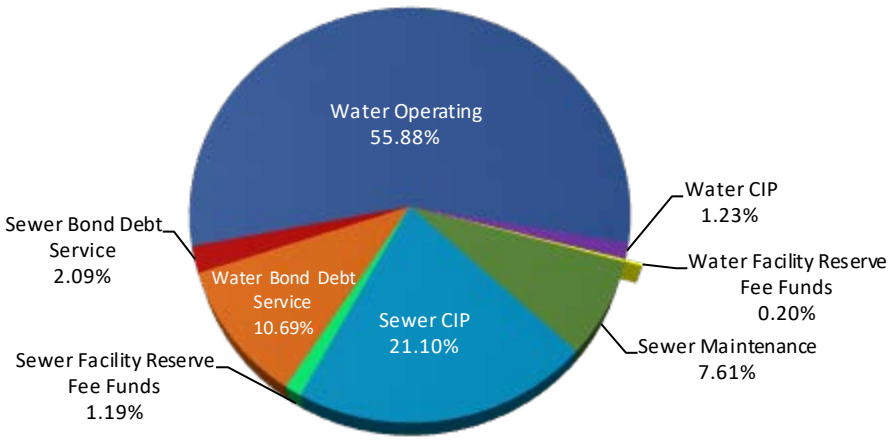
FY 2018 - 2019 FULL TIME PERSONNEL ALLOCATIONS
Public Works - Water and Sewer Systems Enterprises

Department/Division	FY 2016-2017 Amended Base	FY 2017-2018 Amended Base	FY 2018-2019 Adopted Base
Water Operating	31.15	32.10	32.60
Sewer Maintenance	9.65	8.90	8.40
TOTAL:	**40.80**	**41.00**	**41.00**

Detailed Program Budget
Public Works – Water and Sewer Enterprises

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
AUTHORIZED POSITIONS					
Total Authorized	40.80	41.00	41.00	-	-
SOURCES OF REVENUE					
Capital Projects Funds	131	-	-	-	-100.00
Debt Service	222,752	276,510	3,000	(273,510)	-98.92
Enterprise Funds	67,581,760	29,658,975	32,659,600	3,000,625	10.12
(Addition To)/Reduction in Fund Balance	6,867,572	16,695,428	5,861,850	(10,833,578)	-64.89
TOTAL SOURCES OF REVENUE	**$ 74,672,215**	**$ 46,630,913**	**$ 38,524,450**	**$ (8,106,463)**	**-17.38 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	3,360,923	4,094,632	4,003,837	(90,795)	-2.22
Maintenance & Operations	2,288,507	3,189,286	2,797,312	(391,974)	-12.29
Workers Compensation	176,450	237,014	258,043	21,029	8.87
Materials & Supplies	5,896,118	7,284,205	7,700,357	416,152	5.71
Contracts & Services	387,835	698,781	424,900	(273,881)	-39.19
Fringe Benefits	2,323,908	2,757,272	2,673,234	(84,038)	-3.05
TOTAL USES - OPERATING EXPENDITURES	$ 14,433,741	$ 18,261,190	$ 17,857,683	$ (403,507)	-2.21 %
USES - OTHER EXPENDITURES					
Debt Service	41,039,556	3,663,120	3,985,582	322,462	8.80
TOTAL USES - OTHER EXPENDITURES	$ 41,039,556	$ 3,663,120	$ 3,985,582	$ 322,462	8.80 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	87,425	346,560	103,000	(243,560)	-70.28
Capital Outlay - Projects	10,721,273	18,405,399	8,602,500	(9,802,899)	-53.26
TOTAL USES - CAPITAL EXPENDITURES	$ 10,808,698	$ 18,751,959	$ 8,705,500	$ (10,046,459)	-53.58 %
USES - TRANSFERS-OUT					
Transfers-Out	8,390,220	5,954,644	7,975,685	2,021,041	33.94
TOTAL USES - TRANSFERS-OUT	$ 8,390,220	$ 5,954,644	$ 7,975,685	$ 2,021,041	33.94 %
TOTAL USES	**$ 74,672,215**	**$ 46,630,913**	**$ 38,524,450**	**$ (8,106,463)**	**-17.38 %**
USES BY PROGRAM RECAP					
Water Operating	17,494,450	17,758,225	21,526,885	3,768,660	21.22
Water CIP	5,239,277	1,558,850	475,000	(1,083,850)	-69.53
Water Facility Reserve Fee Funds	7,059,760	5,150,966	77,500	(5,073,466)	-98.50
Sewer Maintenance	2,681,522	4,161,675	2,931,983	(1,229,692)	-29.55
Sewer CIP	226,305	13,047,864	8,127,500	(4,920,364)	-37.71
Sewer Facility Reserve Fee Funds	2,865	233,113	460,000	226,887	97.33
Water Bond Debt Service	41,158,050	3,913,952	4,120,148	206,196	5.27
Sewer Bond Debt Service	809,986	806,268	805,434	(834)	-0.10
TOTAL USES BY PROGRAM RECAP	**$ 74,672,215**	**$ 46,630,913**	**$ 38,524,450**	**$ (8,106,463)**	**-17.38 %**

Water and Sewer Enterprises
Uses by Division



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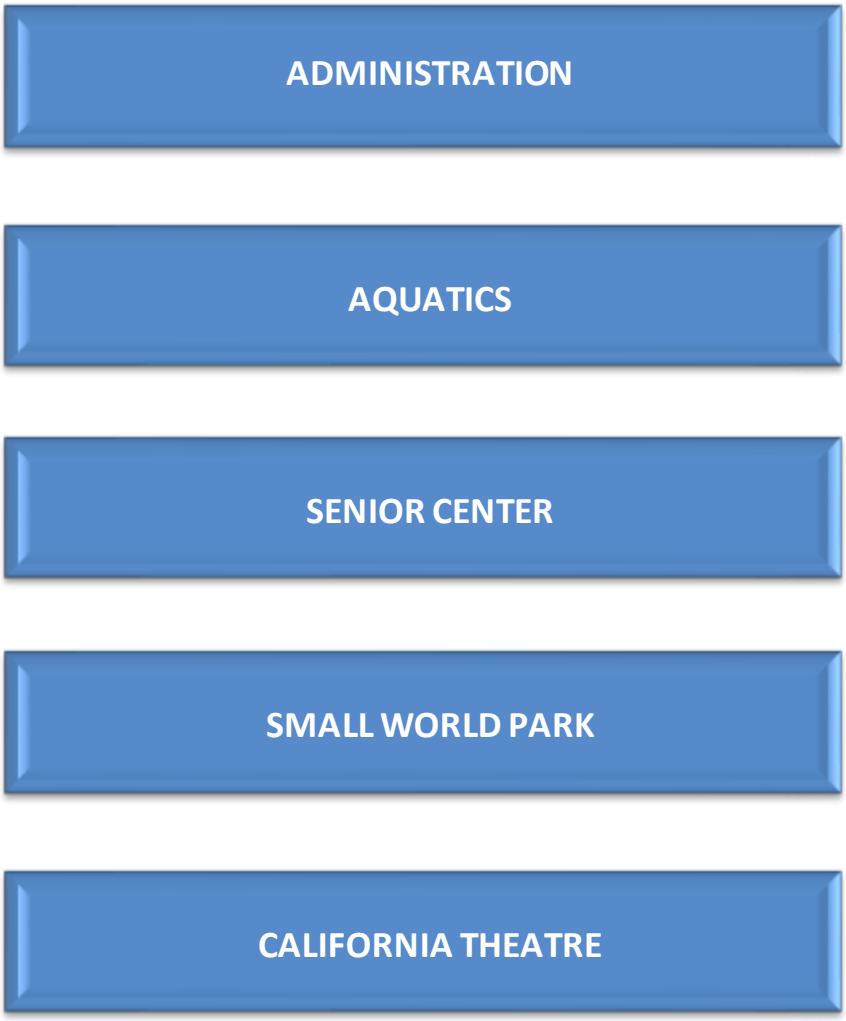
➢ RECREATION SERVICES



➢ RECREATION SERVICES

Overview

The Recreation Department presents programs and services including aquatics, the Senior Center, and Small World Park. These programs and services enhance the quality of life for the City of Pittsburg Community. Administration of programs helps to support City development, encourage community image, and promote social interaction and a positive sense of community.

Buchanan Swim Center located in Buchanan Park is open from Spring through Fall offering a wide variety of aquatic programming for residents of all age groups.

The Senior Center Division is responsible for the successful administration, programming, and operation of the Senior Center. Residents of the City, fifty and older, are provided with activities that improve their quality of life. The mission of the staff is to keep participants active and informed. This is accomplished through partnerships with Pittsburg Adult Education, Contra Costa County, AARP, John Muir Health, Senior Legal Services, Senior Outreach Services and the CC Café.

The Small World Park Division is responsible for the successful administration, programming and operation of the park which is geared towards children eight and younger. The park is open weekends only in the spring/fall and four days a week during the summer. Amenities include: Train, Carousel, Whale Ride, Ferris Wheel, crawdad fishing, and play equipment. Six large picnic sites and a birthday party castle are available for rental. A minimal admission fee is charged which offsets the operation of the park.

Service Levels

Administration:

- Provide direction, planning, and administration for all recreation services programs, and community events

Aquatics Program:

- Provide a full-service, comprehensive aquatics program which includes recreational swimming for all age groups, swim lessons, adult and youth swimming programs and facility management

Senior Center:

- Provide various activities and programs for 50,000 participants at the Senior Center each year which includes exercise programs, financial counseling, crafts, special excursions, health management, social events, and meals

Goals

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

- ✓ Increase marketing of building rental facilities resulting in increased usage and revenue by 15%
- ✓ Continue to seek grants to fund recreational programs with a goal of applying for a minimum of two new grants for each division

Citywide Goal 3 – Improve Public Facilities and Infrastructure

- ✓ Provide for safety and security improvements for facilities by reviewing policies and procedures at recreational facilities like Buchanan Pool, Small World Park, and Senior Center

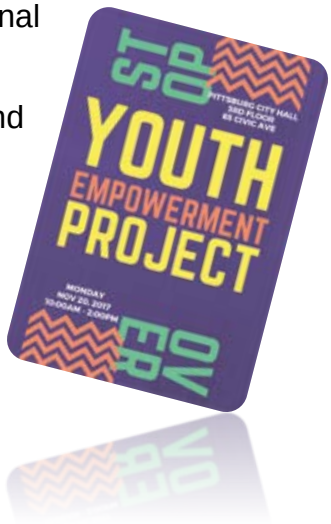
Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Provide online registration for recreational activities
- ✓ Streamline the reservation process for facilities with online availability calendar

Citywide Goal 6 – Improve the Quality of Life for Pittsburg Residents

- ✓ Continue to invest in youth programming and support services through the expansion of the Youth Empowerment Project by identifying, implementing, and completing 2 community projects
- ✓ Expand partnership with local non-profits that focus on recreational and personal development
- ✓ Provide a variety of community events throughout the city

- ✓ Collaborate with other city departments to offer additional recreation programming and activities
- ✓ Increase attendance by 15% at Small World Park and Buchanan Pool
- ✓ Collaborate to provide additional services for our Senior Community



Accomplishments

- ✓ Refurbished the Steam Boat play structure at Small World Park
- ✓ Hosted over 30 community events, including eight Movies in the Park and the Holiday Parade, while also hosting another 15 community events in partnership with other City departments and local organizations
- ✓ Supported and worked with over 25 local recreation organizations, such as STS Academy and the 50-Plus Club, that services over 5,000 Pittsburg residents
- ✓ Conducted the first meeting of the Youth Empowerment Project
- ✓ Expanded the reach of the annual Recreation Guide to all homes within the 94565 zip code
- ✓ Created the Old Town Bocce League

The following are indicators of the types and volume of activities occurring within this program:

Performance Measure	Relates to Goal(s)	FY 16-17 Actual	FY 17-18 Estimate	FY 18-19 Projected
Aquatic Center Gate Attendance	6	2,379	2,300	2,645
Small World Park Gate Attendance	6	25,050	26,000	29,000
Senior Center Nutrition/Exercise Class Participants	6	11,305	12,030	13,260
Community Events Hosted	6	28	31	35
Community Events Hosted in Collaboration with Other City Departments and Organizations	6	11	17	5

➢ CALIFORNIA THEATRE

Overview

The California Theatre is a 330-seat historic theater in the heart of the City's Old Town commercial district. Located at 351 Railroad Avenue, the building is an architectural gem in the downtown.

Built in 1920, the theater was once a premiere spot for live vaudeville performances and silent films. As entertainment tastes changed, the theater fell into disrepair and closed in 1954.

After an extensive $8 million renovation project, the theater re-opened as a City facility in 2013.

The California Theatre is home to community theater, concerts, comedy shows, school graduations and public meetings.

A youth performing arts camp each summer trains the next generation of performers on the historic stage.

Event films, including classics and moving documentaries, have drawn crowds. The theater has excellent acoustics and sightlines.

Service Levels

- The theater has a box office, dressing rooms and an auditorium, where each seat provides a completely unobstructed view of the stage
- A project to renovate the balcony to add approximately 150 seats is being designed, and once complete, will expand this beautifully restored performing arts venue

The following are indicators of the types and volume of activities occurring within this program:

Performance Measure	Relates to Goal(s)	FY 16-17 Actual	FY 17-18 Estimate	FY 18-19 Projected
Box Office Ticket Sales	6	14,201	9,762	4,000
Performances	6	95	85	20

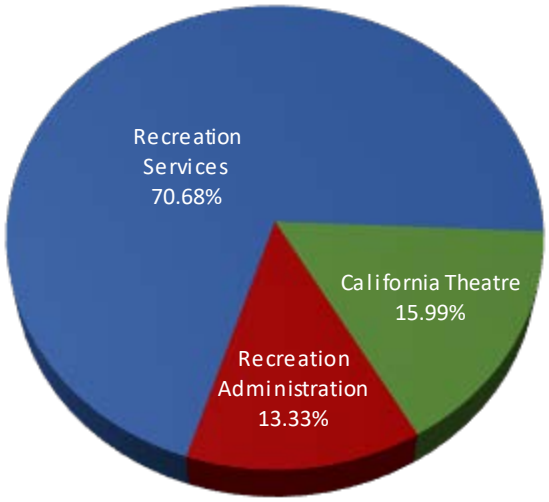
FY 2018 - 2019 FULL TIME PERSONNEL ALLOCATIONS
Recreation Services

Department/Division	FY 2016-2017 Amended Base	FY 2017-2018 Amended Base	FY 2018-2019 Adopted Base
Recreation-Admin	0.00	0.75	0.75
Recreation - Sports	1.15	1.15	1.15
Recreation - Senior Center	2.00	2.00	2.00
TOTAL:	**3.15**	**3.90**	**3.90**

Detailed Program Budget
Recreation

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
AUTHORIZED POSITIONS					
Total Authorized	3.15	3.90	3.90	-	-
SOURCES OF REVENUE					
General Fund	911,856	888,994	1,074,381	185,387	20.85
Special Revenue Funds	385,553	347,090	268,828	(78,262)	-22.55
(Addition To)/Reduction in Fund Balance	161,520	472,898	246,847	(226,051)	-47,80
TOTAL SOURCES OF REVENUE	**$ 1,458,929**	**$ 1,708,982**	**$ 1,590,056**	**$ (118,926)**	**-6.96 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	466,162	573,969	586,675	12,706	2.21
Maintenance & Operations	316,461	330,308	358,839	28,531	8.64
Workers Compensation	24,855	35,380	38,954	3,574	10.10
Materials & Supplies	87,629	70,789	68,390	(2,399)	-3.39
Contracts & Services	388,954	493,144	297,350	(195,794)	-39.70
Fringe Benefits	159,078	195,542	206,848	11,306	5.78
TOTAL USES - OPERATING EXPENDITURES	$ 1,443,139	$ 1,699,132	$ 1,557,056	$ (142,076)	-8.36 %
USES - OTHER EXPENDITURES					
Special Items of Expense	4,262	9,850	33,000	23,150	235.03
TOTAL USES - OTHER EXPENDITURES	$ 4,262	$ 9,850	$ 33,000	$ 23,150	235.03 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	11,528	-	-	-	-100.00
TOTAL USES - CAPITAL EXPENDITURES	$ 11,528	$ -	$ -	$ -	0.00 %
TOTAL USES	**$ 1,458,929**	**$ 1,708,982**	**$ 1,590,056**	**$ (118,926)**	**-6.96 %**
USES BY PROGRAM RECAP					
Recreation Administration	130,462	197,395	212,020	14,625	7.41
Recreation Services	960,003	1,099,810	1,123,786	23,976	2.18
Recreation Grants	9,692	17,745	-	(17,745)	-100.00
California Theatre	358,772	394,032	254,250	(139,782)	-35.47
TOTAL USES BY PROGRAM RECAP	**$ 1,458,929**	**$ 1,708,982**	**$ 1,590,056**	**$ (118,926)**	**-6.96 %**

Recreation Services - Uses by Division



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➢ SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF PITTSBURG

SUCCESSOR AGENCY ADMINISTRATION

SUCCESSOR AGENCY DEBT SERVICE

➢ SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF PITTSBURG

Overview

Pursuant to AB 26, the Redevelopment Agency of the City of Pittsburg (Agency) was dissolved on February 1, 2012 and its primary purpose now as the Successor Agency is to administer the wind down of the former Agency's operations.

The Successor Agency commenced the disposition of its properties since receiving the Department of Finance (DOF) approval of the long range property management plan, which was later amended and approved by the DOF on December 31, 2015. Proceeds from the sale are used to assist the Successor Agency in meeting its financial obligation.

Service Levels

- Continue payment of the Successor Agency's financial obligations which entail payments of debt service and fulfillment of contractual obligations entered into by the Successor Agency prior to the enactment of AB 26
- Continue to sell Successor Agency properties and use the net sales proceeds to meet its financial obligation
- Maintain properties so that they may yield the highest value upon disposition
- Continue to manage the various properties owned by the Successor Agency, City, Pittsburg Arts and Community Foundation (PACF), Pittsburg Power, and Housing Authority

Goals

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

✓ Continue to dispose of Successor Agency properties, generate sales revenue to meet the Successor Agency Financial Obligation

Citywide Goal 4 – Continue Economic Development, Diversified Housing and Facilitate Growth and Retention of Existing Businesses

✓ Address homelessness by identifying services available and how to access them, and working with City departments and outside agencies to develop programs

✓ Administer and continue funding the Housing Rehabilitation Loan Program which preserves existing homes

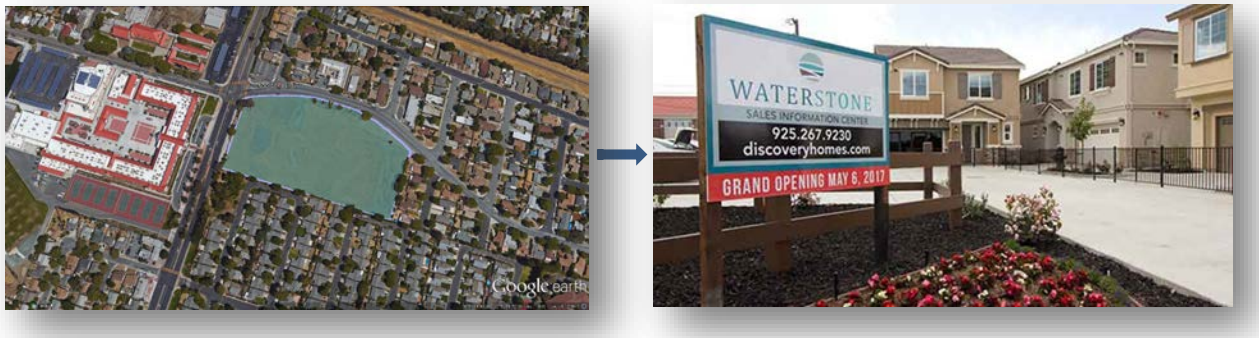
- ✓ Administer and fund the 1st Time Home Buyer Program which provides home ownership opportunities

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Work with tenants and borrowers to keep lease and loan payments current
- ✓ Continue to work with tenants to ensure property maintenance is regularly performed to reduce/prevent costly repairs
- ✓ Manage leases and loans for City, Successor Agency, PACF, and Housing Authority

Accomplishments FY 2017-18

- ✓ To date, thirty-seven properties have been sold for approximately $4,760,000. Another six properties are anticipated to close escrow by the end of the fiscal for another $278,000
- ✓ Ten properties are at various stages of disposition for a value of approximately $3,240,000
- ✓ Forty-five Pittsburg residents received housing counseling services during the first half of the fiscal year
- ✓ In conjunction with CDBG, the Housing Successor agency has issued one housing rehabilitation loan and two more are at various stages of loan process



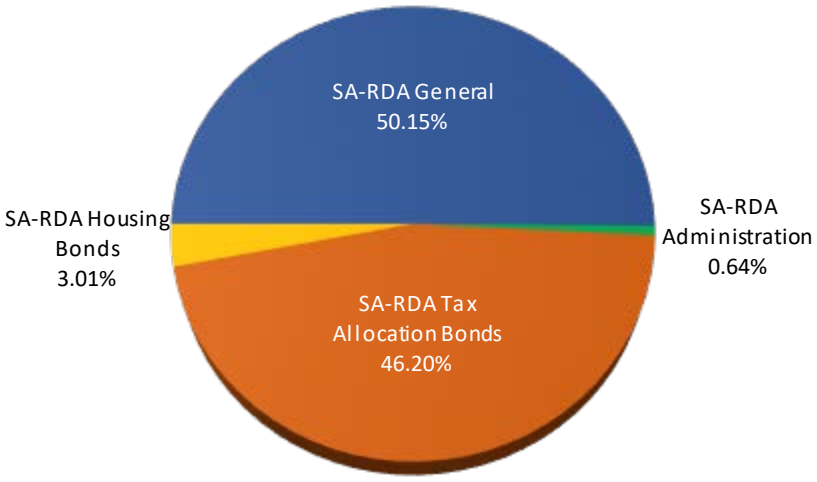
FY 2018 - 2019 FULL TIME PERSONNEL ALLOCATIONS
Successor Agency to Former Redevelopment Agency

Department/Division	FY 2016-2017 Amended Base	FY 2017-2018 Amended Base	FY 2018-2019 Adopted Base
RDA Administration	1.10	1.10	1.10
TOTAL:	**1.10**	**1.10**	**1.10**

Detailed Program Budget
Successor Agency to Former RDA

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
AUTHORIZED POSITIONS					
Total Authorized	1.10	1.10	1.10	-	-
SOURCES OF REVENUE					
Capital Projects Funds	113,307	415,229	-	(415,229)	-100.00
Debt Service	39,862,385	33,786,730	33,601,664	(185,066)	-0.55
Redevelopment Agency	11,359,278	34,139,962	34,545,126	405,164	1.19
(Addition To)/Reduction in Fund Balance	21,539,466	(223,431)	(624,997)	(401,566)	1079.73
TOTAL SOURCES OF REVENUE	**$ 72,874,436**	**$ 68,118,490**	**$ 67,521,793**	**$ (596,697)**	**-0.88 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	170,292	212,896	188,295	(24,601)	-11.56
Maintenance & Operations	15,755	60,267	28,480	(31,787)	-52.74
Workers Compensation	9,088	11,294	12,280	986	8.73
Materials & Supplies	25	1,400	1,600	200	14.29
Pass Through Payments	18,246	-	-	-	-100.00
Contracts & Services	112,444	701,462	117,555	(583,907)	-83.24
Fringe Benefits	76,792	86,192	83,601	(2,591)	-3.01
TOTAL USES - OPERATING EXPENDITURES	$ 402,642	$ 1,073,511	$ 431,811	$ (641,700)	-59.78 %
USES - OTHER EXPENDITURES					
Debt Service	32,339,012	32,988,429	33,176,358	187,929	0.57
TOTAL USES - OTHER EXPENDITURES	$ 32,339,012	$ 32,988,429	$ 33,176,358	$ 187,929	0.57 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Projects	112,179	339,875	-	(339,875)	-100.00
TOTAL USES - CAPITAL EXPENDITURES	$ 112,179	$ 339,875	$ -	$ (339,875)	-100.00 %
USES - TRANSFERS-OUT					
Transfers-Out	40,020,603	33,716,675	33,913,624	196,949	0.58
TOTAL USES - TRANSFERS-OUT	$ 40,020,603	$ 33,716,675	$ 33,913,624	$ 196,949	0.58 %
TOTAL USES	**$ 72,874,436**	**$ 68,118,490**	**$ 67,521,793**	**$ (596,697)**	**-0.88 %**
USES BY PROGRAM RECAP					
RDA General	10,255,651	33,641,675	33,863,624	221,949	0.66
RDA Administration	401,514	998,157	431,811	(566,346)	-56.74
RDA Capital Projects Fund	113,307	415,229	-	(415,229)	-100.00
RDA Tax Allocation Bonds	58,651,433	31,026,326	31,195,693	169,367	0.55
RDA Housing Bonds	3,452,531	2,037,103	2,030,665	(6,438)	-0.32
TOTAL USES BY PROGRAM RECAP	**$ 72,874,436**	**$ 68,118,490**	**$ 67,521,793**	**$ (596,697)**	**-0.88 %**

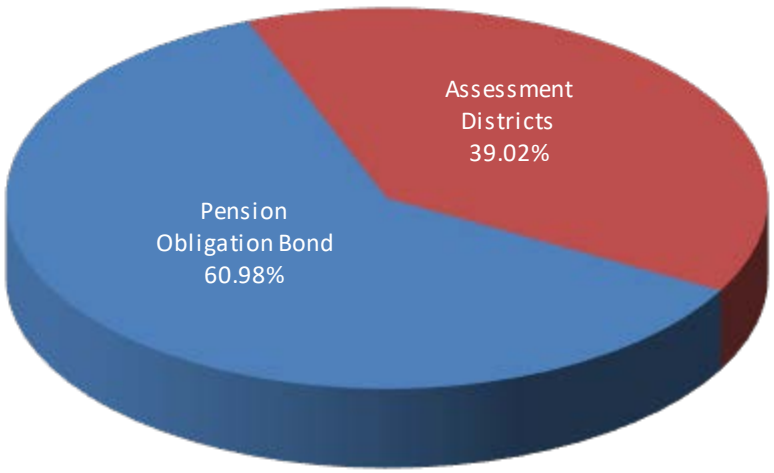
Successor Agency to the Former RDA
Uses by Division



Detailed Program Budget
Debt Service

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
AUTHORIZED POSITIONS					
Total Authorized	-	-	-	-	-
SOURCES OF REVENUE					
Debt Service	8,577,821	8,271,583	8,508,240	236,657	2.86
Special Revenue Funds	4	-	-	-	-
(Addition To)/Reduction in Fund Balance	(1,042,702)	1,142,377	(1,249,759)	(2,392,136)	209.40
TOTAL SOURCES OF REVENUE	**$ 7,535,123**	**$ 9,413,960**	**$ 7,258,481**	**$ (2,155,479)**	**-22.90 %**
USES - OPERATING EXPENDITURES					
Maintenance & Operations	30,060	30,661	31,274	613	2.00
Contracts & Services	1,078	707	-	(707)	-100.00
TOTAL USES - OPERATING EXPENDITURES	$ 31,138	$ 31,368	$ 31,274	$ (94)	-0.30 %
USES - OTHER EXPENDITURES					
Debt Service	7,503,985	7,182,547	7,227,207	44,660	0.62
TOTAL USES - OTHER EXPENDITURES	$ 7,503,985	$ 7,182,547	$ 7,227,207	$ 44,660	0.62 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Projects	-	2,200,045	-	(2,200,045)	-100.00
TOTAL USES - CAPITAL EXPENDITURES	$ -	$ 2,200,045	$ -	$ (2,200,045)	-100.00 %
TOTAL USES	**$ 7,535,123**	**$ 9,413,960**	**$ 7,258,481**	**$ (2,155,479)**	**-22.90 %**
USES BY PROGRAM RECAP					
Pension Obligation Bond	4,793,127	4,370,018	4,425,976	55,958	1.28
Assessment Districts	2,741,996	5,043,942	2,832,505	(2,211,437)	-43.84
TOTAL USES BY PROGRAM RECAP	**$ 7,535,123**	**$ 9,413,960**	**$ 7,258,481**	**$ (2,155,479)**	**-22.90 %**

Debt Service - Uses by Division



➢ CAPITAL OUTLAY – PROJECTS

Capital improvement projects acquire, plan, construct, maintain, or improve facilities, land, major equipment, or other infrastructure. Capital projects are supported by a five-year expenditure plan that details funding sources and expenditure amounts. They often are multi-year projects that require funding beyond the one-year period of the annual budget. Prioritization of capital projects is based on available funding, public benefit, and funding restrictions. Capital projects meet some or all of the following criteria:

- Elimination of potentially hazardous or unsafe conditions and potential liability
- Replacement of high-maintenance, inefficient or ineffective infrastructure
- Improvement to and/or creation of new services to the public
- Compliance with regulatory requirements and mandates
- Stimulation of local economy and elimination of blighted conditions
- Compliance with the City of Pittsburg General Plan
- Preservation of existing assets

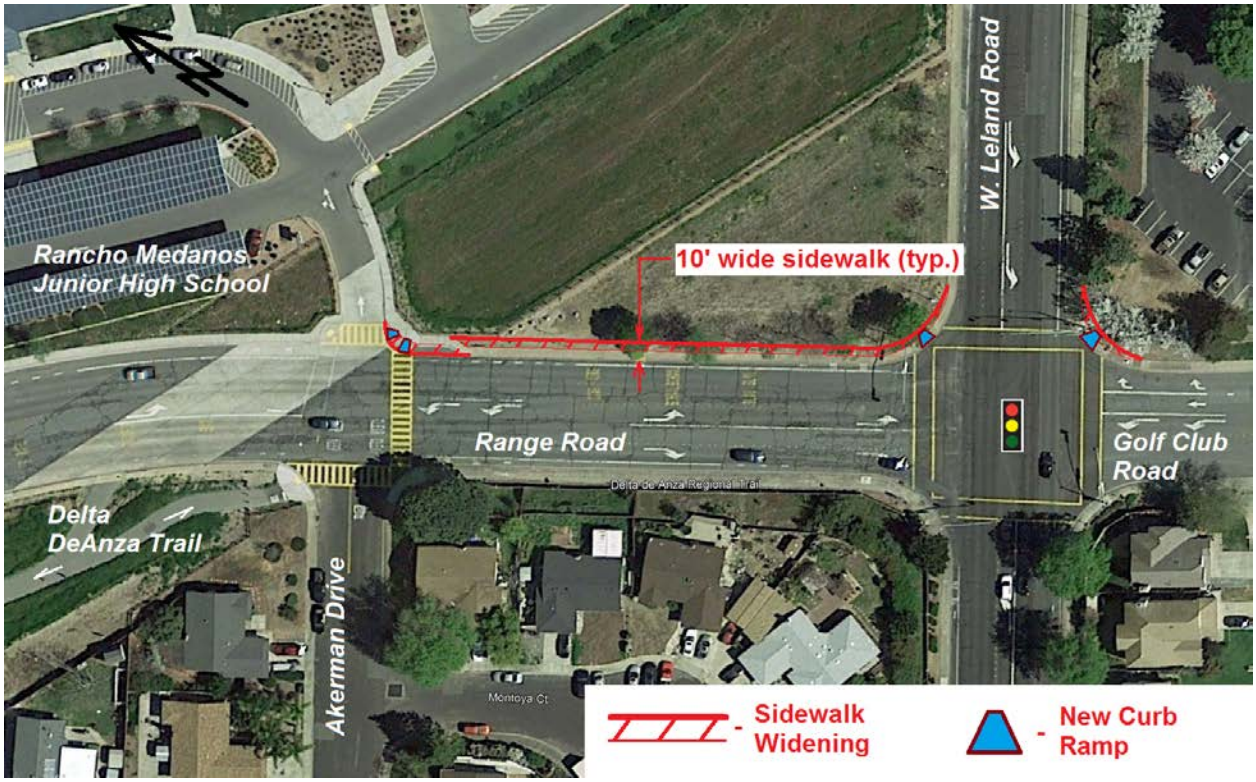
New Capital Project Funding for FY 2018/19

Project Name	Funding Source	Prior Allocations	FY18/19 Allocation
Range Road Sidewalk Widening	Gas Tax/TDA	$ -	$ 120,000
2018/19 Citywide Pavement Management	Gas Tax	-	400,000
West Leland Road Pavement Management	RMRA	-	974,401
2018/19 Citywide Traffic Calming Project	Measure J	-	100,000
2018/19 Citywide Fence/Soundwall/Streetlight Replacement and Installation	Measure J	-	100,000
2018/19 Citywide Striping and Signage	RMRA	-	50,000
2018/19 Traffic Signal Modification	RMRA	-	135,000
Water Treatment Capital Repairs and Improvements	WOF	75,000	75,000
Automatic Water Meter Reading System	WOF	2,206,793	300,000
2021/22 Filter Media Replacement	WOF	-	100,000
2016/17 Sewer and Water Replacement and Rehabilitation Program	SOF, SFR, WOF, Wbond, WFR	3,500,000	8,127,500
Small World Park Improvements	PDF	-	20,000
Annual Playground Replacement Project	PDF	-	80,000
City Park Soccer Field Turf Replacement	PDF	-	250,000
Annual Park Features Replacement Project	PDF	-	75,000
Biennial Restroom Replacement/Rehabilitation	PDF	-	250,000
Marina Maintenance Dredging (formerly Riverview Basin Dredging)	WO, ME	106,208	320,000
Duct Bank and Vault Replacements	IE	-	400,000
Station H KWH Metering Equipment	IE	100,000	80,000
Gas Line Removal and Replacement	IE	100,000	50,000
Totals		**$ 6,088,001**	**$ 12,006,901**

➢ CAPITAL OUTLAY – PROJECTS (continued)

Total FY2018/19 Allocations by Funding Source:

Fund Name	Abbreviation	Prior Allocations	FY18/19 Allocation
Gas Tax Fund	Gas Tax	$ -	$ 455,000
Gas Tax SB-1 Road Maintenance and Rehabilitation Fund	RMRA	-	1,159,401
Transportation Development Act Grant	TDA	-	65,000
Measure J Fund	Measure J	-	200,000
Water Operating Fund	WOF	2,281,793	5,775,000
Water Facility Reserve Fund	WFR	-	77,500
Water Bond Fund	Wbond	-	940,000
Sewer Operating Fund	SOF	3,500,000	1,350,000
Sewer Facility Reserve Fund	SFR	-	460,000
Park Dedication Fund	PDF	-	675,000
Waterfront Operations Fund	WO	65,000	70,000
Marina Enterprise Fund	ME	41,208	250,000
Island Energy Fund	IE	200,000	530,000
Totals		**$ 6,088,001**	**$ 12,006,901**



ST-7: RANGE ROAD SIDEWALK IMPROVEMENTS

Project No.
2216

Status:
2018/19 Allocation - $120,000

Estimated Project Cost:
$120,000

Project Limits:
Ackerman Drive to south side of West Leland Road

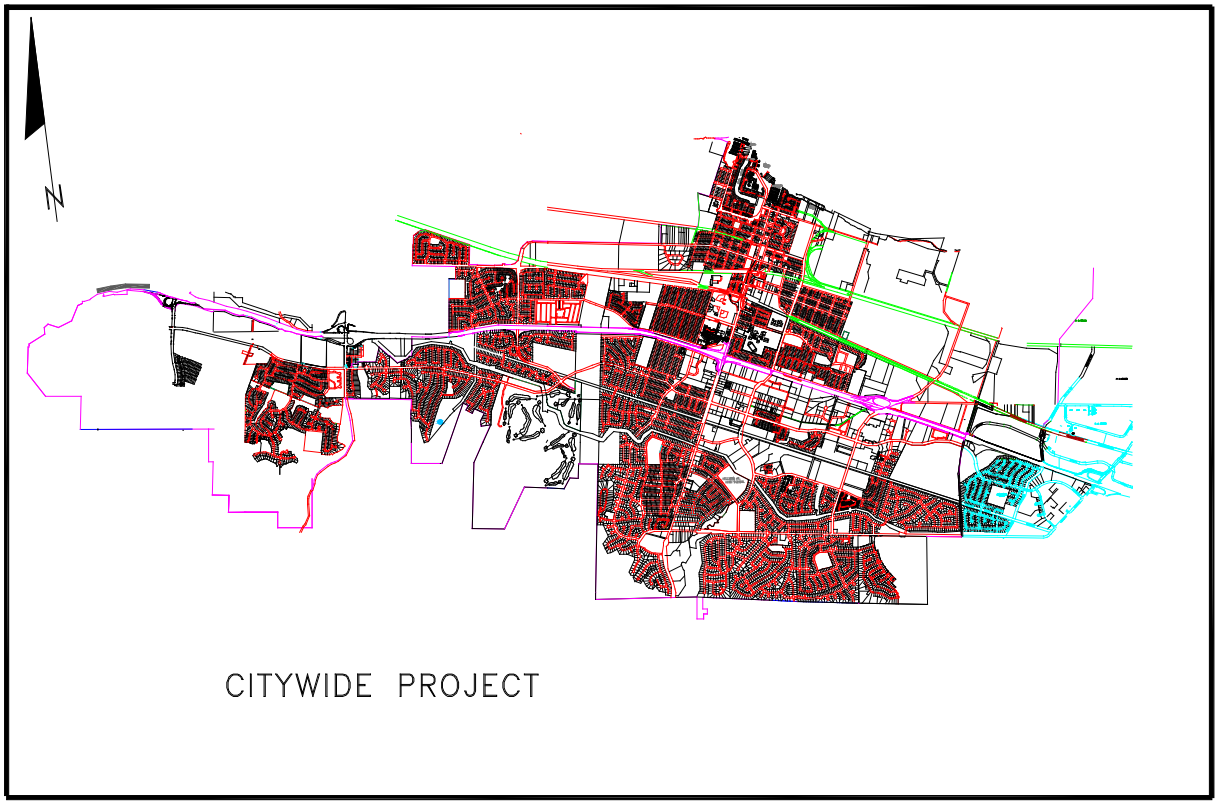
Funding Sources:
Eligible Funding Sources: Gas Tax, Measure J
Identified Funding: $55,000 Gas Tax, $65,000 TDA Grant

Project Description:

Widen existing sidewalk approximately five feet along north side of Range Road, from Rancho Medanos Junior High School's entrance to south side of West Leland Road (approximately 400 linear feet). This will allow the large groups of students travelling to and from school to safely stay on sidewalk and avoid walking in bicycle and vehicle traffic lanes.

Impact on Operating Budget:

No significant impact on the operating budget as costs incurred for maintenance would be minimal.



ST-11: 2018/19 CITYWIDE PAVEMENT MANAGEMENT PROJECT

Project No.
2217

Status:
2018/19 Allocation - $400,000

Estimated Project Cost:
$400,000

Project Limits:
Citywide

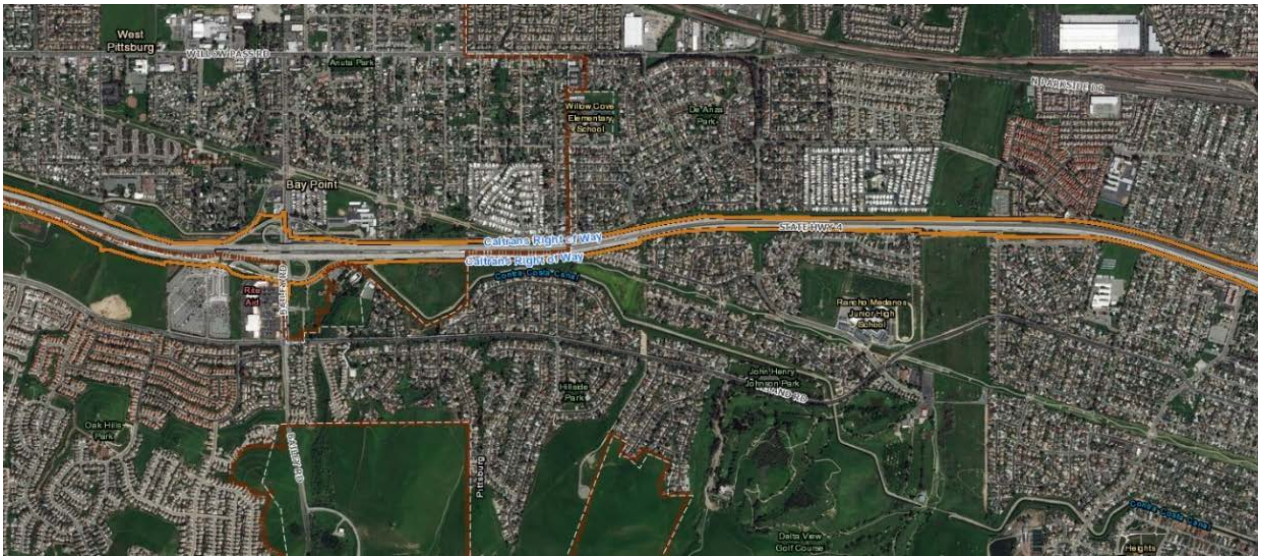
Funding Sources:
Eligible Funding Source: Gas Tax
Identified Funding Source: Gas Tax $400,000

Project Description:

This project will be determined based on use of the Pavement Management System (PMS) and Staff input. The project will use a variety of pavement management techniques including, slurry seal, patch paving, pavement overlay, pavement inlay, pavement reconstruction, and crack sealing.

Impact on Operating Budget:

No significant impact on the operating budget since this involves routine pavement management/repair of citywide streets.



ST-17: WEST LELAND ROAD PAVEMENT MANAGEMENT

Project No.
2218

Status:
2018/19 Allocation - $974,401

Estimated Project Cost:
$974,401

Project Limits:
West Leland Road from Railroad Avenue to Oak Hills Drive

Funding Sources:
Eligible Funding Sources: Gas Tax, Measure J, RMRA Gas Tax
Identified Funding: $974,401 RMRA

Project Description:

This project will provide pavement maintenance on West Leland Road from Railroad Avenue to Woodhill Drive. The project may use a variety of pavement management techniques including, slurry seal, patch paving, pavement overlay, pavement inlay, pavement reconstruction, and crack sealing as determined during design.

Impact on Operating Budget:

No significant impact on the operating budget since this involves routine pavement management and repair of citywide streets.

ST- 18: 2018/19 CITYWIDE TRAFFIC CALMING PROJECT

Project No.
2016

Status:
2018/19 Allocation - $100,000

Estimated Project Cost:
$100,000

Project Limits:
Citywide

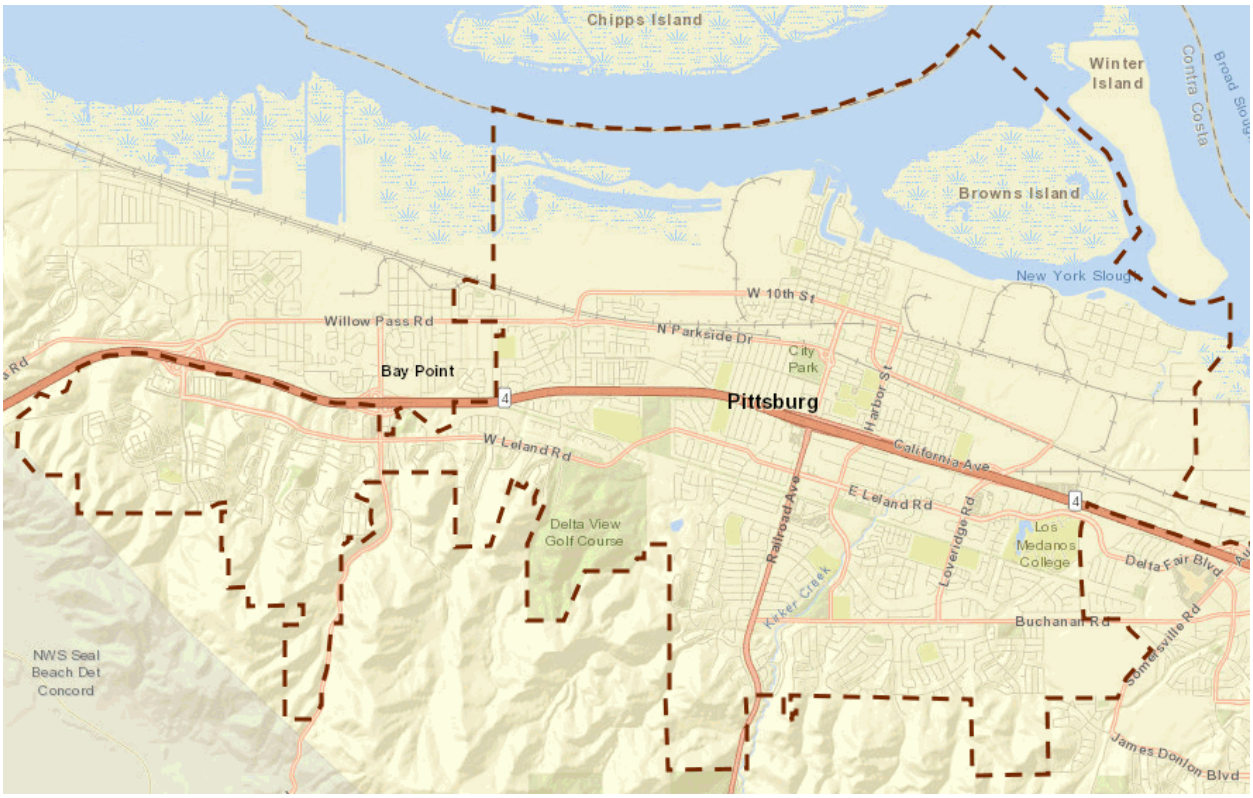
Funding Sources:
Eligible Funding Source: Gas Tax, Measure J, Grant Funding, Gas Tax RMRA
Identified Funding: $100,000 Measure J

Project Description:

This project will construct speed humps and other traffic calming improvements at locations throughout the City to be determined through an application process or by City Staff This will be managed through the Traffic Section of the Engineering Division.

Impact on Operating Budget:

No significant impact on the operating budget since maitenance of signs and speed humps would have maintenance.



ST-41: 2018/19 CITYWIDE FENCE, SOUNDWALL AND STREETLIGHT REPLACEMENT/INSTALLATION PROJECT

Project No.
2017

Status:
2018/19 Allocation - $100,000

Estimated Project Cost:
$100,000

Project Limits:
Citywide

Funding Sources:

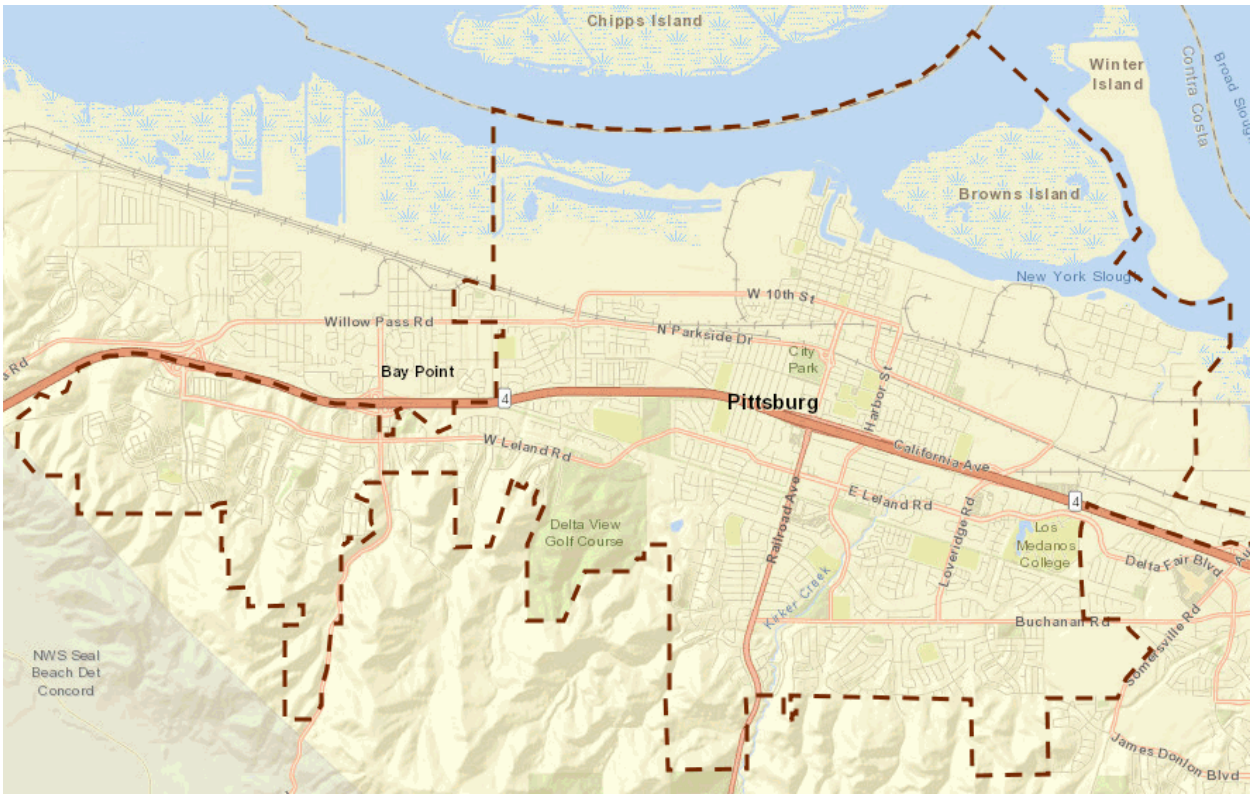
Eligible Funding Source: Measure J, Gas Tax, RMRA Gas Tax
Identified Funding Source: $100,000 Measure J

Project Description:

This project is for the replacement of damaged or deteriorated fencing, soundwalls, or streetlights that the City is responsible for maintaining. This project also includes new installations determined to be required for public safety and protection.

Impact on Operating Budget:

No significant impact on the operating budget since cost incurred for maintenance would be minimal.



ST- 52: 2018/19 CITYWIDE STRIPING & SIGNAGE PROJECT

Project No.
2219

Status:
2018/19 Allocation - $50,000

Estimated Project Cost:
$50,000

Project Limits:
Citywide

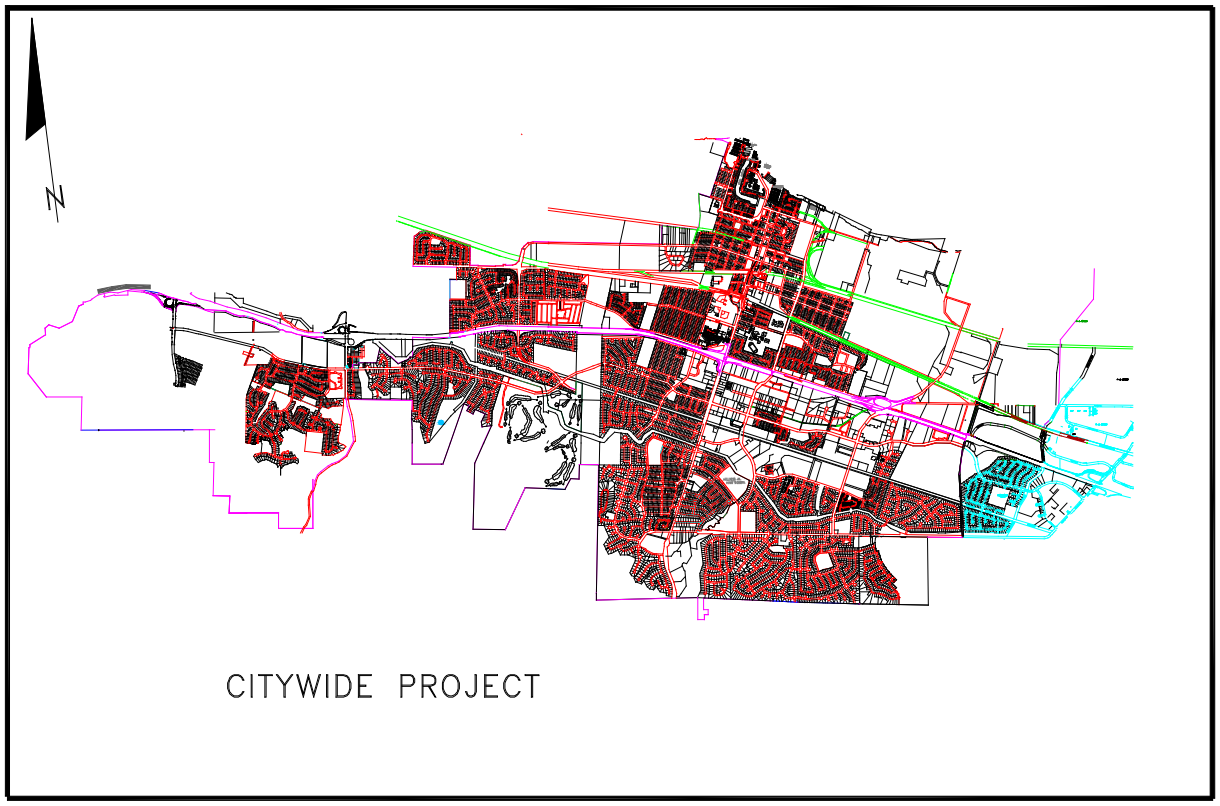
Funding Sources:
Eligible Funding Source: Gas tax, Measure J, RMRA Gas Tax
Identified Funding**:** $50,000 RMRA

Project Description:

This project will provide funding to complete new installation of signing and striping improvements or removal and replacement of existing signing and striping at locations Citywide. Priority for locations will be determined by Public Works and Engineering Departments.

Impact on Operating Budget:

No significant impact on the operating budget since cost incurred for maintenance would be minimal.



S-7: 2018/19 TRAFFIC SIGNAL MODIFICATION PROJECT

Project No.
2220

Status:
2018/19 Allocation - $135,000

Estimated Project Cost:
$135,000

Project Limits:
Citywide

Funding Sources:
Eligible Funding: Gas Tax, Gas Tax RMRA
Identified Funding: RMRA $135,000

Project Description:

This project is to perform on-going traffic signal timing and modifications to existing signals throughout the City. This will provide for improved traffic flow and allow for modernization of outdated signal controller equipment.

Impact on Operating Budget:

No significant impact on the operating budget as costs incurred for maintenance of the signals would be minimal.

W-6: WTP CAPITAL REPAIRS AND IMPROVEMENTS

Project No.
5058

Status:
Previous Allocation - $75,000
2018/19 Allocation - $75,000

Estimated Project Cost:
$450,000

Project Limits:
Water Treatment Plant

Funding Sources:

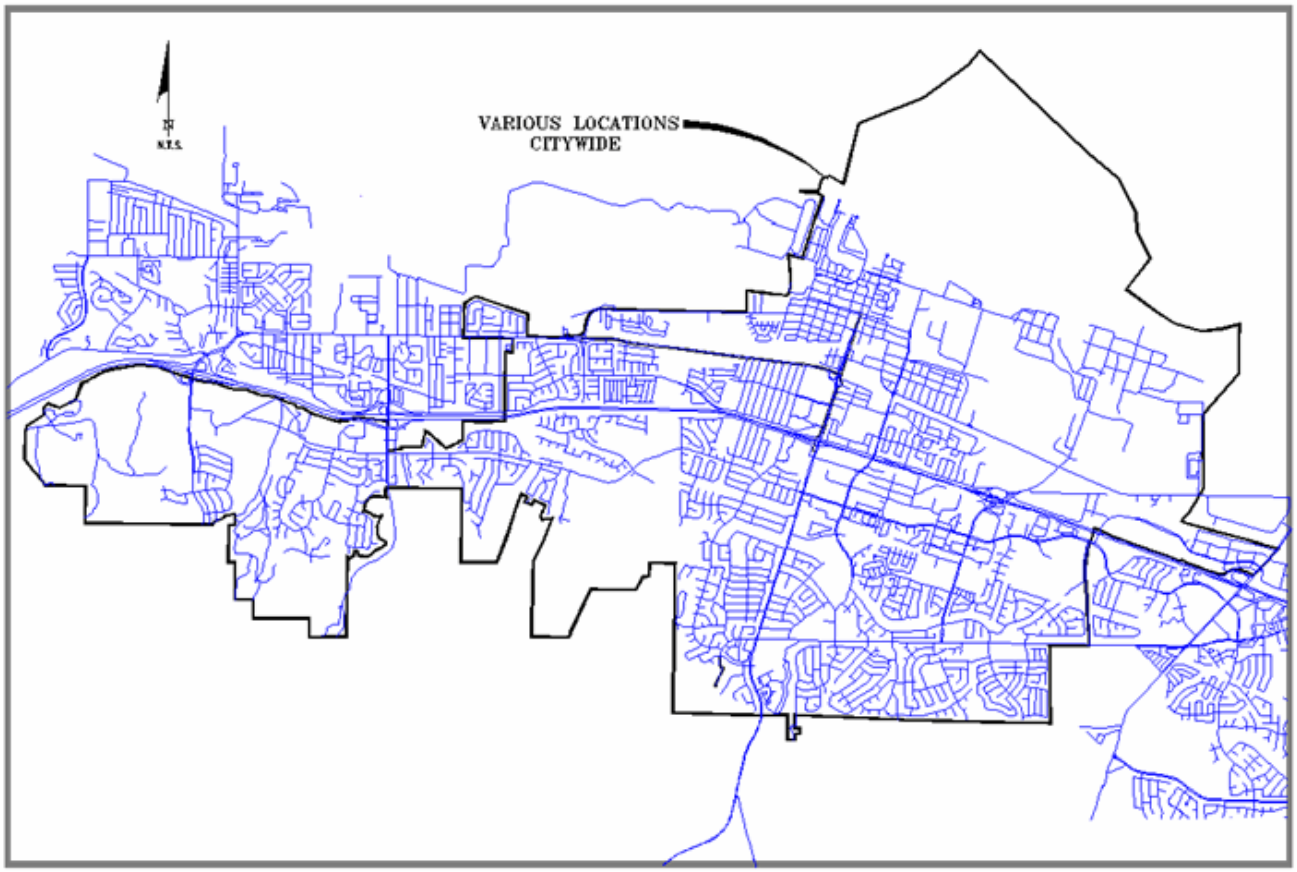
Eligible Funding Source: Water Operations (WOF)
Identified Funding: $75,000 WOF

Project Description:

This project will provide upgrades to facilities at the Water Treatment Plant as needed by WTP staff.

Impact on Operating Budget:

No significant impact on the operating budget since this involves repairs and upgrades to existing equipment at the Water Treatment Plant.



W-11: AUTOMATIC METER READING SYSTEM

Project No.
5030

Status:
Previous Allocation - $2,206,793
2018/19 Allocation - $300,000

Estimated Project Cost:
$3,706,793

Project Limits:
Water System

Funding Sources
Eligible Funding: Water Operations Fund (WOF)
Identified Funding: $300,000 WOF

Project Description:

Conversion of hard-to-read meters to radio read. Include Automatic Meter Reading system and replacement meters to convert an additional 1,500 meters. Meters include those that are hard to read because they are inaccessible, such as those in backyards or industrial/ commercial sites, those that can be hazardous to read in landscaped medians or other high traffic areas, or older meters that are due for replacement.

Impact on Water Operating Budget:

Although there will be increased efficiency in meter readings, the impact on the operating budget will be minimal.

W-39: 2021/22 WTP FILTER MEDIA REPLACEMENT

Project No.
5060

Status:
2018/19 Allocation - $100,000

Estimated Project Cost:
$500,000

Project Limits:
Water Treatment Plant

Funding Sources:
Eligible Funding Source: Water Operations (WOF), Water Facility Reserves (WFR)
Identified Funding: $100,000 WOF

Project Description:

This project will perform periodic replacement of the filter media for the eight water filters at the water treatment plant. Media replacement includes removal and disposal of spent filter media and replacement with new granulated activated carbon (GAC) or anthracite, sand, and gravel. Filter media needs to be replaced approximately every four years.

Impact on Operating Budget:

No significant impact on the operating budget since this involves repairs and upgrades to existing equipment at the Water Treatment Plant.

SS-34: SEWER/WATER REPLACEMENT AND REHABILITATION

Project No.
5205

Status:
Previous Allocation - $3,500,000
2018/19 Allocation - $8,127,500

Estimated Project Cost:
$11,627,500

Project Limits:
North of School Street between Harbor Street and Railroad Avenue, Willow Pass Road, and Bayside Knolls Subdivision

Funding Sources:
Eligible Funding Source: Sewer Operating (SOF), Sewer Facility Reserves (SFR), Water Operations (WOF), Water Facility Reserves (WFR), Water Bond (WBond)
Identified Funding Source: $1,350,000 SOF $460,000 SFR, $5,300,000 WOF, $77,500 WFR, $940,000 Wbond

Project Description:
Project will replace sewer and water mains that are maintenance problems. The bulk of this project will be the neighborhood north of School Street. Other areas include Willow Pass Road and Bayside Knolls Subdivision This project will be funded with water funds to replace water mains in Schools Street area.

Impact on Sewer Operating Budget:
Slight savings in the future are anticipated as a result of an increase in efficient sewer lines.

PK-3: SMALL WORLD PARK IMPROVEMENTS

Project No.
3070

Status:
2018/19 Allocation - $20,000

Estimated Project Cost:
$20,000

Project Limits:
Small World Park

Funding Sources:
Eligible Funding Sources: Park Dedication Funds (PDF)
Identified Funding: $20,000 PDF

Project Description:

This project is for the rehabilitation of structures, features, and equipment at Small World Park. The most urgent need is for the structural rehabilitation of the Iron Horse Ride. Other needs will be prioritized by staff as funding allows.

Impact on Operating Budget:

No significant impact on the operating budget since this involves repairs and upgrades to existing facilities and equipment at Small World Park.

PK-4: ANNUAL PLAYGROUND REPLACEMENT PROJECT

Project No.
3071

Status:
2018/19 Allocation - $80,000

Estimated Project Cost:
$400,000

Project Limits:
Citywide Park System

Funding Sources:
Eligible Funding Source: Park Dedication Funds (PDF), Grants
Identified Funding: $80,000 PDF

Project Description:

Recurring annual project for replacement of playground equipment and related amenities at public parks throughout the City. Priority for locations determined by Public Works with input from Recreation Services.

Impact on Operating Budget:

No significant impact on the operating budget since this involves repairs and upgrades to existing equipment at City parks.

PK-6: CITY PARK SOCCER FIELD TURF REPLACEMENT

Project No.
3072

Status:
2018/19 Allocation - $250,000

Estimated Project Cost:
$500,000

Project Limits:
City Park

Funding Sources:
Eligible Funding Source: Park Dedication Funds (PDF), Grants
Identified Funding: $250,000 PDF

Project Description:

Replacement of all, or portions, of the all-weather turf soccer field at City Park.

Impact on Operating Budget:

No significant impact on the operating budget since this involves repairs to existing facilities at City Park.

PK-9: ANNUAL PARK FEATURES REPLACEMENT PROJECT

Project No.
3073

Status:
2018/19 Allocation - $75,000

Estimated Project Cost:
$375,000

Project Limits:
Citywide Parks

Funding Sources:
Eligible Funding Source: Park Dedication Funds (PDF), Grants
Identified Funding: $75,000 PDF

Project Description:

Recurring annual project for the replacement of features and amenities such as drinking fountains, picnic tables, benches, lighting, pavement, and ADA accessibility at public parks throughout the City. Priority for locations determined by Public Works with input from Recreation Services.

Impact on Operating Budget:

No significant impact on the operating budget since this involves repairs and upgrades to existing equipment at City parks.

PK-10: BIENNIAL RESTROOM REPLACEMENT/REHABILITATION

Project No.
3074

Status:
2018/19 Allocation - $250,000

Estimated Project Cost:
$750,000

Project Limits:
Citywide Parks

Funding Sources:
Eligible Funding Source: Park Dedication Funds (PDF), Grants

Identified Funding: $250,000 PDF

Project Description:

Recurring biennial project for replacement and rehabilitation of restrooms in public parks throughout the City. Priority for locations determined by Public Works with input from Recreation Services.

Impact on Operating Budget:

No significant impact on the operating budget since this involves repairs and upgrades to existing facilities at City parks.

M-3: 2017-2027 MARINA MAINTENANCE DREDGING (FORMERLY RIVERVIEW BASIN DREDGE PROJECT)

Project No.
5400

Status:
Previous Allocation - $106,208
2018/19 Allocation - $320,000

Estimated Project Cost:
$10,500,000

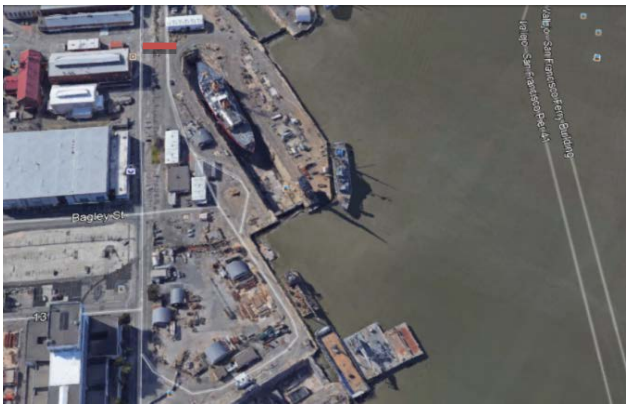
Project Limits:
Pittsburg Marina

Funding Sources
Eligible Funding Source: Marina Enterprise (ME), Waterfront Operations (WO), Grants

Identified Funding: $250,000 ME, $70,000 WO

Project Description:
This general dredge project consists of six areas that will be completed in phases as funding is available and as a need for dredging arises. These areas are Lowy Basin, Riverview Basin, Central Harbor, the public launch ramps, outfalls stemming from the Pittsburg Waterfront, and the New York Landing HOA Residential Channel.

Impact on Operating Budget:
No significant impact on the operating budget since this involves routine maintenance to the Pittsburg Marina.



PP-2: DUCT BANK AND VAULT REPLACEMENTS

Project No.
5816

Status:
2018/19 Allocation - $400,000

Estimated Project Cost:
$400,000

Project Limits:
Island Energy

Funding Sources
Eligible Funding: Island Energy Fund (IE)
Identified Funding: $400,000 IE

Project Description:

Specific sections of the Island energy system have been identified for duct bank and vault replacement as being critical for system reliability and “backbone” expansion. The project supports the Lennar waterfront development and the Mare Island “North End” – which includes existing ALCO and EPS customers, and the anticipated City of Vallejo master development north of G Street.

Impact on Operating Budget:

No significant impact on the operating budget since this involves repairs and upgrades to existing facilities and infrastructure.

PP-7: STATION H KWH METERING EQUIPMENT

Project No.
5817

Status:
Previous Allocation - $100,000
2018/19 Allocation - $80,000

Estimated Project Cost:
$180,000

Project Limits:
Azuar Drive at O Street. – Mare Island

Funding Sources
Eligible Funding Source: Island Energy (IE)
Identified Funding Source: $80,000 IE

Project Description:

Installation of new KWH per-phase circuit metering devices to better assess Island Energy system load demands and losses. This provides functionality for balancing Island Energy system loads and promote a more structured plan for addressing new loads and system expansion.

Impact on Operating Budget:

No significant impact on the operating budget since this involves repairs and upgrades to existing facilities and infrastructure.

PP-25: GAS LINE REMOVAL AND REPLACEMENT

Project No.
5811

Status:
Previous Allocation - $100,000
2018/19 Allocation - $50,000

Estimated Project Cost:
$150,000

Project Limits:
Island Energy

Funding Sources
Eligible Funding Source: Island Energy (IE)
Identified Funding Source: $50,000 IE

Project Description:

Remove gas line adjacent to Veteran Affairs (VA) clinic and replace with a line 100 yards south, connecting to existing four inch pipe adjacent to Murigenics building. Remove steel pipe attached to building 599 and remove above ground steel filter from VA parking area.

Impact on Operating Budget:

No significant impact on the operating budget since this involves repairs and upgrades to existing facilities and infrastructure.

➢ CAPITAL OUTLAY - EQUIPMENT

Capital Outlay involves the need for a budget appropriation to purchase equipment, land or other fixed assets which have a unit cost of more than $5,000 and an estimated useful life of over five years. The following represent capital outlay – equipment for the 2018/19 fiscal year budget:

Description	Funding Source (Fund)	Total Allocation	Justification
Furniture	General Fund	$5,000	Office furniture needed for additional FTE in Human Resources
Police Department Necessary Secondary Storage	General Fund	40,000	Additional memory and storage for ever-increasing video and data repositories
Police Department Mobile Police Radios	General Fund	22,000	3 Mobile Police Radios
Police Department Digital Video/Body Worn Cameras	General Fund	175,000	Axon body-worn camera's, CEW's, in-car cameras, and interview room monitoring equipment, digital storage and management
Equipment for Public Broadcast	Public, Education & Government	68,000	Fiberoptic connection, equipment for Theatre to include broadcasting and training
Water Lines Generator	Water Operating	13,000	Tier 4 Diesel Towable Compressor used with jackhammers and breakers for water breaks, repairs, etc.
Water Treatment Plant Lab Equipment Replacement	Water Operating	60,000	Replacement of laboratory equipment that is not cost effective to repair
Sewer Operations CCTV Truck Equipment Parts	Sewer Operating	30,000	Closed circuit television video (CCTV) pipe profiling equipment and parts for sanitary and storm sewers
Marina	Marina Operations	20,000	Additional server, equipment needs for new POS software at the Marina
Island Energy Utility Trucks	Island Energy	100,000	2 Ford F-550 Utility Trucks to replace two existing aging trucks. Enhanced vehicle load to accommodate utility equipment mobilization
Island Energy Vehicle	Island Energy	40,000	1 Ford Escape Hybrid SUV to replace Chevy Volt which is being retired
Island Energy Transformers	Island Energy	25,000	4 distribution transformers to replace aging infrastructure in support of system reliability
Miscellaneous Customer Project Equipment	Island Energy	15,000	Miscellaneous gas and electrical components to support customer project requests
Police Patrol Vehicle Replacements	Fleet Maintenance	142,000	4 Ford Utility Police Patrol Vehicles to replace aging Patrol Vehicles

➢ CAPITAL OUTLAY – EQUIPMENT (continued)

Description	Funding Source (Fund)	Total Allocation	Justification
Police Utility Patrol Vehicles	Fleet Maintenance	71,000	2 Ford utility Police Patrol Vehicles – new additions to fleet
Police Sedan Vehicle	Fleet Maintenance	28,000	1 Ford Sedan Investigations Vehicle – replaces ford Taurus due to age/condition/miles
Police Transport Van	Fleet Maintenance	35,000	1 Ford Transport Van – replaces Ford E350 van due to age/condition/miles
Police Motorcycles	Fleet Maintenance	53,000	2 Police Motorcycles – replace 2 Kawasaki bikes due to age/condition
Public Works Water	Fleet Maintenance	25,000	1 Ford F150 pickup – replaces Ford Ranger due to age/condition
Miscellaneous Equipment	Fleet Maintenance	21,000	Contingency for add-on equipment for Police and Public Works vehicles
Public Works - Miscellaneous Furniture	Building Maintenance	25,000	Misc. Furniture for City Hall offices and meeting rooms
Totals		**$1,013,000**	

The following vehicles and heavy equipment represent new capital outlay budgeted to be financed over a five (5) year period:

Description	Funding Source (Fund)	Principal Amount	Justification
Street Sweeper	Fleet Maintenance	$250,000	1 Street Sweeper - replaces current sweeper due to age/condition
Electrical Truck	Fleet Maintenance	300,000	1 Electrical Truck – replaces current truck due to age/condition
Gang Mower	Fleet Maintenance	120,000	1 Gang Mower – replaces current mower due to age/condition
Thermoplastic Machine	Fleet Maintenance	120,000	1 Thermoplastic Machine – replaces current machine due to age/condition
Tow-Behind Air Compressor	Fleet Maintenance	23,000	1 Tow-Behind Air Compressor – replaces current compressor due to age/condition
Total to be Financed		**$813,000**	

The estimated current year principal and interest payments of $180,064 have been included in the 2018-19 fiscal year budget.

➢ FINANCIAL POLICIES AND PROCEDURES

The City of Pittsburg has established Financial Policies and Procedures to provide guidance towards the City's fiscal stability as well as prudent and accountable management of the City's funds.

Balanced Budget

The City will pay for all current non-capital expenditures with current revenues. The City will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' expenses such as postponing expenditures or accruing future years' revenues.

Capital Improvement Plans

The City will develop 5-year Capital Improvement Plans that will be updated annually.

The City will develop annual capital budgets based on the 5-year Capital Improvement Plans.

The City will coordinate the capital budget with the operating budget such that future operating costs associated with new capital improvements will be included in financial forecasts.

The City will identify estimated costs and potential funding sources for each capital project proposal before it is submitted to City Council for approval.

Consolidated Annual Financial Report (CAFR)

The City will prepare the CAFR consistent with the Governmental Accounting Standards Board (GASB) and Governmental Finance Officers Association (GFOA) standards and will contract with an independent audit firm to audit the CAFR.

Expenditure Controls

The City has various expenditure controls in place to ensure the City does not over-expend its budget including: (1) position requisition must be in the budget and approved by the City Manager, (2) encumbrance requests for purchases or contracts reviewed and approved by the Accounting Manager to ensure there are adequate funds, and (3) mid-year budget reviews to forecast expenses and revenues that identifies any potential shortfalls.

Financial Plans

The City will annually prepare 5-year or more Forecasts for the City's General Fund and Housing Authority Fund that will include realistic revenue and expenditure projections.

Fund Balance

Fund balance from the prior fiscal year is total cash and investments less encumbrances and prior year appropriations.

The budget year estimated fund balance includes prior fiscal year actual fund balance plus estimated revenues minus the expenditure budget.

Revenue

The City will try to maintain diversified and stable revenues to shelter it from unforeseeable short-run fluctuations in any revenue stream.

The City will estimate its annual revenues by an objective, analytical process where-ever practical. The City will update revenue projections annually.

The City will calculate the costs associated with user fees to ensure the fees are cost covering.

Capital Assets Policy

The policy defines capital assets as tangible items to be used over a period of time greater than three years and having a value greater than or equal to $5,000. In addition, the policy classifies assets as either land, buildings, improvements other than buildings or equipment and identifies method of depreciation thereof (Policy is included on Page 264-274 in the Appendix section of the budget).

Debt Policy

Provides guidelines for issuing and managing the City's debt including selecting the financing team, types of debt the City can issue, and on-going debt administration. (Policy is included on Page 275-287 in the Appendix section of the budget)

Fiscal Sustainability Policy

The goal of the Fiscal Sustainability Policy is to ensure the City has sufficient reserves to cover expenses in the event of an emergency and that it uses one-time revenues for one-time expenses.

Specifically, the Fiscal Sustainability Policy established (1) minimum unappropriated reserve balances at 30% of operating expenses for the City's General Fund, Internal Services Funds, and Enterprise Funds to be used only for emergencies such as natural disasters, (2) a Budget Stabilization Fund to be used to help absorb costs during an economic downturn and/or budget shortfall with a minimum balance equal to $2.0 million or 5% of the General Fund operating expenses, whichever is greater, and a maximum balance of $7.5 million or 25% of the General Fund operating expenses, (3) an Infrastructure Repair and Replacement Fund and Other Post-employment Benefits

(OPEB) Fund that receives surplus Budget Stabilization Fund monies, and (4) required a 4/5 vote of the City Council for appropriation of reserves or to vary the reserve levels. The Ordinance also requires the City to deposit one-time General Fund revenues, projected recurring revenues that exceed 10% or more from the previous fiscal year, and fiscal year-end General Fund surpluses into the Budget Stabilization Fund. (Policy is included on Page 294-306 in the Appendix section of the budget)

Grant Policy

The City has established a grant policy that provides an overall framework for the use and management of grant resources including identifying roles and responsibilities for managing the City's grants and compliance with Single Audit Act requirements (Policy is included on Page 288-293 in the Appendix section of the budget).

Interfund Transfer Policy

The policy ensures that procedures related to the administration and accounting for Interfund transactions are documented, communicated, clearly understood, and consistently applied. (Policy is included on Page 307-309 in the Appendix section of the budget).

Investment Policy

Provides guidelines for the prudent investment of the City's idle funds that optimizes returns while protecting the principal and providing a sufficient liquidity. Identifies eligible investments that include federal securities, Certificates of Deposit (CDs), medium term private security notes of highly rated companies, and Money Market Funds. Delegates investment decisions to the Director of Finance with oversight provided by the City Treasurer and City Manager. (Policy is included on Page 310-331 in the Appendix section of the budget)

Purchasing Policies

Delegates purchasing authority to the City Manager for goods and services valued at $150,000 or below and to Senior Executive staff for those valued at $75,000 or below. Identifies formal and informal bidding procedures based on dollar amount. Allows informal bidding construction services of less than $175,000 and requires formal bidding for those greater than $175,000. (Policy is included on Page 332-347 in the Appendix section of the budget)

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➢ DEBT SERVICE - OVERVIEW

The City and its related entities have combined outstanding principal of $451.6 million including pension obligation bonds, assessment district bonds, water and sewer revenues bonds, miscellaneous loans, and Redevelopment Agency (RDA) bonds (now under the Successor Agency to the former Pittsburg Redevelopment Agency).

Debt Limit

The City does not have any plans to issue new debt in the foreseeable future. However, the City's debt limit as defined under California Government Code, Section 43605 as 3.75% of assessed valuation at full cash value is (1) $83.9 million. The City's bond indebtedness is within the legal debt limit.

Debt per Capita

Total debt per capita including RDA bonds, Assessment District Bonds, Water and Sewer revenue bonds, pension obligation bonds and miscellaneous loans is (2) $6,390 and represents (3) 9.04% of total personal income.

Debt Policy

The City's Debt Policy is defined in the Financial Policies section of the budget book.

The City's Appropriations Limit for the 2018-19 Fiscal Year and its calculations can be found in the Appendices section of the budget book (page 388)

(1) After deducting $4,325,630,872 Successor Agency to the former Pittsburg Redevelopment incremental valuation

(2) Debt per Capita: $451,648,834 Outstanding Principal / 70,679 City Population = $6,390

(3) $6,390 Debt Per Capita / 70,679 City Population = 9.04% of Total Personal Income

➢DEBT SERVICE - REVENUE SOURCES

CITY				
- Pension Obligation	**Series**	**Allocated Charges**	**Interest Earnings**	**FY 18-19**
Taxable Pension Funding Bond	2006	$ 3,652,453	$ -	$ 3,652,453
CCCERA Triennial Experience Update	2006	773,523	-	773,523
		4,425,976	-	4,425,976
- Energy Efficiency Loans				
California Energy Commission Energy Conservation Loan	2012	74,497	-	74,497
PG&E Energy Efficient Retrofit Loan - Chiller Replacement	2018	21,329	-	21,329
Total Energy Efficiency Loans:		95,827	-	95,827
- Assessment District Bonds		**Assessment Collection**		
2011 Reassessment Revenue Refunding Bonds A & B	2011-1	1,747,903	17,418	1,765,321
Century Plaza - AutoMall	2001-03	320,990	3,230	324,220
Community Facilities District - Vista Del Mar	2016	733,239	275	733,514
Total Assessment Districts:		2,802,131	20,923	2,823,054
- Revenue Bonds - Enterprise Funds		**Sewer/Water Revenues**		
Water Revenue Refunding	2016	2,532,400	-	2,532,400
Total Revenue Bonds:		2,532,400	-	2,532,400
I-Bank Loan - Water System Modification Project	2014	647,747	-	647,747
2004 Wastewater Bonds- Refinance/Installment Sale Agreement	2014	805,434	-	805,434
		1,453,181	-	1,453,181
- Capital Leases for Governmental Activity		**Allocated Charges**		
Street Sweeper	2015	48,473	-	48,473
VOIP System Upgrade	2018	121,209	-	121,209
		169,682	-	169,682
TOTAL CITY DEBT SERVICES:		**$ 11,479,196**	**$ 20,923**	**$ 11,500,119**

SUCCESSOR AGENCY TO FORMER RDA	Series	Tax Increment	Interest Earnings	FY 18-19
Tax Allocation Bonds (Partially Refunded by 2014 TARB)	1999	$ -	$ 6,600	$ 6,600
Tax Allocation Refunding Bonds	2014	10,811,295	87,000	10,898,295
SubordinateTax Allocation Refunding Bonds	2016A	6,009,750	-	6,009,750
Subordinate Tax Allocation Refunding Bonds	2016B	4,297,048	-	4,297,048
Subordinate Tax Allocation Refunding Bonds, Forward	2016C	9,934,000	-	9,934,000
Housing Set Aside Tax Allocation Bonds (Taxable)	2006A	678,295	40,000	718,295
Housing Set Aside Tax Allocation Refunding Bonds (Taxable)	2016A	1,312,369	-	1,312,369
TOTAL RDA DEBT SERVICES:		**$ 33,042,757**	**$ 133,600**	**$ 33,176,357**
GRAND TOTAL CITY and RDA DEBT SERVICES:		**$ 44,521,952**	**$ 154,523**	**$ 44,676,475**

➢ DEBT SERVICE - EXPENDITURE REQUIREMENTS

CITY	Series	Principal	Interest	Other Costs	FY 18-19	Outstanding Principal as of July 1, 2018
- Pension Obligation Bond						
Taxable Pension Funding Bond	2006	$ 2,227,980	$ 1,418,273	$ 6,200	$ 3,652,453 (1)	$ 52,105,000
CCCERA Triennial Experience Update	2006	317,538	455,985	-	773,523	6,514,065
		2,545,518	1,874,258	6,200	4,425,976	58,619,065
California Energy Commission Energy Conservation Loan	2012	66,627	7,870	-	74,497	278,820
PG&E Energy Efficient Retrofit Loan - Chiller Replacement	2018	21,329	-	-	21,329	209,739
Total Energy Efficiency Loans:		87,956	7,870	-	95,827	488,560
- Assessment District Bonds						
2011 Reassessment Revenue Refunding Bonds A & B	2011-1	1,165,000	520,388	79,933	1,765,321	11,655,000
Century Plaza - AutoMall	2001-03	135,000	174,879	14,341	324,220	3,070,000
Community Facilities District - Vista Del Mar	2016	365,000	351,369	17,145	733,514	9,000,000
Total Assessment Districts:		1,665,000	1,046,635	111,419	2,823,054	23,725,000
- Revenue Bonds (Enterprise Funds)						
Water Revenue Refunding	2016	1,315,000	1,208,150	9,250	2,532,400	28,650,000
Total Revenue Bonds:		1,315,000	1,208,150	9,250	2,532,400	28,650,000
I-Bank Loan - Water System Modification Project	2014	244,240	371,398	32,110	647,747	10,703,258
2004 Wastewater Bonds- Refinance/Installment Sale Agreement	2014	772,000	33,434	-	805,434	2,350,000
		1,016,240	404,831	32,110	1,453,181	13,053,258
- Capital Leases for Governmental Activity						
Street Sweeper	2015	45,585	2,888	-	48,473	116,339
VOIP System Upgrade	2018	121,209	-	-	121,209	484,835
		166,793	2,888	-	169,682	601,174
TOTAL CITY DEBT SERVICES:		**$ 6,796,507**	**$ 4,544,633**	**$ 158,979**	**$ 11,500,119**	**$ 125,137,057**

SUCCESSOR AGENCY TO FORMER RDA	Series	Principal	Interest	Other Costs	FY 18-19	Outstanding Principal as of July 1, 2018
Tax Allocation Bonds (Partially Refunded by 2014 TARB)	1999	$ -	$ -	$ 6,600	$ 6,600 (2)	$ 95,795,000
Tax Allocation Refunding Bonds	2014	8,735,000	2,156,375	6,920	10,898,295	47,695,000
SubordinateTax Allocation Refunding Bonds	2016A	-	6,004,250	5,500	6,009,750	120,085,000
Subordinate Tax Allocation Refunding Bonds (Taxable)	2016B	4,240,000	54,548	2,500	4,297,048	4,240,000
Subordinate Tax Allocation Refunding Bonds, Forward	2016C	8,250,000	1,681,500	2,500	9,934,000	37,755,000
Housing Set Aside Tax Allocation Bonds (Taxable)	2006A	265,000	449,295	4,000	718,295	8,605,000
Housing Set Aside Tax Allocation Refunding Bonds (Taxable)	2016A	860,000	449,419	2,950	1,312,369	12,335,000
TOTAL RDA DEBT SERVICES:		**22,350,000**	**10,795,387**	**30,970**	**33,176,357**	**326,510,000**
GRAND TOTAL CITY and RDA DEBT SERVICES:		**$ 29,146,507**	**$ 15,340,019**	**$ 189,949**	**$ 44,676,475**	**$ 451,647,057**

(1) includes unaccreted discount in the total amount of $18,074,982

(2) includes unaccreted discount in the total amount of $54,568,756

➢ DEBT SERVICE REQUIREMENTS

Taxable Pension Funding Bonds
(Issued on 6/15/2006)

BOND ISSUES:	**CITY OF PITTSBURG** **Taxable Pension Funding Bonds Series 2006**
DATE OF ISSUES:	June 15, 2006
AMOUNT OF ISSUE:	$ 39,566,056
AMOUNT OUTSTANDING: (June 30, 2018)	$ 52,105,000 (1)
DESCRIPTION:	The City issued $39,566,055.85 of Series 2006 Taxable Pension Funding Bonds bearing interest at 5.78 to 6.11%, to prepay the City unfunded accrued liability for the Miscellaneous and Safety plans in the amount of $25,977,758 to the Public Employees' Retirement System (PERS). The City also prepaid the unfunded liability owed to Contra Costa County Employees Retirement Association (CCCERA) which amounted to $12,700,000 as of June 30, 2006. Bonds were issued as current interest bonds and capital appreciation bonds. Repayment of accreted principal commenced on July 1, 2015
PAYMENT DATES:	January 1 and July 1 of each year.
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Allocated Charges	$ 3,596,724	$ 3,652,453	$ 7,249,177
TOTAL:	**$ 3,596,724**	**$ 3,652,453**	**$ 7,249,177**
EXPENDITURES			
Fiscal Paying Agent Fees	$ 2,430	$ 2,200	$ 4,630
Professional Administrative Fees	4,000	4,000	8,000
Principal Reduction	1,269,004	1,271,823	2,540,827
CAB Acreted Principal	820,997	888,178	1,709,175
Interest Expense	1,440,995	1,418,273	2,859,268
Pre-Pay Principal(2)	59,298	67,980	127,278
TOTAL:	**$ 3,596,724**	**$ 3,652,453**	**$ 7,249,177**

(1) Includes unaccreted discount in the total amount of $18,074,982

(2) Pursuant to Pension Obligation Bond documents, the City of Pittsburg is required to deposit with the Trustee no later than 7/15 of each fiscal year, the amount of the City's obligation for the following bond year.

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

Taxable Pension Funding Bonds
(Issued on 6/15/2006)

FISCAL YEAR	PRINCIPAL	INTEREST	CAB ACCRETED PRINCIPAL	TOTAL
2019	$ 1,271,823	$ 1,418,272	$ 888,178	$ 3,578,272
2020	1,280,580	1,392,911	959,420	3,632,911
2021	1,291,857	1,364,763	1,028,143	3,684,763
2022	1,310,577	1,333,684	1,094,423	3,738,684
2023	1,357,230	1,299,389	1,197,770	3,854,389
2024	1,385,374	1,261,572	1,264,626	3,911,572
2025	1,419,516	1,220,061	1,330,484	3,970,061
2026	1,456,285	1,174,709	1,398,715	4,029,709
2027	1,188,856	1,134,528	1,466,144	3,789,528
2028	1,212,219	1,099,960	1,532,781	3,844,960
2029	1,237,637	1,062,438	1,597,364	3,897,438
2030	1,270,133	1,021,814	1,664,867	3,956,814
2031	1,308,272	977,792	1,731,728	4,017,792
2032	1,749,024	915,009	1,400,976	4,065,009
2033	3,295,000	777,772	-	4,072,772
2034	3,555,000	575,389	-	4,130,389
2035	3,835,000	357,051	-	4,192,051
2036	4,125,000	121,873	-	4,246,873
TOTAL	$ 33,549,382	$ 18,508,987	$ 18,555,618	$ 70,613,987

Note: Pursuant to the Pension Obligation Bond documents the City of Pittsburg is required to pay one year of debt service payments in advance.

➢ DEBT SERVICE REQUIREMENTS

2006 CCCERA TRIENNIAL EXPERIENCE UPDATE
(Issued in 2008)

AGREEMENT:	**Termination Agreement between City of Pittsburg and Contra Costa County Employees' Retirement Association**
AGREEMENT DATE:	July 1, 2001
CITY RESOLUTION NO.:	08-10943
DATE:	January 22, 2008
AMOUNT OF ISSUE:	$ 11,312,353
AMOUNT OUTSTANDING: (June 30, 2018)	$ 6,514,065
DESCRIPTION:	As of December 31, 2015 Valuation of Assets, the City had an unfunded obligation of $6,810,830 to provide future benefits to the City's CCCERA retirees and vested terminated members of the retirement plan. The unfunded obligation has been amortized for the remaining 15 years of the 1st amendment to agreement dated 07/2012 at an interest rate of 7.00%, resulting in 15 annual payments of $773,523. The next triennial update shall be completed by December 31, 2018.
DUE and PAYABLE ON:	June 30
PAYMENT ENTITY:	Contra Costa County Employees' Retirement Association

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Allocated Charges	$ 773,523	$ 773,523	$ 1,547,046
	$ 773,523	**$ 773,523**	**$ 1,547,046**
EXPENDITURES			
Principal Reduction	$ 296,765	$ 317,538	$ 614,303
Interest Expense	476,758	455,985	932,743
TOTAL:	**$ 773,523**	**$ 773,523**	**$ 1,547,046**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

CCCERA
(Issued in 2008)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2019	$ 317,538	$ 455,985	$ 773,523
2020	339,766	433,757	773,523
2021	363,550	409,973	773,523
2022	388,998	384,525	773,523
2023	416,228	357,295	773,523
2024	445,364	328,159	773,523
2025	476,540	296,983	773,523
2026	509,897	263,626	773,523
2027	545,590	227,933	773,523
2028	583,781	189,742	773,523
2029	624,646	148,877	773,523
2030	668,371	105,152	773,523
2031	715,157	58,366	773,523
2032	118,637	8,305	126,941
TOTAL	$ 6,514,065	$ 3,668,675	$ 10,182,740

California Energy Commission (CEC) Energy Conservation Loan (Issued in 2012)

AGREEMENT:	**State of California Energy Resources Conservation and Development Commission Loan No. 008-10-ECD**
AGREEMENT DATE:	May 31, 2012
CITY RESOLUTION NO.:	11-11740
AMOUNT OF ISSUE:	$ 571,097
AMOUNT OUTSTANDING: (June 30, 2018)	$ 278,820
DESCRIPTION:	City of Pittsburg has obtained a loan from the California Energy Commission (CEC), bearing an interest rate of 3.00% to convert all decorative lamp fixtures from High Pressure Sodium (HPS) to Light Emitted Diode (LED), including the installation of 621 LED lamps on 610 poles.
DUE and PAYABLE ON:	December 22 and June 22 each Year
PAYMENT ENTITY:	State of California Energy Resource Conservation & Development Commission

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Citywide Lighting PG&E Savings	$ 74,497	$ 74,497	$ 148,994
	$ 74,497	**$ 74,497**	**$ 148,994**
EXPENDITURES			
Principal Reduction	$ 64,672	$ 66,627	$ 131,299
Interest Expense	9,825	7,870	17,695
TOTAL:	**$ 74,497**	**$ 74,497**	**$ 148,994**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

CEC Energy Conservation Loan
(Issued in 2012)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2019	$ 66,627	$ 7,870	$ 74,497
2020	68,626	5,871	74,497
2021	70,715	3,782	74,497
2022	72,852	1,645	74,497
TOTAL	$ 278,820	$ 19,168	$ 297,988

PG&E Energy Efficient Retrofit Loan - Chiller Replacement (Issued in 2018)

AGREEMENT:	**Pacific Gas & Electric (PG&E) Energy Efficient Retrofit Loan to Replace the City Hall Chiller - TIF #: 005039**
AGREEMENT DATE:	April 5, 2018
CITY RESOLUTION NO.:	18-13479
AMOUNT OF ISSUE:	$ 213,294
AMOUNT OUTSTANDING: (June 30, 2018)	$ 209,739
DESCRIPTION:	City of Pittsburg has obtained a 10-year, interest-free (0%), no fee loan from PG&E to partially fund the cost to replace the existing City Hall Chiller with an energy-efficient system.
DUE and PAYABLE ON:	On-Bill Monthly Payment of Principal
PAYMENT ENTITY:	Pacific Gas & Electric (PG&E)

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Building Maintenance Allocations	$ 3,555	$ 21,329	$ 24,884
	$ 3,555	**$ 21,329**	**$ 24,884**
EXPENDITURES			
Principal Reduction	$ 3,555	$ 21,329	$ 24,884
Interest Expense	-	-	-
TOTAL:	**$ 3,555**	**$ 21,329**	**$ 24,884**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

PG&E Energy Efficient Retrofit Loan - Chiller Replacement (Issued in 2018)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2019	21,329	-	21,329
2020	21,329	-	21,329
2021	21,329	-	21,329
2022	21,329	-	21,329
2023	21,329	-	21,329
2024	21,329	-	21,329
2025	21,329	-	21,329
2026	21,329	-	21,329
2027	21,329	-	21,329
2028	17,775	-	17,775
TOTAL	$ 209,739	$ -	$ 209,739

Street Sweeper Equipment Lease-Purchase (Issued in 2015)

AGREEMENT:	**Tax-Exempt Equipment Lease-Purchase Agreement by and between Holman Capital Corporation and the City of Pittsburg**
AGREEMENT DATE:	November 5, 2015
CITY RESOLUTION NO.:	15-13127
AMOUNT OF ISSUE:	$ 225,000
AMOUNT OUTSTANDING: (June 30, 2018)	$ 116,339
DESCRIPTION:	The City of Pittsburg entered into a lease-purchase agreement with Holman Capital for the lease/purchase of a new street sweeper which is needed to fulfill contract obligations, clean the street, and reduce pollutants in storm drains as required per the City's NPDES Permit. The scheduled lease term is 5 years at an interest rate of 2.75%
DUE and PAYABLE ON:	November 5 and May 5 Each Year
PAYMENT ENTITY:	Holman Capital Corporation

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Fleet Maintenance Allocations:	$ 48,473	$ 48,473	$ 96,946
	-	-	-
	$ 48,472.82	**$ 48,472.82**	**$ 96,945.64**
EXPENDITURES			
Principal Reduction	$ 44,357	$ 45,585	$ 89,941
Interest Expense	4,116	2,888	7,004
TOTAL:	**$ 48,473**	**$ 48,473**	**$ 96,946**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

Street Sweeper Equipment Lease-Purchase
(Issued in 2015)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2019	$ 45,585	$ 2,888	$ 48,473
2020	46,847	1,626	48,473
2021	23,908	329	24,236
TOTAL	$ 116,339	$ 4,843	$ 121,182

Voice Over Internet Protocol (VOIP) System Upgrade (Issued in 2018)

AGREEMENT:	**Tax-Exempt Lease Agreement between Key Government Finance, Inc. and the City of Pittsburg**
AGREEMENT DATE:	April 2, 3018
CITY RESOLUTION NO.:	18-13465
AMOUNT OF ISSUE:	$ 606,043
AMOUNT OUTSTANDING: (June 30, 2018)	$ 484,835
DESCRIPTION:	The City of Pittsburg entered into five (5) year master tax-exempt lease/purchase agreement with Key Government Finance, Inc. to finance the upgrade of the City's computer network equipment and internet protocol phone system with 0% interest financing.
DUE and PAYABLE ON:	May 3 Each Year
PAYMENT ENTITY:	Key Government Finance, Inc.

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
IT Allocations	$ 121,209	$ 121,209	$ 242,417
	-	-	-
	$ 121,209	**$ 121,209**	**$ 242,417**
EXPENDITURES			
Principal Reduction	$ 121,209	$ 121,209	$ 242,417
Interest Expense	-	-	-
TOTAL:	**$ 121,209**	**$ 121,209**	**$ 242,417**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

Voice Over Internet Protocol (VOIP) System Upgrade (Issued in 2018)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2019	$ 121,209	$ -	$ 121,209
2020	121,209	-	121,209
2021	121,209	-	121,209
2022	121,209	-	121,209
TOTAL	$ 484,835	$ -	$ 484,835

➢ DEBT SERVICE REQUIREMENTS

2011 Re-Assessment Revenue Refunding Bonds
(Issued in 2011)

BOND ISSUES:	**Pittsburg Infrastructure Financing Authority** **2011 Reassessment Revenue Refunding Bonds A & B**
DATE OF ISSUES:	August 24, 2011
AMOUNT OF ISSUE:	$ 17,840,000
AMOUNT OUTSTANDING: (June 30, 2018)	$ 11,655,000
DESCRIPTION:	The Bonds were issued by the City of Pittsburg Public Financing Authority pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds PIFA 1988, Marina Walk, San Marco Phase I, and Oak Hills South. These bonds were grouped together and refunded in 2011 to reduce the interest expense.
PAYMENT DATES:	September 2 and March 2
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A. 13934.416

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Assessment Collection	$ 1,728,581	$ 1,747,903	$ 3,476,483
Interest Earnings	16,622	17,418	34,040
TOTAL:	**$ 1,745,203**	**$ 1,765,321**	**$ 3,510,523**
EXPENDITURES			
Fiscal Paying Agent Fees	$ 4,200	$ 4,200	$ 8,400
Professional Administrative Fees	45,000	45,000	90,000
County Admin. Fees	4,300	4,300	8,600
City Admin. Fees	25,915	26,433	52,348
Principal Reduction	1,100,000	1,165,000	2,265,000
Interest Expense	565,788	520,388	1,086,175
TOTAL:	**$ 1,745,203**	**$ 1,765,321**	**$ 3,510,523**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2011 Re-Assessment Revenue Refunding Bonds
(Issued in 2011)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2019	$ 1,165,000	$ 520,388	$ 1,685,388
2020	1,205,000	462,356	1,667,356
2021	1,270,000	405,163	1,675,163
2022	920,000	358,794	1,278,794
2023	955,000	319,741	1,274,741
2024	860,000	280,181	1,140,181
2025	905,000	239,978	1,144,978
2026	585,000	205,303	790,303
2027	605,000	176,891	781,891
2028	640,000	145,988	785,988
2029	675,000	112,494	787,494
2030	590,000	80,269	670,269
2031	620,000	49,438	669,438
2032	660,000	16,819	676,819
TOTAL	$ 11,655,000	$ 3,373,800	$ 15,028,800

➢ DEBT SERVICE REQUIREMENTS

2001-03 CENTURY PLAZA AUTO MALL PHASE I ASSESSMENT DISTRICT BONDS
(Issued in 2002)

BOND ISSUES:	**CITY OF PITTSBURG** **Century Plaza Auto Mall Assessment District 2001-03**
DATE OF ISSUES:	October 1, 2002
AMOUNT OF ISSUE:	$ 4,405,000
AMOUNT OUTSTANDING: (June 30, 2018)	$ 3,070,000
DESCRIPTION:	The Assessment District 2001-03 Limited Obligation Improvement Bonds were issued by the City pursuant to the provisions of the Improvement Bond Act of 1915 to develop the initial phase of an Auto Mall within the Assessment District No. 2001-03, primarily roadway improvements. The bonds proceeds were also used to provide for a Reserve Account and Capitalized Interest fund.
PAYMENT DATES:	September 2 and March 2
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Assessment Collection	$ 319,122	$ 320,990	$ 640,112
Interest Earnings	2,150	3,230	5,380
TOTAL:	**$ 321,272**	**$ 324,220**	**$ 645,492**
EXPENDITURES			
Fiscal Paying Agent Fees	$ -	$ -	$ -
Professional Administrative Fees	9,000	9,180	18,180
County Admin. Fees	300	320	620
City Admin. Fees	4,746	4,841	9,587
Principal Reduction	125,000	135,000	260,000
Interest Expense	182,226	174,879	357,105
TOTAL:	**$ 321,272**	**$ 324,220**	**$ 645,492**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2001-03 CENTURY PLAZA AUTO MALL PHASE I ASSESSMENT DISTRICT BONDS
(Issued in 2002)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2019	$ 135,000	$ 174,879	$ 309,879
2020	140,000	167,006	307,006
2021	150,000	158,631	308,631
2022	160,000	149,681	309,681
2023	170,000	140,194	310,194
2024	175,000	130,275	305,275
2025	185,000	119,925	304,925
2026	200,000	108,856	308,856
2027	210,000	96,938	306,938
2028	220,000	84,306	304,306
2029	235,000	70,941	305,941
2030	250,000	56,694	306,694
2031	265,000	41,566	306,566
2032	280,000	25,556	305,556
2033	295,000	8,666	303,666
TOTAL	$ 3,070,000	$ 1,534,113	$ 4,604,113

➢ DEBT SERVICE REQUIREMENTS

2005-2 VISTA DEL MAR COMMUNITY FACILITIES DISTRICT SPECIAL TAX BONDS
(Issued in 2015)

BOND ISSUES:	**CITY OF PITTSBURG** **Vista Del Mar CFD Special Tax Bonds 2005-02**
DATE OF ISSUES:	June 30, 2015
AMOUNT OF ISSUE:	$ 9,655,000
AMOUNT OUTSTANDING: (June 30, 2018)	$ 9,000,000
DESCRIPTION:	The Vista Del Mar CFD No. 2005-2 Special Tax Bonds were issued by the City pursuant to the Mello-Roos Community Facilities Act of 1982 for the purpose of constructing and acquiring certain public facilities of benefit to the District. The bonds proceeds were also used to provide for a Reserve Account, Capitalized Interest fund, and the cost of issuance of the Bonds. In June 2015, the bonds were refunded in full and defeased by the issuance of the 2015 Vista Del Mar Assessment District Special Tax Refunding Bonds.
PAYMENT DATES:	September 1 and March 1
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Assessment Collection	$ 735,169	$ 733,239	$ 1,468,408
Interest Earnings	250	275	525
TOTAL:	**$ 735,419**	**$ 733,514**	**$ 1,468,933**
EXPENDITURES			
Fiscal Paying Agent Fees	$ -	$ -	$ -
Professional Administrative Fees	16,000	16,320	32,320
County Admin. Fees	800	825	1,625
Principal Reduction	360,000	365,000	725,000
Interest Expense	358,619	351,369	709,988
TOTAL:	**$ 735,419**	**$ 733,514**	**$ 1,468,933**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2005-2 VISTA DEL MAR COMMUNITY FACILITIES DISTRICT SPECIAL TAX BONDS
(Issued in 2015)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2019	$ 365,000	$ 351,369	$ 716,369
2020	375,000	343,969	718,969
2021	380,000	333,931	713,931
2022	395,000	320,994	715,994
2023	405,000	304,219	709,219
2024	425,000	283,469	708,469
2025	445,000	261,719	706,719
2026	465,000	238,969	703,969
2027	490,000	218,769	708,769
2028	505,000	201,041	706,041
2029	520,000	182,138	702,138
2030	540,000	161,588	701,588
2031	560,000	139,588	699,588
2032	580,000	116,788	696,788
2033	600,000	92,813	692,813
2034	625,000	67,547	692,547
2035	650,000	41,250	691,250
2036	675,000	13,922	688,922
TOTAL	$ 9,000,000	$ 3,674,078	$ 12,674,078

➢ DEBT SERVICE REQUIREMENTS

I BANK LOAN - WATER SYSTEMS MODIFICATION PROJECT

INSTALLMENT SALE AGREEMENT	**Installment Sale Agreement by and between the City of Pittsburg and the California Infrastructure and Economic Development Bank**
AGREEMENT DATE	November 17,2014
AMOUNT OF ISSUE:	$ 11,387,398
AMOUNT OUTSTANDING: (June 30, 2018)	$ 10,703,258
DESCRIPTION:	City of Pittsburg Resolution No. 14-12168 dated 08/18/14 Authorized Incurring an Obligation, Payable to the California Infrastructure and Economic Development Bank (I-Bank), for the Financing of Modifications to the Water Treatment Plant and Installation of Transmission Lines, not to exceed $11,500,000, and Authorized Execution of an Installment Sale Agreement with the City of Pittsburg and an Assignment Agreement with I-Bank .
PAYMENT DATES:	February 1 and August 1
PAYMENT ENTITY:	California Infrastructure and Economic Development Bank (I-Bank)

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Water Charge Revenues	$ 648,601	$ 647,747	$ 1,296,348
Interest Earnings	-	-	-
TOTAL:	**$ 648,601**	**$ 647,747**	**$ 1,296,348**
EXPENDITURES			
Professional Administrative Fees	$ 32,818	$ 32,110	$ 64,927
Principal Reduction	235,958	244,240	480,197
Interest Expense	379,825	371,398	751,223
TOTAL:	**$ 648,601**	**$ 647,747**	**$ 1,296,348**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

I-BANK LOAN - WATER SYSTEMS MODIFICATION PROJECT

FISCAL YEAR	PRINCIPAL	INTEREST	ANNUAL FEE	TOTAL
2019	$ 244,240	$ 371,398	$ 32,110	$ 647,747
2020	252,812	362,675	31,377	646,864
2021	261,686	353,645	30,619	645,950
2022	270,871	344,299	29,834	645,004
2023	280,379	334,624	29,021	644,024
2024	290,220	324,610	28,180	643,010
2025	300,407	314,245	27,309	641,961
2026	310,951	303,516	26,408	640,875
2027	321,866	292,410	25,475	639,750
2028	333,163	280,914	24,509	638,586
2029	344,857	269,015	23,510	637,382
2030	356,962	256,698	22,475	636,135
2031	369,491	243,948	21,405	634,844
2032	382,460	230,752	20,296	633,508
2033	395,884	217,092	19,149	632,125
2034	409,780	202,952	17,961	630,693
2035	424,163	188,317	16,732	629,212
2036	439,051	173,167	15,459	627,678
2037	454,462	157,486	14,142	626,090
2038	470,414	141,255	12,779	624,447
2039	486,925	124,453	11,367	622,746
2040	504,016	107,062	9,907	620,985
2041	521,707	89,061	8,395	619,163
2042	540,019	70,427	6,829	617,276
2043	558,974	51,140	5,209	615,323
2044	578,594	31,176	3,532	613,302
2045	598,902	10,511	1,797	611,210
TOTAL	$ 10,703,258	$ 5,846,847	$ 515,785	$ 17,065,890

➢ DEBT SERVICE REQUIREMENTS

REFINANCE OF 2004 WASTEWATER BONDS

INSTALLMENT SALE AGREEMENT	**Installment Sale Agreement with the City of Pittsburg and an Assignment Agreement with Bank of the West**
AGREEMENT DATE	June 30, 2014
AMOUNT OF ISSUE:	$ 6,100,000
AMOUNT OUTSTANDING: (June 30, 2018)	$ 2,350,000
DESCRIPTION:	Pittsburg Financing Authority Resolution No. 14-027 dated 06/16/14 Authorized the Refunding of Wastewater Bonds in an Amount Not to Exceed $6,100,000, and Authorized Execution of an Installment Sale Agreement with the City of Pittsburg and financing placed privately with Bank of the West bearing an interest rate of 1.55% per annum.
PAYMENT DATES:	June 1 and December 1.
PAYMENT ENTITY:	Bank of the West

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Sewer Charge Revenues	$ 806,268	$ 805,434	$ 1,611,701
Interest Earnings	-	-	-
TOTAL:	**$ 806,268**	**$ 805,434**	**$ 1,611,701**
EXPENDITURES			
Principal Reduction	$ 761,000	$ 772,000	$ 1,533,000
Interest Expense	45,268	33,434	78,701
TOTAL:	**$ 806,268**	**$ 805,434**	**$ 1,611,701**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

REFINANCE OF 2004 WASTEWATER BONDS

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2019	$ 772,000	$ 33,434	$ 805,434
2020	782,000	21,429	803,429
2021	796,000	9,254	805,254
TOTAL	$ 2,350,000	$ 64,116	$ 2,414,116

➢ DEBT SERVICE REQUIREMENTS

2016A REFUNDING WATER REVENUE BONDS
(Issued in 2016)

BOND ISSUES:	**CITY OF PITTSBURG** **Water Revenue Bonds 2016**	
DATE OF ISSUES:	October 25, 2016	
AMOUNT OF ISSUE:	$	30,850,000
AMOUNT OUTSTANDING: (June 30, 2018)	$	28,650,000
DESCRIPTION:	The Bonds were issued by the City of Pittsburg Public Financing Authority to provide funds to refund and defease the 2008 Water Revenue Refunding Bonds, pay a swap termination fee, and pay the costs of issuing the 2016 Bonds.	
PAYMENT DATES:	August 1 and February 1, with first principal payment due on 02/1/2017	
PAYMENT AGENT:	U. S. Bank National Association	

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Water Charge Revenues	$ 2,208,250	$ 2,532,400	$ 4,740,650
Interest Earnings	-	-	-
TOTAL:	**$ 2,208,250**	**$ 2,532,400**	**$ 4,740,650**
EXPENDITURES			
Professional Administrative Fees	$ 6,250	$ 6,250	$ 12,500
Arbitrage Rebate Liability	3,000	3,000	6,000
Principal Reduction	955,000	1,315,000	2,270,000
Interest Expense	1,244,000	1,208,150	2,452,150
TOTAL:	**$ 2,208,250**	**$ 2,532,400**	**$ 4,740,650**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2016A REFUNDING WATER REVENUE BONDS
(Issued in 2016)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2019	$ 1,315,000	$ 1,208,150	$ 2,523,150
2020	1,360,000	1,154,650	2,514,650
2021	1,405,000	1,099,350	2,504,350
2022	1,450,000	1,042,250	2,492,250
2023	1,500,000	975,750	2,475,750
2024	1,560,000	899,250	2,459,250
2025	1,620,000	819,750	2,439,750
2026	1,680,000	737,250	2,417,250
2027	1,745,000	651,625	2,396,625
2028	1,830,000	562,250	2,392,250
2029	1,895,000	469,125	2,364,125
2030	1,975,000	382,250	2,357,250
2031	2,040,000	301,950	2,341,950
2032	2,110,000	218,950	2,328,950
2033	2,180,000	133,150	2,313,150
2034	2,235,000	56,025	2,291,025
2035	750,000	11,250	761,250
TOTAL	$ 28,650,000	$ 10,722,975	$ 39,372,975

➢ DEBT SERVICE REQUIREMENTS

1999 (RDA) TAX ALLOCATION BONDS
(Issued in 1999)

BOND ISSUES:	**REDEVELOPMENT AGENCY** **Tax Allocation Bonds Series 1999**
DATE OF ISSUES:	November 3, 1999
AMOUNT OF ISSUE:	$ 30,106,357
AMOUNT OUTSTANDING: (June 30, 2018)	$ 95,795,000 (1)
DESCRIPTION:	The proceeds of the 1999 TABs were used to provide money for certain capital improvements located within the Los Medanos Community Development Project Area of the Agency, to provide a Reserve Account, and to pay costs of bonds issuance. In June 2014, the 2014 Tax Allocation Refunding Bonds refunded the current interest portion of the 1999 Bonds with maturities in 2014 through 2018 in the amount of $6,110,000. The $95,795,000 maturity value of the Capital Appreciation Bonds remains outstanding on parity to the 2014 Bonds.
PAYMENT DATES:	August 1 and February 1. Effective 08/1/2019 Annual Payment
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Tax Increment	$ -	$ -	$ -
Interest Earnings	6,600	6,600	13,200
TOTAL:	**$ 6,600**	**$ 6,600**	**$ 13,200**
EXPENDITURES			
Professional Administrative Fees	$ 6,600	$ 6,600	$ 13,200
Principal Reduction	-	-	-
Interest Expense	-	-	-
TOTAL:	**$ 6,600**	**$ 6,600**	**$ 13,200**

(1) Includes unaccreted discount in the total amount of $54,568,756

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

1999 (RDA) TAX ALLOCATION BONDS
(Issued in 1999)

FISCAL YEAR	PRINCIPAL	ACCRETED PRINCIPAL	TOTAL
2019	$ -	$ -	$ -
2020	1,576,000	3,574,000	5,150,000
2021	1,484,127	3,665,873	5,150,000
2022	1,382,930	3,767,070	5,150,000
2023	2,212,826	6,542,174	8,755,000
2024	2,081,538	6,668,462	8,750,000
2025	1,960,332	6,794,668	8,755,000
2026	1,822,266	6,932,734	8,755,000
2027	1,713,338	7,036,662	8,750,000
2028	1,684,600	7,460,400	9,145,000
2029	1,584,829	7,560,171	9,145,000
2030	1,490,909	7,654,091	9,145,000
2031	1,402,660	7,742,340	9,145,000
TOTAL	$ 20,396,355	$ 75,398,645	$ 95,795,000

➢ DEBT SERVICE REQUIREMENTS

2014 Successor Agency to RDA 2014 Tax Allocation Refunding Bonds (Issued in 2014)

BOND ISSUES:	**SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY** **Senior Tax Allocation Refunding Bonds 2014**
DATE OF ISSUES:	June 18, 2014
AMOUNT OF ISSUE:	$ 67,445,000
AMOUNT OUTSTANDING: (June 30, 2018)	$ 47,695,000
DESCRIPTION:	The 2014 Tax Allocation Refunding Bonds were issued by the Successor Agency to the Redevelopment Agency of the City of Pittsburg to refund a portion of the outstanding Los Medanos Community Development Project Tax Allocation Bonds, Series 1999 and all of the outstanding Los Medanos Community Development Project Tax Allocation Bonds, Series 2003A, funding a reserve account and paying the costs of issuing the 2014 Bonds
PAYMENT DATES:	February 1 and August 1 of each year
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Tax Increment	$ 11,666,675	$ 10,811,295	$ 22,477,970
Interest Earnings	87,000	87,000	174,000
TOTAL:	**$ 11,753,675**	**$ 10,898,295**	**$ 22,651,970**
EXPENDITURES			
Professional Administrative Fees	$ 5,300	$ 6,920	$ 12,220
Principal Reduction	9,145,000	8,735,000	17,880,000
Interest Expense	2,603,375	2,156,375	4,759,750
TOTAL:	**$ 11,753,675**	**$ 10,898,295**	**$ 22,651,970**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2014 Successor Agency to RDA 2014 Tax Allocation Refunding Bonds
(Issued in 2014)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2019	$ 8,735,000	$ 2,156,375	$ 10,891,375
2020	5,755,000	1,794,125	7,549,125
2021	6,040,000	1,504,250	7,544,250
2022	6,335,000	1,199,875	7,534,875
2023	3,045,000	965,375	4,010,375
2024	2,340,000	830,750	3,170,750
2025	2,450,000	711,000	3,161,000
2026	2,575,000	585,375	3,160,375
2027	2,705,000	453,375	3,158,375
2028	2,445,000	324,625	2,769,625
2029	2,570,000	199,250	2,769,250
2030	2,700,000	67,500	2,767,500
TOTAL	$ 47,695,000	$ 10,791,875	$ 58,486,875

➢ DEBT SERVICE REQUIREMENTS

2016A SUCCESSOR AGENCY TAX EXEMPT BONDS
(Issued in 2016)

BOND ISSUES:	**SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY Subordinate Tax Allocation Bonds, Series 2016A (Tax Exempt)**
DATE OF ISSUES:	February 10, 2016
AMOUNT OF ISSUE:	$ 120,085,000
AMOUNT OUTSTANDING: (June 30, 2018)	$ 120,085,000
DESCRIPTION:	Proceeds of the 2016 Series A Bonds were used to redeem and defease the 2004 Series A Bonds and a portion of the 2008 Series A Bonds, and finance a payment in connection with the termination of the 2004A Bond Swap Agreement, as well as cost of issuance payments which included the premium on a municipal bond insurance policy and to fund a debt service reserve insurance policy.
PAYMENT DATES:	September 1 and March 1, with the first principal due on September 1, 2021.
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Tax Increment	$ 6,009,750	$ 6,009,750	$ 12,019,500
Interest Earnings	-	-	-
TOTAL:	**$ 6,009,750**	**$ 6,009,750**	**$ 12,019,500**
EXPENDITURES			
Professional Administrative Fees	$ 5,500	$ 5,500	$ 11,000
Principal Reduction	-	-	-
Interest Expense	6,004,250	6,004,250	12,008,500
TOTAL:	**$ 6,009,750**	**$ 6,009,750**	**$ 12,019,500**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2016A (RDA) SUBORDINATE TAX ALLOCATION BONDS
(Issued in 2016)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2019	$ -	$ 6,004,250	$ 6,004,250
2020	-	6,004,250	6,004,250
2021	-	6,004,250	6,004,250
2022	6,175,000	5,849,875	12,024,875
2023	11,165,000	5,416,375	16,581,375
2024	12,565,000	4,823,125	17,388,125
2025	13,210,000	4,178,750	17,388,750
2026	13,890,000	3,501,250	17,391,250
2027	14,610,000	2,788,750	17,398,750
2028	15,355,000	2,039,625	17,394,625
2029	16,140,000	1,252,250	17,392,250
2030	16,975,000	424,375	17,399,375
TOTAL:	$ 120,085,000	$ 48,287,125	$ 168,372,125

➢ DEBT SERVICE REQUIREMENTS

2016B SUCCESSOR AGENCY TAXABLE BONDS
(Issued in 2016)

BOND ISSUES:	**SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY Subordinate Tax Allocation Bonds, Series 2016B (Taxable)**
DATE OF ISSUES:	February 10, 2016
AMOUNT OF ISSUE:	$ 26,690,000
AMOUNT OUTSTANDING: (June 30, 2018)	$ 4,240,000
DESCRIPTION:	Proceeds of the 2016 Series B Bonds were used to redeem and defease the 2006 Taxable Series B Bonds and a portion of the 2008 Series A Bonds, and to fund a debt service reserve insurance policy.
PAYMENT DATES:	September 1 and March 1, with the first principal due on September 1, 2016.
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Tax Increment	$ 11,294,059	$ 4,297,048	$ 15,591,107
Interest Earnings	-	-	-
TOTAL:	**$ 11,294,059**	**$ 4,297,048**	**$ 15,591,107**
EXPENDITURES			
Professional Administrative Fees	$ 2,500	$ 2,500	$ 5,000
Principal Reduction	11,065,000	4,240,000	15,305,000
Interest Expense	226,559	54,548	281,107
TOTAL:	**$ 11,294,059**	**$ 4,297,048**	**$ 15,591,107**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2016B (RDA) SUBORDINATE TAXABLE BONDS
(Issued in 2016)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2019	$ 4,240,000	$ 54,548	$ 4,294,548
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
TOTAL:	$ 4,240,000	$ 54,548	$ 4,294,548

➢ DEBT SERVICE REQUIREMENTS

2016C SUCCESSOR AGENCY TAX EXEMPT, FORWARD BONDS (Issued in 2016)

BOND ISSUES:	**SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY Subordinate Tax Allocation Bonds, Series 2016C-Tax Exempt ,Forward**
DATE OF ISSUES:	February 10, 2016
AMOUNT OF ISSUE:	$ 37,755,000
AMOUNT OUTSTANDING: (June 30, 2018)	$ 37,755,000
DESCRIPTION:	Proceeds of the 2016 Series C Bonds were used to redeem and defease the 2006 Series C Bonds, as well as cost of issuance payments which included the premium on a municipal bond insurance policy and a debt service reserve fund insurance policy.
PAYMENT DATES:	September 1 and March 1, with the first principal due on September 1, 2018.
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Tax Increment	$ 1,890,250	$ 9,934,000	$ 11,824,250
Interest Earnings	-	-	-
TOTAL:	**$ 1,890,250**	**$ 9,934,000**	**$ 11,824,250**
EXPENDITURES			
Professional Administrative Fees	$ 2,500	$ 2,500	$ 5,000
Principal Reduction	-	8,250,000	8,250,000
Interest Expense	1,887,750	1,681,500	3,569,250
TOTAL:	**$ 1,890,250**	**$ 9,934,000**	**$ 11,824,250**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2016C SUCCESSOR AGENCY TAX EXEMPT, FORWARD BONDS
(Issued in 2016)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2019	$ 8,250,000	$ 1,681,500	$ 9,931,500
2020	11,300,000	1,192,750	12,492,750
2021	11,880,000	613,250	12,493,250
2022	6,325,000	158,125	6,483,125
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
TOTAL:	$ 37,755,000	$ 3,645,625	$ 41,400,625

➢ DEBT SERVICE REQUIREMENTS

2006A (RDA) HOUSING SET ASIDE TAX ALLOCATION BONDS (Issued in 2006)

BOND ISSUES:	**REDEVELOPMENT AGENCY - HOUSING SET ASIDE** **Tax Allocation Bonds, Series 2006A (Taxable)**
DATE OF ISSUES:	December 14, 2006
AMOUNT OF ISSUE:	$ 11,020,000
AMOUNT OUTSTANDING: (June 30, 2018)	$ 8,605,000
DESCRIPTION:	The proceeds of the Housing Set Aside TABs 2006A were issued to fund low and moderate income housing projects within the Project Area, to fund a reserve account, and to pay the costs of issuance.
PAYMENT DATES:	August 1 and February 1
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Tax Increment	$ 681,310	$ 678,295	$ 1,359,606
Interest Earnings	40,544	40,000	80,544
TOTAL:	**$ 721,854**	**$ 718,295**	**$ 1,440,150**
EXPENDITURES			
Professional Administrative Fees	$ 4,000	$ 4,000	$ 8,000
Principal Reduction	255,000	265,000	520,000
Interest Expense	462,854	449,295	912,150
TOTAL:	**$ 721,854**	**$ 718,295**	**$ 1,440,150**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2006A (RDA) HOUSING SET ASIDE TAX ALLOCATION BONDS
(Issued in 2006)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2019	$ 265,000	$ 449,295	$ 714,295
2020	280,000	435,084	715,084
2021	295,000	420,091	715,091
2022	310,000	404,167	714,167
2023	330,000	387,172	717,172
2024	345,000	369,247	714,247
2025	360,000	350,526	710,526
2026	380,000	330,875	710,875
2027	400,000	310,162	710,162
2028	425,000	288,255	713,255
2029	450,000	265,019	715,019
2030	470,000	240,588	710,588
2031	495,000	214,963	709,963
2032	520,000	188,009	708,009
2033	550,000	159,596	709,596
2034	580,000	129,588	709,588
2035	610,000	97,988	707,988
2036	415,000	70,769	485,769
2037	1,125,000	29,874	1,154,874
TOTAL	$ 8,605,000	$ 5,141,270	$ 13,746,270

➢ DEBT SERVICE REQUIREMENTS

2016A SUCCESSOR AGENCY TAXABLE HOUSING BONDS
(Issued in 2016)

BOND ISSUES:	**SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY Taxable Housing Bonds**
DATE OF ISSUES:	February 10, 2016
AMOUNT OF ISSUE:	$ 13,845,000
AMOUNT OUTSTANDING: (June 30, 2018)	$ 12,335,000
DESCRIPTION:	The Successor Agency issued Bonds in order to redeem and defease the 2004 Series A Housing Set Aside Tax Allocation Bonds and to pay the costs of issuing the bonds, including the premium on a municipal bond insurance policy and a debt service reserve fund insurance policy.
PAYMENT DATES:	August 1 and February 1, with the first principal due on August 1, 2016.
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2017-18	FY 2018-19	FY 2017-19
REVENUE SOURCES			
Tax Increment	$ 1,315,247	$ 1,312,369	$ 2,627,616
Interest Earnings	-	-	-
TOTAL:	**$ 1,315,247**	**$ 1,312,369**	**$ 2,627,616**
EXPENDITURES			
Professional Administrative Fees	$ 2,500	$ 2,950	$ 5,450
Principal Reduction	845,000	860,000	1,705,000
Interest Expense	467,747	449,419	917,166
TOTAL:	**$ 1,315,247**	**$ 1,312,369**	**$ 2,627,616**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2016A SUCCESSOR AGENCY TAXABLE HOUSING BONDS
(Issued in 2016)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2019	$ 860,000	$ 449,419	$ 1,309,419
2020	880,000	427,344	1,307,344
2021	905,000	402,490	1,307,490
2022	930,000	375,005	1,305,005
2023	955,000	344,324	1,299,324
2024	990,000	310,385	1,300,385
2025	1,030,000	273,652	1,303,652
2026	1,065,000	233,997	1,298,997
2027	1,110,000	191,204	1,301,204
2028	1,150,000	142,159	1,292,159
2029	1,200,000	87,122	1,287,122
2030	1,260,000	29,509	1,289,509
TOTAL:	$ 12,335,000	$ 3,266,609	$ 15,601,609

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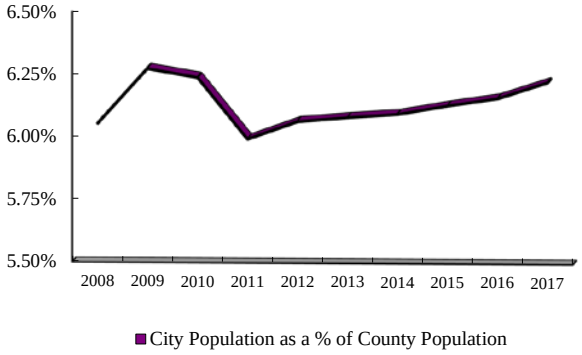
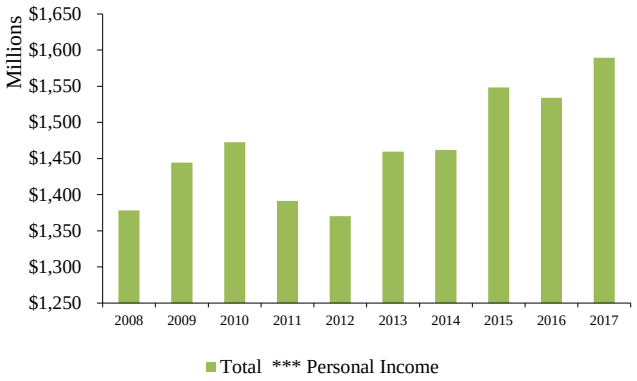
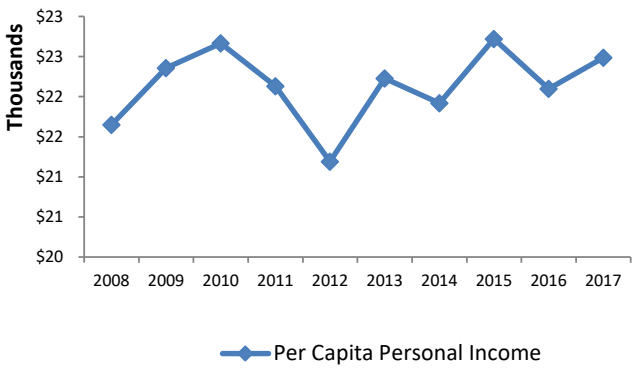
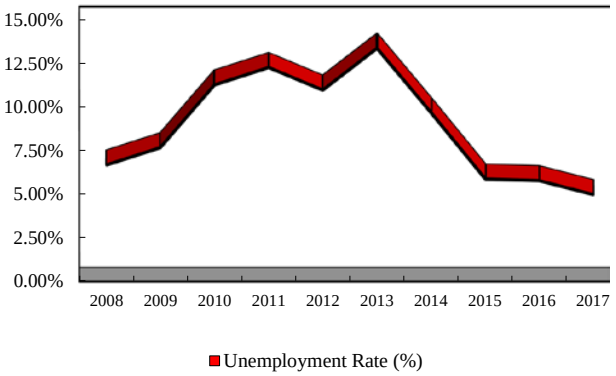
CITY OF PITTSBURG
Demographic and Economic Statistics
Last Ten Fiscal Years









Fiscal Year	City * Population	Total *** Personal Income	Per Capita Personal Income	Unemployment*** Rate (%)	Contra Costa * County Population	Pittsburg Population % of County
2008	63,652	1,378,043,000	21,650	6.7%	1,051,674	6.05%
2009	64,600	1,444,296,000	22,358	7.7%	1,029,703	6.27%
2010	64,967	1,472,579,000	22,667	11.3%	1,041,274	6.24%
2011	62,877	1,391,528,000	22,131	12.3%	1,049,025	5.99%
2012	64,660	1,370,214,000	21,191	11.0%	1,066,096	6.07%
2013	65,664	1,459,608,000	22,228	13.4%	1,079,597	6.08%
2014	66,695	1,461,822,000	21,918	9.7%	1,094,000	6.10%
2015	68,140	1,548,229,000	22,721	5.9%	1,111,339	6.13%
2016	69,424	1,534,225,000	22,099	5.8%	1,126,745	6.16%
2017	70,679	1,589,374,000	22,487	5.0%	1,135,127	6.23%

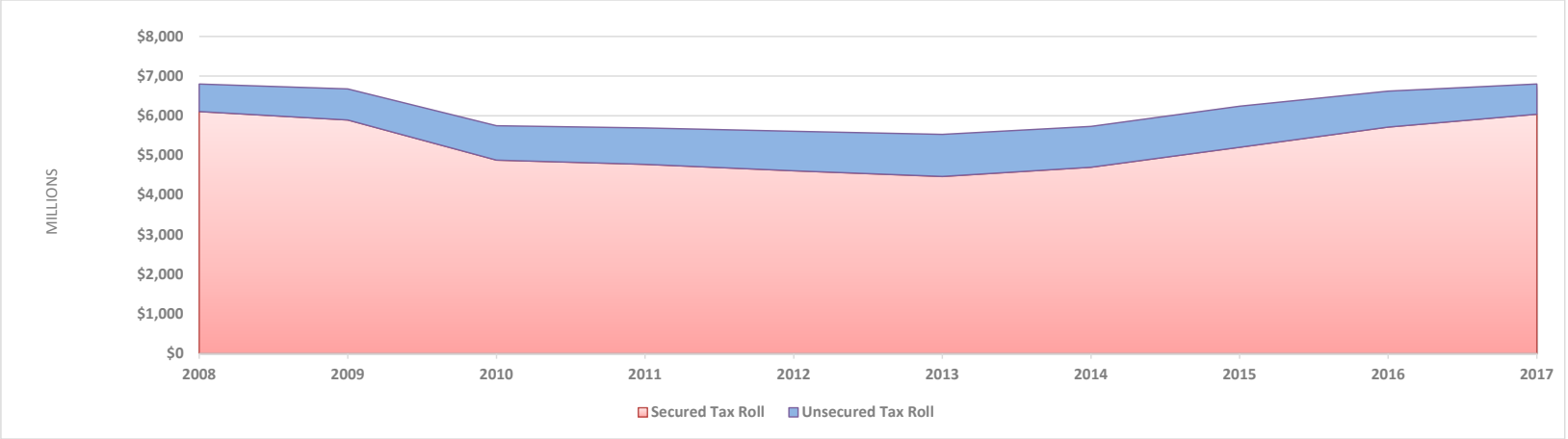
Source: Quickfacts.census.gov
* from americanfactfinder.com
** from HDL Coren Report

CITY OF PITTSBURG
Principal Employers
Current Year and Nine Years Ago

	2016-17			2007-08	
Employer	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank
Pittsburg Unified School District	1,175	1	3.3%	720	2
Los Medanos Community College	592	2	1.7%	480	3
USS - Posco Industries	621	3	1.7%	1,000	1
Dow Chemical Company	350	4	1.0%	400	4
City of Pittsburg	387	5	1.1%		
Walmart	300	6	0.8%	220	5
Ramar Foods	173	7	0.5%	220	5
Angelica Corporation (Laundry)	222	8	0.6%	220	5
Target	100	9	0.3%	160	8
WinCo Foods	151	10	0.4%	200	6
Home Depot				180	7
Target				160	8
Safeway				150	9
Redwood Painting				120	10
Subtotal	4,071		11.4%	4,230	
Employees in the City of Pittsburg	35,701				

Source: Telephone Survey by Finance Staff
2007-08 data from CAFR (Chamber of Commerce)

CITY OF PITTSBURG
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years



Fiscal Year	Secured Tax Roll			Unsecured Tax Roll	GROSS Tax Roll	LESS: Exemptions		NET Assessed Valuation (a)	Total Direct Tax Rate (b)
	Land	Improvements	Personal Property			HOPTR (1)	Others		
2008	$ 2,079,929,185	$ 3,998,818,379	$ 27,034,992	$ 692,059,619	$ 6,797,842,175	$ 66,662,966	$ 129,436,694	$ 6,601,742,515	0.74171
2009	1,886,619,969	3,977,346,545	29,871,943	782,213,672	6,676,052,129	66,141,210	138,181,611	6,471,729,308	0.74057
2010	1,355,858,246	3,488,509,274	35,030,993	868,770,588	5,748,169,101	65,495,515	148,448,271	5,534,225,315	0.73534
2011	1,271,652,002	3,468,075,002	32,556,725	921,168,099	5,693,451,828	64,704,851	174,568,314	5,454,178,663	0.73265
2012	1,199,342,285	3,380,327,868	29,398,082	1,000,793,072	5,609,861,307	62,930,462	163,259,839	5,383,671,006	0.73307
2013	1,154,280,061	3,284,318,842	29,454,784	1,058,290,739	5,526,344,426	61,050,228	167,858,949	5,297,435,249	0.72809
2014	1,244,373,590	3,426,800,074	29,431,527	1,030,705,786	5,731,310,977	58,985,158	184,163,403	5,488,162,416	0.17411
2015	1,431,988,767	3,744,776,351	29,751,906	1,033,971,545	6,240,488,569	57,725,918	187,268,875	5,995,493,776	0.14854
2016	1,596,856,457	4,088,152,986	28,100,163	905,755,131	6,618,864,737	57,212,685	195,920,004	6,365,732,048	0.15020 [2]
2017	1,734,578,352	4,271,018,852	31,382,377	763,128,074	6,800,107,655	56,350,900	203,066,563	6,540,690,192	0.15142

(1) Homeowners' Property Tax Relief

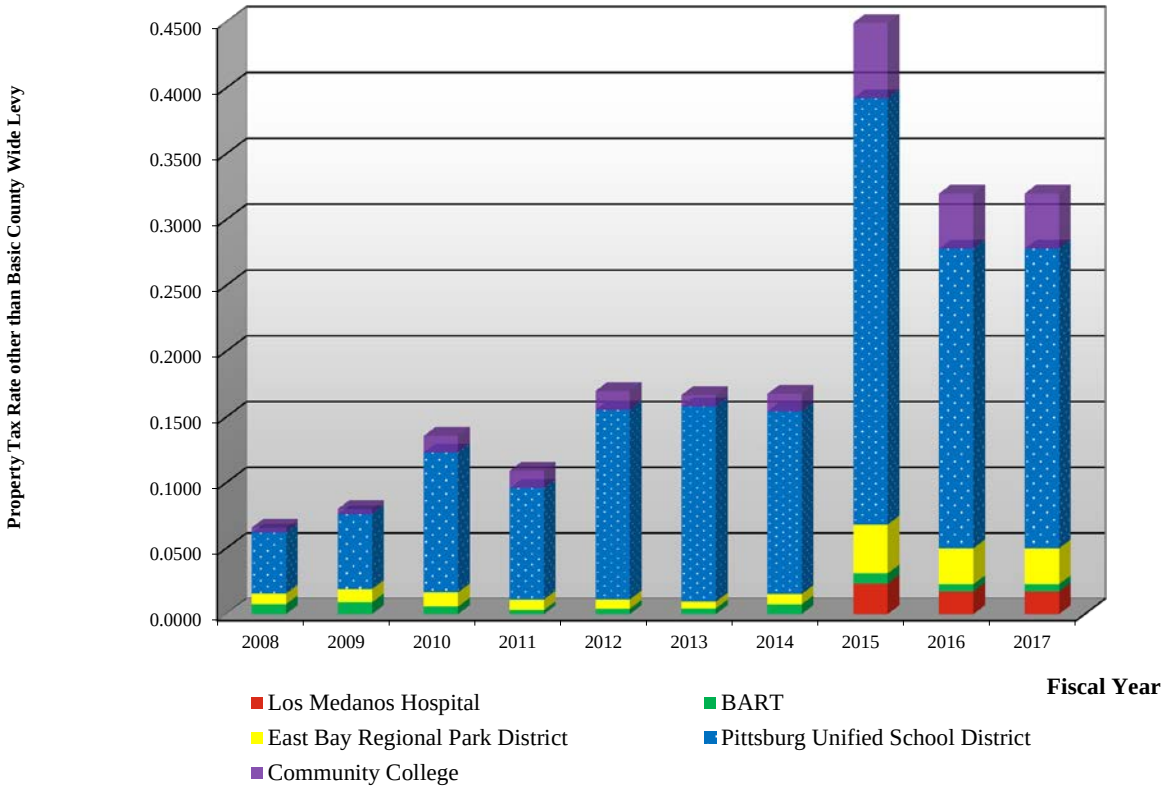
(2) Direct Tax Rate for FY 14-15 has been updated to reflect the AB8 adjustment for the first time on 2014-15 tax roll after CAFR was issued.

(a) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

(b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. Beginning in 2013/14 the total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: Contra Costa County Auditor Controller Office Certificate of Assessed Valuations

CITY OF PITTSBURG
Property Tax Rates
All Overlapping Governments
Last Ten Fiscal Years



Fiscal Year	Basic County Wide Levy	Pittsburg Direct Rate*	Los Medanos Hospital	Bay Area Rapid Transit	East Bay Regional Park District	Pittsburg Unified School District	Community College	Total
2008	1.0000	0.74171	0.0000	0.0076	0.0080	0.0465	0.0038	1.8000
2009	1.0000	0.74057	0.0000	0.0090	0.0100	0.0571	0.0040	1.8117
2010	1.0000	0.73534	0.0000	0.0057	0.0108	0.1066	0.0126	1.8653
2011	1.0000	0.73265	0.0000	0.0031	0.0080	0.0848	0.0133	1.8388
2012	1.0000	0.73307	0.0000	0.0041	0.0071	0.1443	0.0144	1.8989
2013	1.0000	0.72809	0.0000	0.0043	0.0051	0.1487	0.0087	1.8906
2014	1.0000	0.17411	0.0000	0.0075	0.0078	0.1391	0.0133	1.3343
2015 [1]	1.0000	0.14854	0.0231	0.0079	0.0373	0.3241	0.0572	1.5902
2016	1.0000	0.15020	0.0170	0.0058	0.0273	0.2280	0.0419	1.4644
2017	1.0000	0.15142	0.0170	0.0058	0.0273	0.2280	0.0419	1.4656

* Pittsburg Direct Rate = the weighted average of City's Share of 1% levy & Redevelopment Rate

1. Direct Tax Rate for FY 14-15 has been updated to reflect the AB8 adjustment for the first time on 2014-15 tax roll after CAFR was issued.

Source: Contra Costa County Assessors Office & Hdl Coren & Cone

Beginning in 2013/14 the total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

CITY OF PITTSBURG
Principal Property Tax Payers
Current Year and Nine Years Ago

	2016-17			2007-08		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
USS - Posco Industries	$ 249,394,692	1	3.78%	$ 291,217,340	3	4.37%
Delta Energy Center	241,534,000	2	3.66%	405,100,000	1	6.07%
Calpine Corporation	231,000,000	3	3.50%	381,750,000	2	5.72%
Dow Agrosciences LLC	181,211,141	4	2.75%	219,089,341	4	3.29%
K2 Pure Solution	135,666,346	5	2.06%			
Dow Chemical Company	121,545,946	6	1.84%			
Sierra Pacific Properties	112,443,277	7	1.70%	94,024,792	5	1.41%
KW Kirker Creek LLC	99,878,586	8	1.51%	76,080,329	6	1.14%
Century Plaza Corporation	68,597,551	9	1.04%	56,134,235	8	0.84%
San Marco Properties LLC	64,738,924	10	0.98%			
Seecon Financial				65,042,049	7	0.98%
Ora Vineyard 162 LLC				37,467,500	9	0.56%
Ora Victory 125 LLC				32,038,900	10	0.48%
Subtotal	$ 1,506,010,463		22.83%	$ 1,657,944,486		24.86%

Total Net Assessed Valuation:

Fiscal Year 2016-17	$6,597,041,092
Fiscal Year 2007-08	$6,668,451,676

Source: Hdl Coren & Cone

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➢ GLOSSARY OF BUDGET TERMS

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

ACCOUNT – A subdivision within a fund for the purpose of classifying transactions

ACCRUAL BASIS OF ACCOUNTING – The method of accounting under which revenues are recorded when they are earned (regardless of when cash is received) and expenditures are recorded when goods and services are received (regardless of when disbursements are actually made at the time).

ADOPTED BUDGET – Revenues and appropriations approved by the City Council in June for the following fiscal year.

ALLOCATED COSTS – An expense charged by one department/division to another for services performed or expenditures of a general nature that are charged to one main account and allocated to other departments/divisions by a specified formula.

APPROPRIATION – Legal authorization granted by City Council to make expenditures and incur obligations for a specific purpose within a specific time frame.

APPROPRIATION LIMIT – As defined by Section 8 of Article XIIIB 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.

ASSESSED VALUATION – A dollar value placed on real estate or other property by the County as a basis for levying property taxes.

ATTRITION – The unpredictable and uncontrollable, but normal, reduction of work force due to resignations and retirements**.**

AUDIT – A review of the City's accounts by an independent auditing firm to substantiate fiscal year-end balances and assure compliance with generally accepted standards for financial accounting and reporting.

BALANCED BUDGET – Where budgeted operating revenues cover or exceed budgeted non-capital operating expenditures, avoiding budgetary procedures that balance current expenditures at the expense of meeting future years' expenses such as postponing expenditures or accruing future years' revenues.

BOND – A municipal bond is a written promise from a local government to repay a sum of money on a specific date at a specified interest rate.

BUDGET – A plan of financial operation, including an estimate of proposed expenditures/expenses for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). Upon approval by the City Council, the budget appropriation resolution is the legal basis for expenditures in the fiscal year.

BUDGET AMENDMENT – A legal procedure utilized by the City Manager to revise a budget appropriation during the year. Adjustments to expenditures within or between department budgets may be accomplished administratively. City Council approval is required for additional appropriations from fund balances or new revenue sources.

BUDGET STABILIZATION FUND – A reserved amount of money placed in a separate fund to be used in times when regular income is disrupted or decreased in order for typical operations to continue.

BUDGET YEAR – The fiscal year for which the budget is being considered; fiscal year following the current year.

CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) – The California Employers' Benefit Trust (CERBT) Fund is a Section 115 trust fund dedicated to prefunding Other Post-Employment Benefits (OPEB) for all eligible California public agencies.

CAPITAL BUDGET – Annual appropriations for capital improvement projects such as street improvements, building construction and various kinds of major facility maintenance. Capital projects are supported by a five-year expenditure plan, which details funding sources and expenditure amounts. They often are multi-year projects, which require funding beyond the one-year period of the annual budget.

CAPITAL IMPROVEMENT PROGRAM (CIP) – A financial plan of authorized expenditures for tangible, long-term construction of, or improvements to, public physical facilities

CAPITAL OUTLAY – A budget appropriation category which budgets all equipment, land or other fixed assets having a unit cost of more than $5,000 and an estimated useful life of over five years.

CAPITAL PROJECT FUND – A governmental fund used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

CARRYOVER OR CARRY FORWARD – 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.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - One of the longest-running programs of the U.S. Department of Housing and Urban Development, funds local community development activities such as affordable housing, anti-poverty programs, and infrastructure development.

COMMUNITY FACILITIES DISTRICTS (CFDs) - Localities that have been empowered by state law to levy special taxes on their residents to fund the capital costs of a wide variety of public improvements (such as roads and sewer services), as well as the ongoing operation and maintenance costs of a limited number of public services (such as schools, police and fire protection services, libraries, etc.) that benefit the community.

CONTINGENCY – An appropriation of funds to cover unforeseen events that occur during the fiscal year

COST RECOVERY – The establishment of user fees that is equal to the full cost of providing services including indirect overhead and administrative costs.

DEBT SERVICE – Payment of the principal and interest on an obligation resulting from the issuance of bonds, notes or leasing arrangements.

DEBT SERVICE FUND – A governmental fund used to account for the accumulation of resources 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 – An excess of expenditures or expenses over revenues (resources).

DEPARTMENT – An organizational unit comprised of divisions or programs. It is the basic unit of service responsibility that may include a broad mandate of related activities.

DIVISION – A sub-section (or activity) within a department, which furthers the objectives of the City Council by providing specific services or programs.

ENCUMBRANCE – A contingent liability, contract, purchase order, payroll commitment, tax payable, or legal penalty that is chargeable to an account. It ceases to be an encumbrance when paid-out or when the actual liability amount is determined and recorded as an expense**.**

EMERGENCY OPERATION CENTER (EOC) – A location from which centralized emergency management can be performed. EOC facilities are established by an agency or jurisdiction to coordinate the overall agency or jurisdictional response and support to an emergency.

EMPLOYER PAID MEMBER CONTRIBUTION (EPMC) – EPMC represents a retirement benefit that is provided by the City of Pittsburg retirement program (PERS), which is the State Public Employee Retirement System.

ENTERPRISE FUND – A type of fund established for the total costs of those governmental facilities and services, which are operated in a manner similar to private enterprises. These programs are entirely or predominantly self-supporting. The City of Pittsburg maintains several Enterprise Funds that include Water, Sewer, Marina, Golf Course, Island Energy and the Power Company Fund.

EXPENDITURES – Monies spent, including current operating expenses, debt service and capital outlays.

EXPENSE – The actual spending of funds by an enterprise fund set-aside by an appropriation.

FISCAL SUSTAINABILITY - The ability of a government to sustain its current spending, tax and other policies in the long run without threatening government solvency or defaulting on some of its liabilities or promised expenditures.

FISCAL YEAR – The City's year for accounting and budgeting purposes, which begins on July 1 and ends on June 30.

FORECAST – Estimate 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.

FULL-TIME EQUIVALENT (FTE) – The amount of time a regular full or part-time position has been budgeted for in terms of the amount of time an employee works in a year. The City of Pittsburg uses 1,000 hours to calculate the number of seasonal and part-time employees.

FUND – An independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created.

FUND BALANCE – The amount of financial resources available for use. Generally, this represents the detail of all the annual operating surpluses and deficits since the fund's inception.

GENERAL FUND – The primary fund used to account for all revenues and expenditures of the City not legally restricted as to use. This fund is used to offset the cost of the City's general operations. Examples of departments financed by the General Fund include the General Government, Police, Public Works, Recreation, and other Administrative Departments.

GEOLOGIC HAZARD ABATEMENT DISTRICT (GHAD) – A local assessment district formed for the purpose of prevention, mitigation, abatement, or control of geologic hazards, including an actual or threatened landslide, land subsidence, soil erosion, earthquake, or any other natural or unnatural movement of land or earth.

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) - A professional organization of public officials united to enhance and promote the professional management of governmental financial resources by identifying, developing and advancing fiscal strategies, policies, and practices for the public benefit.

GOVERNANCE – The process of providing community leadership and overall direction for a City. It involves understanding the community's desires for its future, focusing those desires into an achievable vision and establishing specific objectives and goals in order to realize that future vision. It also involves leadership in explaining City policies to the community and gathering support for City programs.

GRAPHIC INFORMATION SYSTEM (GIS) - A system designed to capture, store, manipulate, analyze, manage, and present all types of spatial or geographical data.

GRANT – Contributions, gifts of cash or other assets from another governmental entity to be used or expended for a specific purpose, activity or facility.

INFRASTRUCTURE – Facilities on which the continuance and growth of a community depend, such as streets and roads, sewers, public building, parks, etc.

INTERFUND TRANSFER IN/OUT- Monies transferred from one fund to another. Such money is transferred to finance the operations of another fund or to reimburse the fund for certain expenditures/expenses such as administrative support.

INTERNAL SERVICE FUND – A fund used to account for the services provided by one department to other departments on a cost-reimbursement basis.

MANDATORY FRINGE BENEFIT – Benefits the City pays on behalf of its employees including health and dental insurance, pension and social security.

MUNICIPAL CODE – A book that contains the City Council-approved ordinances currently in effect. The Code defines City policy. The Code contains the "laws" of the City.

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) - As authorized by the Clean Water Act, the National Pollutant Discharge Elimination System (NPDES) Permit Program controls water pollution by regulating point sources that discharge pollutants into waters of the United States.

NORMAL COST (NC) RATE – Pension rate that represents the annual cost of service accrual for the upcoming fiscal year, for active employees. Normal cost is shown as a percentage of payroll and paid as part of the payroll reporting process.

OBJECTIVES – The expected results or achievements of a budget activity, which can be measured and achieved within a given time frame. Achievement of the objective advances the organization towards a corresponding goal.

OTHER POST EMPLOYMENT BENEFITS (OPEB) - The benefits that an employee will begin to receive at the start of retirement. This does not include pension benefits paid to the retired employee

OPERATING BUDGET – Annual appropriation of funds for on-going program cost, including salaries and benefits, services and supplies, debt service and capital outlay.

ORDINANCE – A formal legislative enactment by the City Council. It has the full force and effect of law within City boundaries unless preempted by a higher form of law. An ordinance has higher legal standing than a resolution.

RECOMMENDED BUDGET – The financial and operating document submitted by the City Manager to the City Council for consideration.

RESERVE – an account used to record a portion of the fund balance as legally segregated for a specific use, usually at a future time.

RESOLUTION – A special order of the City Council, which has a lower legal standing than an ordinance.

REVENUES – Monies received or anticipated by a local government from both tax and non-tax sources during the fiscal year. Revenues include income from user fees, taxes, permits and other sources.

SALARIES AND FRINGES – A budget category which generally accounts for full-time and part-time employees, overtime expenses and all employee benefits, such as medical, dental and retirement.

SECTION 115 TRUST –Employer assets placed in a trust which is used for the designated purpose of prefunding other post-employment benefits, including pensions and retiree medical.

SERVICES AND SUPPLIES – Expenditures/expenses for supplies, materials and services which ordinarily are consumed within a fiscal year and which are not included in inventories.

SPECIAL REVENUE FUNDS – This fund type collects revenues that are restricted by the City, State or Federal government as to how the City might spend them. The City of Pittsburg maintains several Special Revenue Funds that include Gas Tax, Measure J, the Citywide and Oak Hills Lighting and Landscape Districts, Park Dedication, Traffic Mitigation, and Community Development Block Grant funds.

SUBSIDY – Supplemental resources provided to ensure adequate funding when anticipated expenditures exceed revenues.

SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY – The primary purpose of the Successor Agency is to administer the wind down of the previous Redevelopment Agency's operations which entails continued payment for financial obligations and fulfillment of contractual obligations entered into the Successor Agency prior to the enactment of Assembly Bill 26, which caused the dissolution of all Redevelopment Agencies in California.

TRANSIENT OCCUPANCY TAX (TOT) – This tax is collected from the operators of hotels and motels located within the City. A percentage of this tax is then remitted to the City.

UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAL) – In regard to Pension, the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving retirement benefits, active members, and for members entitled to deferred benefits, as of the valuation date.

USER FEES – Fees charged to users of a particular service provided by the City.

CITY OF PITTSBURG
CAPITAL ASSETS POLICY AND PROCEDURES
JUNE 2013

Purpose: The purpose of this policy is to:

1. Define the accounting practices and procedures that will ensure effective and accurate control of the capital assets of the City.
2. Assure that the City complies with the requirements of the Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP) and OMB Circular A-133 as they relate to capital assets.
3. Communicate to City Elected Officials, Department Heads, Employees, and the Public the formal Capital Asset policy of the City of Pittsburg.
4. Assure that an accurate record keeping system is in place to protect and properly insure assets in the event of loss.

Application: This policy applies to all Departments of the City of Pittsburg.

Responsibility: The Finance Department is responsible for the implementation and administration of this policy.

The City Department Head is responsible for ensuring that proper budgeting, purchasing, and disposing guidelines are followed.

Definitions: **Capital Assets:** Major assets that are used in operations and have initial useful lives extending beyond a single reporting period. Capital assets with an original unit cost of greater than or equal to the City's capitalization threshold of $5,000, including ancillary costs, and with a useful life of three years or more will be capitalized for financial accounting purposes. Examples include, among other things, land, land improvements, buildings, building improvements, furniture and fixtures, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible assets.

Infrastructure assets: Long-lived capital assets that normally are stationary in nature and normally can be preserved to a significantly greater number of years than most capital assets. They include, among other things, roads, bridges, water and sewer systems, drainage systems, and electrical and gas lines.

Controlled Assets: Assets with an original unit cost less than $5,000 (including ancillary cost) and a useful life of two years or more. Controlled assets will not be monitored in the City's Capital Asset records. Any item purchased for less than $500.00 shall be considered as a supply line item. Examples of controlled assets include personal computers, facsimile machines, small photocopiers, printers, cellular phones, other telecommunication equipment, cabinets, tables, etc. These assets are not capitalized in the General Ledger nor are they depreciated. However, a copy of the Department's Inventory Control Records is to be provided to the Finance Department. This allows the City to control these assets through audits without affecting the City's financial status. Also, this information can be used to determine the proper level of insurance and assist the City in providing proof of loss in an insurance claim.

Depreciation: A methodology that amortizes the cost of the asset over its useful life using an acceptable basis.

Useful Life: The period of time the asset will be of service to the City.

Salvage Value: The subsequent value of the asset at the end of its useful life.

Historical Cost: The value placed on the asset at the time of acquisition, including ancillary costs (value of trade-ins, shipping costs, installation costs, etc.)

Acquisition Date: The date the City took ownership of the asset.

Capitalization Threshold: The measure of value placed on an individual asset to determine its qualification for capitalization or expense in the financial records, and includes all costs to put the asset in service (shipping, installation costs, etc.,).

Fair Market Value: The estimated value of the asset for which it would be exchanged between a willing buyer and seller when neither is forced into the exchange. In addition, both parties should have knowledge of all facts and consider it an equitable exchange. This is generally used in place of historical cost in a donated asset situation.

Insurable Value: The value placed on the asset that would best represent the replacement cost of the asset as determined by a qualified appraisal firm. If monetary value cannot be placed on items, such as irreplaceable documents, there is no insurable value. Insurable values of the buildings do not include the value of land.

General: The primary purpose of a Capital Asset accounting system is to maintain physical accountability over the assets owned by the City. The accounting system should provide a record of the capital assets obtained over the years that are still in service and identify the funding source for the purchase and/or construction of those assets. The capital assets of the City are those owned by the City that meet the above definition.

The City has established a unit cost threshold of $5,000 (except Land which is $1) and a useful life of at least three years for all capital assets. Assets with a unit cost below this level will be expensed. Donated assets and Grants-in-kind will be recorded at fair market value.

To maintain accurate capital asset records, information must be centralized in the Finance Department. The Finance Department is responsible for maintaining all of the asset information.

The City adheres to Generally Accepted Accounting Principles and the pronouncements of the Governmental Accounting Standards Board. Any subsequent changes to either will be incorporated into this policy upon the recommendation from the Finance Department.

Accounting for Capital Assets in Proprietary Funds

Capital assets acquired for use in proprietary fund operations are considered "fund assets" and should be accounted for within the appropriate fund. Depreciation of capital assets accounted for in a proprietary fund shall be recorded in the accounts of that fund.

Accounting for Capital Assets in Governmental Funds

Capital assets, other than those accounted for in Proprietary Funds shall be reported in the General Fixed Assets Account Group (GFAAG). The GFAAG is not a fund but simply a list of the City's general fixed assets. Depreciation of general fixed assets shall be calculated and accumulated depreciation maintained in the GFAAG for disposition and cost accounting purposes.

Reporting requirements for capital assets in Comprehenisve Annual Financial Report (CAFR)

- Capital assets are included in the Statement of Net Assets.
- Depreciation expense is included in the Statement of Activities.
- Note disclosure of changes in the general capital assets. This statement would show the beginning balance for each class of assets, total additions for the year by class, total dispositions for the year by class, total transfers for the year by class, and the ending balance for each class of assets in tabular form.

Policy: Capital Assets are to be capitalized and depreciated only if they have an estimated useful life of at least three years following the date of acquisition, have a historical cost of at least $5,000, including ancillary cost, (except Land which is $1) per individual unit, are tagged (where applicable) and inventoried, and meet the above definitions and the following criteria:

Assets that use Historical Costs for capitalization:

Land: The purchase price and cost of preparing land for its intended use. Examples of ancillary costs include search costs, attorney's fees, liens assumed, taxes assumed, grading costs, and land improvements with an indefinite life.

Improvements other than Buildings: Permanent (i.e., non-detachable) improvements that add value to land (e.g. fences, retaining walls, easements, road access). This account also is used for leasehold improvements.

Buildings (including building improvements, additions or renovations): The purchase price, contract price, or job order costs, and any other expenditure necessary to put a building or structure into its intended state of operation. Additional expenditures may include professional fees, costs of fixed fixtures (non-detachable) to the floor, ceilings and walls, insurance premiums, and related costs incurred during the period of construction.

Furniture, Fixtures, and Equipment: The total purchase price less any applicable discounts and any ancillary payments required to place the asset in its intended state of operation.

Computer Equipments and software: The total purchase price less any applicable discounts and any ancillary payments required to place the asset in its intended state of operation. Systems (i.e. Servers) constructed that in the aggregate exceed the capitalization threshold will not be capitalized. Any piece of a system that exceeds the capitalization threshold will be individually capitalized.

Vehicles: The total purchase price less any applicable discounts and any ancillary payments required to place the asset in its intended state of operation.

Infrastructures: The purchase price, contract price, or project costs, and any other expenditure necessary to put the asset into its intended state of operation. Additional expenditures may include professional fees, damage claims, insurance premiums, and related costs incurred during the period of construction. Examples include roads, gutters, bridges, traffic signals, water and sewer systems, drainage systems, monuments, electric and gas lines.

Construction in Progress: The total amount expended to date on uncompleted buildings, pipelines, or other capital project under construction. Interest costs are capitalized starting with the first expenditure related to the asset,

and capitalization continues until the asset is substantially completed and ready for its intended use. When the project is completed, the cumulative costs are then transferred to the appropriate capital asset accounts.

Assets that use other valuation method for capitalization.

Lease Assets -All capital assets, including leased assets, shall be recorded on the General Ledger. Operating leases shall be recorded as Controlled Assets, while capital leases shall be processed like any purchased asset. NCGA-5 (Accounting and Financial Reporting Principles for Lease Agreements of State and Local Governments) requires that a lease agreement that satisfies the criteria established by FAS-13 (Accounting for Leases) shall be capitalized. Any lease agreement that does not meet any one of the noted criteria shall be considered an operating lease and shall not be capitalized. Operating leases shall be maintained in the Department's Inventory Control System for insurance purposes only. FAS-13 states that non-cancellable leases that meet any one of the following criteria must be capitalized:

a) The lease transfers ownership of the property to the lessee by the end of the lease term.
b) The lease term contains a bargain purchase option.
c) The lease term is equal to 75% or more of the estimated economic life of the leased property.
d) The present value of the minimum lease payments at the inception of the lease, excluding executory costs, equals at least 90% of the fair market value of the leased property.

Donated Assets: Donated Assets or any other asset acquired in any way other than through normal purchasing also shall be recorded and tagged. This also holds true for assets purchased with grant monies. The operating department that becomes the beneficiary of any such asset shall notify the Finance Department. Donated assets shall be reported at their estimated fair value at the date of acquisition.

Repair and Maintenance: If costs are incurred to keep an asset in its normal operating condition and the life of the asset is not extended the costs are expensed (e.g. - cleaning, replacement of small parts, minor painting, lubrication).

Improvements, Additions or Renovations are capitalized if the historical cost of the asset, including the improvement, addition or renovation is $5,000 or more and extends the life of the asset.

If the expenditure is a replacement, a retirement must be made to the items being replaced. This includes both a reduction in Historical Cost and Accumulated Depreciation.

Useful Life of the various categories of assets includes:

Land	N/A
Land Improvements	20 – 30 years
Buildings (Including improvements, additions, and renovations)	45-70 years
Furniture, Fixtures and Equipment	5 – 10 years
Computer, Equipment and Software	3 years
Vehicles	5 – 7 years
Infrastructure	20 – 75 years

Depreciation Method – The City will utilize the straight-line method for depreciation. Equal periodic depreciation charges are therefore recognized over the life of the capital asset. The department who purchases the asset should indicate on the surface of vendor invoices an estimate useful life of the assets.

$$\textit{Annual Depreciation} = \frac{\textit{Cost less Salvage Value}}{\textit{Number of Estimated Life}}$$

Tagging of Assets – All capital assets that are purchased with Federal grant funding will be tagged and labeled with the name of the grant used for the purchase.

Land, Land Improvements and Buildings will use the legal address for identification in the City records. Vehicles will use their VIN for identification purposes. Equipment (where applicable) will use the serial number for identification.

Disposition and Transfer of Assets – Property shall not be transferred, turned-in or disposed of without prior approval of the City Manager or designee. For property valued more than $5,000 (except vehicles) will require Council approval.

The operating departments shall be responsible to initiate transfer/disposition processing. The form "Request to Transfer/Disposal Assets" (see Exhibit A) shall be completed by the operating department and submitted to City Manager or designee for approval. The Department Head must acknowledge receipt of any fixed asset transferred to his/her department.

The actual transfer/removal or destruction of property should be witnessed by two City employees from other departments, particularly from Finance.

The operating department should also follow the capital assets disposal/ transfer guidelines as follows:

Disposition of Assets – All Capital Assets will be disposed of as follows:

Grant Funded Acquisitions shall be reviewed by the Finance Department or designee prior to disposition.

Land and Buildings will be sold to the highest bidder in a competitive environment after the proposed sale is advertised in a newspaper of general circulation.

Furniture and Fixtures, Machinery and Equipment, and Vehicles will be sold to the highest bidder at public auction. Trade in values will be considered, and encouraged, when in the best interest of the City as determined by the Operation Department.

Note: Salvage values received for assets sold will be receipted into the City's General Fund. Exceptions are limited to assets that were acquired with Enterprise Fund, Internal Services funds and assets that were seized or forfeited through the Sheriff Department, the Courts, or the Prosecuting Attorney's Office.

Computer Equipment (including copiers and fax machines) is to be sold to the highest bidder at public auction. Trade in values will be considered, and encouraged, when in the best interest of the City as determined by the IT Department.

Note: Salvage values received for assets sold will be receipted into the Internal Services Fund revenues. Exceptions are limited to assets that were seized or forfeited through the Sheriff Department, the Courts, or the Prosecuting Attorney's Office.

Note: Any capitalized or not capitalized asset will be returned to the Information Technology (IT) Department for disposition, unless used as a trade-in. Assets will be evaluated by the IT Department for their likeliness of sale and either placed in the auction or destroyed.

Disposal of Surplus Supplies and Equipment (adopted from Section 10 of Purchasing Policy of 4-16-12)

Each department shall submit a request to the City Manager or designee when the department seeks to have any City property under its jurisdiction declared to be surplus[1]. The Finance Director or designee evaluates the surplus property for possible use in another area and will inform other departments of the availability of the property or determine that there is no use for the property.

The Finance Director, or designee, will determine if any surplus property was purchased through grant funds, and whether such items can be surplused under the provisions of the grant.

The following chart will be used for the disposal of surplus property:

	Value of the surplus property is $5,000 or Less (except vehicles)	Value of the surplus property is More than $5,000 (except vehicles)
Exchange or Trade-In	A department, with approval of the City Manager, is authorized to exchange surplus property for other property of at least equal value, or to trade it in as part of the consideration to be paid for other property.	The City Manager or designee is authorized, upon City Council approval, to exchange surplus property for other property of at least equal value, or to trade it in as part of the consideration to be paid for other property.
Sale	A department, with approval from the Finance Director, will determine the best method for the sale of surplus property, with City Manager final approval.	The City Manager or designee, with approval from the City Council, will determine the best method for the sale of surplus property.
Discard	A department, with approval from the Finance Director, is authorized to dispose of surplus property after final approval by the City Manager.	The City Manager or designee, with approval from the City Council, is authorized to dispose of surplus property.
Donate	A department, with approval from the City Manager, is authorized to donate surplus property to any Pittsburg civic, community, or non-profit agency, or any agency funded through Pittsburg's Community Development Block Grant (CDBG) program. (Other groups require City Council approval.)	The City Manager or designee, with approval from the City Council, is authorized to donate surplus property to any civic, community, or non-profit agency.
Vehicles	The City Manager or designee is authorized to exchange or trade-in; sell' discard; or donate to any Pittsburg civic, community or non-profit agency, or donate to any agency funded through Pittsburg's Community Development Block Grant program any vehicle which is deemed surplus. (Donations to other groups require City Council approval.)	

[1]For purposes of this Policy, "City property" does not include items seized by the Police Department. The disposal of such Police Department items shall be governed by a Police Department administrative policy.

Notwithstanding the above chart, the City Manager or his/her designee is authorized to routinely dispose of the following: (1) furniture than cannot be used by a City department, or used by and picked up by a Pittsburg governmental or non-profit organization; (2) scrap products made of brass and copper which will be disposed on a bid or quotation basis; (3) scrap products made primarily of iron, plastic or other materials of no value which will be disposed on a continuous basis; and (4) items that had an original value of less than two hundred dollars ($200) or a current value of less than fifty dollars ($50).

Costs of disposal will be considered in determining the best method of disposal of surplus property. Whenever possible and advantageous to the City, surplus property will be sold at public sale or auction. When in the opinion of the Finance Director or designee a better return may be received through direct contact with manufacturers, resellers, or users of specialty item(s), then that method of sale will be utilized.

Sale proceeds less direct costs from any sale shall be returned to the specific fund from which the surplus property was originally purchased.

Donation means the transfer of ownership of property for no consideration or for a value less than the reasonable fair market value of the property.

The surplus disposal **to City employees** will be only through a competitive process open to the public. Employees who have been responsible for declaring any item surplus may not bid on that item. These provisions do not apply to surplus property that is to be discarded.

No warranty of surplus property is provided by the City and is disposed of "as is" without warranty, express or implied, as to condition or usability.

The City's intention is to award and transfer surplus property to the highest bidder. **If a mistake is made**, an attempt to correct it will also be made; however, the City offers no guarantees and accepts no liabilities for completion of sale(s) other than to return any applicable funds received.

A written record of the disposal of all surplus property will be maintained by the Finance Department for five (5) years.

Custody and Accountability:

Each of the operating departments has the authority, accountability, and responsibility for the property issued to, or purchased by, their respective departments.

Each of the departments and divisions must designate a steward ("Property Steward") for each piece of property in their custody. The person to whom the assets have been assigned for safekeeping will be the contact person for each property within the department. This person will become the focal point for questions regarding availability, condition and usage of the asset, as well as the contact during the physical inventory process.

A Property Steward shall be designated for each piece of property to ensure that property is acquired, maintained, used and disposed of in the City's best interests. It is the Property Stewards' responsibility to record the receipt of the asset, to examine the asset to make sure that no damage was incurred during shipment and to make sure that the asset was received in working order.

The Property Steward shall work in cooperation with selected Department personnel in arranging for necessary preventive maintenance and any needed repairs to keep the asset in working condition. Whenever the asset changes rooms, is transferred to another department, or is disposed of, the Property Steward must ensure this information is processed per the disposal/transfer guidelines. The Property Steward must ensure that departmental fixed assets are kept up-to-date in the Inventory Records and notify the Finance Department of any corrections which need to be made.

The Department Head or other person authorized by the Department Head is responsible for all property purchased for, assigned to, or otherwise provided to his/her department. The designated person to act as Property Steward is responsible for the custody and control of each property within the department.

At the end of the fiscal year, the Finance Department will provide two copies of the fixed assets list to the department Property Steward, including those that were purchased, transferred, or disposed of during the fiscal year. This listing will include all the property for which the department is responsible. It is required that an inventory of the listed property be conducted, discrepancies be resolved, and the listing be signed by the Property Steward and the Department Head verifying the property on hand. The listing shall be signed by the Property Steward and approved by the Department Head and then returned to Finance Department within ten (10) working days. A copy shall be retained by the department Property Steward for their files.

When a Property Steward is to be replaced for any reason, the Department head shall notify the Finance Department employee in charge of fixed assets. The Finance Department staff member will then provide a current fixed asset listing so that a joint review of the department's assets may be conducted by the outgoing and incoming Property Steward. The completed and verified joint review shall be forwarded to the Department Head and any changes submitted to the Finance Department within thirty (30) days after the appointment of the new Property Steward.

Periodic Review: The Finance Department shall review this policy and make recommendations for change, as needed.

City of Pittsburg
Debt Management Policy
As Amended March 6, 2017

I. INTRODUCTION

The City of Pittsburg ("City") has established this Debt Management Policy to provide clear and comprehensive guidelines for the issuance and financial management of the City's debt portfolio. This policy supports the City's mission of providing responsive and high quality public services for its citizens and ensures that the City is financially self-sustaining and fiscally strong. The policy applies to debt issued by the City directly, as well as debt issued by the City on behalf of assessment districts or community facilities districts, or as a conduit issuer for third parties. Finally, this Debt Policy requires that the City Council specifically authorize each debt financing by resolution. Certain terms used in this Debt Policy are defined in the Glossary of Terms provided at the end.

II. SCOPE

The guidelines established by this policy will govern the issuance and management of all debt funded for long term capital financing needs and not for general operating functions. The Finance Department recognizes that changes in the capital markets and other unforeseen circumstances may require action which may deviate from this Debt Management Policy. In cases which require exceptions to this Debt Management Policy, approval from the City Council will be necessary for implementation.

III. OBJECTIVES

The purpose of this Debt Policy is to establish prudent debt issuance guidelines to ensure that the City meets the following objectives:

- To provide financial support for the City's strategic and capital plan objectives through the most safe and cost effective means of debt issuance
- To ensure that the term of the debt shall not exceed the expected useful life of the capital improvement [not in this section]
- To ensure that any debt instrument utilized be fully understood by Staff (See Section V for a description of typical types of debt)
- To ensure that all debt obligations will be met in a timely & efficient manner (Section IX)
- To mandate that the City comply with all debt covenants (Section IX)
- To ensure that all required disclosure reports are filed on a timely basis (Section IX)
- To maintain good communications with bond rating agencies & investors (Section VIII & IX)

- To preserve financial flexibility (Section VI & IX)

IV. DELEGATION OF AUTHORITY

Pursuant to the provisions of Sections 37209 and 40805.5 of the Government Code of the State of California, the Finance Director (Director of Finance) shall be the head of the finance department and shall be responsible for all of the financial affairs of the City. This City Debt Management Policy grants the Director of Finance the authority to select the financing team, coordinate the administration and issuance of debt, communicate with the rating agencies, as well as to fulfill all the pre-issuance and post-issuance disclosure information.

The Director of Finance or designee will use the Request for Proposal (RFP) process to select various Financing Team Members. Below is a brief description of the main Financing Team, along with their functions, and the mandated frequency of soliciting RFP's.

The typical Financing Team consists of:

1. *Financial Advisor/Municipal Advisor* –
   - Assists with capital planning and long term financial planning
   - Coordinates the financing and debt issuance process
   - Helps evaluate underwriter proposals and provides financial analysis and recommendations
   - Assists with the securing of other professional services and other members of the financing team
   - Monitors and evaluates market conditions for opportunities to issue debt at low interest rates and/or refund existing debt for savings or other reasons sought by the City (e.g., modify debt covenants)
   - Works with the City and Underwriter to develop investor outreach and market approach
   - Manages competitive bid process
   - Ensures negotiated prices are "fair" and reasonable in the marketplace

Requests for Proposals for Financial Advisors should be done on a periodic basis not to exceed ten (10) years but is subject to review after four years.

2. *Bond Counsel* –
   - Prepare an approving legal opinion
   - Provide expert and objective legal opinion and advice
   - Prepare and review documents necessary to authorize, issue, sell and deliver the bonds, as well as coordinate the authorization and execution of closing documents
   - Review legal issues relating to the structure of the bond issue

- Prepare election proceedings or pursue validation proceedings if necessary
- Review or prepare those sections of the official statement that relate to the Bonds, financing documents, bond counsel opinion, and tax exemption
- Assist the City in presenting information to bond rating organizations and credit enhancement providers relating to legal issues affecting the issuance of the Bonds
- Review or prepare the Notice of Sale, Bond Purchase Contract and continuing disclosure undertaking of the City
- Post-issuance advice for bond covenant compliance

Requests for Proposals for Bond Counsel should be done on a periodic basis not to exceed ten (10) years but is subject to review after four years.

3. *Underwriter* –
   - Provide the City with market knowledge
   - Assist with credit analysis and preparation
   - Premarketing of the Bonds
   - Pricing and Sale of Bonds
   - Trading of the Bonds

Underwriter services should be solicited through a Request for Proposal (RFP) for every bond issue, or by developing a pool of pre-qualified underwriters from which to select.

4. *Trustee/Fiscal Agent/Paying Agent/Escrow Agent* –
   - Establishes and holds the funds and accounts relating to the bond issue
   - Maintains the list of names and addresses of all registered owners of the bonds and recordings of transfers and exchanges of the bonds
   - Acts as the authenticating agent
   - Acts as the paying agent
   - Protects the interests of the bondholders by monitoring compliance with covenants and acts on behalf of the bondholders in the event of default
   - If also serving as the escrow agent, holds the investments acquired with the refunding bond proceeds and uses those investments to pay debt service on the refunded bonds
   - If also serving as a dissemination agent acts on behalf of the issuer or other obligated person to disseminate annual reports and event notices to repositories under SEC Rule 15c2-12 (See Section IX)

RFP's for Trustee services should be done on a periodic basis if the recurring Trustee fees increase excessively (in excess of the prevailing Bay Area inflation rate).

V. TYPES OF DEBT AND METHODS OF SALE

There are a number of market factors that will affect the success of a bond offering, and each should be carefully considered before selecting a method of sale. These factors include, but are not limited to, the following: 1) market perception of the credit quality of the source of repayment (e.g., City general fund, special taxes, enterprise fund revenues), 2) interest rate volatility, 3) size of the proposed issue, 4) complexity of the proposed issue, and 5) competition with other issuers for investor interest (bond supply).

The Finance Director with the assistance of the City's bond counsel, financial advisor and/or Underwriter, as appropriate, will examine and evaluate all available alternatives for new issues and make a recommendation to the Finance Committee. Factors that should be considered include: 1) Is the issuing option appropriate under existing laws? 2) Are there formal policies with respect to the method of sale? 3) Does the nature of the proposed offering suggest that one method of marketing is more efficient than another? and 4) Have the City's past issuance practices yielded acceptable results? Only after review and acceptance by the Finance Committee, will the proposed new bond issuance be presented to the City Council for review and consent.

The following are the types of debt the City could issue:

1. New Money Bonds
   New Money bonds are bonds issued to finance the cost of capital improvement projects or other large and extraordinary costs as approved by the City Council.

2. Refunding Bonds
   Refunding bonds are bonds issued to refinance (refund) previously issued outstanding debt. The City may issue refunding bonds to refinance the principal of and interest on outstanding bonds or other debt to achieve debt service savings, restructure scheduled debt service, convert from or to a variable or fixed interest rate, change or modify the source(s) of payment and security for the refunded debt, or modify convenants otherwise binding upon the City. Refunding bonds may be issued either on a current or advance basis.

3. Revenue Bonds
   Revenue Bonds are generally issued by enterprise funds that are financially self-sustaining without the use of taxes and other revenues in the City's general fund, and therefore rely on the revenues collected by the enterprise fund to repay the debt.

4. Fixed vs. Variable Rate Debt

Fixed interest rate debt is typically preferred to maintain a more predictable debt service burden. Variable rate debt can be utilized on a limited basis when the potential advantages of capturing the lowest interest rates available in the current market outweigh forecasted risks.

5. Variable Rate Debt Obligation (VRDO)
   Predetermine intervals are set where the rate can be reset to current market conditions. VRDO's with a long maturity can be priced as short-term instruments making it potentially a less costly option in a normal upward sloping yield curve environment.

6. Special Assessment Bonds
   The Improvement Bond Act of 1915 (Streets and Highways Code Section 8500 et seq.) allows the City to issue bonds to finance the "specific benefit" improvements on the real property within its jurisdiction provided by the City. Installments are collected by posting to the secure property tax roll of the county.

7. Mello-Roos Special Tax Bonds
   The Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 et seq.) allows the City to issue bonds payable from special taxes levied on real property within a community facilities district formed by the City. Special taxes are collected by posting to the secure property tax roll of the county.

8. General Obligation (GO) Bonds
   In California, GO Bonds require a supermajority (2/3) voter approval. GO bonds are not repaid by the City's general fund but rather by an ad valorem tax levied in an amount sufficient to meet debt service requirements.

9. Certificate of Participation (COPs)
   COPs represent a share of an issuer's stream of lease payments. When the City finances a public facility through a lease-purchase transaction, the interest in the City's lease payment stream can be assigned to a third party trustee that issues certificates of participation (COPs). The City's general fund is used to make the lease payments, and the lease payments are used to repay the investors of the COPs.

Comparison of Common Financing Methods

General Obligation (GO) Bonds

* Strong market acceptance
* Significant structuring flexibility
* Favorable interest rates
* No debt service reserve fund requirement
* No trustee required
* Supermajority (2/3) voter approval required
* No pledge of City's general fund

Revenue Bonds

* Debt is secured by revenues of system users
* Debt limits not applicable
* Higher interest costs than GO's
* Debt service reserve fund may be required
* Trustee required
* Voter approval usually not required
* Debt Service Coverage covenants usually included
* Limited revenues available to secure debt

Assessment/Mello-Roos CFD Bonds

* Voter approval required
* Debt service reserve fund usually required
* Debt is secured by assessments or special taxes on property
* Complexity greater than GO's
* Market concerns about defaults, if property owned by single developer
* Limited revenues to secure debt
* Higher interest costs due to higher risk (but debt service not payable by City directly)

Certificates of Participation (COPs)

* Voter approval not required
* Debt limits not applicable
* Good market acceptance
* Complexity greater than GO's
* Risk of citizen opposition
* Limited revenues to secure debt
* Less secure than GO Bond

Competitive Sales of Bonds

The terms and prices of the bonds will be negotiated by the City and one or more underwriters through a bidding process amongst approved, impartial underwriters and/or underwriting syndicates. Both the City and the underwriter collaborate in the origination and pricing of the bond issue. The issue is awarded to the underwriter judged to have submitted the best bid that offers the lowest interest rate, taking into account underwriting spread, interest rates and any discounts or premiums.

Negotiated Sale of Bonds

A method of sale for bonds, notes, or other financing vehicles in which the City selects in advance, on the basis of proposals received or by other means, one of more underwriters to work with it in structuring, marketing and finally offering an issue to investors. The negotiated sale method is often used when the issue is: a first time sale by a particular issuer (a new

credit), a complex security structure, such as a variable rate transaction, an unusually large issue, or in a highly volatile or congested market.

Private Placement

A private placement is a variation of a negotiated sale in which the City, usually with the help of a financial advisor will attempt to place the entire new issue directly with an investor. The investor will negotiate the specific terms and conditions of the financing before agreeing to purchase the issue. Private placements are generally undertaken because the transaction is complex or unique, requiring direct negotiations with the investor, or because the issue is small and a direct offering provides economies of scale. Private placements are typically for debt maturing in 20 years or less.

Derivative Products

Because of their complexity, unless otherwise approved by the City Council, Derivative Products such as *Interest Rate Swaps*, *Inverse Floaters*, and other hybrid securities are prohibited.

VI. DEBT CAPACITY

Article XVI, Section 18 of the California Constitution (the "debt limit") prohibits cities from entering into indebtedness or liability that in any year exceeds the income and revenue provided for such year unless the City first obtains two-thirds voter approval for the obligation. Determining what the City's debt capacity is at any point in time is difficult. It depends on a number of factors including market conditions, amount of undesignated fund balance in the General Fund, fluctuating cash balances, financial policies, management and staff experience, new or existing revenues available to support additional debt, and availability of financial consultants to assist in financial analysis. The City recognizes that maintenance and operating costs of projects financed with debt places constraints on the budgetary flexibility of the City and should be considered alongside debt capacity as a factor when evaluating any proposed financing. In the development of this Debt Policy, the goal is to serve as a framework within which the City can evaluate each potential debt issuance. This Debt Policy is not to be so restrictive that it interferes with the City's legitimate efforts to prudently provide public services and facilities.

VII. PERFORMANCE STANDARDS

The City of Pittsburg strives to maintain '*investment grade*' standings in the municipal market.

Below is an Investment Grade Table of the three (3) major rating agencies:

Moody's Investor's Service, Inc	S&P Global Ratings	Fitch Investors Service, Inc	Definition
Aaa	AAA	AAA	Highest rating assigned. Very Strong Security
Aa	AA	AA	Very strong security. Only slightly below best rating.
A	A	A	Average security but more subject to adverse financial and economic developments
Baa	BBB	BBB	Adequate capacity to secure debt. Adverse developments may affect ability to meet debt service requirements.

Note: Moody's uses the designation "1" to indicate greater strength within the "Baa", "A", and “Aa” categories. S&P and Fitch use “=” and “-“ to indicate relative strength or weakness in the “BBB”, “A”, and “AA” categories.

VIII. MARKET RELATIONSHIPS

The Director of Finance will be responsible for maintaining relationships with investors, credit analysts, and rating agencies.

IX. ON-GOING DEBT ADMINISTRATION

Repayment of Debt and Compliance with Covenants

The Director of Finance will work with the Finance department and other City staff to ensure that all debt obligations will be met in a timely and efficient manner, and that the City complies with all debt covenants.

Refunding Opportunities

The Director of Finance will regularly review the City’s outstanding obligations, particularly in declining interest rate environments. When rates begin to approach levels at which refunding is cost-effective, the City shall select a financing team to begin preparations for a refunding issue.

Continuing Disclosure

The Finance staff will ensure that the City’s annual financial statements and associated reports are posted on the City’s web site. The City will also contract with one or more dissemination agents (which may also serve as trustee/fiscal agent to the City) to comply with the Securities and Exchange

Commission Rule 15c2-12 by filing its annual financial statements and other financial and operating data for the benefit of its bondholders on the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board (MSRB).

Arbitrage Rebate Compliance and Reporting

The use and investment of bond proceeds must be monitored to ensure compliance with arbitrage restrictions. Existing regulations require that issuers calculate rebate liabilities related to any bond issues, with rebates paid to the Federal Government every five years and as otherwise required by applicable provisions of the Internal Revenue Code and regulations. The Director of Finance shall contract with a specialist to ensure that proceeds and investments are tracked in a manner that facilitates accurate, complete calculations, and if necessary, timely rebate payments.

Internal Controls With Respect to Bond Proceeds

The Finance Director will maintain internal control procedures related to the management and disbursement of bond proceeds. These will include, but not necessarily be limited to, ensuring bond proceeds are either (a) held by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the Finance Director (or designee) in accordance with one or more written requisitions, or (b) held in an account of the City, to be deposited and accounted for in a separate fund or account, from which expenditures will be carefully documented by the City.

X. DEBT MANAGEMENT POLICY REVIEW

The Director of Finance shall review this Debt Management Policy at a minimum of every five (5) years and recommend any changes to the City Manager and City Council.

City of Pittsburg Municipal Debt Management Policy Glossary of Terms

Advance Refunding: For purposes of certain tax and securities laws and regulations, a refunding in which the refunded issue remains outstanding for a period of more than 90-days after the issuance of the refunding issue. The proceeds of the refunding issue are generally invested in Treasury securities or federal agency securities (although other instruments are sometimes used), with principal and interest from these investments being used (with limited exceptions) to pay principal and interest on the refunded issue. Bonds are "escrowed to maturity" when the proceeds of the refunding issue are deposited in a escrow account for investment in an amount sufficient to pay the principal of and interest on the issue being refunded on the original interest payment and maturity dates, although in some cases an issuer may expressly reserve its right (pursuant to certain procedures delineated by the Securities and Exchange Commission) to consider "pre-refunded" when the refunding issue's proceeds are escrowed only until a call date or dates on the refunded issue, with the refunded issue redeemed at that time.

Amortization: The gradual reduction in principal and interest of an outstanding debt according to a specific repayment schedule, which details specific dates and repayment amounts on those dates.

Arbitrage: In the municipal market, arbitrage refers to the difference between the tax-exempt interest rate paid by the borrower and the interest rate at which the proceeds of the issue are invested. The Internal Revenue Code contains specific regulations concerning the amount that can be earned from the investment of tax-exempt proceeds.

Call Provisions: Mandatory or optional provisions that allow or require an issuer to prepay or refinance a bond prior to its stated maturity date. These provisions identify which bonds may be called, when they may be called, and what premium, if any, must be paid upon redemption prior to the stated maturity date of the bond.

Capitalized Interest: Specific interest payments of a bond issue which are funded in advance, or capitalized, through proceeds of the same bond issue. These proceeds are set aside in a specially designated fund in order to pay these designated interest payments.

Current Refunding: A refunding transaction where the municipal securities being refunded will all mature or be redeemed within 90-days or less from the date of issuance of the refunding issue.

Debt Affordability: The principal amount of debt that an issuer can afford within the constraints of net revenues and debt coverage requirements.

Debt Service Coverage: The ratio of the net revenue stream pledged against a debt to the debt service payments to the debt. Debt service coverage ratios are most often used by rating agencies to determine repayment sufficiency with respect to bonds secured by a specific revenue stream.

Debt Service Reserve Fund: Traditional bond issues are structured with a debt service reserve fund, which assures the timely availability of sufficient funds for the repayment of debt service in the event that an issuer cannot make the required debt service payment(s). Typically, the required size of the reserve fund is determined by the lesser of: 100% of maximum annual debt service; 125% of average annual debt service; or 10% of the aggregate issue price. Reserve funds are usually fully funded out of bond proceeds and are set-aside in a separate fund, as long as the debt service fund is fully funded, and can only be used to offset debt service payments.

Defeasance: Termination of rights and interests of the bondholders and their lien on the pledged revenues or other security in accordance with the terms of the bond contract for an issue of bonds. Defeasance usually occurs in connection with the refunding of an outstanding issue after provision has been made for future payment of all obligations under the outstanding bonds through funds provided by the issuance of a new series of bonds.

Derivative Product: A product, such as an option or futures contract, whose value is derived from the performance of an underlying security. A commonly used derivative is an interest rate swap. See Section IV for additional details.

Discount Rate: The interest rate used for adjusting for the time value of money for net present value calculations, option pricing models, and other market models. The term “discount rate” can also refer to the rate that the Federal Reserve Bank charges its members for overnight deposits.

Good Faith Deposit: A sum of money or, alternatively, a surety bond provided to an issuer of a new issue of municipal securities by an underwriter or underwriting syndicate as an assurance of performance on its offer to purchase the issue. Good faith deposits are sometimes required in connection with competitive sales.

Hedging: A strategy designed to reduce investment risk. A hedge can help reduce the risk and volatility of a portfolio. A common hedging strategy includes matching the amount of short-term assets with the amount of short-term variable rate debt outstanding.

Letter of Credit: Two types of letter of credit are used in bond and other debt financings: standby letter of credit and direct pay letter of credit. They provide credit enhancement for debt issues by shifting the risk of repayment from the issuer to the bank issuing the letter of credit. Letters of credit are

usually required for the issuance of variable rate debt. Letters of credit also are used to provide liquidity.

A Standby Letter of Credit is an agreement issued by a commercial bank that commits the bank to pay a third party contingent upon the failure of bank's customer to perform under the terms of a contract or agreement with the beneficiary. Used as a substitute for a performance bond or payment guarantee, standby letters of credit are used mainly in the U.S where banks are legally barred from issuing certain types of guarantees. For bond or debt holders it serves as a secondary source of payment, in case the issuer fails to meet its payment obligations.

A Direct Pay Letter of Credit is an agreement issued by a commercial bank that commits the bank to pay third parties upon a request presented by the beneficiaries to the bank issuing the direct pay letter of credit.

Line of Credit: An arrangement in which a bank or other financial institution extends a specified amount of unsecured credit to a specific borrower for a specified time period.

Maturity Date: The date upon which a specified amount of debt principal or bonds matures, or becomes due and payable by the issuer of the debt.

Negotiated Sale: A method of sale of bonds, notes or other financing vehicles in which the issuer selects in advance, on the basis of proposals received or by other means, one or more underwriters to work with it in structuring, marketing and finally offering an issue to investors. See Section V for additional details.

Net Revenue: Gross revenues less operating and maintenance expenses.

Official Statement: A comprehensive statement issued by the governmental entity prior to the sale of bonds, notes, or other financing vehicles that contains all the salient facts concerning the issuer, the issuer's financial condition, the security pledged for the securities being offered, the projected use of the proceeds of the sale, and other facts deemed necessary to enable the investor to judge the quality of the securities being offered. This is also known the Disclosure Statement.

Private Placement: A private placement is a variation of a negotiated sale in which an issuer, usually with the help of a financial advisor or placement agent, will attempt to place the entire issue directly with an investor. The investor will negotiate the specific terms and conditions of the financing before agreeing to the purchase of the issue.

Redemption: Depending on an issue's call provisions, an issuer may on certain dates and at certain premiums, redeem or call specific outstanding maturities. When a bond or certificate is redeemed, the issuer is required to

pay the maturities' par amount, the accrued interest to the call date, plus any premium required by the issue's call provisions.

Senior Lien Debt: Debt whose terms require it to be repaid with a priority claim on pledged revenues.

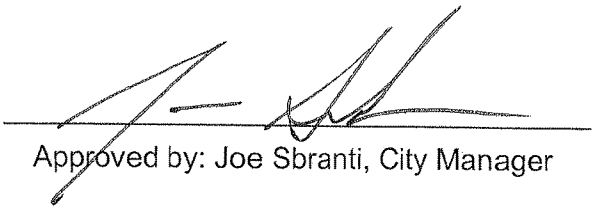
Subordinate Lien Debt: Debt whose terms require it to be repaid with pledged revenues net of the amount necessary to make debt service payments on senior lien debt.

Surety Bond: An alternative to a fully funded debt service reserve fund. A surety bond can be purchased from a bond insurance provider to fulfill the role of debt service reserve fund and can be drawn upon in the event an issuer cannot make a regularly scheduled debt service payment. A surety bond must be purchased and is subject to credit approval by a bond insurance provider. The provider charges an upfront fee for the surety bond.

Weighted Average Maturity: With respect to an issue of bonds, the weighted period of time required to repay half of the issue through scheduled principal payments. The weighted average maturity is also referred to as the "weighted average life" or "average life" reflects how rapidly the principal of an issue is expected to be paid. Under one commonly used calculation method, average life is equal to the total bond years divided by the total number of bonds.

Yield: The net rate of return, as a percentage, received by an investor on an investment. Yield calculations on a fixed income investment, such as a bond issue, take purchase price and coupon into account when calculating yield to maturity.

City Manager's Office
Administrative Order No: 047
Issued: July 21, 2010
Amended: January 3, 2012



Approved by: Joe Sbranti, City Manager

SUBJECT: GRANT MANAGEMENT PROCESS

PURPOSE:

Grant revenues have become an important part of the City's overall resource picture, especially in funding capital improvements. Actively seeking grant revenues that assist in achieving identified City goals and objectives play an important role in the City's financial strategies. Once the City receives a grant, it is equally important that the City spend the grant funds in a way that is consistent with the grant guidelines established by the funding agency or foundation. Thus, the purpose of this policy is to set forth an overall framework for guiding the City's use and management of grant resources.

- Establish general concepts and framework for seeking and managing grant programs.
- Identify roles and responsibilities in managing grant programs.
- Set policy in complying with Single Audit Act requirements.

ROLES AND RESPONSIBILITIES

Administering Department

1. Develop systems for maintaining ongoing information regarding grant availability within the department's functional areas of responsibility,
2. Evaluate benefits and costs of specific grant programs on a case-by-case basis including:
    a. Purpose of the grant program and its consistency with identified City goals and objectives.
    b. Additional staffing, office space, facilities, supplies or equipment that will be required if the grant is awarded,
    c. On-going impact of the grant program after it is completed.
    d. Responsibilities of other departments and impacts on them in preparing the grant application or performing scope if the grant is approved.
    e. Amount of indirect costs to be recovered from the grant.
    f. Total program costs, including portion funded through grant revenues and

any required City contribution.

g. Source of funding for any required City share.

h. Compliance and audit requirements, paying special attention to those areas where the grantor's administrative procedures are different from the City's.

3. Prepare grant applications.
    a. Work with the granting agency in identifying special program requirements and developing strategies for preparing a successful grant application.
    b. Complete grant application documents.
    c. Coordinate with affected departments as necessary.
4. Prepare appropriate staff report for approval of the grant by the City Council.
    a. City Council must first approve any grant money not already accounted for in the budget.
    b. Staff report must include a copy of the Grant Summary Form.
    c. Administering Department will forward a copy of the grant agreement to Finance.
    d. Administering Department will forward a copy of any cost sharing requirements.
5. Prepare and submit invoices including financial reports and progress reports as required by granting agency.
    a. Responsible for timely submission of invoices and progress reports.
    b. Ensure grant funds and expenditures are accounted and recorded properly. All reported expenditures should reconcile with the general ledger as provided by the finance department.
    c. Completed report to be reviewed and approved by administering department's management and the finance department prior to submitting to the granting agency.
    d. Timely submission of employment status reports as required even when there are no changes.
6. Maintain copies of submitted documents and invoices for audit purposes.
7. Responsible for any requests for budget modifications requests to extend the grant period.
    a. Submit copies of the approved requests to Finance.
    b. Maintain copies.
8. On-site monitoring visit.
    a. Retain the original monitoring report and any grantee responses in the administering department grant file.

b. Submit a copy of the report and any grantee responses to Finance audit purposes.

City Council

Approves all grant applications, accepts/appropriates grant funds, and delegates receipt and contract execution to the City Manager if delegation is allowed by the grantor agency.

City Manager

Receives grants and executes related contract documents when delegated to do so by the

Council. Approves and maintains grant management policies.

City Clerk

Maintain and secure original grant documents in the City's vault including the original application for an approved grant, a copy of the guidelines and the signed funding agreement.

Finance Department

1. Establish and assign a grant revenue account number and a grant expenditure account number. Notify the administering department of the account numbers.
2. Establish the grant budget by processing a budget transfer form.
    a. Maintain a copy of the budget transfer form and any related council approved documents.
        i. Forward a copy to the administering department.
        ii. Maintain grant files in accordance with any Federal, State, and local guidelines/laws applicable to the agreement as well as Generally Accepted Accounting Principles.
3. Responsible for receipting all grant revenue checks to the appropriate grant revenue account.
4. Review invoices for payment and ensure they are coded appropriately to the correct grant program account numbers.
5. Prepare and submit the financial reports to the administering department on a quarterly basis and by any deadlines as set forth in grant agreement.
    a. Maintain a copy in the finance department. Responsible for drawing down grant funds in a timely manner for reimbursable grant funds in accordance with the grant award or grant agreement, and will also prepare the applicable

journal entries.

6. Review and approve grant reports and invoices prior to submission to the granting agency. Ensure reported expenditures are recorded and reconciled with the general ledger.

Single Audit Act Requirements

(OMB Circular A-133 Compliance Supplement)

To ensure compliance for federally awarded grant programs, the City must administer the following procedures:

1. Completion of the Grant Summary Form (must include name of the federal grantor/pass through agency, program title, federal CFDA number, grantor/pass through grant number).
2. Timely submission of reports including the processing of the monthly employment status reports. Invoices on federally awarded projects are submitted on a semi-annual basis. Other grant programs from pass through agencies may require more frequent reporting submissions.
3. Invoices are reviewed and approved by the finance department to ensure timely and accurate recording of expenditures and reconciliation to the general ledger.
4. Invoices are reviewed and approved by the administering department's management prior to submission.
5. Maintain copies of grant documents and submitted documents on file for reference and audit purposes.

Quarterly Grant Oversight Meetings

The Finance and Administering Department staff who are responsible for grants shall meet on a quarterly basis to review grant funded programs and projects to ensure the City is in compliance with grant requirements. The Director of Finance will convene the quarterly grant oversight meetings.

Grant Summary Form

This form is available on the H:Drive/ Finance Forms/Grant Summary Form.

City of Pittsburg

GRANT PROGRAM SUMMARY

GENERAL INFORMATION

Grant Title	Grant No./CFDA No.
City of Pittsburg Grant Account Codes	**City Council Resolution No.**

General Description of the Grant Scope of Work/Reporting Requirements

Granting Agency	Agency Contact/Email Address
Pass-through Agency	**Pass-through No.**

Type of Grant (circle)	Federal	State	County	Other
Method of Funding (circle)	Advance	Reimbursement		
Frequency of Funding (circle)	Monthly	Quarterly	Annually	At Completion

Funding Period	Total Grant Amount ($)	City Matching Funds (Amount & Source)
Responsible Department	**Department Contact**	**Phone No.**

Council Approval Date	Application Date	Award date	Estimated Completion Date

GRANT COST AND REVENUE SUMMARY

Program Cost Summary	Total ($)	Grant Portion ($)
Staffing		
Contract Services		
Supplies and Other Operating Expenditures		
Capital Outlay		
Indirect Costs		
Totals		

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

An Ordinance of the City of Pittsburg)
Amending Chapter 3.26.030 of the Pittsburg) ORDINANCE NO. 17-1432
Municipal Code Relating to Fiscal)
Sustainability and Reserve Funds)

The City Council of the City of Pittsburg DOES ORDAIN as follows:

SECTION 1. Recitals.

A. In order to ensure the fiscal sustainability of the City, the City desires to protect its revenues and ensure proper fiscal responsibility; and
B. The City desires to maintain a reserve funds in case of an emergency; and
C. The City desires to maintain a minimum balance in the City's Budget Stabilization Fund; and
D. By ensuring minimum funding levels for reserve funds, the City desires to minimize the need to rely on one-time measures and funding sources to balance its budget, while protecting the City from major deficits and over spending.

SECTION 2. Adding Chapter 3.26 "Fiscal Sustainability and Reserve Funds" to Title 3 "Revenue and Finance" of the Pittsburg Municipal Code

Title 3 "Revenue and Finance" of the Pittsburg Municipal Code is hereby amended to include Chapter 3.26 "Fiscal Sustainability and Reserve Funds," which shall read as follows:

Section 3.26.010 Purpose and Definitions.

A. The purpose of this chapter is to establish policies and procedures to ensure the City maintains unappropriated fund balances, "Reserves" in the City's funds.

B. For purposes of this Ordinance, the following terms shall have the following meanings:

1. "City's Operating Expenses" shall mean the City's General Fund operating expenses of the City as set forth in the City's annual budget which generally includes staff costs and operating expenses of the City, and excludes the capital project appropriations.

2. "One-time Revenues" shall mean those revenues that the City receives on a one-time or non-regular basis. For example, such revenues may include, but are not limited to, proceeds from the sale of surplus land, one-time unexpected sales tax allocations associated with capital improvements from local retailers, grants, lump sum payments of project fees, non-reoccurring sales tax of fee revenue, etc.

3. "Unappropriated Reserves" shall mean unappropriated operating revenues excluding capital project and program appropriations which originate from funding sources that are restricted to projects or programs.

Section 3.26.020 General Fund Account

There is established a "General Fund" into which all sums of money collected by the City for any purpose whatsoever shall be deposited, unless otherwise provided by ordinance or resolution directing the deposit into a specific fund other than the General Fund.

Section 3.26.030 General Fund Reserves

A. There is established within the General Fund, a "General Fund Reserve", which shall be used for emergencies, including for example, natural disasters and costs associated with such natural disasters.
B. At each and every budget cycle, commencing with FY 2013-14, and every year thereafter, money from the General Fund shall be unappropriated, and shall be deposited into the General Fund Reserve. The minimum funding level within the General Fund Reserve shall be thirty percent (30%) of the City's General Fund Operating Expenses. However, the City Council shall, on a best efforts basis, take such steps as necessary to achieve the minimum General Fund Reserve level during the budget process each year through fiscal year 2017/18. Afterward, the minimum funding levels will become mandatory as defined by this ordinance.
C. The thirty percent (30%) minimum funding level within the General Fund Reserve of the City's General Fund Operating Expenses shall consist of the following:
    1. A minimum of two-thirds of the 30% (i.e., 20%) shall be held in cash and liquid investments consistent with the City's Investment Policy; and
    2. An amount not to exceed one-third of the 30% (i.e., up to 10%) may be held in real property owned and designated by the City, where such real property has an appraised value of at least 125% of the dollar amount which the real property constitutes within the City's General Fund Reserve.
D. Before the City sells, or otherwise encumbers in such a manner as to significantly impair the value of, any real property referenced in Section C.2 above, the City shall comply with Section E hereof and:
    1. Identify replacement real property prior to the sale or encumbrance of the current designated property, provided that the City Council approves such replacement;
    2. Direct proceeds from the sale or encumbrance of the current designated property into the General Fund Reserve to maintain the minimum required funding;
    3. Increase the amount held in cash or liquid investments to maintain the minimum required funding; or
    4. Take any combination of the above actions, such that the City maintains the minimum required funding.
    5. Should the sale of any property result in the General Fund Reserve balance being greater than the 30% minimum funding level, the proceeds in excess of the 30% minimum funding level will be deposited into the Budget Stabilization Fund or handled in accordance with the requirements of the Ordinance.
E. To designate real property as being held to satisfy the City's minimum General Fund Reserve requirement under Section C.2 above, the City shall identify the property by APN and/or address by a resolution adopted at a public hearing at a duly noticed regular City Council meeting. The City may remove the real property

from this designation only by a subsequent resolution adopted at a public hearing at a duly noticed regular City Council meeting.

Section 3.26.040 Budget Stabilization Fund

A. There is established a "Budget Stabilization Fund" which shall provide the City a cushion to help absorb costs during economic downturns and/or budget shortfalls.
B. The target minimum funding level within the Budget Stabilization Fund shall be no less than $2.0 million dollars or five percent (5%) of the City's General Fund Operating Expenses, whichever is greater. The City Council shall, on a best efforts basis, take such steps as necessary to meet the minimum funding level during the budget process each year.
C. The target maximum funding level for the Budget Stabilization Fund shall be no more than $7.5 million dollars or twenty-five percent (25%) of the annual City's General Fund Operating Expenses, whichever is greater.
D. Additional Deposits into the Budget Stabilization Fund shall include:
    1. One-time General Fund Revenues and/or projected recurring revenues that exceed ten percent (10%) or more from the previous fiscal year shall be deposited into the Budget Stabilization Fund.
    2. Fiscal year-end General Fund surpluses shall also be deposited into the Budget Stabilization Fund.
E. Appropriations from the Budget Stabilization Fund require a majority vote of the City Council, and may be made in order to balance the General Fund budget.

Section 3.26.050 Infrastructure Repair and Replacement Fund

A. There is established an "Infrastructure Repair and Replacement Fund" which shall provide funding for additional repairs and capital improvements projects related to the City's infrastructure including streets, roads, parking lots, and storm drains.
B. Once the Budget Stabilization Fund reaches the maximum funding level, seventy five percent (75%) of the available, excess revenues that would normally be placed into the Budget Stabilization Fund shall be deposited into the Infrastructure Repair and Replacement Fund.
C. Appropriations from the Infrastructure Repair and Replacement Fund shall require a majority vote of the City Council.

Section 3.26.060 Other Post-employment Benefits (OPEB) Fund

A. There is established an "Other Post-employment Benefits ("OPEB") Fund" which shall be available to provide funding to reduce the City's General Fund's portion of unfunded OPEB liabilities, including for example, retiree health benefits.
B. Once the Budget Stabilization Fund reaches the maximum funding level, twenty five percent (25%) of the available, excess revenues that would normally be placed into the Budget Stabilization Fund shall be deposited into the OPEB Fund.
C. Appropriations from the OPEB Fund shall require a majority vote of the City Council.

Section 3.26.070 Internal Service Fund Reserves

A. The City maintains the following Internal Service Funds which provides funding to allocate costs for services provided to all City departments:
    1. Information and Communication Systems
    2. Fleet Maintenance
    3. Building Maintenance
    4. Fringe Benefits
    5. Liability Insurance

B. It is established within each of these Internal Services Funds an Unappropriated Reserve which shall be used for emergencies, including for example, natural disasters and costs associated with such natural disasters. At each and every budget cycle, commencing with FY 2013-14, and every year thereafter, the unappropriated reserve level within Internal Services Funds shall be thirty percent (30%) of the Internal Services Funds' annual budget excluding capital project and equipment appropriations. However, the City Council shall, on a best efforts basis, take such steps as necessary to achieve the minimum Internal Services Funds' Reserve levels during the budget process each year through fiscal year 2017/18. Afterward, the minimum funding levels will become mandatory as defined by this ordinance. The thirty percent (30%) reserve level may be exceeded.

Section 3.26.080 Enterprise Fund Reserves

A. The City maintains the following enterprise funds for enterprise operations:
    1. Water
    2. Sewer
    3. Waterfront Operations
    4. Marina

B. It is established within each of these Enterprise Funds an Unappropriated Reserve which shall be used for emergencies, including for example, natural disasters and costs associated with such natural disasters. At each and every budget cycle, commencing with FY 2013-14, and every year thereafter, the target unappropriated reserve level within each Enterprise Fund Reserves shall be thirty percent (30%) of each Enterprise Fund's fiscal year operating expenses, excluding capital project appropriations. However, the City Council shall, on a best efforts basis, take such steps as necessary to achieve the minimum Enterprise Funds' Reserve levels during the budget process each year through fiscal year 2017/18. Afterward, the minimum funding levels will become mandatory as defined by this ordinance. The thirty percent (30%) reserve level may be exceeded.

Section 3.26.090 Council Action Required

Except as otherwise stated in this Chapter, any variance from the policies established within this Ordinance, shall require adoption of a City Council resolution by a 4/5 vote of the City Council. The Council resolution shall set forth the following:

A. A statement of findings supporting the appropriation of reserves or temporary modification of funding levels required by this ordinance; and

B. A plan for replenishing the reserves within a reasonable time period when the appropriation causes a reserve to fall below minimum funding levels; and
C. A description of the circumstances or event constituting an emergency.

SECTION 3. Effective Date

This ordinance shall be in full force and effective thirty (30) days after its adoption.

SECTION 4. Publication

The City Clerk shall either (a) have this ordinance published once within 15 days after adoption in a newspaper of general circulation or (b) have a summary of the ordinance published twice in a newspaper of general circulation, once 5 days before its adoption and again 20 days after adoption.

The foregoing ordinance was introduced at a meeting of the City Council of the City of Pittsburg held on June 5, 2017 and was adopted and ordered published at a meeting of the City Council held on June 19, 2017 by the following vote:

AYES:	Banales, Evola, Killings, Longmire, Craft
NOES:	None
ABSTAINED:	None
ABSENT:	None

Marilyn Craft, Mayor

ATTEST:

Alice E. Evenson, City Clerk

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

DATE: 5/23/2017

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Introduction and Waive First Reading of an Ordinance Amending Section 3.26.030 of the Pittsburg Municipal Code Relating to Fiscal Sustainability and Reserve Funds

MEETING DATE: 6/5/2017

EXECUTIVE SUMMARY

The Proposed Fiscal Sustainability Ordinance ("Ordinance") amendment will clarify the definition of the components of the existing General Fund Reserve that make up the established minimum unappropriated reserve balances at 30% of operating expenses for City's General Fund.

FISCAL IMPACT

There is no direct fiscal impact from adopting the proposed Ordinance Amendment. However, through adoption of the Amendment, the City is helping to ensure there will be sufficient funds available in the event of an emergency and to ensure one-time revenues are available to help balance future budgets.

RECOMMENDATION

City Council adopt the proposed Ordinance change allowing real property to be utilized in the General Fund Balance Reserve calculation.

BACKGROUND

Through Resolution 05-10414 the City Council created a Budget Stabilization Fund for the City's General Fund in FY 2004-05 with one-time savings to be used in the future as "rainy day" funds to help offset negative financial impacts caused by economic downturns. This resolution established a minimum General Fund reserve of 15% of the annual General Fund operating budget. The Government Finance Officers Association (GFOA) recommends reserves equal to at least 15% of operating expenses.

Beginning with the FY 2010-11 budget process, staff developed a multi-year General Fund balancing plan (currently called the 7-year General Fund Balancing Plan) that projected General Fund expenditures and revenues using somewhat conservative assumptions and programmed the amount of Budget Stabilization Funds the City could annually draw down to balance future General Fund budgets. During the FY 2011-12 budget process, the City Council established that the City could not use more than $2 million from the Budget Stabilization Fund to balance the General Fund budget in any given fiscal year. The goal of the multi-year General Fund balancing plan has been to gradually balance the City's General Fund budget through revenue increases, expenditure reductions, and use of the Budget Stabilization Fund by FY 2017-18 such that total operating revenues meet or exceed total General Fund operating expenses.

Concurrent with developing a multi-year General Fund balancing plan, the Staff began working on developing a fiscal sustainability ordinance which established minimum reserve levels for the City's various operating funds as well as establish guidelines for the City's Budget Stabilization Fund.

Due to events beyond the control of the City, staff now realizes that to maintain compliance with the Fiscal Sustainability Ordinance starting in FY 2018-19 a change was necessary to the Ordinance 12-1363 which was approved December 17, 2012.

The proposed amendment adds clarification language to Section 3.26.030 of the ordinance defining the makeup of the 30% General Fund Reserve by adding paragraph C, D & E as follows:

CURRENT PMC PROVISIONS: Section 3.26.030 General Fund Reserves

A. There is established within the General Fund, a "General Fund Reserve", which shall be used for emergencies, including for example, natural disasters and costs associated with such natural disasters.
B. At each and every budget cycle, commencing with FY 2013-14, and every year thereafter, money from the General Fund shall be unappropriated, and shall be deposited into the General Fund Reserve. The minimum funding level within the General Fund Reserve shall be thirty percent (30%) of the City's General Fund Operating Expenses. However, the City Council shall, on a best efforts basis, take such steps as necessary to achieve the minimum General Fund Reserve level during the budget process each year through fiscal year 2017/18. Afterward, the minimum funding levels will become mandatory as defined by this ordinance.

PROPOSED AMENDMENT

Add the following:

C. The thirty percent (30%) minimum funding level within the General Fund Reserve of the City's General Fund Operating Expenses shall consist of the following:

1. A minimum of two-thirds of the 30% (i.e., 20%) shall be held in cash and liquid investments consistent with the City's Investment Policy; and

2. An amount not to exceed one-third of the 30% (i.e., up to 10%) may be held in real property owned and designated by the City, where such real property has an appraised

value of at least 125% of the dollar amount which the real property constitutes within the City's General Fund Reserve.

D. Before the City sells, or otherwise encumbers in such a manner as to significantly impair the value of, any real property referenced in Section C.2 above, the City shall comply with Section E hereof and:

1. Identify replacement real property prior to the sale or encumbrance of the current designated property, provided that the City Council approves such replacement;

2. Direct proceeds from the sale or encumbrance of the current designated property into the General Fund Reserve to maintain the minimum required funding;

3. Increase the amount held in cash or liquid investments to maintain the minimum required funding; or

4. Take any combination of the above actions, such that the City maintains the minimum required funding.

5. Should the sale of any property result in the General Fund Reserve balance being greater than the 30% minimum funding level, the proceeds in excess of the 30% minimum funding level will be deposited into the Budget Stabilization Fund or handled in accordance with the requirements of the Ordinance.

E. To designate real property as being held to satisfy the City's minimum General Fund Reserve requirement under Section C.2 above, the City shall identify the property by APN and/or address by a resolution adopted at a public hearing at a duly noticed regular City Council meeting. The City may remove the real property from this designation only by a subsequent resolution adopted at a public hearing at a duly noticed regular City Council meeting.

SUBCOMMITTEE FINDINGS

The Finance Committee reviewed the proposed Ordinance change at its meeting on May 11, 2017 and recommended that staff bring it to the City Council for review and adoption.

STAFF ANALYSIS

The existing Fiscal Sustainability Ordinance established the minimum unappropriated reserves at 30% of operating expenses for the General Fund Balance and further restricted the reserve amount to be held from money as per paragraph B above, "money from the General Fund shall be unappropriated, and shall be deposited into the General Fund Reserve".

The proposed Fiscal Sustainability Ordinance amendment will allow for up to 10% of the reserves to be held in real property with a value of at least 125% of the dollar amount being utilized. The ability to use real property is an acceptable practice per Governmental Financial Officers Association (GFOA) and staff has also confirmed with the City's external auditors, Maze & Associates, that holding of real property is an acceptable practice among Cities.

Finally, the proposed Ordinance Amendment requires adoption of a City Council resolution by a 4/5 vote from the City Council to vary the policies established within the established ordinance.

ATTACHMENTS: Amended Fiscal Sustainability Ordinance

Report Prepared By: Brad Farmer, Director of Finance

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

DATE: 6/6/2017

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Adoption of an Ordinance Amending Section 3.26.030 of the Pittsburg Municipal Code Relating to Fiscal Sustainability and Reserve Funds

MEETING DATE: 6/19/2017

EXECUTIVE SUMMARY

The Proposed Fiscal Sustainability Ordinance ("Ordinance") amendment will clarify the definition of the components of the existing General Fund Reserve that make up the established minimum unappropriated reserve balances at 30% of operating expenses for City's General Fund.

FISCAL IMPACT

There is no direct fiscal impact from adopting the proposed Ordinance Amendment. However, through adoption of the Amendment, the City is helping to ensure there will be sufficient funds available in the event of an emergency and to ensure one-time revenues are available to help balance future budgets.

RECOMMENDATION

City Council adopt the proposed Ordinance change allowing real property to be utilized in the General Fund Balance Reserve calculation.

BACKGROUND

Through Resolution 05-10414 the City Council created a Budget Stabilization Fund for the City's General Fund in FY 2004-05 with one-time savings to be used in the future as "rainy day" funds to help offset negative financial impacts caused by economic downturns. This resolution established a minimum General Fund reserve of 15% of the annual General Fund operating budget. The Government Finance Officers Association (GFOA) recommends reserves equal to at least 15% of operating expenses.

Beginning with the FY 2010-11 budget process, staff developed a multi-year General Fund balancing plan (currently called the 7-year General Fund Balancing Plan) that projected General Fund expenditures and revenues using somewhat conservative assumptions and programmed the amount of Budget Stabilization Funds the City could annually draw down to balance future General Fund budgets. During the FY 2011-12 budget process, the City Council established that the City could not use more than $2 million from the Budget Stabilization Fund to balance the General Fund budget in any given fiscal year. The goal of the multi-year General Fund balancing plan has been to gradually balance the City's General Fund budget through revenue increases, expenditure reductions, and use of the Budget Stabilization Fund by FY 2017-18 such that total operating revenues meet or exceed total General Fund operating expenses.

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Add the following:

C. The thirty percent (30%) minimum funding level within the General Fund Reserve of the City's General Fund Operating Expenses shall consist of the following:

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2. An amount not to exceed one-third of the 30% (i.e., up to 10%) may be held in real property owned and designated by the City, where such real property has an appraised

value of at least 125% of the dollar amount which the real property constitutes within the City's General Fund Reserve.

D. Before the City sells, or otherwise encumbers in such a manner as to significantly impair the value of, any real property referenced in Section C.2 above, the City shall comply with Section E hereof and:

1. Identify replacement real property prior to the sale or encumbrance of the current designated property, provided that the City Council approves such replacement;

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Finally, the proposed Ordinance Amendment requires adoption of a City Council resolution by a 4/5 vote from the City Council to vary the policies established within the established ordinance.

ATTACHMENTS: Amended Fiscal Sustainability Ordinance

Report Prepared By: Brad Farmer, Director of Finance

City Manager's Office
Administrative Order No: 057
Issued: 03/2014

Approved by: Joe Sbranti
City Manager

Subject: **Interfund Transfer Policy**

Purpose: **To ensure that the policies and procedures related to administration and accounting for interfund transactions are documented, communicated, clearly understood, and consistently applied.**

Policy:

Interfund transfer transactions can be divided into two main categories with various subcategories

1. Revenues and expenditures/expenses
   - A. Quasi-external transactions
   - B. Reimbursements

2. Reallocations of resources
   - A. Temporary -- interfund loans and advances
   - B. Permanent
     - (i) Contributed Capital (Capitalized)
     - (ii) Operating Transfer (operating subsidies)

1.A. Quasi-External Transactions

Definition

A quasi-external transaction is one of two transaction types that do not constitute transfers, but are appropriately accounted for as fund revenues, expenditures or expenses (payments for services). The following are the most common examples of quasi-external transactions:

- Enterprise Fund charges for goods or services to other funds based on actual costs incurred (the General Fund receives an invoice for utility services from an enterprise fund).

- Internal Services Fund charges for goods or services to other funds usually based on actual costs incurred.

Accounting

Quasi-external funds will be recorded as revenues in the receiving fund and expenditures in the paying fund.

1.B. Reimbursements

Definition
On occasion, governments provide services from one fund to another and classify the payment as reimbursement revenue. This occurs most often when the General Fund charges other funds for services rather than using an interfund service fund for this activity. If the intent is to provide the service by the General Fund to the user fund, the transaction revenue should be classified as charges for services rather than reimbursements. Examples are:

- The Utility Billing function is in the City's General Fund but the services are for the Water and Sewer Fund.
- The General Fund charges administrative overhead to other funds.

Accounting

Record the charges as revenue and costs as expenditure.

2.A. Interfund Loans & Advances

Definition

Loans from one fund to another should be recorded as interfund loans receivable and payable. The governing body of the reporting entity should authorize the loans, including the amount, the estimated dates of repayment and whether or not interest costs will be charged.

Due to and due from other funds are used to record temporary funding from one fund to another fund.

Advance to and from other funds, is an asset or liability account used to record the non-current portions of long term loans between funds.

Accounting

Record transaction as Interfund Receivable and Payable.

2.B.(i) Contributed Capital

Definition

This is permanent or long term movement of resources. Such transfers must be contributions restricted to capital outlays or the return of such contributions. Examples are:

- Capital improvement projects for the Marina area are funded by various City funding sources. At year end, the asset is transferred to the Marina fund and recorded as contributed capital.

- The Water Facilities Fund transfers capital assets to the Water Fund.

Accounting

Increase the equity (assets) of the recipient fund and decrease equity (fund balance) in the contributed fund.

2.B.(ii) Operating Transfers

Definition

Operating Transfers are periodic transfers made primarily to provide an operating subsidy to another fund. Operating transfer are authorized by the budget. Examples of operating transfers are:

- Transfer from the General Fund to the Landscape & Lighting Fund to subsidize operating expenses.

- Transfer from Pittsburg Power Fund to the General Fund to help fund General Fund expenses.

Accounting

Operating Transfers will be recorded as "Transfers In" by the receiving fund and "Transfers Out" by the paying fund. The transactions will be reported under "Other Financing Sources and Uses" in annual Financial Statement.

Operating transfers must be treated consistently by all funds Involved in the transfer. Operating transfers-in for City funds must be in balance with operating transfers-out for all City Funds.

CITY OF PITTSBURG
INVESTMENT POLICY

I. Statement of Purpose and Adoption of Policy

It shall be the investment policy of the City of Pittsburg (the "City") that all funds not required for immediate expenditures are invested in compliance with this statement, as well as applicable federal, state and local legislation governing the investment of public funds. Funds shall be invested in a manner that will provide the highest investment return with the appropriate level of security, while meeting the daily cash flow demands of the City.

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

The City has a responsibility to monitor 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 systemic investment process. The initial step toward a prudent investment policy is to organize and formalize investment related activities. Related activities, which 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 opportunities.
The City's Investment Policy shall be adopted by resolution of City Council. The policy shall be reviewed at least annually by the City Treasurer, City Manager and the Finance Director, and any modification must be approved by City Council.

II. SCOPE

It is intended that this policy cover all operating funds and investment activities under the direct authority of the City. These funds are described in the City's Comprehensive Annual Financial Report and include its General Fund, Special Revenue Funds, Enterprise Funds, Trust and Agency Funds, Capital Project Funds and Successor Agency Trust Funds.

The Investment Policy applies to all transactions involving the financial assets and related activities of the foregoing funds. Except for cash held in separate restricted funds, the City will pool cash balances from all funds for investments to maximize earnings and efficiencies concerning investment pricing, safekeeping and administration. Investment income will be allocated to the City's funds based upon

their respective average monthly balances and in accordance with Generally Accepted Accounting Principles (GAAP).

The employee's retirement and deferred compensation funds are not included. Bond proceeds are not covered under this policy and shall be governed by their applicable bond documents. However, if the bond documents are silent in regards to the investment of bond proceeds and reserves, the terms set forth in this policy shall govern the respective investment of bond proceeds.

III. OBJECTIVES AND PERFORMANCE STANDARDS

The overall program shall be designed and managed with a degree of professionalism worthy of the public trust. The City's primary investment objectives, in priority order, shall be:

1. **Safety:** Safety of principal is the foremost objective the City's investment program, followed by liquidity and yield. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the City's portfolio. To obtain this objective, the City will diversify its investment by investing funds among a variety of securities offering independent returns and financial institutions. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they are from securities default or erosion of market value. Investment decisions should not incur unreasonable investment risks in order to obtain current investment income.

2. **Liquidity:** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which 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. Maturities of investments for which there is limited opportunity for resale shall be staggered to maximize liquidity.

3. **Yield**: The City maintains an active investment strategy and its investment portfolio shall be designed to attain a rate of return which approximates benchmarks to be selected by the City's investment advisory committee throughout budgetary and economic cycles, taking into account the City's investment risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restricts the investment of funds.

IV. DELEGATION OF AUTHORITY

Pursuant to California Government Code 53607 and the City's Municipal Code, the City Council's management responsibility for the investment program is hereby delegated for a one-year period to the Finance Director who shall be responsible for the investment of idle funds consistent with this investment policy. Subject to review, the City Council may renew the delegation of authority pursuant to this section each year. The Finance Director may delegate these duties to his/her designee upon approval of the City Council. The day-to-day investment decision-

making and execution authority may also be delegated to an investment advisor under the supervision of the Finance Director. The investment advisor shall follow this Policy and such other written instructions as are provided.

V. PRUDENCE AND RISK TOLERANCE

The City recognizes that investment risks of the following can result from issuer defaults, market price changes or various technical complications leading to temporary liquidity:

1. Credit risk is the possibility that deterioration of an issuer's creditworthiness will adversely affect the value of its bonds or that an issuer will not make timely payments of interest or principal on its bonds (default). A decline in a bond issuer's credit rating, or creditworthiness, may cause prices for its outstanding bonds to decline. This shall be mitigated by limiting investments to those allowed under this policy and by diversification.

2. Market or Interest Rate risk, defined as market value fluctuations due to overall changes in market price, shall be mitigated by eliminating the need to sell securities prior to maturity and investing operating funds primarily in short-term securities, money market funds or similar investment pools, thereby limiting the average maturity of the portfolio. Investment shall be made with that degree of judgment and care, under circumstances then prevailing, which persons or prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the safety of their capital as well as the income to be derived.

The standard of prudence to be used by investment officers shall be the "prudent investor standard", and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the City's investment policy and exercising due diligence shall 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.

VI. INTERNAL CONTROLS

A system of internal controls will be maintained to assure compliance with Federal and State regulations, City Council direction, and prudent cash management procedures.

The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of the City. Controls deemed most important include: control of collusion, segregation of duties, separating transaction authority from accounting and recordkeeping, custodial safekeeping, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, documentation of transactions and strategies, and code of ethical standards. In addition, whenever

possible, pre-formatted wire transfers will be used to transfer funds to pre-authorized accounts.

1. The City Treasurer shall audit and examinee all investments made by the City, or its duly authorized personnel, at those times deemed necessary by him/her and shall in his/her discretion report his/her audit and examination to the City Council.

2. Investment Oversight Committee: Quarterly review of procedures and adherence to this Investment Policy is conducted by the Investment Oversight Committee. The Committee, established by the City Council, is comprised of the City Manager, Finance Director, and City Treasurer.

3. Annual Audit: The City's portfolio is included in the annual review of the City's financial management performed by an outside audit firm.

VII. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall not participate in personal business activity that could conflict with proper execution of the investment program or which could impair the ability to make impartial investment decisions. Such employees and investment officials shall disclose any material financial interests in financial institutions that conduct business with the City, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio.

VIII. ELIGIBLE INVESTMENTS

California Government Code Sections 53600 et. seq. provides basic investment limits and guidelines for government entities. Within the investments permitted by the Government Code, the City seeks to further restrict eligible investment to the investments listed below. In the event an apparent discrepancy is found between this policy and the Government Code, the more restrictive parameters will take precedence.

Rating requirements and percentage limitations, where indicated, apply *at the time of purchase*. In the event a security held by the City is subject to a rating change that brings it below the minimum specified rating requirement, the Finance Director shall notify the City Council of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rate drop, prognosis for recovery or further rate drops, and the market price of the security.

Eligible Investments

1. **Securities of the U.S. Government**:

   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. There is no limitation as to the percentage of the City's portfolio that may be invested in this category.

2. **Securities of U.S. Government Agencies**
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. There is no limitation as to the percentage of the City's portfolio that may be invested in this category.

3. California State and Local Agency Obligations

Obligations of the State of California or any local agency within the state that are general obligation bonds or essential service bonds secured with revenue from a water, sewer, power or electric system, provided that such obligations are rated in one of the top three rating categories by a NRSRO.

4. Other State Obligations

Registered treasury notes or bonds of any of the other 49 United States in addition to California, including general obligation bonds or essential service bonds secured with revenue from a water, sewer, power or electric system of any of the other 49 United States, in addition to California, provided that such obligations are rated in one of the top three rating categories by a NRSRO.

5. **Bankers Acceptances**

Time drafts or bills of exchange that are drawn on and accepted by a commercial bank and brokered to investors in the secondary market. Purchasers are limited to issuers whose short-term debt is rated in the highest short-term rating category by a nationally recognized statistical-rating organization. Banker's acceptances cannot exceed a maturity of 180 days. A maximum of 40% of the City's portfolio may be invested in this category.

6. **Commercial paper**

The City may purchase commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (A) or paragraph (B):

(A) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars ($500,000,000). (iii) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization.

(B) The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10 percent of the outstanding paper of an issuing corporation. A maximum of 25 percent of the City's portfolio may be invested in this category.

7. **Negotiable Certificates of Deposit (NCDs)**

Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state or federally licensed branch of a foreign bank. Purchases are limited to institutions rated in one of the two highest rating categories by a nationally recognized statistical-rating organization. A maximum of 30 percent of the City's portfolio may be invested in this category.

8. **Time Deposits**

The City may invest in non-negotiable time deposits (CDs) that are FDIC insured or fully collateralized in financial institutions located in California, including United States branches of foreign banks licensed to do business in California.

To be eligible for purchase, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided Government Code Section 53635.2. Purchase are further limited to financial institutions meeting all capital requirements and rated in one of the three highest rating categories by a nationally recognized statistical-rating organization .All time deposits must be collateralized in accordance with California Government Code sections 53650 et. seq. The City, at its discretion, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance. The maximum maturity of a time certificate of deposit shall not exceed 1 year. A maximum of 30 percent of the City's portfolio may be invested in this category.

9. **Repurchase Agreements**

The City may enter into repurchase agreements with primary government securities dealers rated in the one of the three highest categories by two nationally recognized rating services. Counterparties should also have (i) a short-term credit rating in the highest category; (ii) minimum assets and capital size of $25 billion in assets and $350 million in capital; (iii) five years of acceptable audited financial results; and (iv) a strong reputation among market participants.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities will be acceptable collateral. All securities underlying repurchase agreements must be delivered to the City's

custodian bank delivery versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed 102 percent of the total dollar value of the money invested by the City for the term of the investment. For any repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on a weekly basis according to market conditions. Since the market value of the underlying securities is subject to daily market fluctuations, the investment in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day. Market value must also be calculated each time there is a substitution of collateral.

The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The City shall have properly executed a master repurchase agreement with each counter party with which it enters into repurchase agreements. Repurchase agreements are to be used solely as short-term investments not to exceed 90 days. A maximum of 15 percent of the City's portfolio may be invested in this category.

10. **Medium Term Notes**

Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities rated in one of the three highest categories by a nationally recognized statistical-rating organization. A maximum of 30 percent of the City's portfolio may be invested in this category.

11. Asset-Backed Securities

A mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision must be rated in one of the two highest rating categories by a nationally recognized statistical-rating organization and shall be issued by an institution rated in one of the three highest rating categories by a nationally recognized statistical-rating organization. A maximum of 20 percent of the City's portfolio may be invested in this category.

12. **Supranational Securities**

United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Securities eligible for investment under this subdivision must be rated in one of the two

highest rating categories by a nationally recognized statistical-rating organization. A maximum of 30 percent of the City's portfolio may be invested in this category.

13. **Money Market Funds**

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 purchase, the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

(B) Retained an investment adviser 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.

A maximum of 20 percent of the City's portfolio may be invested in this category.

14. **State of California's Local Agency Investment Fund (LAIF)**

The Local Agency Investment Fund was established by the State to enable local agency treasurers to place funds in a pool for investment (California Government Code Section 16429.1 et seq.). The City uses this investment vehicle for short-term liquidity, investment, and yield when rates are declining. Funds are available on demand and interest is paid quarterly. The City may invest up to the maximum permitted by the LAIF.

15. **California Asset Management Program (CAMP)**

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests the securities and obligations authorized in subdivisions (a) to (n), inclusive, of Government Code Section 53601.

Summary of Investment Requirements[1]

Investment Type	City Minimum Quality Parameters	Code Minimum Quality Parameters	City Maximum % of Portfolio	Code Maximum % of Portfolio	City Maximum Maturity	Code Maximum Maturity
U.S. Treasury Obligations	None	None	None	None	5 Years	5 Years
Federal Agency Obligations	None	None	None	None	5 Years	5 Years
Bankers Acceptances	A1/P1	None	40%/5% issuer[2]	40%/ 30% issuer	180 Days	180 Days
State and Local Obligations	"A-" rated obligation	None	30%/5% issuer[2]	None	5 years	5 years
Commercial Paper	A1/P1/F1	A1/P1/F1	25%/5% issuer[2]	25%	270 Days	270 Days
Negotiable Certificates of Deposits	Aa/AA- rated financial institutions	None	30%/5% issuer[2]	30%	5 Years	5 Years
Certificates of Deposit	"A" rated financial institutions	None	30%/5% issuer[2]	None	1 Year	None
Repurchase Agreements	"A" rated primary dealers	None	15%/5% issuer[2]	None	90 Days	1 Year
Medium-Term Notes	A	A	30%/5% issuer[2]	30%	5 Years	5 Years
Asset-backed Securities	"AA" security/"A" rated financial institutions	AA" security/"A" rated financial institutions	20%/5% issuer[2]	20%	5 Years	5 Years
Money Market	Multiple[4]	Multiple[4]	20%/ 10% per	20%	N/A	N/A

Investment Type	City Minimum Quality Parameters	Code Minimum Quality Parameters	City Maximum % of Portfolio	Code Maximum % of Portfolio	City Maximum Maturity	Code Maximum Maturity
Funds			fund			
Local Agency Investment Fund	None	None	$50 million[5]	$50 million	N/A	N/A
CAMP[6]	None	None	None	None	N/A	N/A

Notes:

1. The table is a summary of the key requirements. Additional requirements may apply as listed under this Policy and California Government Code Section 53601.
2. The Policy limits the portfolio's allocation to any one issuer, with the exception of U.S. Treasury securities, Federal Agency securities, and authorized pools, to no more than 5 percent of the portfolio.
3. The Policy limits the portfolio's allocation to any one issuer, with the exception of U.S, Treasury securities, Federal Agency securities, and authorized pools, to no more than 10% per fund.
4. Must receive the highest rating by two of the three largest nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC and has not less than five years experience managing money market funds with assets under management in excess of $500 million.
5. There is a $50 million cap for the City of Pittsburg funds.
6. CAMP is California Asset Management Program.

IX. DIVERSIFICATION

In an effort to reduce portfolio risk while attaining market average rates, the City's portfolio will be suitably diversified by type and institution. With the exception of U.S. Treasury securities, Federal Agency securities, and authorized pools, no more than 30 percent of the total portfolio, and less where stated, will be invested in a single security type with no more than 5 percent invested with a single issuer.

X. MAXIMUM MATURITY

The City's cash management system is designed to accurately monitor and forecast revenues and expenditures thus enabling the City to invest funds to the fullest extent possible. To the extent possible, the City will attempt to match investments with anticipated cash flow requirements. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds

Where this Policy does not specify a maximum remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase agreement, that at the time of the investment has a term remaining to maturity in excess of five years, unless the City Council has granted express authority to make that investment either specifically or as a part of an investment program approved by the City Council no less than three months prior to the investment.

XI. INELIGIBLE INVESTMENTS

Investments not described herein, including but not limited to common stocks and financial futures contracts and options, are prohibited in this fund. As provided in California Government Code Section 53601.6, the City shall not invest any funds in inverse floaters, range notes, mortgage derived interest-only strips or in any security that could result in zero interest accrual if held to maturity. The purchase of any security not listed in Section 8 above, but permitted by the California Government Code, is prohibited unless the City Council approves the investment specifically or as a part of an investment program approved by the City Council.

XII. BANKS AND SECURITIES DEALERS

The Finance Director shall maintain a list of authorized broker/dealers and financial institutions, which are approved for investment purposes. It shall be the City's policy to purchase securities only from those authorized institutions and firms. The City shall annually send a copy of the current investment policy to all dealers approved to do business with the City. Each broker dealer or financial institution that has been authorized by the City shall be required to submit the firm's most recent financial statement. If an investment advisor is used, they may use their own list of approved broker/dealers and financial institutions for investment purposes.

XIII. SAFEKEEPING AND CUSTODY

All security transactions entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. All cash and securities in the City's portfolio, including those that are managed by an investment advisor, shall be held in safekeeping in the City's name by a third party bank trust department, acting as agent for the City under the terms of a custody agreement executed by the bank and the City. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of each these investments will be held in the Treasury vault. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

XIV. PERFORMANCE STANDARDS

The investment portfolio will be designed to obtain a market-average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs.

XV. REPORTING REQUIREMENTS

A Quarterly Investment report shall be provided to the City Council, City Manager, and Finance Director.

1. A quarterly investment report will be submitted within 60 days following the period being reported to the City Council. Reports of the investment of bond proceeds are issued monthly by the Trustee and are included in the quarterly report of the pooled investment fund. The quarterly investment report shall include information on the following:
   - Type of Investment
   - Issuer
   - Date of Maturity
   - Par and dollar amount invested on all securities
   - Current market value of each security and the source of the valuation
   - Credit quality of each investment, as determined by one or more nationally recognized credit rating services
   - Listing of investment transactions for the quarter being reported upon.
   - Statement that portfolio is in compliance with investment policy ,or the manner in which the portfolio is not in compliance
   - Statement denoting ability of City to meet its expenditure requirements for the next six months, or provide sufficient explanation why money is not available

XVI. INVESTMENT POLICY REVIEW

The Finance Director shall periodically submit to the City Council a statement of investment policy outlining any proposed changes, which the City Council must consider at a public meeting.

Glossary of Terms

Accrued Interest: Interest earned but not yet received.

Active Deposits: Funds which are immediately required for disbursement.

Amortization: An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Arbitrage: Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets.

Asked Price: The price a broker/dealer offers to sell securities.

Average Life: The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund features is expected to be outstanding.

Bankers' Acceptance (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Basis Point: One basis point is one hundredth of one percent (.01).

Bid Price: The price a broker/dealer offers to purchase securities.

Bond: A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Entry: The system maintained by the Federal Reserve, by which most money market securities are delivered to an investor's custodial bank. The Federal Reserve maintains a computerized record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment.)

Book Value: The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not take a position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

Callable Bond: A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price: The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk: The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Sale/Purchase: A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: A short-term, unsecured, and negotiable promissory note with a fixed maturity of no more than 270 days. By statute, these issues are exempt from registration with the U.S. Securities and Exchange Commission.

Comprehensive Annual Financial Report (CAFR): The official annual financial report for public sector entities/companies. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principles (GAAP).

Convexity: A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon: The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Analysis: A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

Credit Risk: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security and a loss will result.

Current Yield: The interest paid on an investment expressed as a percentage of the current price of the security.

Custodian: A bank or other financial institution that keeps custody of stock certificates and other assets.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his or her own account.

Debenture: A bond secured only by the general credit of the issuer.

Defeased Bond Issues: Issues that have sufficient money to retire outstanding debt when due so that the agency is released from the contracts and covenants in the bond document.

Delivery versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free delivery). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Derivative: Securities that are based on, or derived from, some underlying asset, reference date, or index.

Discount: The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Duration: A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Face Value: The principal amount owed on a debt instrument. It is the amount on which interest is computed and represents the amount that the issuer promises to pay at maturity.

Fair Value: The amount at which a security could be exchanged between willing parties, other than in a forced or liquidation sale. If a market price is available, the fair value is equal to the market value.

Federal Farm Credit Bank (FFCB): Government-sponsored institution that consolidates the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks and the Banks for Cooperatives. Its securities do not carry direct U. S. Government guarantees.

Federal Funds Rate: The rate of interest at which Federal funds are traded. This rate is considered the most sensitive indicator of the direction of interest rates, as it is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB): Government sponsored wholesale banks, which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac): Established in 1970 to help maintain the availability of mortgage credit for residential housing. FHLMC finances these operations by marketing guaranteed mortgage certificates and mortgage participation certificates. Its discount notes and bonds do not carry direct U.S. Government guarantees.

Federal National Mortgage Association (FNMA): FNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (H.U.D.). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System: The central bank of the U.S., which consists of seven member Board of Governors, 12 regional banks, and about 5,700 commercial banks that are members.

Fitch IBCA, Inc. (Fitch): One of the three best-known rating agencies in the United States, the others being Moody's Investment Service, Inc. and Standard and Poor's Corporation.

Government Accounting Standards Board (GASB): A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

Government National Mortgage Association (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA or VA mortgages. The term pass-through is often used to describe Ginnie Maes.

Government Securities: An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

Guaranteed Investment Contracts (GICS): An agreement acknowledging receipt of funds, for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

Inactive Deposits (Idle Funds): Funds not immediately needed for disbursement.

Investment-Grade Obligations: An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

Interest Rate Risk: The risk of gain or loss in market values of securities due to changes in interest-rate levels. For example, rising interest rates will cause the market value of portfolio securities to decline.

Inverse Floating Rate Note: A debt security with an interest rate stated as a fixed rate minus an index. This calculation causes the rate on the inverse floater to move in the opposite direction of general interest rates. This instrument generally performs well in a declining interest rate environment but will lose value if rates rise.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between the bid and asked prices is narrow and reasonable size can be done at those quotes.

Local Agency: County, City, City and County, including a chartered city or county, school district, community college district, public district, or any public or municipal corporation.

Local Agency Investment Fund (LAIF): An investment pool managed by the California State Treasurer. Local government units, with consent of the governing body of that agency, may voluntarily deposit surplus funds for the purpose of investment. Interest earned is distributed by the State Controller to the participating governmental agencies on a quarterly basis.

Mark-to-market: The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market Risk: Systematic risk of a security that is common to all securities of the same general class (stocks, bonds, notes, money market instruments) and cannot be eliminated by diversification (which may be used to eliminate non-systematic risk).

Market Value: The price at which a security is trading and could presumably be sold.

Master Repurchase Agreement: A written contract covering all future transactions between the parties to repurchase agreements and reverse repurchase agreements that establish each person's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Medium Term Notes: Instruments issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

Modified Duration: A measure of exposure to market risk of a security or a portfolio. It is the percent change in the price of a security (portfolio) or a 100 basis point change in the security's (portfolio's) yield.

Money Market: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

Money Market Mutual Fund: Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Moody's: Moody's Investment Service, Inc. One of the three best-known rating agencies in the United States, the others being Standard and Poor's Corporation (S&P) and Fitch IBCA, Inc. (Fitch).

National Association of Securities Dealers (NASD): A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

NATIONAL RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO):
A rating organization designated by the SEC as being nationally recognized, such as Moody's Investor Service, Inc. (Moody's), Standard & Poor's (S&P), and Fitch Ratings (Fitch).

Net Asset Value: The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets, which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. [(Total assets) - (Liabilities)] / (Number of shares outstanding)

Negotiable Certificate of Deposit: A large denomination certificate of deposit, which can be sold in the open market prior to maturity.

Nominal Yield: The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

New Issue: Term used when a security is originally "brought" to market.

Note: A written promise to pay a specified amount to a certain entity on demand or on a specified date.

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the Federal Open Market Committee, (FOMC), in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit: Sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Par Value: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in $1,000 increments per bond.

Portfolio: Collection of securities held by an investor.

Premium: The amount by which the price paid for a security exceeds the security's par value.

Primary Dealer: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities, broker/dealers, banks and a few unregulated firms.

Principal: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

Prospectus: A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an "official statement").

Prudent Investor Standard: An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state, the so-called legal list. In other states, the trustee may invest in a security if it is one that would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

Purchase Date: The date in which a security is purchased for settlement on that or a later date.

Range Note: A debt security with a varied interest payment that depends on the number of days the designated index falls within (or in some cases outside) an established range of interest rates. Should rates move beyond the range on either end, the investor faces the risk of a reduced or zero interest payment for the applicable interest period.

Rate of Return: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Rating Agency: Nationally recognized credit rating agency such as Fitch, Moody's or S&P.

Rating Category: A credit rating assignment by a Rating Agency shall mean (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

Repurchase Agreement (RP or Repo): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement and the

terms of the agreement are structured to compensate the buyer for this. Dealers use RP extensively to finance their positions. Exception: when the Fed is said to be doing RP, it is lending money, which is increasing bank reserves.

Reverse Repurchase Agreement (Reverse Repo): A counter party (e.g. investment dealer) buys the securities from the holder of securities (e.g. the Agency) with an agreement to sell them back at a fixed date. The counter party in effect lends the seller, (e.g. the Agency) money for the period of the agreement with terms of the agreement structured to compensate buyer.

Safekeeping: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Secondary Market: A market for the repurchase and resale of outstanding issues following the initial distribution.

Securities: Investment instruments such as notes, bonds, stocks, money market instruments and other instruments of indebtedness of equity.

Sec Rule 15C3:1: See Uniform Net Capital Rule.

Securities and Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Settlement Date: The date on which a trade is cleared by delivery of securities against funds.

Serial Bond: A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

Sinking Fund: Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

Spread: The difference between two figures or percentages. It may be the difference between the bid (price at which a prospective buyer offers to pay) and asked (price at which an owner offers to sell) prices of a quote, or between the amount paid when bought and the amount received when sold.

Standard and Poor's Corporation (S&P): One of the three best-known rating agencies in the United States, the others being Moody's Investment Service, Inc. and Fitch IBCA, Inc. (Fitch).

Strip (Bonds): Brokerage-house practice of separating a bond into its principal and interest, which are then sold as zero coupon bonds.

Swap: An agreement between two parties (known as counterparties) where one stream of future interest payments is exchanged for another based on a specified principal amount.

Term Bond: Bonds comprising a large part or all of a particular issue, which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Time Certificate of Deposit: A non-negotiable certificate of deposit, which cannot be sold prior to maturity.

Total Return: The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return

Treasury Bills: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

Treasury Bonds: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

Trustee or trust company or trust department of a bank: A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

Underwriter: A dealer which purchases a new issue of municipal securities for resale.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

U.S. Government Agencies: Instruments issued by various U.S. Government Agencies most of which are secured only by the credit worthiness of the particular agency.

U.S. Treasury Obligations: Debt obligations of the United States Government sold by the Treasury Department in the forms of Bills, Notes, and Bonds. Bills are short-term obligations that mature in 1 year or less and are sold on the basis of a rate of discount. Notes are obligations that mature between 1 year and 10 years. Bonds are long-term obligations that generally mature in 10 years or more.

Weighted Average Maturity (WAM): The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years.

Yield: The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Yield to Maturity: The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Yield Curve: A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

Zero-coupon Securities: Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

CITY OF PITTSBURG
PURCHASING POLICIES

REVISED APRIL 2018

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CITY OF PITTSBURG
PURCHASING POLICIES

1 Authority Provided

The City Council adopts the following Purchasing Policies in conformance to the authority provided by Pittsburg Municipal Code Chapter 2.85, Purchasing System. The City Council may add, rescind, or otherwise amend any purchasing policy through the adoption of a resolution or motion.

The City Council further directs the Chief Purchasing Officer to develop and adopt purchasing procedures which implement these Purchasing Policies.

2 Delegation of Purchasing Authority

Except as specified below, no purchase may be made without the City Council's prior approval.

For purposes of this Policy, "Executive Team Member" shall mean the Assistant City Managers, Police Chief, Director of Finance, City Clerk and Director of Power.

Excluding purchases whose term exceeds one (1) year, the Chief Purchasing Officer is authorized to make the following purchases without the City Council's prior approval and may delegate this authority to any Executive Team Member, or Executive Team Member's assignee(s):

	Supplies	General Services	Professional Services	Public Works Projects
Executive Team Member	$75,000 or Less	$75,000 or Less	$75,000 or Less	$75,000 or less.
City Manager	$150,000 or Less	$150,000 or less	$150,000 or less	$150,000 or less.

Supplies are the purchase or lease of goods and equipment in the general conduct of the City's business, except supplies for a public works project which is regulated under the California Public Contracts Code.

General Services are services such as uniform cleaning, maintenance or other services which do not require any unique skill, special background, training, and obtaining such services at the lowest cost is the highest weighted factor in selection, as opposed to personal performance.

Professional Services are services from a vendor who possesses a high degree of professional or technical skill. Professional services include legal, data processing and programming, planning, environmental,

financial, architecture, engineering, etc. The selection must be based on demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services. State law does not require competitive bidding for these types of services.

Public Works Project is a project for the erection, improvement, painting or repair of public buildings and works; work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow; street or sewer work except maintenance or repair; and/or furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.

3 Informal Bidding Permitted

The Chief Purchasing Officer is authorized to permit informal bidding, as defined through administrative procedures, with the following limitations:

	Supplies	General Services	Professional Services	Public Works Project
Suggestion of soliciting comparable quotes.	$10,000 or less	$10,000 or less	$10,000 or less	See Public Works Project "Informal Bidding Procedure"
Must solicit comparable quotes/informal proposals.	$10,001 to $50,000 must solicit a minimum of three quotes	$10,001 to $50,000 must solicit a minimum of three quotes	$10,001 to $50,000 must solicit a minimum of one quote	See Public Works Project "Informal Bidding Procedure"
Must solicit formal proposals/bids.	$50,001 or more	$50,001 or more	$50,001 or more *	More than $125,000

* State law does not require competitive bidding for Professional Services; however, to promote fairness, the City strongly encourages the solicitation of competitive proposals for these services.

4 Informal Bidding Procedure, not a Public Works Project

4.1 Informal Bidding Procedures

The Chief Purchasing Officer shall develop and adopt administrative procedures outlining the requirements of informal bidding procedures for the purchase of supplies, general services, and professional services. Such procedures shall assure continuity and uniformity of the City's purchasing practices.

4.2 Emergency Purchasing

In the event of an emergency for a non-public works project, the City Manager or designee may waive any purchasing procedure. An emergency is defined to mean any of the following:

- There is a great public calamity.
- There is immediate need to prepare for national or local defense.

- There is a breakdown in machinery or an essential service that requires the immediate purchase of supplies or services to protect the public health, welfare or safety, or to prevent financial loss, or for the continued conduct of City services.

Based on unique facts or circumstances and a recommendation with justification from the affected department director, then the City Manager may waive one or more purchasing procedures if he/she determines the interests of the City or its local businesses or its residents are best served; provided, however, such waiver is not in violation of City Council policy or applicable law.

4.3 Cooperative Purchasing

The Chief Purchasing Officer may authorize the use of an agreement for supplies or services negotiated by another governmental agency ("Cooperative Agreement") if: (a) the Cooperative Agreement was awarded by a public agency situated within the State of California utilizing a quotation or bid procedure substantially similar to the City's required procedures for a contract of the same type and dollar amount; or (b) the Cooperative Agreement is identified on the California Multiple Award Schedules ("CMAS") listing maintained by the State of California Department of General Services – Procurement Division.

5 Informal Bidding Procedure, Public Works Projects

This item is regulated in accordance with **Municipal Code Chapter 2.86, Informal Bidding Procedures**, which is reflected as follows:

5.1 Purpose (Municipal Code 2.86.010)
This section is enacted under the authority of the California Public Contract Code section 22034 which requires a city which elects to become subject to the uniform construction cost accounting procedures as set forth in Public Contract Code sections 22000 through 22044 to enact an ordinance governing informal bidding procedures for the selection of contractors to perform public works projects.

5.2 Definitions (Municipal Code 2.86.020)
In this section, unless the context otherwise requires:

A. "Commission" means the California Uniform Construction Cost Accounting Commission under Public Contract Code Section 22010, et seq.

B. "Public project" means a project defined in Section 20161 of the Public Contract Code which reads as follows:

(a) A project for the erection, improvement, painting or repair of public buildings and works.
(b) Work in or about streams, bays, waterfronts, embankments or other work for protection against overflow.
(c) Street or sewer work except maintenance or repair.
(d) Furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.

5.3 Informal Bidding Procedures (Municipal Code 2.86.030)
A public project of one hundred seventy five thousand dollars ($175,000.00) or less may be let to contract by the informal procedure as set forth in Section 22032 et seq. of the Public Contract code.

5.4 Contractors List (Municipal Code 2.86.040)
The City Manager or designee(s) shall develop and maintain a list of qualified contractors identified according to categories which comply with Section 22034 of the Public Contract Code and criteria adopted by the commission. During November of each year the City Manager or his/her designee(s) shall develop the contractors list by mailing a written notice to construction trade journals designated by the commission under Section 22036 inviting all licensed contractors to submit the name of their firm to the city for inclusion on the contractors list of qualified bidders for the following calendar year.

5.5 Size of Project – Methods for Bidding (Municipal Code 2.86.050)
A. Where public project of thirty thousand dollars ($45,000.00) or less is to be performed, the City may perform it by its employees, by force account, by negotiated contract or by purchase order, or the City may elect to follow the informal bidding procedure prescribed in subsection B of this section and as amended in Public Contract Code Sections 22032 and 22034.

B. Where a public project of one hundred seventy five thousand dollars ($175,000.00) or less is to be performed, not less than ten (10) days before the bids are due, the City Manager or his/her designee shall mail a written notice inviting informal bids to (1) all contractors for the category of work to be bid as shown on the contractors list developed in accordance with PMC 2.86.040, and/or (2) all construction trade journals designated by the commission under Public Contract Code Section 22036. Additional contractors and construction trade journals may be notified at the discretion of the City Manager or designee.

C. If there is no list of qualified contractors for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the commission.

5.6 Award of Contracts (Municipal Code 2.86.060)

A. The City Manager or his/her designee(s) is authorized to award informal contracts under this chapter in accordance with City Council policy.

B. If all bids received on a public project under this procedure set forth in this section are in excess of one hundred seventy five thousand dollars ($175,000.00), the City Council may award the contract at one hundred eighty seven thousand, five hundred dollars ($187,500.00) or less to the lowest responsible bidder if the Council determines that the City's original cost estimate was reasonable.

5.7 Alternate Bidding Procedure (Municipal Code 2.86.070)

The procedure set forth in this section is an alternate to the procedure set forth in Public Contract Code Sections 20160 – 20174.

6 Formal Bids

6.1 For Supplies, General Services, and Professional Services

All purchases of supplies, general services, or professional services which may not be purchased under the City's informal bid thresholds shall be procured using a formal bid process. (The Chief Purchasing Officer may direct and/or require those purchases which fall within the informal bid thresholds to be formally bid, although there is no policy requirement for such a formal bid.)

Formal bids for supplies, general services, or professional services shall contain the following elements and the Chief Purchasing Officer shall develop administrative procedures which adhere to these elements:

- Shall be prepared using a Request for Proposal (RFP) or a Request for Quote (RFQ) format; and
- Shall solicit potential vendors through the use of informal and/or formalized bidders lists; and
- Shall advertise the RFP or RFQ through an invitation to bid in a newspaper of general circulation, or through direct mailing, or through notices posted on the City's website; and
- Shall be publicly opened when required, in accordance with State Law, by the City Clerk or his/her designee or assignee; and
- For supplies, shall be awarded to the lowest responsive bidder; or
- For general services, shall be awarded based on best value to the City; or

- For professional services, shall be awarded in accordance with State law.

Note: Best value is the valuation of price in conjunction with quality of service.

The Chief Purchasing Officer and/or City Council may waive formal bidding requirements for the purchase of supplies, general services or professional services when utilizing a Cooperative Agreement as identified in Section 4.3 above.

6.2 For Public Works Projects

Public Works Project purchases (including emergency purchases) which exceed the informal bid threshold shall be made in conformance with the California Public Contract Code.

7 Local Preference[1]

The City shall provide a three percent (3%) preference for local vendors on all qualifying purchases up to $50,000. To qualify for this preference, the purchase must be subject to sales tax collection. Also, the purchase order or contract must be issued to a business holding a current, valid City of Pittsburg business license and said business must be located in Pittsburg, California.

8 Minority and Women Owned Businesses

It is the City's policy to give minority suppliers an opportunity to compete on an equal basis with all other vendors in the competitive marketplace. One of the responsibilities of the Chief Purchasing Officer or his/her designee is to seek out and identify qualified, minority-owned firms and assist them in becoming familiar with the City's requirements for city purchases.

9 Recycled Products Preference

The City will consider preferences, when using competitive bids, in determining the lowest price(s) for products containing recycled materials. The following preferences are not cumulative; only one preference may be applied to a single product:

- Total aggregate purchase of ten thousand dollars ($10,000.00) or less. The City will consider a five percent (5%) preference for products containing fifty percent (50%) or more post-consumer recycled content.

- Total aggregate purchase of five thousand dollars ($5,000.00) or less. The City will consider a ten percent (10%) preference for

products containing fifty percent (50%) or more post-consumer recycled content.

- Total aggregate purchase of one thousand dollars ($1,000.00) or less. The City will consider a ten percent (10%) preference for products containing fifty percent (50%) or more post-consumer recycled content.

The following procurements are exempt from the requirements as mentioned above:

- Purchases made with federal or state grant funds.
- Purchases of construction or public works projects.
- Purchases made in cooperation with other public entities.

[1] Revised 4/2018

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

A Resolution Establishing the City's Purchasing Policy for Use During a Proclaimed Emergency or Disaster

RESOLUTION NO. 17-13389

The City Council of the City of Pittsburg DOES RESOLVE as follows:

WHEREAS, the City currently has an adopted purchasing ordinance for normal operations, however in the event of an emergency or disaster, this policy may not allow the flexibility needed for the required response. Without a specific emergency purchasing policy, costs incurred and requested for reimbursement from FEMA may be at risk if the City follows the existing normal operating purchasing policy.

WHEREAS, staff recommends that the City Council adopt the attached Resolution establishing a purchasing policy for use during an emergency or disaster.

NOW, THEREFORE, the City Council finds and determines as follows:

Section 1.
The City Council hereby finds and determines that the above recitals are true and correct and have served as the basis, in part, for the findings and actions of the City Council set forth below.

Section 2.
The City of Pittsburg Purchasing Policy for use during a proclaimed emergency or disaster attached as Exhibit A.

Section 3.
The City Clerk shall certify to the adoption of this Resolution.

Section 4.
This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 6th day of November 2017, by the following vote:

AYES:	Banales, Evola, Killings, Longmire, Craft
NOES:	None
ABSTAINED:	None
ABSENT:	None

Marilyn Craft, Mayor

ATTEST:

Alice E. Evenson, City Clerk

City of Pittsburg – Purchasing Policy for Use During a Proclaimed Emergency or Disaster

§ 1 Purpose

This Policy modifies the City's normal purchasing practices to assure that, in both emergency and exigent circumstances caused by a proclaimed disaster or emergency, the City will able to acquire the goods and services required to address an immediate threat to life, Public health or safety, or to eliminate/reduce an immediate threat of significant damage to improve public and private property through cost-effective measures while still maintaining an effective purchasing process and complying with applicable local and state purchasing laws. Where the City is included in a major disaster or emergency declared by the President of the United States, this Policy also assures that City procurements comply with Federal regulations applicable to FEMA disaster grant reimbursement as defined in Title 2 of the Code of Federal Regulations, Part 200. (2CFR Part 200). This policy shall not apply to purchases subject to the requirements of the public contract code. Purchases made pursuant to this policy shall comply with applicable requirements of the California Environmental Quality Act (CEQA) and applicable emergency exceptions.

§ 2 Definitions

For purposes of this policy:

(a) proclaimed disaster or emergency exists if:

I. the Governor has declared a state of emergency for an area which includes the geographic territory of the City; or

II. the City Manager of the City has declared an emergency in the City;

(b) "Exigent Circumstances" are situations in which

I. a disaster or emergency has been proclaimed, and
II. the public exigency for goods and services required to address an immediate threat to life, public health, or safety, or to eliminate/reduce an immediate threat of significant damage to improved public and private property through cost-effective measures will not permit competitive solicitation.

(c) The City Manager is the EOC, if the City Manager is not available the EOC Director shall be the Assistant City Manager followed by the Policy Chief, a Police Captain then the Public Works Director.

§ 3 Delegations of Purchasing Authority in Exigent Circumstances.

(a) If the City Manager determines that goods and services must be procured before the Elected governing board is able to assemble and approve purchases, the City Manager has authority, subject to the limitations set forth in sub-paragraphs (a)(1) and (a)(II), to approve the immediate rental or purchase of any equipment, supplies,

services or other items necessary to respond to an immediate threat to life, public health, or safety, or to eliminate/reduce an immediate threat of significant damage to improved public and private property through cost-effective measures.

(I) Limits of Single Purchasing Authority.

(II) The City Manager, shall have the authority to make individual purchases up to $150,000 on his or her signature alone. The City Manager shall have the authority to make purchases in excess of $150,000 up to a maximum of $250,000 when countersigned by the Mayor or in the Mayor's absence countersigned by the Vice-Mayor. If both the Mayor and Vice-Mayor are unavailable another council member may countersign the authorization.Limits of Aggregate Purchasing Authority.
The City Manager shall have the authority to make aggregate purchases up to $150,000 on his or her signature alone. The City Manager shall have the authority to make purchases in excess of $150,000 up to a maximum of $250,000 when countersigned by the Mayor or in the Mayor's absence countersigned by the Vice-Mayor. If both the Mayor and Vice-Mayor are unavailable another council member may countersign the authorization.

(III) Purchases made during a Proclaimed Emergency or Disaster may be taken from the reserve balance of the General Fund to the extent they exceed previously budgeted items.

(b) Sub-delegation to EOC Director -

a. The EOC Director shall be a designee of the City Manager at any time the City Manager is not available to approve purchases as allowed in this section.

(c) Sub-delegation of Purchasing Authority to Department Heads:

a. If the EOC Director is not available, the City department heads, have authority to rent or purchase from the nearest available source any equipment, supplies, services, or otheritems necessary for his or her department to respond to animmediate threat to life, public health, or safety, or toeliminate/reduce an immediate threat of significant damageto improved public and private property through cost-effective measures, up to a maximum of $75,000.

(d) Administrative Procedures:

(1) As soon as possible after purchases are made under this section 3, the City Manager, EOC Director, or department head shall submit to the Purchasing Officer, a requisition and a notation that the commodity has been ordered on an emergency basis from the vendor designated.

(2) The Purchasing Officer will inform the City Manager and the Elected governing board of any individual purchase under this section with a contract amount greater than $75,000, and whenever the aggregate of purchases under this section is greater than $150,000 thousand dollars.

(3) the Purchasing Officer will obtain the City Manager's (or EOC Director as the City Manager's designee) approval prior to any purchase by a department head if the amount is $75,000 thousand dollars or more.

(4) If the City Manager/EOC Director is unavailable, and the delay in getting his/her signature would imperil life, safety or improved property, the police chief, and/or police department watch commander, or his/her designee may approve the emergency purchase of $75,000 thousand dollars or more.

(5) The Purchasing Officer shall have the authority to approve all disaster related purchases under $150,000 thousand dollars with the City Managers approval.

(6) The Purchasing Officer will expedite the verification of funds available and complete the preparation of the purchase order.

§ 4 Procurement Procedures in Exigent Circumstances.

Upon receipt of requisitions under Section 3, the Purchasing Officer shall prepare purchase orders for the emergency equipment, supplies, services or other items in accordance with the requirements of this section.

(a) Exempt Purchases.

Purchases below $25,000 shall not be required to be formally bid. Purchases greater than $25,000 may be made following the procedures specified in this section. The signature(s) of the City Manager, Purchasing Officer and or Department Head are still required as provided in Section 3.

(b) Justification of Sole Source or No-bid Contracts.

Where exigent circumstances require immediate procurement from the nearest available source,

(i) the Procurement Officer shall use the "Justification Form for Emergency Sole Source or No-Bid Purchase."

(ii) procurement should be limited to that portion of the work that must be performed immediately, allowing subsequent procurement by competitive proposals of the remainder of the work.

(iii) "sole source" or "no-bid" acquisitions shall be necessary for one of the following reasons: placement of emergency protective measures, procurement of a scarce commodities, goods, or services or acquisition or rental of emergency equipment, emergency consulting services, emergency road clearance or other emergency requirements.

(c) Provision for Alternate Bid Solicitation Procedures.

The City's normal requirements for sealed bids shall not apply to acquisitions under Section 3. However, the Procurement Officer shall conduct telephonic or other electronic bid solicitation from potential vendors or suppliers, in lieu of written and/or sealed bids, in an effort to obtain multiple competitive proposals when and if time allows in light of the exigent circumstances.

(d) Locations of Postings for Requests for Proposals or Solicitation of Bids.

The Procurement Officer may waive normal requirements for public posting of requests for proposals or solicitation of bids. Notices soliciting bids or requests for proposals shall be posted at the Emergency Operations Center or Alternate Emergency Operations Center, if the Primary Emergency Operations Center is not

being used.

(e) Length of Time for Posting Requests for Proposals or Solicitation of Bids.
The Procurement Officer may shorten the normal bid period from 10 days to expedite the award of contracts for emergency equipment, goods, or services. The Procurement Officer should seek to assure that the shortened bid period allows multiple suppliers to submit bids.

(f) Number of Bids Required.
Solicited bids that are non-responsive shall count towards the minimum numbers of bids required when there is a declared emergency or disaster in the Jurisdiction." All such no-bids must be documented as to time, date and person or company contacted, with a reason for the no-bid, if possible.

§ 5 Notification and Ratification

(a) Posting of Contract Awards.
Under this section, all contracts awarded, that exceed $150,000 shall be presented to the Elected governing board for ratification and thereafter, shall publicly posted within sixty (60) days of the award.

(b) Authority to Cancel Emergency Procurements.
As a provision of this ordinance, the City has the absolute authority to rescind a contract for non-performance within 24 hours when a contractor or vendor, once awarded a contract, is unable to perform under the terms of the contract and the resulting delay or non-performance presents an immediate threat to life, public health, or safety, or to eliminate/reduce an immediate threat of significant damage to improved public and private property through cost-effective measures.

(c) Notification Requirement for Emergency Purchases. For any purchase in excess of $150,000, the City Manager shall report all such purchases to the Elected governing board within thirty (30) days of the onset of the disaster.

(d) Requirement for Separate invoicing.
All purchases or rentals made during proclaimed emergency or disaster conditions shall require separate invoicing from routine (non-disaster related) purchases. All invoices shall state the goods, services or equipment provided and shall specify where the goods or services were delivered. All invoices shall specify the locations where the goods or services were used if at all possible.

(e) Auditing of Invoices for Debris Clearance Prior to Payment. All invoices for debris clearance and removal shall be audited by the City prior to payment to the vendor. Vendors shall be notified of this requirement prior to the awarding of any contract for debris clearance and/or removal. Audits shall be in accordance with procedures for debris removal monitoring specified in FEMA's Publication 325, Debris Management Guide.

(f) Limitations of Disaster Purchasing Policy.
For the purposes of this section, an emergency or disaster shall be deemed to exist when a condition exists that presents an immediate threat to life, public health, or

safety, or to eliminate/reduce an immediate threat of significant damage to improved public and private property through cost-effective measures and a local emergency or disaster has been proclaimed. Any purchases that do not meet the standard of being necessary for responding to an immediate threat to life, public health, or safety, or to eliminate/reduce an immediate threat of significant damage to improved public and private property through cost-effective measures shall follow the City's regular purchasing provisions.

Notwithstanding the terms of this policy, nothing contained herein shall conflict with Federal procurement regulations as currently defined in 2 CFR Part 200.

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

DATE: 10/25/2017

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Adoption of a City Council Resolution Approving Purchasing Policy for Use During a Proclaimed Emergency or Disaster

MEETING DATE: 11/6/2017

EXECUTIVE SUMMARY

During a declared emergency or disaster the City needs to have a purchasing policy in place which allows staff the flexibility to acquire goods and services required to address immediate threats to life, public health and safety, or to eliminate/reduce damage to property.

FISCAL IMPACT

There is no fiscal impact to adopting this policy. Adoption of this policy will reduce the possibility of reduced reimbursement funding from the Federal Emergency Management Agency (FEMA) should the City apply for aid due to a proclaimed emergency or disaster.

RECOMMENDATION

Staff recommends that City Council adopts the attached resolution approving a Purchasing Policy for use during a proclaimed Emergency of Disaster.

BACKGROUND

The City currently has an adopted purchasing ordinance for normal operations, however in the event of an emergency or disaster, this policy may not allow the flexibility needed for the required response. Without a specific emergency purchasing policy, costs incurred and requested for reimbursement from FEMA may be at risk if the City follows the existing normal operating purchasing policy.

SUBCOMMITTEE FINDINGS

At a meeting held on October 18, 2017, the finance subcommittee recommended staff prepare and have in place a policy establishing the Purchasing Policy for use during a proclaimed emergency or disaster.

STAFF ANALYSIS

During the spring of 2017, the City experienced flooding which became partially eligible for reimbursement due to federal and state declarations of an emergency. As a result of the time and energy staff spent on the application for reimbursement, staff attended a Disaster Cost Recovery Training class. At this class, staff discovered that the City should implement a policy to handle purchasing in case of a proclaimed emergency or disaster to ensure the costs incurred comply with the FEMA reimbursement guidelines as defined in Title 2 Code of Federal Regulations Part 200 (2CFR Part 200) and may be eligible for federal relief.

The attached purchasing policy will enable the City to acquire the goods and services required to address an immediate threat to life, Public health or safety, or to eliminate/reduce an immediate threat of significant damage to improve public and private property through cost-effective measures while still maintaining an effective purchasing process and complying with applicable local, state and federal purchasing laws.

ATTACHMENTS: Resolution
Exhibit A – Purchasing Policy for use during a proclaimed emergency or disaster

Report Prepared By: Brad Farmer, Director of Finance

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Approval of the Operating Budget)
for Fiscal Year 2018-19 for the City of) RESOLUTION NO. 18-13499
Pittsburg and Appropriation of Funds)
for Fiscal Year 2018-19)

The Pittsburg City Council DOES RESOLVE as follows:

WHEREAS, the City Manager has prepared, transmitted and presented the one-year Preliminary Operating Budget for Fiscal Year 2018-19 to the City Council for its consideration; and

WHEREAS, the City prepares and adopts the Preliminary Operating Budget for Fiscal Year 2018-19 with the intent of providing a planned program for services and a financial system to carry out the planned program of services; and

WHEREAS, on April 30, 2018 the City Council held a budget workshop for the purpose of reviewing the Preliminary Operating Budget for Fiscal Year 2018-19 and for providing opportunities for public input and discussion on said Preliminary Operating Budget; and

WHEREAS, the City Council, having fully reviewed the Preliminary Operating Budget for Fiscal Year 2018-19 being fully advised, finds and determines that the said Preliminary Operating Budget should be adopted and prepared in the final form.

NOW, THEREFORE, the City Council finds and determines as follows:

Section 1. Findings

A. The recitals set forth above are true and correct statements and are hereby incorporated in conjunction with the respective staff report.

B. The Budget for Fiscal Year 2018-19 is hereby approved as set forth in a copy of said budget summary on file with the City of Pittsburg and which by this reference is incorporated herein and authorizes the preparation of the final Adopted Operating Budget for Fiscal Year 2018-19.

C. The funds are hereby and shall be appropriated in the base amount for all City funds, in the manner and for the purposes set forth in the respective staff report Attachment I, Adopted Citywide Expenditure Budgets for Fiscal Year 2018-19.

D. The revenues for all City funds are projected as set forth in the respective staff report Attachment II, Adopted Estimated Citywide Revenues Fiscal Year 2018-19.

E. The Finance Director or his/her designee is hereby authorized to approve payment of goods and services received by the City of Pittsburg in accordance with the City's approved budget, programs, and policies.

F. The City Council of the City of Pittsburg authorizes changes to be made to the annual budget of the City of Pittsburg as follows:

Items Requiring Council/Agency Action:

- Appropriation of fund balance reserves.
- Transfers of appropriations between funds.
- New interfund loans or advances.
- Creation of new capital projects.
- Transactions which increase total fund budgets.

Items Delegated to the City Manager/Executive Director:

- Items in excess of $5,000.00
- Transfers between departments and divisions so that the total fund budget remains the same.
- Approval of transfers within funds which increase salary and benefit appropriations so that the total fund budget remains the same.

Items Delegated to Department Heads:

- Allocation of departmental appropriations to line item except for salary and benefit appropriations.
- Changes which exceed current funds disbursement authorizations must be approved by the City Manager/Executive Director. These changes cannot increase the department budget.

Section 2. Authorization

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting held on 18th day of June 2018, by the following vote:

AYES:	Banales, Craft, Evola, Killings, Longmire
NOES:	None
ABSTAINED:	None
ABSENT:	None

Dwaine "Pete" Longmire, Mayor

ATTEST:

Alice E. Evenson, City Clerk

Summary of Fund Condition

	[1]Estimated Reserves June 30, 2018	Projected Revenues 2018-19	Transfers-In	Projected Expenditures 2018-19	Transfers-Out	Estimated Balance June 30, 2019
General Fund						
General Fund	13,875,169	39,161,425	4,794,237	43,302,464	1,345,370	13,182,997
Subtotal, General Fund	$ 13,875,169	$ 39,161,425	$ 4,794,237	$ 43,302,464	$ 1,345,370	$ 13,182,997
Internal Service Funds						
Building Maintenance	1,242,814	1,801,321	60,000	1,785,072	11,597	1,307,466
Fleet Maintenance	801,985	2,086,449	-	2,079,214	9,642	799,578
Fringe Benefits	750,542	2,532,493	-	2,519,657	-	763,378
Information Communication Services	1,111,167	1,096,210	-	1,246,210	-	961,167
Insurance	463,024	1,697,729	-	1,657,729	-	503,024
Other Post-Employment Benefits (OPEB)[2]	220,404	1,679,599	500,000	2,174,899	-	225,104
Pension Trust/Reserve Fund[3]	-	394,215	-	394,215	-	-
Subtotal, Internal Service Funds	$ 4,589,936	$ 11,288,016	$ 560,000	$ 11,856,996	$ 21,239	$ 4,559,717
Enterprise Funds						
Island Energy	2,898,872	6,199,861	-	6,053,888	28,927	3,015,918
Marina	1,042,943	2,035,971	-	1,972,477	266,909	839,528
Pittsburg Power	2,285,141	2,558,174	50,000	1,507,746	729,891	2,655,678
Sewer Utility	1,809,265	4,950,000	6,777,500	11,054,966	1,269,951	1,211,848
Water Front Operations	714,918	1,525,598	250,000	1,780,761	10,481	699,274
Water Utility	15,254,899	20,945,100	789,867	20,953,534	6,705,734	9,330,598
Subtotal, Enterprise Funds	$ 24,006,038	$ 38,214,704	$ 7,867,367	$ 43,323,372	$ 9,011,893	$ 17,752,844
Special Revenue Funds						
Assets Seizure	31,640	-	-	-	-	31,640
Budget Stabilization	3,682,529	-	-	-	-	3,682,529
CA Energy Conservation Program	6	-	74,500	74,498	-	8
CalHome Program	120,064	900	-	-	-	120,964
California Theatre	(9,420)	93,828	175,000	254,250	-	5,158
Economic Development	112,684	299,763	150,000	413,095	51,258	98,094
Emergency Operations Center	894	52	55,000	34,700	20,000	1,246
Fire District CFD	(10,484)	4,682	-	4,515	-	(10,317)
Gas Tax	(26,329)	1,709,928	-	520,000	1,139,325	24,274
Gas Tax - Road Maint & Rehab (RMRA)	15,013	1,159,401	-	1,159,401	-	15,013
General Plan Update	163,012	-	100,000	-	-	263,012
GHAD Administration	-	-	494,825	490,353	4,472	-
Golf Course	2,752	-	-	10,200	-	(7,448)
Hillview Jr. High Athletic Field Replacement	285,826	52,500	-	-	-	338,326
Housing Authority-Section 8	264,977	17,292,859	-	17,399,175	18,586	140,075
HUD Community Development Block Grant	112,486	889,896	-	500,072	407,109	95,201
Lighting and Landscape	86,411	2,913,110	994,707	3,880,907	113,321	-
Lighting and Landscaping Oak Hills	17,680	33,959	663	35,175	-	17,127
Marina Vista Field Replacement	284,593	29,400	-	-	-	313,993
Measure J Tax Fund	168,930	832,740	-	210,000	683,757	107,913
Miscellaneous Grants	-	70,000	-	-	70,000	-
Neighborhood Stabilization	44,454	-	-	-	-	44,454
Park Maintenance CFD 2007-1	79,773	110,505	-	75,767	-	114,511
Project Amenities Mgmt (CFD 2016-1)	24,791	25,289	-	6,500	-	43,580
Public Safety CFD 2005-1	180,829	464,387	-	11,300	610,000	23,916
Public, Education & Gov't Fees (PEG)	566,614	165,600	-	126,000	-	606,214
R/R Ave Specific Plan (e-BART) CFD 2014	64,638	73,000	-	-	-	137,638
San Marco CFD 2004-1	122,405	939,541	-	14,400	1,020,000	27,546
Small Cities Grant	3,608	-	154,031	154,031	-	3,608
Solid Waste	162,115	541,150	-	526,179	104,192	72,894
Southwest Pittsburg GHAD II	3,628,389	922,700	-	171,850	494,825	3,884,414
Storm Water Utility NPDES	420,504	1,120,994	100,000	1,133,760	62,965	444,773
Successor Agency Housing Fund	1,114,990	266,868	101,541	389,128	559	1,093,712
Vista Del Mar CFD 2005-2	118,869	333,393	-	1,050	425,000	26,212
Subtotal, Special Revenue Funds	$ 11,835,243	$ 30,346,445	$ 2,400,267	$ 27,596,306	$ 5,225,369	$ 11,760,280
Capital Projects Funds						
Bailey Road Maintenance	1,102,520	140,000	-	-	-	1,242,520
Capital Improvement	10,144	-	-	-	-	10,144
Community Capital Improvement	92,845	-	-	-	-	92,845
Inclusionary Housing	391,733	-	-	-	-	391,733

	Estimated Reserves June 30, 2018	Projected Revenues 2018-19	Transfers-In	Projected Expenditures 2018-19	Transfers-Out	Estimated Balance June 30, 2019
Infrastructure Repair & Replacement	8,597	-	-	-	-	8,597
Kirker Creek Drainage Fees	383,727	-	-	-	18,000	365,727
Park Dedication	1,142,506	-	-	734,906	-	407,600
RDA - Project Fund	116,394	-	-	-	-	116,394
Recycled Water Capital Maintenance	30,997	-	-	-	-	30,997
Regional Traffic Mitigation	58,259	-	-	-	-	58,259
Traffic Impact Fair Share	490,374	-	-	-	-	490,374
Traffic Mitigation	511,870	125,000	-	83,698	-	553,172
Subtotal, Capital Projects Funds	$ 4,339,966	$ 265,000	$ -	$ 818,604	$ 18,000	$ 3,768,362
Successor Agency to RDA Funds						
Successor Agency to RDA-Tax Increment	509,192	356,042	361,960	431,811	36,500	758,883
Successor Agency Obligation Retirement Fund	-	33,827,124			33,827,124	-
Subtotal, Successor Agency to RDA Funds	$ 509,192	$ 34,183,166	$ 361,960	$ 431,811	$ 33,863,624	$ 758,883
Debt Service Funds[4]						
Assessment Districts Funds	6,991,148	4,080,964	-	2,832,505	-	8,239,607
Pension Obligations	2,826,609	4,427,276	-	4,425,976	-	2,827,909
Successor Agency to RDA – Bond Funds	40,052,997	50,000	31,545,640	31,145,693	50,000	40,452,944
Successor Agency to RDA - HSG Bond Funds	2,549,948	-	2,006,024	2,030,665	-	2,525,307
Subtotal, Debt Service Funds	$ 52,420,702	$ 8,558,240	$ 33,551,664	$ 40,434,839	$ 50,000	$ 54,045,767
Total, All Funds	$ 111,576,246	$ 162,016,996	$ 49,535,495	$ 167,764,392	$ 49,535,495	$ 105,828,850

[1] Represents working capital and does not include fixed assets, inventory, long-term advances or loans

[2] Does not include CERBT trust funds held by CalPERS

[3] Pension trust funds are collected and disbursed to a trustee

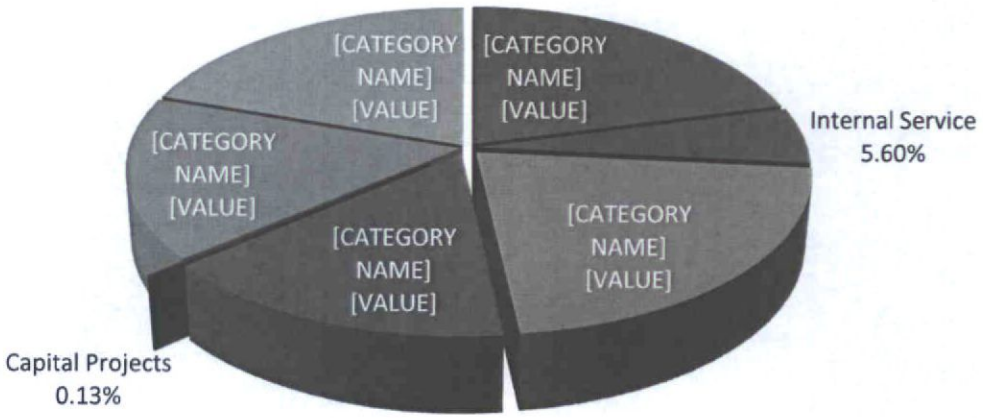
[4] Debt service fund balances include debt service reserves held by a trustee

Summary of Revenues and Expenditures – All Funds

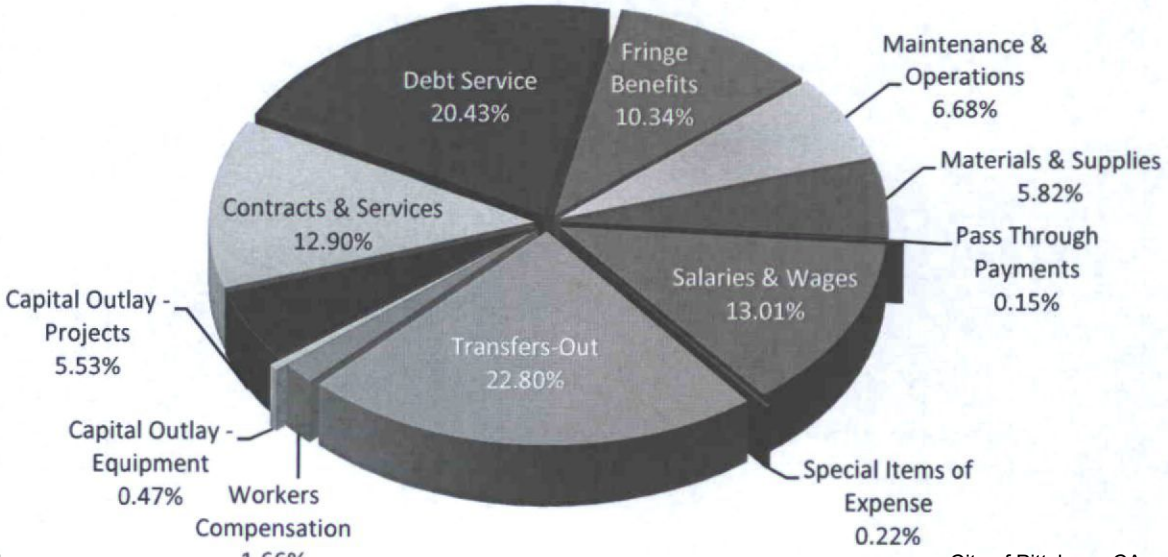
	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
Revenue					
General Fund	41,600,835	45,579,831	43,955,662	(1,624,169)	-3.56
Internal Service Funds	10,327,463	11,641,522	11,848,016	206,494	1.77
Enterprise Funds	78,785,164	42,718,902	46,079,071	3,360,169	7.87
Special Revenue Funds	30,097,134	38,610,035	32,746,712	(5,863,323)	-15.19
Capital Projects Funds	3,520,656	3,106,462	265,000	(2,841,462)	-91.47
Successor Agency to RDA Funds	11,359,278	34,139,962	34,545,126	405,164	1.19
Debt Service Funds	48,662,958	42,334,823	42,112,904	(221,919)	-0.52
Total, Revenues	$ 224,353,488	$ 218,131,537	$ 211,552,491	$ (6,579,046)	-3.02 %
Expenditure					
Capital Outlay - Equipment	2,121,593	5,962,516 [1]	1,013,000	(4,949,516)	-83.01
Capital Outlay - Projects	17,696,303	32,916,962	12,006,901	(20,910,061)	-63.52
Contracts & Services	26,443,990	30,479,814 [1]	28,025,350	(2,454,464)	-8.05
Debt Service Funds	80,882,553	43,834,096	44,389,147	555,051	1.27
Fringe Benefits	20,388,074	20,820,980	22,467,006	1,646,026	7.91
Maintenance & Operations	12,299,461	14,351,845	14,516,311	164,466	1.15
Materials & Supplies	9,931,381	11,911,107	12,638,186	727,079	6.10
Pass Through Payments	320,916	322,151	333,414	11,263	3.50
Salaries & Wages	26,178,501	27,987,234	28,277,593	290,359	1.04
Special Items of Expense	436,607	389,516	471,200	81,684	20.97
Transfers-Out	54,304,349	52,802,007	49,535,495	(3,266,512)	-6.19
Workers Compensation	2,685,961	3,362,803	3,626,284	263,481	7.84
Total, Expenditures	$ 253,689,689	$ 245,141,031	$ 217,299,887	$ (27,841,144)	-11.36 %

(1) Includes a $3.5M multi-jurisdictional freeway security network project funded by CalTrans. The project is cost-neutral to the City.

2018-19 Revenues by Fund Type



2018-19 Expenditures by Category



Revenue Source by Category and Object – All Funds

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
General Fund					
Fines & Forfeitures	686,962	489,500	726,850	237,350	48.49
Franchise Fees	3,980,309	4,096,870	4,145,234	48,364	1.18
Intergovernmental Revenue	3,031,399	2,665,698	2,646,275	(19,423)	-0.73
Other Revenues	1,946,807	2,189,749	1,935,437	(254,312)	-11.61
Other Taxes	6,684,716	6,916,881	7,165,000	248,119	3.59
Permits, Licenses & Fees	2,105,519	1,918,040	2,038,849	120,809	6.30
Property Taxes	3,573,823	3,668,495	3,992,731	324,236	8.84
Sales Taxes	12,659,580	12,291,467	13,579,560	1,288,093	10.48
Service Fees	2,331,974	2,376,787	2,400,343	23,556	0.99
Transfers-In	4,093,226	8,373,068	4,794,237	(3,578,831)	-42.74
Use of Money & Property	506,520	593,276	531,146	(62,130)	-10.47
Subtotal, General Fund	$ 41,600,835	$ 45,579,831	$ 43,955,662	$ (1,624,169)	-3.56 %
Internal Service Funds					
Other Revenues	5,428,100	6,008,762	6,431,417	422,655	7.03
Service Fees	4,144,874	4,757,915	4,856,599	98,684	2.07
Transfers-In	754,181	874,845	560,000	(314,845)	-35.99
Use of Money & Property	308	-	-	-	-100.00
Subtotal, Internal Service Funds	$ 10,327,463	$ 11,641,522	$ 11,848,016	$ 206,494	1.77 %
Enterprise Funds					
Debt Service	34,886,360	50	-	(50)	-100.00
Fines & Forfeitures	431	-	-	-	-100.00
Franchise Fees	580,000	880,000	880,000	-	-
Intergovernmental Revenue	199,937	440,404	70,000	(370,404)	-84.11
Other Revenues	2,464,686	1,341,519	1,247,589	(93,930)	-7.00
Service Fees	32,377,517	33,280,670	33,861,677	581,007	1.75
Transfers-In	6,239,604	4,795,577	7,867,367	3,071,790	64.05
Use of Money & Property	2,036,629	1,980,682	2,152,438	171,756	8.67
Subtotal, Enterprise Funds	$ 78,785,164	$ 42,718,902	$ 46,079,071	$ 3,360,169	7.87 %
Special Revenue Funds					
Fines & Forfeitures	19,410	1,000	-	(1,000)	-100.00
Franchise Fees	161,435	160,000	163,000	3,000	1.88
Intergovernmental Revenue	16,029,674	18,645,523	17,742,343	(903,180)	-4.84
Other Revenues	1,673,220	5,861,060	1,349,108	(4,511,952)	-76.98
Other Taxes	2,213,740	2,673,101	3,670,998	997,897	37.33
Sales Taxes	128,877	124,662	130,441	5,779	4.64
Service Fees	188,041	109,094	93,950	(15,144)	-13.88
Special Assessments	6,159,385	6,447,468	6,871,235	423,767	6.57
Transfers-In	3,053,804	4,192,439	2,400,267	(1,792,172)	-42.75
Use of Money & Property	469,548	395,688	325,370	(70,318)	-17.77
Subtotal, Special Revenue Funds	$ 30,097,134	$ 38,610,035	$ 32,746,712	$ (5,863,323)	-15.19 %
Capital Projects Funds					
Intergovernmental Revenue	1,183,805	912,972	140,000	(772,972)	-84.67
Other Revenues	200,000	1,604,781	-	(1,604,781)	-100.00
Service Fees	1,828,607	9,816	125,000	115,184	1,173.43
Transfers-In	242,692	578,893	-	(578,893)	-100.00
Use of Money & Property	65,552	-	-	-	-100.00
Subtotal, Capital Projects Funds	$ 3,520,656	$ 3,106,462	$ 265,000	$ (2,841,462)	-91.47 %
Successor Agency to RDA Funds					
Other Revenues	735,612	272,220	212,380	(59,840)	-21.98
Property Taxes	10,218,501	33,641,674	33,827,124	185,450	0.55
Transfers-In	221,239	75,000	361,960	286,960	382.61
Use of Money & Property	183,926	151,068	143,662	(7,406)	-4.90
Subtotal, Successor Agency to RDA Funds	$ 11,359,278	$ 34,139,962	$ 34,545,126	$ 405,164	1.19 %
Debt Service Funds					
Debt Service	162,273	90,067	11,800	(78,267)	-86.90
Service Fees	4,926,918	4,445,017	4,475,976	30,959	0.70
Special Assessments	3,674,562	3,878,584	4,058,578	179,994	4.64
Transfers-In	39,851,830	33,912,185	33,551,664	(360,521)	-1.06
Use of Money & Property	47,375	8,970	14,886	5,916	65.95
Subtotal, Debt Service Funds	$ 48,662,958	$ 42,334,823	$ 42,112,904	$ (221,919)	-0.52 %
Total, All Funds	$ 224,353,488	$ 218,131,537	$ 211,552,491	$ (6,579,046)	-3.02 %

Summary of Expenditures by Program – All Funds

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
City Council					
City Council	83,145	76,048	79,285	3,237	4.26
Subtotal, City Council	$ 83,145	$ 76,048	$ 79,285	$ 3,237	4.26 %
Administration					
City Manager	250,259	237,229	174,382	(62,847)	-26.49
City Clerk	437,389	416,297	455,755	39,458	9.48
City Attorney	459,513	431,313	541,745	110,432	25.60
Human Resources	890,121	980,865	1,171,835	190,970	19.47
Treasurer	6,355	6,536	6,286	(250)	-3.82
Finance	2,843,758	3,001,632	3,043,471	41,839	1.39
General Fund - Non Departmental	4,445,839	4,799,750	3,930,512	(869,238)	-18.11
Emergency Operation Center	-	55,000	54,700	(300)	-0.55
Information Technology	1,026,242	1,204,868	1,246,210	41,342	3.43
Employee Fringe Benefits	2,060,987	2,483,801	2,519,657	35,856	1.44
Other Post-Employment Benefits (OPEB)	1,970,293	2,395,645	2,174,899	(220,746)	-9.21
Pension Trust	-	-	394,215	394,215	-100.00
Insurance	1,187,522	1,228,798	1,657,729	428,931	34.91
Budget Stabilization	25,000	4,478,386	-	(4,478,386)	-100.00
Subtotal, Administration	$ 15,603,278	$ 21,720,120	$ 17,371,396	$ (4,348,724)	-20.02 %
Police Department					
Police Services	24,110,407	25,124,762	27,944,932	2,820,170	11.22
San Marco CFD	720,954	740,467	1,034,400	293,933	39.70
Vista Del Mar CFD	286,219	309,109	426,050	116,941	37.83
Public Safety CFD	284,742	368,752	621,300	252,548	68.49
Asset Forfeitures	875	-	-	-	-100.00
Police Grants	396,796	4,083,195 [3]	70,000	(4,013,195)	-98.29
Subtotal, Police Department	$ 25,799,993	$ 30,626,285	$ 30,096,682	$ (529,603)	-1.73 %
Enterprise Services					
Marina	1,759,544	2,092,696	2,239,386	146,690	7.01
Golf Course	13,051	32,776	10,200	(22,576)	-68.88
Fire District CFD	8,197	-	4,515	4,515	-100.00
R/R Ave e-BART CFD	3,501,635	-	-	-	-100.00
Environmental Affairs	692,167	972,460	830,869	(141,591)	-14.56
Housing Rehab Loans - CDBG	65,913	100,000	154,031	54,031	54.03
CDBG Entitlements	684,669	1,007,012	907,181	(99,831)	-9.91
CalHome Program	-	-	-	-	-100.00
Waterfront Operations	1,149,369	2,001,990	1,791,242	(210,748)	-10.53
Economic Development	545,854	514,727	464,353	(50,374)	-9.79
Subtotal, Enterprise Services	$ 8,420,399	$ 6,721,661	$ 6,401,777	$ (319,884)	-0.05 %
Community Development					
Planning Division	1,171,589	1,465,027	1,517,672	52,645	3.59
Planning Grants	-	312,000	-	(312,000)	-100.00
Building Division	1,052,294	1,019,964	1,032,596	12,632	1.24
Engineering Division	2,016,881	1,753,875	1,885,084	131,209	7.48
Gas Tax	1,432,086	3,497,552	2,818,726	(678,826)	-19.41
Measure J Tax	1,468,994	4,171,024	893,757	(3,277,267)	-78.57
NPDES	1,034,380	1,045,830	1,196,725	150,895	14.43
Southwest Pittsburg GHAD	684,793	645,721	666,675 [1]	20,954	3.25
GHAD Administration	-	446,478	494,825 [1]	48,347	10.83
Pittsburg CIP	258,144	1,787,978	-	(1,787,978)	-100.00
Developer Fee Fund	3,472,966	4,208,483	836,604	(3,371,879)	-80.12
Community Capital Improvements	211,328	1,246,630	-	(1,246,630)	-100.00
Project Amenities Mgmt CFD	29,024	5,400	6,500	1,100	20.37
Infrastructure Repair & Replacement	170,617	902,295	-	(902,295)	-100.00
Subtotal, Community Development	$ 13,003,096	$ 22,508,257	$ 11,349,164	$ (11,159,093)	-0.50 %
Public Works - Maintenance Services					
Swim Center Maint.	131,094	150,120	148,777	(1,343)	-0.89
Landscape	2,701,285	2,560,620	2,548,842	(11,778)	-0.46
Landscape - Oak Hills Assessment	32,130	32,406	35,175	2,769	8.54
Park Maintenance CFD	73,560	84,328	75,767	(8,561)	-10.15
Public Works Administration	92,639	98,702	97,114	(1,588)	-1.61
Streets	2,243,733	2,310,179	2,578,131	267,952	11.60

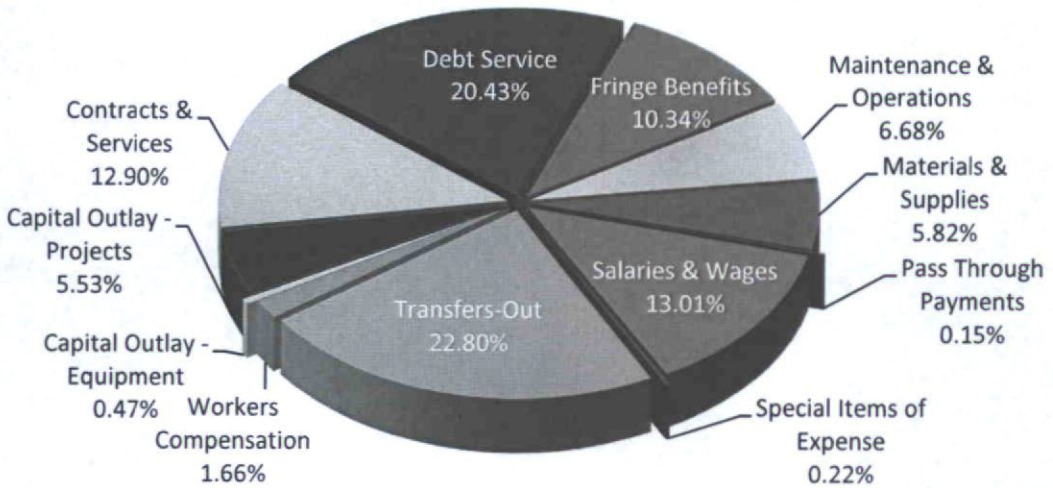
	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
Street Lighting	817,335	804,366	888,050	83,684	10.40
Street Trees	487,903	652,063	496,977	(155,086)	-23.78
Concrete	93,007	77,330	60,359	(16,971)	-21.95
Fleet Maintenance	2,115,171	2,410,514	2,088,856	(321,658)	-13.34
Building Maintenance	1,912,971	1,955,213	1,796,669	(158,544)	-8.11
Graffiti Removal Program	148,962	155,297	164,186	8,889	5.72
Subtotal, Public Works - Maintenance Services	$ 10,849,790	$ 11,291,138	$ 10,978,903	$ (312,235)	-2.77 %
Recreation					
Recreation Administration	130,462	197,395	212,020	14,625	7.41
Recreation Services	960,003	1,099,810	1,123,786	23,976	2.18
Recreation Grants	9,692	17,745	-	(17,745)	-100.00
California Theatre	358,772	394,032	254,250	(139,782)	-35.47
Subtotal, Recreation	$ 1,458,929	$ 1,708,982	$ 1,590,056	$ (118,926)	-0.07 %
Public Works - Water and Sewer Enterprises					
Water Operating	17,494,450	17,758,225	21,526,885	3,768,660	21.22
Water CIP	5,239,277	1,558,850	475,000	(1,083,850)	-69.53
Water Facility Reserve Fee Funds	7,059,760	5,150,966	77,500	(5,073,466)	-98.50
Sewer Maintenance	2,681,522	4,161,675	2,931,983	(1,229,692)	-29.55
Sewer CIP	226,305	13,047,864	8,127,500	(4,920,364)	-37.71
Sewer Facility Reserve Fee Funds	2,865	233,113	460,000	226,887	97.33
Water Bond Debt Service	41,158,050	3,913,952	4,120,148	206,196	5.27
Sewer Bond Debt Service	809,986	806,268	805,434	(834)	-0.10
Subtotal, Public Works - Water & Sewer Enterprises	$ 74,672,215	$ 46,630,913	$ 38,524,450	$ (8,106,463)	-17.38 %
Housing Authority					
Housing Authority - Section 8	15,699,518	16,335,709	17,417,761	1,082,052	6.62
Housing - Successor Agency	602,632	379,758	389,687	9,929	2.61
Subtotal, Housing Authority	$ 16,302,150	$ 16,715,467	$ 17,807,448	$ 1,091,981	6.53 %
Pittsburg Power Company					
Island Energy	4,431,876	5,635,400	5,552,815	(82,585)	-1.47
Pittsburg Power	2,096,355	2,559,669	2,237,637	(322,032)	-12.58
Power Company Capital Projects	558,904	1,414,641	530,000	(884,641)	-62.53
Subtotal, Pittsburg Power Company	$ 7,087,135	$ 9,609,710	$ 8,320,452	$ (1,289,258)	-13.42 %
Successor Agency to Former RDA					
RDA General	10,255,651	33,641,675	33,863,624 [2]	221,949	0.66
RDA Administration	401,514	998,157	431,811	(566,346)	-56.74
RDA Capital Projects Fund	113,307	415,229	-	(415,229)	-100.00
RDA Tax Allocation Bonds	58,651,433	31,026,326	31,195,693 [2]	169,367	0.55
RDA Housing Bonds	3,452,531	2,037,103	2,030,665 [2]	(6,438)	-0.32
Subtotal, Successor Agency to Former RDA	$ 72,874,436	$ 68,118,490	$ 67,521,793	$ (596,697)	-0.88 %
Debt Service Funds					
Pension Obligation Bond	4,793,127	4,370,018	4,425,976	55,958	1.28
Assessment Districts	2,741,996	5,043,942	2,832,505	(2,211,437)	-43.84
Subtotal, Debt Service Funds	$ 7,535,123	$ 9,413,960	$ 7,258,481	$ (2,155,479)	-22.90 %
Total, Uses by Program	$ 253,689,689	$ 245,141,031	$ 217,299,887	$ (27,841,144)	-11.36 %

(1) Includes transfers between funds in the amount of $494,825, therefore uses appear to be overstated by $494,825

(2) Includes transfers between funds to pay for debt obligation in the amount of $33,135,772, therefore uses appear to be overstated by $33,135,772

(3) Includes a $3.5M multi-jurisdictional freeway security network project funded by CalTrans. The project is cost-neutral to the City.

2018-19 Expenditures by Category

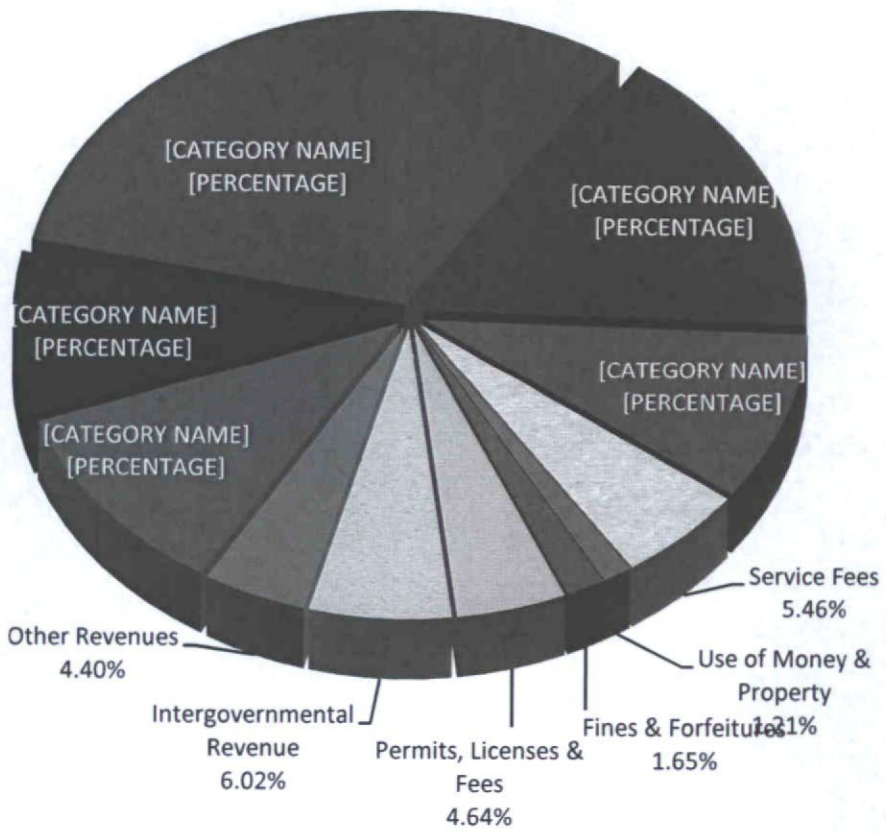


General Fund Revenues

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
Property Taxes					
Homeowners Tax Relief	78,281	80,000	80,000	-	-
Prior Year Taxes	77,136	(30,000)	(30,000)	-	-
Secured Property Taxes	2,536,092	2,776,467	2,887,822	111,355	4.01
Supplemental Taxes	292,112	200,000	400,000	200,000	100.00
Unitary Taxes	279,350	320,000	320,000	-	-
Unsecured Property Taxes	310,852	322,028	334,909	12,881	4.00
Subtotal, Property Taxes	$ 3,573,823	$ 3,668,495	$ 3,992,731	$ 324,236	8.84 %
Sales Taxes					
Sales & Use Taxes	8,492,550	8,260,708	8,966,700	705,992	8.55
Sales Taxes - Increase	4,167,030	4,030,759	4,612,860	582,101	14.44
Subtotal, Sales Taxes	$ 12,659,580	$ 12,291,467	$ 13,579,560	$ 1,288,093	10.48 %
Other Taxes					
Business License Tax	541,269	525,000	530,000	5,000	0.95
Motor Vehicle Tax	4,544,316	4,787,481	4,900,000	112,519	2.35
Other Taxes	256,528	260,000	350,000	90,000	34.62
Public Safety - Prop 172 Sales Tax	583,789	585,000	585,000	-	-
Transient Occupancy Taxes	758,814	759,400	800,000	40,600	5.35
Subtotal, Other Taxes	$ 6,684,716	$ 6,916,881	$ 7,165,000	$ 248,119	3.59 %
Franchise Fees					
Calpine	18,007	16,000	17,500	1,500	9.38
Comcast Broadband	681,660	670,000	687,000	17,000	2.54
Franchise Fees - Other	123,981	129,918	125,000	(4,918)	-3.79
PG&E	513,007	571,000	591,000	20,000	3.50
Pittsburg Disposal	1,738,661	1,760,000	1,765,000	5,000	0.28
RCTS	904,993	949,952	959,734	9,782	1.03
Subtotal, Franchise Fees	$ 3,980,309	$ 4,096,870	$ 4,145,234	$ 48,364	1.18 %
Service Fees					
Building Service Fees	290,923	278,640	255,335	(23,305)	-8.36
Engineering Service Fees	1,410	510	2,226	1,716	336.47
Other Reimbursements	321,745	449,000	400,000	(49,000)	-10.91
Other Service Fees	642,735	593,713	623,370	29,657	5.00
Planning Service Fees	26,795	30,100	36,100	6,000	19.93
Police Service Fees	525,998	502,224	503,512	1,288	0.26
Public Works Service Fees	280,654	281,000	276,000	(5,000)	-1.78
Recreation Entrance Fees	140,442	150,000	172,500	22,500	15.00
Recreation Service Fees	81,006	76,600	87,300	10,700	13.97
Recreation Sports Fees	20,266	15,000	44,000	29,000	193.33
Subtotal, Service Fees	$ 2,331,974	$ 2,376,787	$ 2,400,343	$ 23,556	0.99 %
Use of Money & Property					
Investment Earnings	140,608	266,000	207,400	(58,600)	-22.03
Rental Income	365,912	327,276	323,746	(3,530)	-1.08
Sale of Property	-	-	-	-	-100.00
Subtotal, Use of Money & Property	$ 506,520	$ 593,276	$ 531,146	$ (62,130)	-10.47 %
Fines & Forfeitures					
Abandoned Vehicle Abatement	158,406	145,000	140,000	(5,000)	-3.45
Booking Fees	8,118	8,000	5,500	(2,500)	-31.25
Code Enforcement Fines	150,194	46,000	61,500	15,500	33.70
Fines and forfeitures	4,409	1,000	1,000	-	-
Police Fines	210,482	98,000	76,500	(21,500)	-21.94
Police Forfeitures	3,474	2,000	3,000	1,000	50.00
POST Reimbursements	5,069	-	5,000	5,000	-100.00
Traffic Fines	144,973	-	-	-	-100.00
Vehicle Code Fines	1,837	189,500	434,350	244,850	129.21
Subtotal, Fines & Forfeitures	$ 686,962	$ 489,500	$ 726,850	$ 237,350	48.49 %
Permits, Licenses & Fees					
Building Fees	111,379	209,240	188,220	(21,020)	-10.05
Building Permits	930,737	908,400	888,925	(19,475)	-2.14
Business License Fees	146,068	145,500	125,000	(20,500)	-14.09
Code Enforcement Fee	-	-	10,000	10,000	-100.00
Engineering Fees	765,177	439,464	602,043	162,579	36.99

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
Other Fees	10,261	10,261	10,261	-	-
Other Permits	13,629	3,575	8,900	5,325	148.95
Planning & Zoning	118,106	195,600	198,000	2,400	1.23
Police Fees	10,162	6,000	7,500	1,500	25.00
Subtotal, Permits, Licenses & Fees	$ 2,105,519	$ 1,918,040	$ 2,038,849	$ 120,809	6.30 %
Intergovernmental Revenue					
Grants	188,588	406,222	110,500	(295,722)	-72.80
Other Reimbursements	136,221	300,500	453,810	153,310	51.02
RDA AB-1290/City Pass Through	1,366,332	605,623	487,808	(117,815)	-19.45
School Resource Officer Reimbursement	360,672	346,800	505,000	158,200	45.62
State Mandated Costs	22,888	26,553	109,157	82,604	311.09
Tipping Fee	956,698	980,000	980,000	-	-
Subtotal, Intergovernmental Revenue	$ 3,031,399	$ 2,665,698	$ 2,646,275	$ (19,423)	-0.73 %
Other Revenues					
Administrative Overhead	1,636,718	1,852,489	1,859,638	7,149	0.39
Donations	10,055	5,260	11,799	6,539	124.32
Grants	-	-	-	-	-100.00
Loan Repayments	-	100,000	-	(100,000)	-100.00
Other Reimbursements	242,902	192,000	52,500	(139,500)	-72.66
Other Revenues	57,132	40,000	11,500	(28,500)	-71.25
Subtotal, Other Revenues	$ 1,946,807	$ 2,189,749	$ 1,935,437	$ (254,312)	-11.61 %
Transfers-In					
Transfers-In	4,093,226	8,373,068	4,794,237	(3,578,831)	-42.74
Subtotal, Transfers-In	$ 4,093,226	$ 8,373,068	$ 4,794,237	$ (3,578,831)	-42.74 %
Total, General Fund Revenues	$ 41,600,835	$ 45,579,831	$ 43,955,662	$ (1,624,169)	-3.56 %

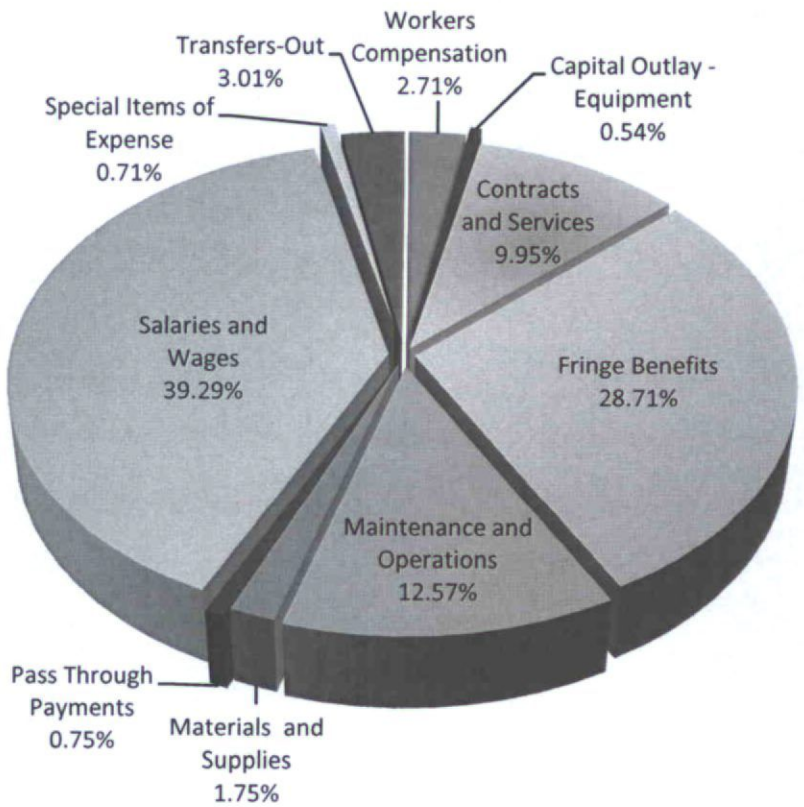
General Fund Revenues by Source



General Fund Expenditures by Category

	2016-17 Actual	2017-18 Amended Budget	2018-19 Proposed Budget	Change from 2017-18	% Change
Capital Outlay - Equipment	184,870	648,222	242,000	(406,222)	-62.67
Contracts & Services	5,444,388	5,030,713	4,442,251	(588,462)	-11.70
Fringe Benefits	11,694,163	10,907,670	12,819,677	1,912,007	17.53
Maintenance & Operations	4,682,043	5,482,194	5,613,435	131,241	2.39
Materials & Supplies	795,334	793,361	781,645	(11,716)	-1.48
Pass Through Payments	302,670	322,151	333,414	11,263	3.50
Salaries & Wages	16,119,811	15,918,117	17,543,130	1,625,013	10.21
Special Items of Expense	104,835	214,516	319,000	104,484	48.71
Transfers-Out	1,295,808	1,535,266	1,345,370	(189,896)	-12.37
Workers Compensation	840,521	1,042,606	1,207,912	165,306	15.86
Total, Expenditures	$ 41,464,443	$ 41,894,816	$ 44,647,834	$ 2,753,018	6.57 %

2018-19 General Fund Expenditures by Category



City of Pittsburg
65 Civic Avenue
Pittsburg, California 94565

June 18, 2018

Honorable Mayor and Members of the City Council:

I am pleased to submit the Fiscal Year (FY) 2018-19 Annual Budget for the City of Pittsburg (City), which provides a comprehensive financial framework for the coming year. The budget presented in this document represents the City's commitment to serve both the residents and business community, and long-term financial stability throughout the City. Over this past year bond ratings of the City have increased two times as a result of the fiscally responsible approach the City has taken with our finances and financial projections. Revenues for the City (excluding transfers) are projected to be $162.0 million, of which 24.2 percent comprises the General Fund. The City's total expenditures are projected (excluding Transfers and Capital) to be $154.7 million, of which 27.8 percent is the General Fund, the City's main source of unrestricted funds. This proposed budget funds 276 full-time equivalent employees, an increase of three full-time public safety positions over FY 2017-18 approved staffing levels. Before the recent economic recession, the City budget had 308 full-time equivalent positions. This Budget is in compliance with the requirements of the Fiscal Sustainability Ordinance which set a minimum reserve by the end of FY 2017-18.

Overview of the General Fund Proposed Operating Budget for FY 2018-19

	17/18 YE Est	18/19 Budget	Difference	Percent Difference
Revenues	43,282,123	43,955,662	673,539	1.56%
Expenditures	43,407,636	44,647,834	1,240,198	2.86%
Surplus (Deficit)	(125,513)	(692,172)	(566,659)	451.47%
Use of Budget Stabilization Fund	125,513	-	-	-
Use of GF Fund Balance	-	692,172	692,172	100%

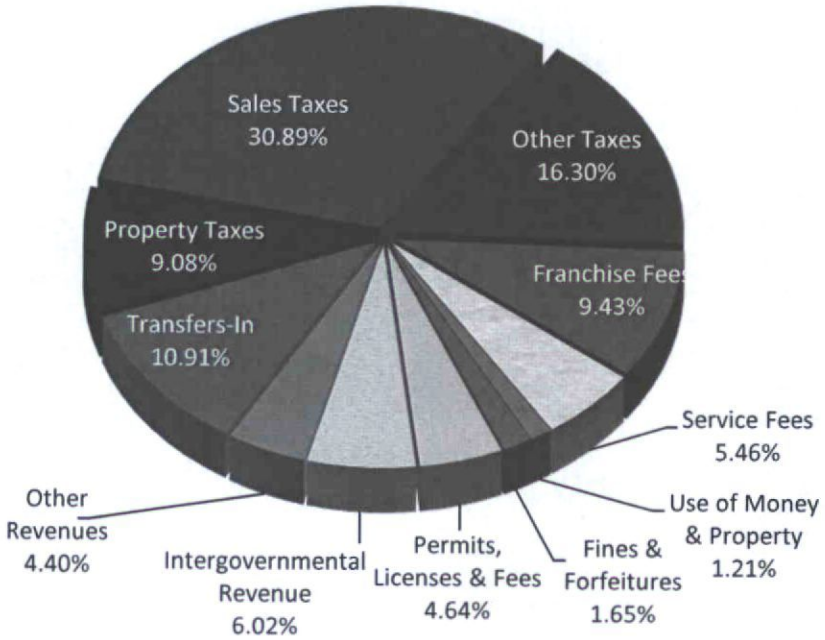
Projected FY 2018-19 ending Budget Stabilization Fund – Fund Balance	$ 3,682,529
Projected FY 2018-19 ending General Fund – Fund Balance	$13,182,997

Revenues

The City's revenue streams are influenced by overall economic conditions. Total General Fund revenue projections for FY 2018-19 are approximately $1.2 million more than FY 2017-18 year-end estimates. The additions are due to a one-time realignment of approximately $450,000 in Community Facilities District Public Safety revenues along with the related operations costs being moved to the General Fund. The General Fund major revenue sources include property and sales taxes, transfers, other taxes, and franchise taxes. Together the major sources comprise

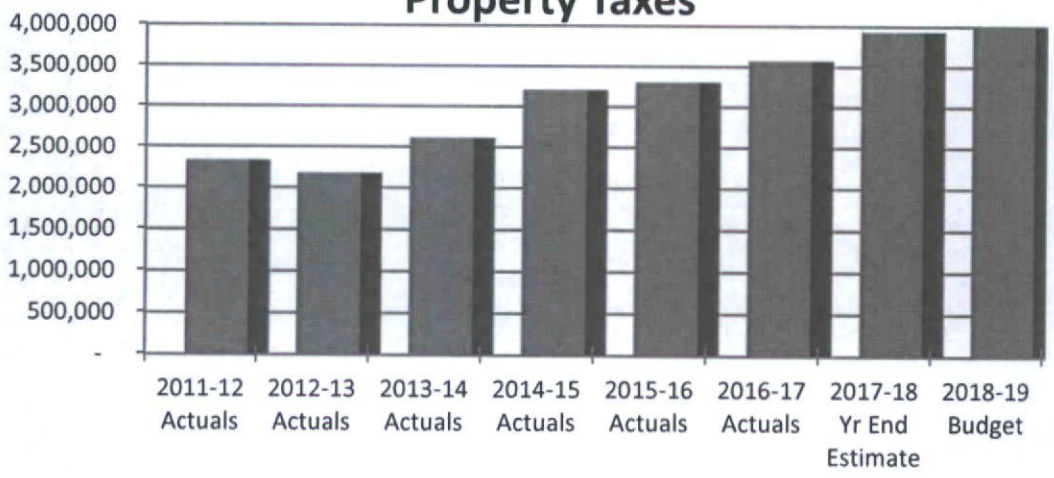
76.61 percent of total General Fund revenues for FY 2018-19, as shown on the graph below. The remaining 23.39 percent includes revenues such as intergovernmental revenue, department fee revenues and interest earnings.

General Fund Revenues by Source



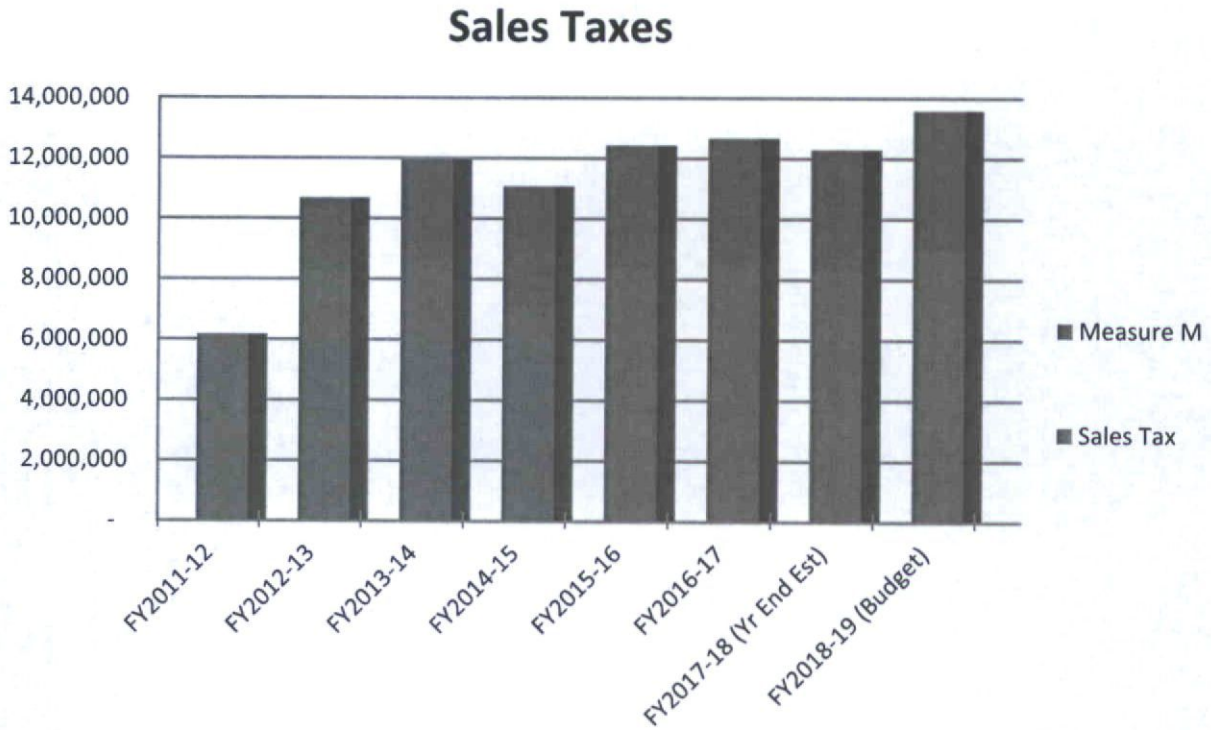
The City continues to see signs of improvement through increases in both property tax and sales tax revenues. Property tax revenue projections increased approximately $60,923 from year-end estimates; a 1.55 percent estimated increase due to additional single-family and commercial construction, as well as recovering property values.

Property Taxes



FY 2018-19 Sales Tax revenue projections raised by $1,288,093 over FY 2017-18 year-end estimates, a 10.5 percent increase. Sales tax revenue continues to show strong growth with the addition of a new auto dealership and gasoline station accounting for most of the projected increase. Looking forward, the City is projecting Sales Tax revenue to increase at a modest rate of approximately two percent per year.

In June 2016, 81% of voters approved Measure M, which extended the City's one-half sales tax through June 2035.



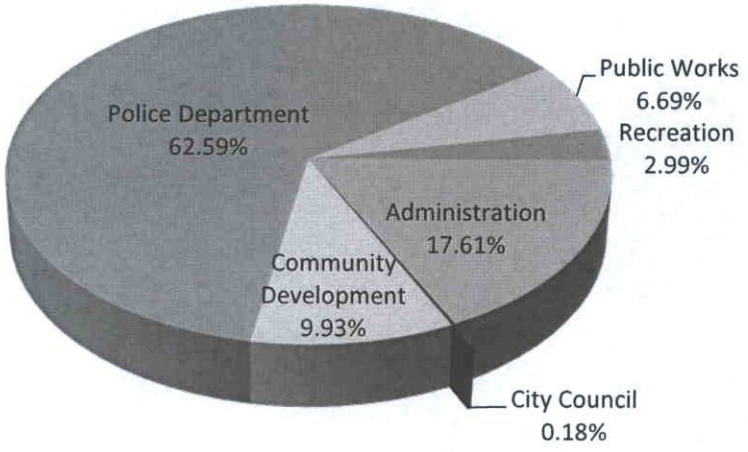
Expenditures

General Fund projected expenditures have increased by $1.2 million in FY 2018-19 over FY 2017-18 year-end estimates. An increase of approximately $450,000 resulted from a realignment of public safety costs being moved from the CFD funds to the General Fund to provide greater transparency of the City's public safety expenditures in the General Fund. For the FY 2018-19 budget, all departments were requested to keep controllable costs neutral where possible to offset normal inflationary costs. This budget continues to see additional resources being dedicated to fund the public retirement system CalPERS with higher contribution rates and additional funding requirements to cover the unfunded actuarial liabilities and changes initiated by the CalPERS Board. The CalPERS rate increases resulted from changes to proactively fund the current unfunded actuarial liabilities over the next 15 years. In response to these changes, the City

redirected program costs to other funds and away from the General Fund where possible and made necessary adjustments to the current budget and future projected budgets to minimize the impacts wherever possible for the current and future years to come.

The restructuring and reductions that were necessary in the current budget will enable the City to continue to provide the services residents and the business community have enjoyed while remaining fiscally prudent with the funds entrusted to the City.

2018-19 General Fund Expenditures by Department



7-year General Fund Balancing Plan and Implementation of the Fiscal Sustainability Ordinance

FY 2017-18 was the final year of the initial 7-year General Fund Balancing Plan and starting with FY 2018-19, the City is required to operate within the revenues provided through normal operations within the City. The initial plan to develop a sustainable plan for the City to operate within by the end of the 7-year General Fund Balancing Plan (Plan) ending with FY 2017-18. While the City is at the end of the initial Plan, we will continue to work with similar conservative revenue projections and expenditure assumptions, with the goal to operating within a structurally balanced budget. Since the inception of the Plan, actual revenues and expenses have been favorable overall. Starting with FY 2018-19, the City will no longer utilize the Budget Stabilization Fund to balance the General Fund, unless significant events occur outside of the normal predictable operating cycle. Should such an event occur, prior to utilizing any Budget Stabilization Funds, council will be apprised of the situation.

Fiscal Sustainability Ordinance – This is the sixth year that the City's budget has been developed under the guidelines of the City's Fiscal Sustainability Ordinance. The Budget Stabilization Fund projected balance at the end of FY 2018-19 is just over five percent of the General Fund operating expenditures as required by the Ordinance. While the City Council adopted a change to the Fiscal Sustainability Ordinance allowing up to ten percent (10%) of the required minimum 30 percent General Fund reserve level to be held in real estate, no expected utilization of real estate is projected for the current year to maintain the minimum requirements as outlined in the Ordinance.

20-year General Fund Forecast – The City budgets annually for the upcoming year, however the City uses a longer-range 20-year forecast to predict future fiscal measures for the City to operate within. This forecast incorporates anticipated revenues from development, assessed market value and economic recovery, as well as a systematically structured expenditure plan to cover current operational costs, post retirement liabilities (Contra Costa County Employees' Retirement Association (CCCERA), Pension, and Other Post-Employment Benefits (OPEB).

Pension - One of the benefits offered to City employees is participation in the CalPERS pension program. Following significant losses during the recession and lower than projected returns on assets held for the past several years, CalPERS changed the assumptions it applies to the funding requirements of the program. These assumptions changed the term of recovery from 30 years to 15 years, lowering the discount rate (projected annual earnings rate) from 7.375 percent to 7.0 percent over the next three years and a shortening of the amortization life from 30 years to 20 years for future years. The resulting financial impacts of these changes will significantly increase future pension obligations, possibly resulting in reduced service levels throughout the City.

Assembly Bill 340 (AB 340) created the Public Employees' Pension Reform Act (PEPRA) that implemented new benefit formulas and the final compensation period for employees hired on or after January 1, 2013. The impacts of AB 340 will be realized as the City experiences employee attrition. The City is working on reducing this liability through employee attrition, negotiated employee contributions, and additional City contributions toward the pension obligation.

By direction of the City Council, the current operating budget contains the establishment of a 115 Trust to accumulate funds that can only be used towards future Pension costs in addition to paying the required CalPERS annual pension payments. For FY 2018-19 the City has budgeted $394,215 city wide to be deposited into the Trust.

OPEB Liabilities – In December 2013, the City established an agreement with the California Public Employees' Retirement System (CalPERS) to set aside funds and deposit into the California Employer's Retiree Benefit Trust (CERBT) fund to accumulate and distribute assets for

the exclusive benefit of retirees and their beneficiaries. Plan assets are irrevocable and may not be used for any purpose other than funding post-retirement healthcare. The City continues to deposit funds with CERBT each year to reduce its unfunded OPEB liability. The City's CERBT account had a balance of $3.8 million as of March 31, 2018 and a balance of $3.4 million as of June 30, 2017. The proposed FY 2018-19 Budget contains a contribution of $500,000 towards the Trust to fund future OPEB costs.

Looking Forward

Staff will continue to streamline the City's organization and strive to optimize the existing workforce to meet the needs of residents throughout the City. By continuing to improve efficiency and focusing on the longer-term 20-year forecast for the City's General Fund, staff feels the City, residents, business leaders and community partners will continue to invest in and strengthen the community.

Crime Rates –Over the past year, the City saw an increase in Violent Crimes and a reduction in Part I Crimes. Overall crime rates continue to remain at some of the lowest levels in decades and continues to compare very well with nearby cities.

VIOLENT CRIME COMPARISON BY CITY

PER 1,000 RESIDENTS

CITY/YEAR	2016	2017
Walnut Creek	1.1	1.5
Pleasant Hill	2.6	2.0
Brentwood	2.2	2.6
Concord	3.5	3.6
Pittsburg	4.5	4.9
Antioch	6.7	5.3

PART I CRIME COMPARISON BY CITY

PER 1,000 RESIDENTS

CITY/YEAR	2016	2017
Brentwood	31.6	31.2
Pittsburg	33.8	30.6
Walnut Creek	31.2	33.8
Concord	37.4	38.2
Antioch	39.7	39.6
Pleasant Hill	47.0	49.6

Violent Crime includes: Murder, Rape, Robbery and Aggravated Assault

Part I Crimes include Murder, Rape, Robbery, Aggravated Assault, Burglary, Larceny Theft, Vehicle Theft and Arson

Development – Pittsburg is a great place to live and work, filled with many talented people with a diversity of interests. The business community works hard and City government is committed to maintaining that tradition. The Council and staff work with businesses and developers to ensure the community grows at a pace that is healthy for all parties involved. Staff's objective is to look both internally and externally, focusing not only on maintaining the quality of life in Pittsburg, but improving it.

City of Pittsburg
65 Civic Avenue
Pittsburg, California 94565

The proposed Capital Projects budget for FY 2018-19 is approximately $12 million, as summarized on the chart below. A majority of the capital projects involve improvements to the City's water distribution and sewer systems. Funds for infrastructure projects come from water and sewer operation funds, developer fees, grants and regional fees for storm drainage and fuel taxes.

Project Name	Funding Source	Prior Allocations	FY18/19 Allocation
Range Road Sidewalk Widening	Gas Tax/TDA	$ -	$ 120,000
2018/19 Citywide Pavement Management	Gas Tax	-	400,000
West Leland Road Pavement Management	RMRA	-	974,401
2018/19 Citywide Traffic Calming Project	Measure J	-	100,000
2018/19 Citywide Fence/Soundwall/Streetlight Replacement and Installation	Measure J	-	100,000
2018/19 Citywide Striping and Signage	RMRA	-	50,000
2018/19 Traffic Signal Modification	RMRA	-	135,000
Water Treatment Capital Repairs and Improvements	WOF	75,000	75,000
Automatic Water Meter Reading System	WOF	2,206,793	300,000
2021/22 Filter Media Replacement	WOF	-	100,000
2016/17 Sewer and Water Replacement and Rehabilitation Program	SOF, SFR, WOF, Wbond, WFR	3,500,000	8,127,500
Small World Park Improvements	PDF	-	20,000
Annual Playground Replacement Project	PDF	-	80,000
City Park Soccer Field Turf Replacement	PDF	-	250,000
Annual Park Features Replacement Project	PDF	-	75,000
Biennial Restroom Replacement/Rehabilitation	PDF	-	250,000
Marina Maintenance Dredging (formerly Riverview Basin Dredging)	WO, ME	106,208	320,000
Duct Bank and Vault Replacements	IE	-	400,000
Station H KWH Metering Equipment	IE	100,000	80,000
Gas Line Removal and Replacement	IE	100,000	50,000
Totals		**$ 6,088,001**	**$12,006,901**

City of Pittsburg
65 Civic Avenue
Pittsburg, California 94565

BART – (Bay Area Rapid Transit) Construction of the $463 million extension of the BART system from the Pittsburg-Bay Point station to Antioch is complete with opening of the Pittsburg station in May 2018. The development surrounding the new station will help invigorate development along the Railroad corridor through the heart of the City of Pittsburg.

Conclusion

The FY 2018-19 Annual Budget reflects the short and long-term financial capacity of the City. It balances a variety of wants against needs, while reflecting the goals, strategic direction and plans prioritized by the Council as the community moves forward.

I would like to thank the City Council for their guidance and support throughout the development of this proposed budget. In addition, I would like to thank the Finance Department Budget staff and staff in all other City Departments that contributed to the Fiscal Year 2018-19 budget. I would like to give special thanks to Brad Farmer, Finance Director and to Diane Agar, Finance Accounting and Budget Manager for their work and expertise throughout this year's budget process.

Joe Sbranti
City Manager

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

DATE: 6/8/2018

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Adoption of a City Council Resolution for Approval of the City of Pittsburg's Operating Budget for Fiscal Year 2018-19 and Appropriation of Funds for Fiscal Year 2018-19

MEETING DATE: 6/18/2018

EXECUTIVE SUMMARY

On April 30, 2018, a budget workshop meeting was held to review and receive public input and discussion regarding the Draft Operating Budget for Fiscal Year 2018-19. The Fiscal Year 2018-19 budget must be appropriated by July 1, 2018 to provide on-going funding for the City of Pittsburg activities during the next fiscal year.

FISCAL IMPACT

The proposed City of Pittsburg Operating Budget for Fiscal Year 2018-19 contains an overall estimated revenue stream of $211,552,491 and overall appropriations of $217,299,887. Included in the total appropriations budget are $44.65 million for the General Fund, $11.88 million for the Internal Service Funds, $51.40 million for the Enterprise Funds, $32.82 million for the Special Revenue Funds, $42.26 million for the Debt and Project Funds and $34.29 million for the Successor Agency to the Former Pittsburg Redevelopment Agency Funds.

The Fiscal Year 2018-19 City Manager Budget Message is set forth as attachment I. The City of Pittsburg Fiscal Year 2018-19 operating budgets for all City funds are set forth in the Summary of Fund Conditions, attachment II, and Summary of Revenues and Expenditures All Funds, attachment III. Projected Citywide revenues are set forth in the Revenue Source by Category and Object, attachment IV. A Summary of Expenditures by Program can be found in attachment V. The FY 2018-19 General Fund Revenues and Expenditures are included in attachments VI and VII.

RECOMMENDATION

Adopt the budget for the City of Pittsburg for the Fiscal Year 2018-19.

BACKGROUND

The City's proposed FY 2018-19 Operating Budget was presented to the City Council at a Budget Workshop held on April 30, 2018.

The proposed FY 2018-19 budget is scheduled to be adopted at the City Council meeting on June 18, 2018. Copies of the proposed budget and supporting documentation were submitted to interested parties prior to the meeting. A complete copy of the detailed Preliminary Operating Budget document for Fiscal Year 2018-19 will be on the City's website before the June 18, 2018 City Council meeting and can be located by navigating to City Services/Finance/Budget and Other Financial Documents/2018-19 Proposed Budget. A hard copy of the same document will be filed at the Contra Costa County Library, Pittsburg Branch.

SUBCOMMITTEE FINDINGS

On May 17, 2018 the Finance Committee met to review the Draft FY 2018-19 Operating Budget.

STAFF ANALYSIS

The City Manager's attached Budget Message provides an overview of the City's FY 2018-19 General Fund budget as well as a description of the City's financial challenges.

ATTACHMENTS: Resolution
Attachment I: Fiscal Year 2018-19 City Manager Budget Message
Attachment II: Summary of Fund Conditions for FY 2018-19
Attachment III: Summary of Revenues and Expenditures All Funds
Attachment IV: Revenue Source by Category and Object All Funds
Attachment V: Summary of Expenditures by Program All Funds
Attachment VI: General Fund Revenues
Attachment VII: General Fund Expenditures

Report Prepared By: Diane Agar, Finance Division Manager – Accounting and Budget
Reviewed by: Brad Farmer, Director of Finance

BEFORE THE CITY OF PITTSBURG HOUSING AUTHORITY

In the Matter of:

Approval of the Budget for Fiscal Year 2018-19 for the City of Pittsburg Housing Authority and Appropriation Of Funds for Fiscal Year 2018-19

RESOLUTION NO. 18-316

The City of Pittsburg Housing Authority DOES RESOLVE as follows:

WHEREAS, the City Manager has prepared, transmitted and presented the one year Preliminary Operating Budget Plan for Fiscal Year 2018-19 to the City Council for its consideration; and

WHEREAS, the City prepares and adopts the City of Pittsburg Housing Authority Budget with the intent of providing a planned program for services and a financial system to carry out the planned program of services; and

WHEREAS, on April 30, 2018 the City Council held a budget workshop for the purpose of reviewing and discussing the Pittsburg Housing Authority budget for the Fiscal Year 2018-19 and recommend estimated revenues of $17,292,859 and expenditures of $17,417,761.

NOW, THEREFORE, the City of Pittsburg Housing Authority finds and determines as follows:

Section 1. Findings

A. The recitals set forth above are true and correct statements and are hereby incorporated in conjunction with the respective staff report.

B. That the Budget for Fiscal Year 2018-19 is hereby approved as set forth in a copy of said budget summary on file with the City of Pittsburg and which by this reference is incorporated herein and authorizes the preparation of the final Budget Review document for Fiscal Year 2018-19.

C. Those funds are hereby and shall be appropriated in the estimated revenue of $17,292,859 and expenditures of $17,417,761.

D. That the Finance Director or his/her designee is hereby authorized to approve payment of goods and services received by the City of Pittsburg Housing Authority in accordance with the City's approved budget, programs and policies.

E. That the City of Pittsburg Housing Authority authorizes changes to be made to the annual budget as follows:

Items Requiring Council/Agency Action:

- Appropriation of fund balance reserves.
- Transfers of appropriations between funds.
- New interfund loans or advances.
- Creation of new capital projects.
- Transactions which increase total fund budgets.

Items Delegated to the City Manager/Executive Director:

- Items in excess of $5,000.00.
- Transfers between departments and divisions so that the total fund budget remains the same.
- Approval of transfers within funds which increase salary and benefit appropriations so that the total fund budget remains the same.

Items Delegated to Department Heads:

- Allocation of departmental appropriations to line item except for salary and benefit appropriations.
- Changes which exceed current funds disbursement authorizations must be approved by the City Manager/Executive Director. These changes cannot increase the department budget.

Section 2. Authorization

PASSED AND ADOPTED by The City of Pittsburg Housing Authority at a regular meeting held on the 18th day of June, 2018, by the following vote:

AYES: Banales, Craft, Evola, Killings, Longmire

NOES: None

ABSTAINED: None

ABSENT: None

Dwaine "Pete" Longmire, Chair

ATTEST:

Alice E. Evenson, Agency Secretary

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

DATE: 5/30/2018

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Adoption of a Housing Authority Resolution for Approval of the Operating Budget Plan for Fiscal Year 2018-19 for the City of Pittsburg Housing Authority and Appropriation of Funds for Fiscal Year 2018-19

MEETING DATE: 6/18/2018

EXECUTIVE SUMMARY

On April 30, 2018, a budget workshop meeting was held to review and receive public input regarding the Preliminary Operating Budget for Fiscal Year 2018-19. The budget must be appropriated for Fiscal Year 2018-19 by July 1, 2018 to provide on-going financing for the City of Pittsburg Housing Authority (COPHA) activities during the next fiscal year.

FISCAL IMPACT

The Pittsburg Housing Authority budget for Fiscal Year 2018-19 estimates revenues of $17,292,859 and expenditures of $17,417,761, resulting in a deficit of $124,902 which will come from the Section 8 Housing Fund Balance. Projected ending fund balance will be $140,075 at the end of fiscal year 2018-19.

RECOMMENDATION

Housing Authority approves the Operating Budget for Fiscal Year 2018-19 and adopt the budget for the City of Pittsburg Housing Authority, for the Fiscal Year 2018-19.

BACKGROUND

A complete copy of the detailed Preliminary Operating Budget document for Fiscal Year 2018-19 will be placed on the City's website before the June 18, 2018 City Council meeting and can be located by navigating to City Services/Finance/Budget and Other Financial Documents/2018-19 Proposed Budget. A hard copy of the same document will also be filed at the Contra Costa County Library, Pittsburg Branch.

SUBCOMMITTEE FINDINGS

The City of Pittsburg Preliminary Operating Budget for the Fiscal Year 2018-19 was presented to the Finance Committee on May 17, 2018. The Finance Committee did not have any comments or questions related to the Housing Authority budget.

STAFF ANALYSIS

In January 2012, the Department of Housing and Urban Development (HUD) implemented a new cash management policy aimed at reducing the amount of excess Net Restricted Assets ("NRA") or fund balance retained by individual public housing authorities since 2005. As a result of this policy, The City of Pittsburg's Housing Authority's ("COPHA") fund balance decreased dramatically over the past couple of years to less than one month of operating expenses. Currently, COPHA has not received the HUD's Calendar Year 2018 Renewal Funding annual increment. In April 2017, COPHA received notification from HUD that it is in a shortfall position and continues the status through fiscal year 2017-18. The shortfall status means COPHA might not have enough funding to support the current leasing level through December 2018. COPHA has been working closely with HUD to ensure that measures have been in place for cost control and have stopped additional leasing activities. After HUD's review and approval, COPHA will be eligible to apply for set aside funding from HUD to offset the shortfall.

The FY 2018-19 budgeted revenue projections are based on estimates derived from the number of units leased. Additional provisions have been made to include the potential set aside funding and utilization of the existing HUD reserve. The administrative funding is based on HUD's funding letter, which was prorated to 76% of eligibility to the FY 2017-18 funding. As a result, we estimate utilizing $124,902 in reserves to balance the Housing Authority's FY 2018-19 budget.

COPHA continues to be challenged to maintain the level of service with significant increases in costs from the raising rental market coupled with lower earned administrative fees. COPHA's plan is to closely balance units leased with a healthy dose of administrative revenue and attempt to cover all the costs. However, the City of Pittsburg Housing Authority may still anticipate a net loss in program revenue if HUD's funding level fails to keep up with the increased rental market costs, implementing future reductions to the current administrative fee proration.

The City of Pittsburg Finance Department has established a 7-year forecast to help manage the City of Pittsburg Housing Authority's budget. COPHA anticipates using existing reserves to supplement its' shortfall through FY 2018-19. However, by FY 2019-20, COPHA will completely deplete its reserve if funding from HUD does not keep up with increasing costs.

Staff will update this forecast periodically according to the latest revenue and expenditure information.

ATTACHMENTS: Resolution

Report Prepared By: Laura Mendez, Finance Division Manager - Reporting

BEFORE THE PITTSBURG POWER COMPANY OF THE CITY OF PITTSBURG

In the Matter of:

Approval of the Budget for Fiscal Year 2018-19 for the Pittsburg Power Company and Appropriation of Funds For Fiscal Year 2018-19

RESOLUTION NO. 18-159

The Board of Directors of the Pittsburg Power Company, a Joint Powers Authority, DOES RESOLVE as follows:

WHEREAS, the Executive Director has prepared, transmitted and presented the one-year Preliminary Operating Budget for Fiscal Year 2018-19 to the City Council for its consideration; and

WHEREAS, the City prepares and adopts the Pittsburg Power Company Budget with the intent of providing a planned program for services and a financial system to carry out the planned program of services; and

WHEREAS, the City Council held a budget workshop meeting on April 30, 2018 for the purpose of reviewing and discussing the Preliminary Operating Budget for Fiscal Year 2018-19, and for providing opportunities for public input and discussion on said Preliminary Pittsburg Power Company Budget; and

WHEREAS, the City Council, having fully reviewed the Preliminary Pittsburg Power Company Budget for Fiscal Year 2018-19 and being fully advised, found and determined that the said Preliminary Pittsburg Power Company Budget should be adopted and prepared in final form.

NOW, THEREFORE, the Pittsburg Power Company Board of Directors finds and determines as follows:

Section 1. Findings

A. The recitals set forth above are true and correct statements and are hereby incorporated in conjunction with the respective staff report.

B. That the Budget for Fiscal Year 2018-19 is hereby approved as set forth in a copy of said budget summary on file with the City of Pittsburg and which by this reference is incorporated herein and authorizes the preparation of the final Budget Review document for Fiscal Year 2018-19.

C. Those funds are hereby and shall be appropriated in the estimated revenue amount of $2,608,174 and a spending plan of $2,237,637 for the Pittsburg Power Fund. In addition, the budget recommends estimated revenues in the amount of $6,199,861 and a spending plan of $6,082,815 for the Island Energy Fund for Fiscal Year 2018-19.

D. That the Finance Director or his/her designee is hereby authorized to approve payment of goods and services received by the Pittsburg Power Company in accordance with the City's approved budgets, programs and policies.

E. That the Pittsburg Power Company of the City of Pittsburg authorizes changes to be made to the annual budget as follows:

Items Requiring Council/Agency Action:

- Appropriation of fund balance reserves.
- Transfers of appropriations between funds.
- New interfund loans or advances.
- Creation of new capital projects.
- Transactions which increase total fund budgets.

Items Delegated to the City Manager/Executive Director:

- Items in excess of $5,000.00.
- Transfers between departments and divisions so that the total fund budget remains the same.
- Approval of transfers within funds which increase salary and benefit appropriations so that the total fund budget remains the same.

Items Delegated to Department Heads:

- Allocation of departmental appropriations to line item except for salary and benefit appropriations.
- Changes which exceed current funds disbursement authorizations must be approved by the City Manager/Executive Director. These changes cannot increase the department budget.

Section 2. Authorization

PASSED AND ADOPTED by the Pittsburg Power Company Board of Directors at a regular meeting held on the 18th day of June 2018, by the following vote:

AYES:	Banales, Craft, Evola, Killings, Longmire
NOES:	None
ABSTAINED:	None
ABSENT:	None

Dwaine "Pete" Longmire, Chair

ATTEST:

for Alicia E. Emerson
Joe Sbranti, Executive Secretary

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

DATE: 6/8/2018

TO: Chair and Agency Members

FROM: Joe Sbranti, Executive Director

SUBJECT: Adoption of a Pittsburg Power Company Resolution for Approval of the Budget for Fiscal Year 2018-19 for the Pittsburg Power Company and Appropriation of Funds for Fiscal Year 2018-19

MEETING DATE: 6/18/2018

EXECUTIVE SUMMARY

On April 30, 2018 a budget workshop meeting was held to review the Preliminary Operating Budget for Fiscal Year 2018-19 including the proposed Pittsburg Power Company Budget. The budget must be appropriated for Fiscal Year 2018-19 before July 1, 2018 to provide on-going funding for the Pittsburg Power Company activities during the next fiscal year.

FISCAL IMPACT

The Pittsburg Power Company budget for Fiscal Year 2018-19 estimates revenues in the amount of $2,608,174 and a spending plan of $2,237,637 for the Pittsburg Power Fund. In addition, the budget estimates revenues in the amount of $6,199,861 and a spending plan of $6,082,815 for the Island Energy Fund.

RECOMMENDATION

PPC Board approve the Operating Budget Plan for Fiscal Year 2018-19 and adopt the budget for the Pittsburg Power Company for the Fiscal Year 2018-19.

BACKGROUND

The Preliminary Operating Budget for Fiscal Year 2018-19 for the City of Pittsburg, including the Pittsburg Power Company, was presented to the City Council at a budget workshop meeting held on May 17, 2018.

Copies of the proposed budget and supporting documentation were submitted to interested parties prior to the meeting. A complete copy of the detailed Preliminary Operating Budget document for Fiscal Year 2018-19 will be placed on the City's website before the June 18,

2018 City Council meeting and can be located by navigating to City Services/Finance/Budget and Other Financial Documents/2018-19 Proposed Budget. A hard copy of the same document will also be filed at the Contra Costa County Library, Pittsburg Branch.

SUBCOMMITTEE FINDINGS

The City of Pittsburg Preliminary Operating Budget Plan for the Fiscal Year 2018-19 was presented to the Finance Subcommittee on May 17, 2018. The Finance Subcommittee did not have any comments or changes to the Pittsburg Power FY 2018-19 budget.

STAFF ANALYSIS

None

ATTACHMENTS: Resolution

Report Prepared By: Diane Agar, Division Manager – Accounting
Reviewed By: Brad Farmer, Director of Finance

BEFORE THE SOUTHWEST PITTSBURG GEOLOGIC HAZARD ABATEMENT DISTRICT II

In the Matter of:

Approval of the Budget Plan for Fiscal Year 2018-19 for the Southwest Pittsburg Geologic Hazard Abatement District II (GHAD II) and Appropriation of Funds for Fiscal Year 2018-19	)	RESOLUTION NO. 18-061

The Southwest Pittsburg Geologic Hazard Abatement District II Board of Directors DOES RESOLVE as follows:

WHEREAS, the Executive Director has prepared, transmitted and presented the one-year Preliminary Operating Budget for Fiscal Year 2018-19 to the City Council for its consideration; and

WHEREAS, the District prepares and adopts the Southwest Pittsburg Geologic Hazard Abatement District II (GHAD II) Budget with the intent of providing a planned program for services and a financial system to carry out the planned program of services; and

WHEREAS, the GHAD II Board of Directors held a meeting on June 18, 2018 for the purpose of reviewing and discussing the Southwest Pittsburg GHAD II budget for the Fiscal Year 2018-19 and recommend estimated revenues in the amount of $922,700 and a spending plan of $666,675.

NOW, THEREFORE, Southwest Pittsburg GHAD II Board of Directors finds and determines as follows:

Section 1. Findings

A. The recitals set forth above are true and correct statements and are hereby incorporated in conjunction with the respective staff report.

B. That the Budget for Fiscal Year 2018-19 is hereby approved as set forth in a copy of said budget summary on file with the City of Pittsburg and which by this reference is incorporated herein and authorizes the preparation of the final Budget Review document for Fiscal Year 2018-19.

C. Those funds are hereby and shall be appropriated in the estimated revenue amount of $922,700 and a spending plan of $666,675.

D. That the Finance Director or his/her designee is hereby authorized to approve payment of goods and services received by the Southwest Pittsburg GHAD II in accordance with the City's approved budget, programs and policies.

E. That Southwest Pittsburg GHAD II authorizes changes to be made to the annual budget as follows:
Items Requiring GHAD Board of Directors Action:

- Appropriation of fund balance reserves.
- Transfers of appropriations between funds.
- New interfund loans or advances.
- Creation of new capital projects.
- Transactions which increase total fund budgets.

Items Delegated to the GHAD II Executive Director:

- Items in excess of $5,000.00.
- Transfers between departments and divisions so that the total fund budget remains the same.
- Approval of transfers within funds which increase salary and benefit appropriations so that the total fund budget remains the same.

Items Delegated to the General Manager:

- Allocation of departmental appropriations to line item except for salary and benefit appropriations.
- Changes which exceed current funds disbursement authorizations must be approved by the Executive Director. These changes cannot increase the department budget.

Section 2. Authorization

PASSED AND ADOPTED by The Southwest Pittsburg GHAD II Board of Directors at a regular meeting held on the 18th day of June 2018, by the following vote:

AYES: Banales, Craft, Evola, Killings, Longmire

NOES: None

ABSTAINED: None

ABSENT: None

Dwaine "Pete" Longmire, Chair

ATTEST:

Alice E. Evenson, City Clerk

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

DATE: 6/8/2018

TO: Chair and Agency Members

FROM: Joe Sbranti, Executive Director

SUBJECT: Adoption of a GHAD II Resolution for Approval of the Budget for Fiscal Year 2018-19 for the Southwest Pittsburg Geologic Hazard Abatement District II (GHAD II) and Appropriation of Funds for Fiscal Year 2018-19

MEETING DATE: 6/18/2018

EXECUTIVE SUMMARY

On April 30, 2018 a budget workshop meeting was held to review the Preliminary FY 2018-19 Operating Budget including the GHAD II budget. The FY 2018-19 budget must be appropriated before July 1, 2018 to provide on-going funding for the Southwest GHAD II activities during the next fiscal year.

FISCAL IMPACT

The Southwest GHAD II budget for Fiscal Year 2018-19 estimates revenues in the amount of $922,700 and a spending plan of $666,675.

RECOMMENDATION

GHAD II approve the Operating Budget for Fiscal Year 2018-19 and adopt the budget for the Southwest GHAD II, for the Fiscal Year 2018-19.

BACKGROUND

The Preliminary Operating Budget Plan for Fiscal Year 2018-19 for the Southwest GHAD II was presented at a budget workshop meeting held on April 30, 2018. A complete copy of the detailed Preliminary Operating Budget document for Fiscal Year 2018-19 will be placed on the City of Pittsburg's website before the June 18, 2018 City Council/GHAD Board meeting and can be located by navigating to City Services/Finance/Budget and Other Financial Documents/2018-19 Proposed Budget. A hard copy of the same document will also be filed at the Contra Costa County Library, Pittsburg Branch.

SUBCOMMITTEE FINDINGS

The Preliminary Operating Budget Plan for the Fiscal Year 2018-19 was presented to the Finance Subcommittee on May 17, 2018. The Subcommittee members did not express any questions or concerns related to the GHAD II budget.

STAFF ANALYSIS

None

ATTACHMENTS: Resolution

Report Prepared By: Diane Agar, Division Manager – Accounting
Reviewed By: Brad Farmer, Director of Finance

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Adopt Resolution Establishing the Appropriations Limit for the Fiscal Year 2018-19 in Accordance with Proposition III and Article XIII (B)

RESOLUTION NO. 18-13495

The Pittsburg City Council DOES RESOLVE as follows:

WHEREAS, Article XIII (B) of the California Constitution Proposition 4 establishes expenditure limits for cities; and

WHEREAS, State-implementing legislation (Government Code Section 7910) requires the City of Pittsburg to annually adopt a resolution establishing its Appropriations Limit for the following fiscal year; and

WHEREAS, effective FY 1990-91 Proposition III has amended Article XIII (B) to allow a selection of annual adjustment factors (price and population) which must also be adopted at a regularly scheduled meeting; and

WHEREAS, the City selected the County's population change and the change in California per Capita Personal Income factors to compute the Appropriations Limit; and

WHEREAS, the Division Manager – Reporting has made the calculations specified in said Law and concludes that the appropriations subject to limitation is the sum of one hundred sixty-one million, one hundred seventy-four thousand, seven hundred forty-nine dollars ($161,174,749); and

WHEREAS, pursuant to said law the calculations have been made available to the public for two (2) weeks prior to the date of the adoption of this resolution. A copy of the calculation is on file in the City of Pittsburg Finance Department.

NOW, THEREFORE, the City Council finds and determines as follows:

Section 1.
The recitals set forth are true and correct statements and hereby incorporated.

Section 2.
The City Council does hereby authorize and approve that the Fiscal Year 2018-19 Appropriations Limit of the City of Pittsburg is established at $161,174,749 using the County's Population Change and the change in the California per Capita Personal Income factors; and

Section 3.
That this Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 18th of June, 2018, by the following vote:

AYES:	Banales, Craft, Evola, Killings, Longmire
NOES:	None
ABSTAINED:	None
ABSENT:	None

Dwaine "Pete" Longmire, Mayor

ATTEST:

Alice E. Evenson, City Clerk

City of Pittsburg Fiscal Year 2018-19
Gann Appropriations Limit Calculations

	City Population Change		County Population Change
Population Change as of January 1, 2018	1.0183 (1)		1.0088 (1)

	Per Capita Change		Consumer Price Index CPI of Contra Costa County
Cost of Living FY 2018-19	1.0367 (1)		1.034 (2)

FY 18-19 Gann Limit Growth Factor 1 + Larger of County and City Population		1.0183
1 + Larger of Per Capita Change and 12-Month Change in CPI for County	x	1.0367
INCREASE in City's Appropriations Limit for FY 2018-19		1.055672
FY 2017-18 Appropriations Limit		$ 152,675,025 (3)
Growth Factor	x	1.055672
FY 2018-19 APPROPRIATIONS LIMIT		**$ 161,174,749**

NOTE:
(1) California Department of Finance Letter Dated May, 2018
(2) Bureau of Labor Statistics CPI, 2017 Avg Change - SF Area (includes Contra Costa County)
(3) FY2017-18 General Fund Appropriations Limit

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

May 2018

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit
California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2018, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2018-19. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2018-19 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts
Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: http://leginfo.legislature.ca.gov/faces/codes.xhtml.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification
The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2018.**

Please Note: The prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN
Director
By:

AMY M. COSTA
Chief Deputy Director

Attachment

Attachment A

A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2018-19 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2018-19	3.67

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2018-19 appropriation limit.

2018-19:

Per Capita Cost of Living Change = 3.67 percent
Population Change = 0.78 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.67 + 100}{100} = 1.0367$

Population converted to a ratio: $\frac{0.78 + 100}{100} = 1.0078$

Calculation of factor for FY 2018-19: $1.0367 \times 1.0078 = 1.0448$

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2017 to January 1, 2018 and Total Population, January 1, 2018

County City	Percent Change 2017-2018	— Population Minus Exclusions — 1-1-17	 1-1-18	Total Population 1-1-2018
Contra Costa				
Antioch	0.70	112,280	113,061	113,061
Brentwood	2.70	61,383	63,042	63,042
Clayton	0.78	11,342	11,431	11,431
Concord	0.68	128,282	129,159	129,159
Danville	0.79	44,048	44,396	44,396
El Cerrito	1.07	24,674	24,939	24,939
Hercules	0.50	26,185	26,317	26,317
Lafayette	0.94	25,416	25,655	25,655
Martinez	0.70	37,831	38,097	38,097
Moraga	0.74	16,866	16,991	16,991
Oakley	1.52	41,116	41,742	41,742
Orinda	0.98	19,012	19,199	19,199
Pinole	0.71	19,101	19,236	19,236
Pittsburg	1.83	71,342	72,647	72,647
Pleasant Hill	0.35	34,944	35,068	35,068
Richmond	0.77	110,114	110,967	110,967
San Pablo	0.67	31,383	31,593	31,593
San Ramon	1.58	81,354	82,643	82,643
Walnut Creek	0.15	70,558	70,667	70,667
Unincorporated	0.25	171,998	172,429	172,513
County Total	0.88	1,139,229	1,149,279	1,149,363

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment C

Annual Percent Change in Population Minus Exclusions*
January 1, 2017 to January 1, 2018

County	Percent Change 2017-18	Population Minus Exclusions 1-1-17	Population Minus Exclusions 1-1-18
Alameda			
Incorporated	0.90	1,494,650	1,508,173
County Total	0.84	1,643,199	1,656,996
Alpine			
Incorporated	0.00	0	0
County Total	-0.17	1,156	1,154
Amador			
Incorporated	2.10	12,125	12,380
County Total	-0.84	34,301	34,013
Butte			
Incorporated	0.99	144,477	145,914
County Total	0.54	226,403	227,621
Calaveras			
Incorporated	0.32	4,108	4,121
County Total	-0.04	45,088	45,070
Colusa			
Incorporated	0.72	11,622	11,706
County Total	0.22	22,050	22,098
Contra Costa			
Incorporated	0.99	967,231	976,850
County Total	0.88	1,139,229	1,149,279
Del Norte			
Incorporated	11.43	3,606	4,018
County Total	0.66	24,410	24,571
El Dorado			
Incorporated	2.84	31,636	32,534
County Total	1.17	186,122	188,298

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565

DATE: 5/30/2018

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Adopt Resolution Establishing the Appropriations Limit for the 2018-19 Fiscal Year in Accordance with Proposition III and Article XIII (B)

MEETING DATE: 6/18/2018

EXECUTIVE SUMMARY

In November 1979, the voters of California approved Proposition 4, commonly known as the Gann Initiative. This proposition created Article XIII (B) of the State Constitution placing limits on the amount of revenue which can be appropriated by all government entities in any fiscal year. The legislation mandates all governing bodies including the City of Pittsburg to annually establish the Appropriations Limit.

FISCAL IMPACT

There is no impact to the City of Pittsburg budget. The FY 2018-19 Appropriations Limit is $161,174,749 and will exceed the General Fund estimated spending plan of $44.6 Million.

RECOMMENDATION

Staff recommends that the City Council adopt this Resolution in compliance with the State of California legislative requirement for the City Council to annually establish the Appropriations Limit.

BACKGROUND

In 1979, Proposition 4, known as the Gann Initiative was approved by the California voters. As a result, Article XIII (B) of the State Statute (Government Code Section 7900-10) was enacted and it requires that each year thereafter, the governing body of each local jurisdiction shall by resolution, establish its Appropriations (spending) limit for the following fiscal year. The determination of the appropriations limit is considered to be a legislative act and should be adopted at a regular council meeting.

Proposition III, approved by California voters in 1990, amended Article XIII (B) further, and Council action is necessary to implement the amendments effective for FY 2005-06 and thereafter.

The amendments of Proposition III specify that the annual adjustment factors in calculating the Appropriations Limit will be increased by:

- The change in population growth for City OR County (whichever is higher)
- The change in California Per Capita Personal Income

OR

The growth in the average change in the County Consumer Price Index (whichever is higher).

Pursuant to Proposition III amendments, staff has calculated the FY 2018-19 Appropriations Limit (see attached Gann Calculations) using the City Population change and the change in California per Capita Personal Income factors. The basis for the selection methodology is that the City's Population Change is higher than the County's population growth and the change in the California Per Capita Personal Income factor is higher than the Change in the Contra Costa County Consumer Price Index. The City's Appropriations limit for FY2018-19 is $161,174,749.

SUBCOMMITTEE FINDINGS

N/A

STAFF ANALYSIS

Establishing the Appropriations Limit is a State of California mandate which requires all cities to adopt a respective Resolution at the beginning of each fiscal year.

The Appropriations subject to Limitation for Fiscal Year 2018-19 is $44.6 Million against the calculated limit of $161.2 Million.

Appropriations subject to the limit for fiscal year 2017-18 totaled $40.5 Million against the Adopted Limit of $152.7 Million for that same year.

ATTACHMENTS: Resolution
California Department of Finance Letter dated May, 2018
Gann Calculations

Report Prepared By: Laura Mendez, Finance Reporting Manager