

# Adopted Annual Budget Fiscal Year 2019-20



City of Pittsburg, California  
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## ➤ **ACKNOWLEDGEMENTS**

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### **City Council**

Juan Antonio Banales, Mayor

Jelani Killings, Vice Mayor

Marilyn “Merl” Craft, Council Member

Shanelle Scales-Preston, Council Member

Holland Barrett White, Council Member

### **Other Elected Officials**

Alice E. Evenson, City Clerk

Nancy L. Parent, City Treasurer

### **City Attorney**

Donna Mooney, City Attorney

### **Management Staff**

Garrett Evans, City Manager

Fritz McKinley, Assistant City Manager

Alice E. Evenson, Director of Records and Council Services

Brad Farmer, Director of Finance

Brian Addington, Chief of Police

Jill Hecht, Director of Community Development

Maria Aliotti, Director of Community Services

Stacy Shell, Director of Human Resources

## ➤ **ACKNOWLEDGEMENTS**

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Pittsburg  
California**

For the Fiscal Year Beginning

**July 1, 2018**

*Christopher P. Morill*

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, 2018. 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.



## ➤ TABLE OF CONTENTS

---

### PITTSBURG: AN OVERVIEW

Budget Message.....	9
City of Pittsburg Mission Statement.....	17
Location Map.....	18
Historical Timeline of Pittsburg.....	19
Citywide Goals and Objectives.....	21
City of Pittsburg Organization Chart.....	23
Budget Process and Basis of Budgeting.....	24
Budgetary Fund Structure.....	28
Major Revenues by Fund Type:	
General Fund.....	29
Internal Service Funds.....	39
Enterprise Funds.....	40
Special Revenue Funds.....	43
Fiduciary Funds.....	51
General Fund 20-Year Forecast.....	52
Housing Authority 7-Year Balancing Plan and Forecast.....	60

### BUDGET SUMMARY TABLES

Summary of Fund Condition – Table 1.....	63
Summary of Revenue and Expenditures All Funds – Table 2.....	65
Revenue Source by Category and Object – Table 3.....	66
Summary of Expenditures by Program – Table 4.....	67
Expenditures by Fund Type – Table 5.....	69
General Fund Revenues and Expenditures – Table 6.....	73
General Fund Revenues – Table 7.....	74
General Fund Expenditures by Category – Table 8.....	76

## ➤ TABLE OF CONTENTS

---

### **POSITION SUMMARY SCHEDULES**

FY 2019/20 Funded Positions.....	77
FY 2019/20 Full Time Personnel Allocations.....	80
Changes from FY 2018/19 Authorized Positions.....	82

### **DETAILED PROGRAM BUDGETS**

Administration.....	83
City Council.....	98
Community Development.....	101
Enterprise Services.....	111
Housing Authority.....	130
Pittsburg Power Company.....	135
Police.....	142
Public Works – Maintenance Services.....	149
Public Works - Water and Sewer Systems Enterprises.....	158
Recreation .....	165
Successor Agency to Former RDA.....	173
Debt Service (Not Associated with Specific Departments).....	178

### **CAPITAL OUTLAY**

Capital Outlay – Projects.....	179
Capital Outlay – Equipment.....	203

### **FINANCIAL POLICIES**

Financial Policies and Procedures.....	207
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## ➤ TABLE OF CONTENTS

---

### DEBT SERVICE

Debt Service Overview.....	211
Debt Service Schedules.....	212

### STATISTICAL DATA

Demographic & Economic Statistics.....	257
Principal Employers.....	258
Assessed and Estimated Value of Taxable Property.....	259
Property Tax Rates.....	260
Principal Property Tax Payers.....	261

### APPENDICES

Glossary of Budget Terms.....	263
Capital Assets Policy.....	270
Debt Policy.....	281
Grant Management Policy.....	294
Fiscal Sustainability Policy.....	300
Interfund Transfer Policy.....	306
Investment Policy.....	309
Purchasing Policies.....	331
Emergency Disaster Purchasing Policy.....	338
City of Pittsburg Operating Budget Resolution No. 19-13643.....	346
City of Pittsburg Housing Authority Operating Budget Resolution No. 19-326.....	369
Pittsburg Power Company Operating Budget Resolution No. 19-377.....	373
Southwest Pittsburg Geologic Hazard Abatement District II (GHAD II) Operating Budget Resolution No. 19-065.....	377
Gann Appropriation Limit Resolution No. 19-13646.....	381





City of Pittsburg  
65 Civic Avenue  
Pittsburg, California 94565

June 17, 2019

Honorable Mayor and Members of the City Council:

As your new City Manager, I greatly value the commitment to Team Pittsburg from the City Council, community, and entire organization in the budget process so that the budget reflects the City Council's community goals and priorities. It is with great pleasure that I present the Fiscal Year (FY) 2019-20 Annual Budget. This document includes the City's Operating and Capital Improvement budget for all activities and provides a comprehensive financial framework for the coming year.

The annual budget is the single most important policy that the City Council reviews and approves, as it represents the City's priorities for making resource investments, both for the upcoming year and the long-term future. As such, the budget process must include effective participation from the Mayor and City Council, our community, key stakeholders, and City staff. Working together, the team strives for progressive investment in our community's future, as well as in our organization and staff, so that the City of Pittsburg can operate efficiently and effectively.

Revenues for the City (excluding transfers) are projected to be \$171.9 million, of which 24.5 percent comprises the General Fund. The City's total expenditures (excluding transfers) are projected to be \$167.3 million, of which 27.3 percent is the General Fund, the City's main source of unrestricted funds. This budget funds 290 full-time equivalent employees. Before the recent economic recession, the City budget had 308 full-time equivalent positions. This budget follows the requirements of the Fiscal Sustainability Ordinance, which set a minimum reserve by the end of FY 2017-18.

#### Overview of the General Fund Operating Budget for FY 2019-20

	FY 2018-19 YE Estimate	FY 2019-20 Budget	Increase/ (Decrease)	Percentage Inc/(Dec)
Revenues	\$ 45,582,602	\$ 47,124,308	\$1,541,706	3.38%
Expenditures	<u>46,594,565</u>	<u>47,743,323</u>	<u>1,148,758</u>	2.47%
Surplus (Deficit)	<u>\$ (1,011,963)</u>	<u>\$ (619,015)</u>	<u>\$ 392,948</u>	(38.83%)
<b>Use of General Fund Balance</b>	<b>\$ 1,011,963</b>	<b>\$ 619,015</b>	<b>\$ (392,948)</b>	<b>(38.83%)</b>

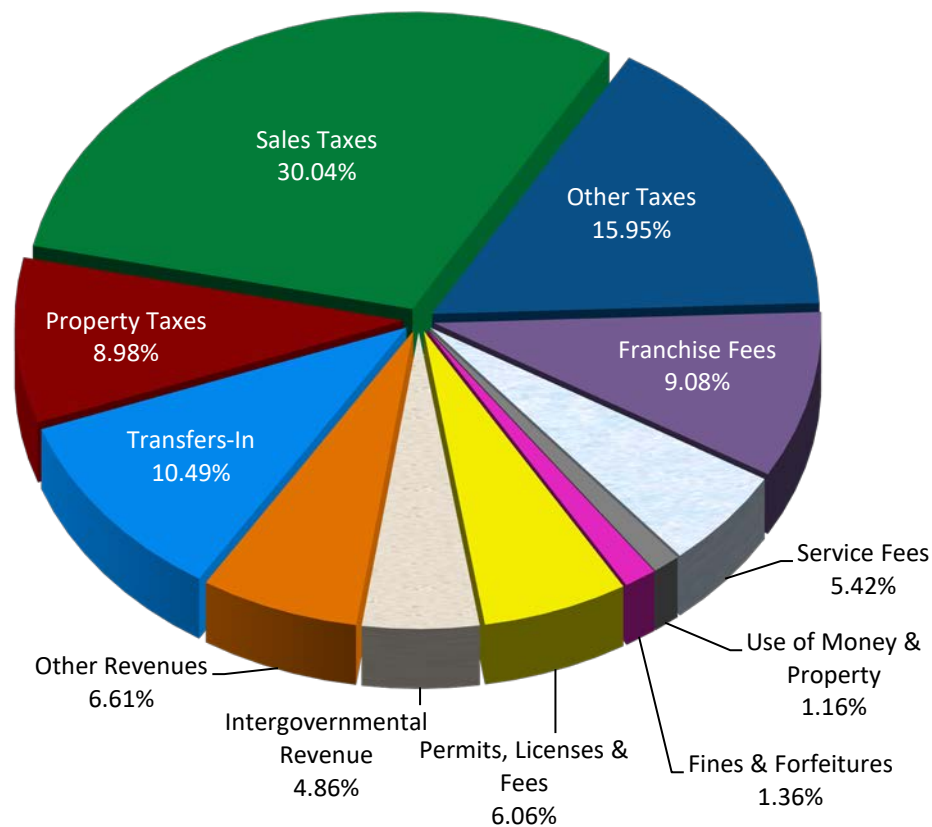
Projected FY 2019-20 ending Budget Stabilization Fund Balance	\$ 2,295,285
Projected FY 2019-20 ending General Fund Balance	\$15,755,254



## Revenues

The City's revenue streams are influenced by overall economic conditions. Total General Fund revenue projections for FY 2019-20 are approximately \$1.2 million more than FY 2018-19 year-end estimates. The additions are due to an anticipated increase in permit fee revenue as a result of an ongoing fee rate study, 2.5 percent annual growth in sales tax and available residual distribution and City pass-through funding related to the City's former Redevelopment Agency. The General Fund major revenue sources include property and sales taxes, transfers, other taxes, and franchise taxes. Together the major sources comprise 74.54 percent of total General Fund revenues for FY 2019-20, as shown on the graph below. The remaining 25.46 percent includes revenues such as intergovernmental revenue, department fee revenues and interest earnings.

### General Fund Revenues by Source

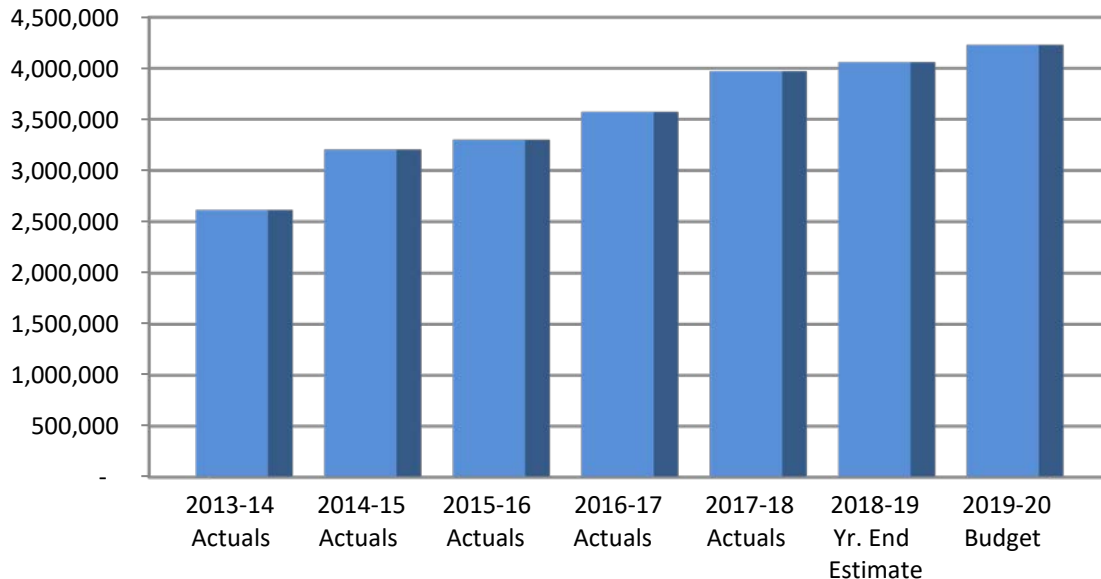


The City continues to see signs of improvement through increases in both property tax and sales tax revenues. Property Tax revenue projections increased approximately



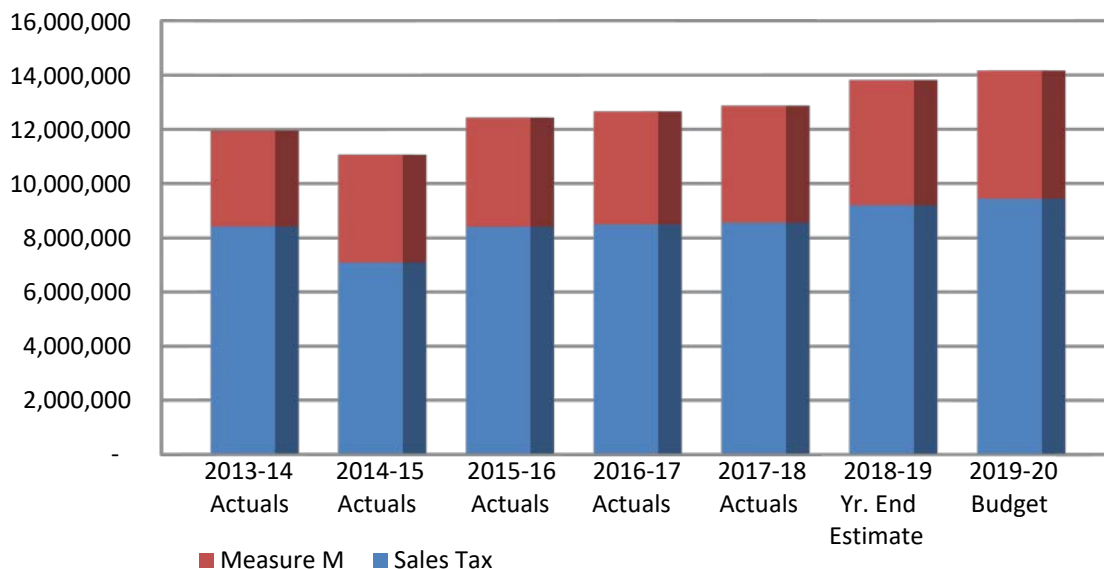
\$169,432 from year-end estimates, an estimated 4.17 percent increase due to additional single-family and commercial construction, as well as recovering property values.

## Property Taxes



FY 2019-20 Sales Tax revenue projections increased by \$348,058 over FY 2018-19 year-end estimates, a 2.5 percent increase. Sales taxes are projected to increase slightly mainly due to the Supreme Court Ruling in *South Dakota v. Wayfair*, where states may charge tax on purchases made from out-of-state sellers, even if the seller does not have a physical presence in the taxing state. City staff is also projecting increased sales tax

## Sales Taxes







revenue generated from service stations in the City. Looking forward, the City is projecting Sales Tax revenue to increase at a modest rate of approximately two percent per year.

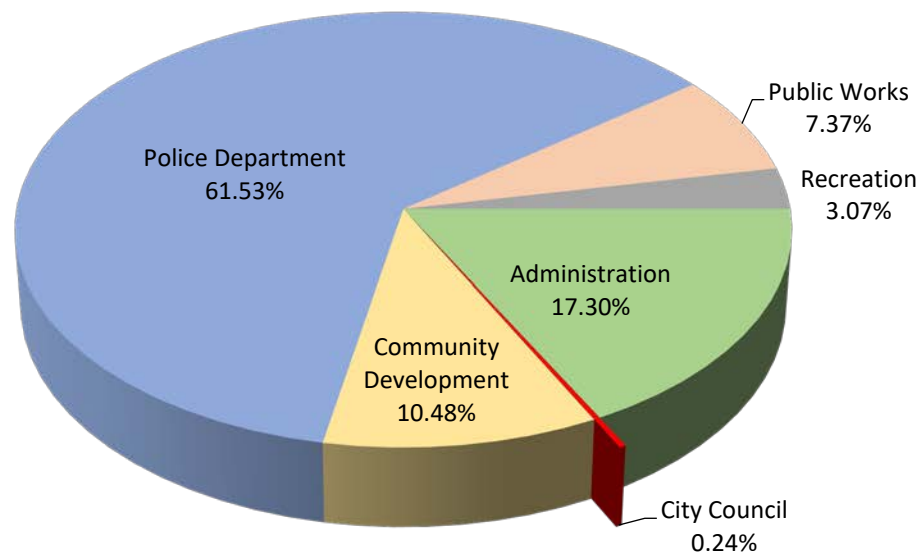
In June 2016, 81 percent of voters approved Measure M, extending the City's one-half percent sales tax through June 2035 to support public safety, senior activities, economic development, youth enrichment and the City's infrastructure.

## Expenditures

General Fund projected expenditures have increased by \$1.1 million in FY 2019-20 over FY 2018-19 year-end estimates. For the FY 2019-20 budget, departments were asked to keep controllable costs neutral to offset normal inflationary costs. This budget continues to see additional resources dedicated to fund the City's pension obligation, with higher contribution rates and additional funding requirements to cover the unfunded actuarial liabilities (UAL) and changes initiated by the California Public Employees' Retirement System (CalPERS) Board. The CalPERS rate increases resulted from changes to proactively fund the current UAL 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 and future projected budgets to minimize the impact.

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 come to expect while remaining fiscally prudent with the funds entrusted to the City.

## 2019-20 General Fund Expenditures by Department





**Fiscal Sustainability Ordinance** – This is the eighth 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 2019-20 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 10 percent 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, a longer-range 20-year forecast is used to predict future fiscal measures that may be needed. This forecast incorporates anticipated revenues from development, assessed market value and economic projections, 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 applied 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 and 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.

At the direction of the City Council, the current operating budget contains the establishment of a Section 115 Trust Fund to accumulate funds that can only be used towards future pension costs in addition to paying the required CalPERS annual pension payments. For FY 2019-20 the City has budgeted \$294,215 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 \$4.5 million as of March 31, 2019 and a balance of \$4.1 million as of June 30, 2018. The FY 2019-20 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 remain at some of the lowest levels in decades and continue to compare very well with crime rates in nearby cities.

VIOLENT CRIME COMPARISON BY CITY PER 1,000 RESIDENTS			PART I CRIME COMPARISON BY CITY PER 1,000 RESIDENTS		
CITY/YEAR	2017	2018	CITY/YEAR	2017	2018
Walnut Creek	1.5	1.5	Brentwood	31.2	23.7
Pleasant Hill	2.0	1.8	Pittsburg	30.6	29.2
Brentwood	2.6	2.4	Walnut Creek	33.8	33.2
Concord	3.6	3.7	Concord	38.2	35.5
Antioch	5.3	5.3	Antioch	39.6	35.5
Pittsburg	4.9	5.8	Pleasant Hill	49.6	44.4

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

*Part I Crime includes:* 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 and the City are both committed to maintaining the tradition of working together to build a stronger City. The City 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 encourage





expansion from existing businesses and attract new businesses that improve the quality of life in Pittsburg.

The FY 2019-20 Capital Projects budget is approximately \$5.9 million, as summarized in the chart below. A majority of the capital projects involve improvements to the City's water distribution and sewer systems, as well as street projects. 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	FY 19-20 Allocation
2019-20 Citywide Pavement Management	RMRA	-	\$895,000
2019-20 Street Maintenance	Gas Tax, RMRA	-	322,427
Patch Paving, Sealing & Striping	GF	-	500,000
2019-20 Citywide Traffic Calming	Measure J	-	50,000
Annual Citywide Fence/Soundwall/Streetlight Replacement and Installation	Measure J	\$100,000	100,000
Annual Citywide Striping and Signage	Gas Tax	50,000	50,000
2019-20 Traffic Signal Modification	RMRA	-	135,000
Water Treatment Plant Capital Repairs & Improvements	WOF	-	75,000
Automatic Water Meter Reading System	WOF	2,506,793	300,000
2021-22 Water Main Installation/Replacement	WOF	-	400,000
2021-22 Filter Media Replacement	WOF	100,000	100,000
2016-17 Sewer and Water Replacement and Rehabilitation Program	SOF, SFR, WOF, WFR, Wbond	11,627,500	1,300,000
Annual Park Sign Replacement	PDF	-	50,000
Annual Playground Replacement Project	PDF	80,000	80,000
Biennial Playfield Replacement	PDF	-	250,000
Annual Park Features Replacement Project	PDF	75,000	75,000
Park and Landscaping Improvements	PDF	-	200,000
Marina Infrastructure and Repair	ME	20,000	20,000
Repurpose Station E	IE	-	350,000
Duct Bank and Vault Replacements	IE	400,000	50,000
Waterfront Area Reliability	IE	-	500,000
Outage Recovery Project	IE	-	120,000
<b>Totals</b>		<b>\$ 14,959,293</b>	<b>\$ 5,922,427</b>



City of Pittsburg  
65 Civic Avenue  
Pittsburg, California 94565

## Conclusion

The FY 2019-20 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 City Council as the community moves forward.

I would like to thank the City Council for their guidance and support throughout the development of the 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 2019-20 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.

Garrett Evans  
City Manager



## ➤ MISSION STATEMENT

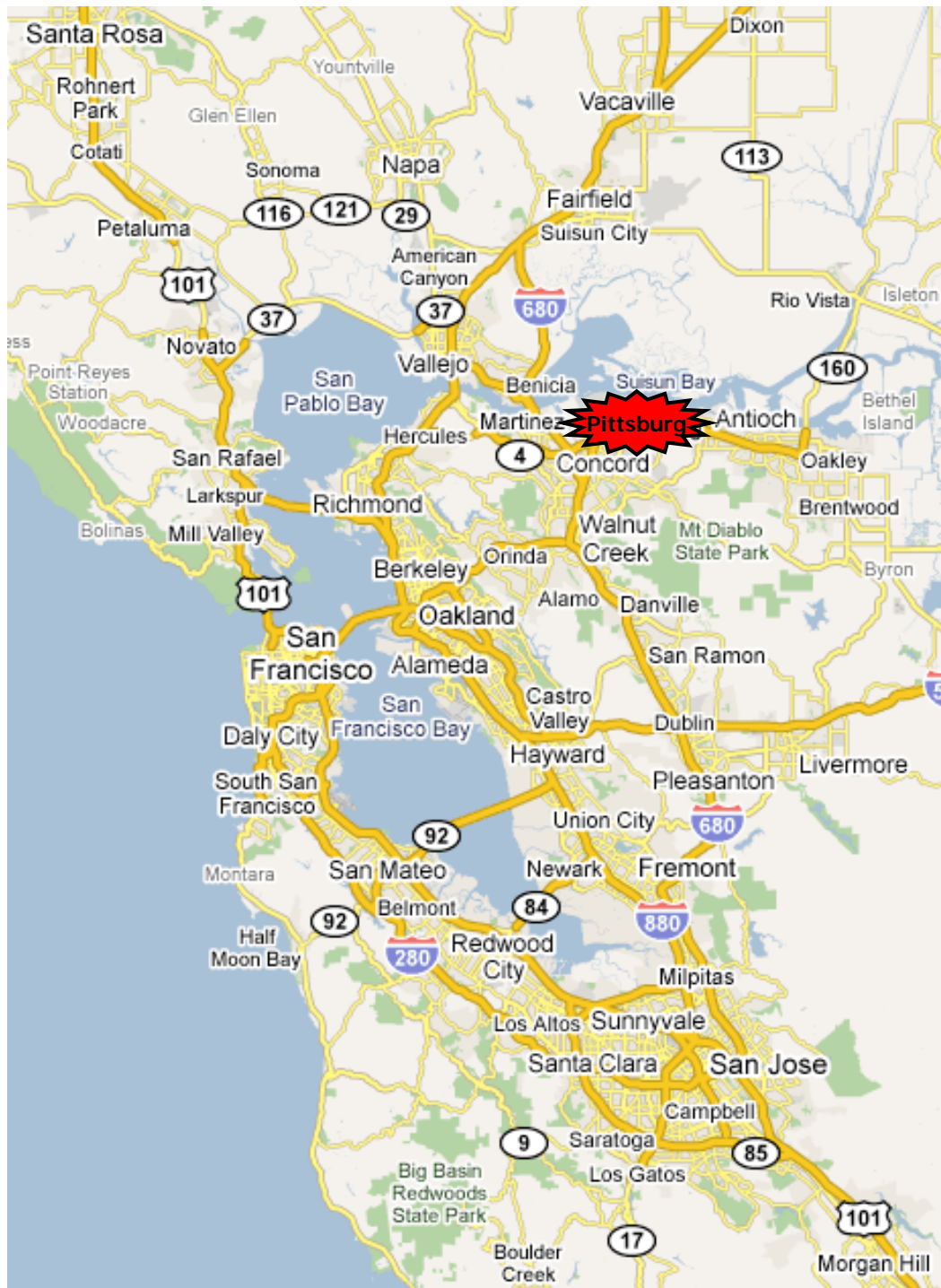
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To provide responsive and high quality public services in partnership with our citizens while celebrating our community's rich history, cultural diversity, and pride in our prosperous future.

### **Our Continuing Values:**

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





## ➤ CITY OF PITTSBURG – OUR HISTORY

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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



### [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



### **[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

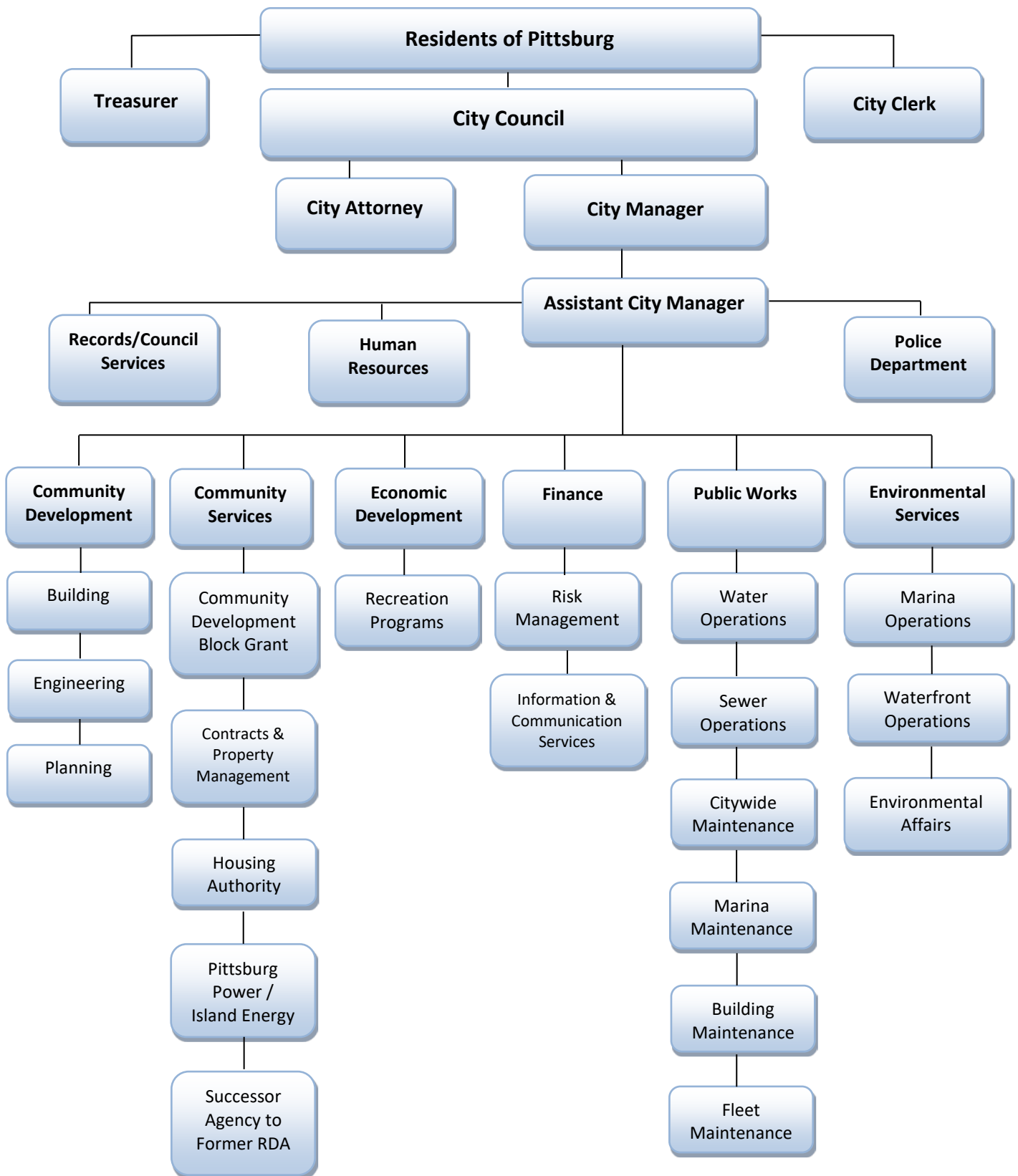
LONG TERM GOALS	SHORT TERM GOALS	IMPLEMENTATION THROUGH DEPARTMENTS AND PROGRAMS
<p>Goal 1</p> <p>Achieve and Maintain a Structurally Balanced Budget</p>	<p>Recommend budgets consistent with Fiscal Sustainability Ordinance, update 20-year forecast, maintain or improve City's credit rating, pre-fund OPEB, establish 115 Trust, review water rate and deposit requirements, seek grant funding and volunteer organization participation, optimize HVAC system and lighting conversion, update fee schedules, assess occupancy, provide non-motorized watercraft rentals, execute leases, evaluate processes for planning/control, maximize and develop relationships for revenue sources, dispose of properties</p>	<p>Finance, Engineering, Planning, Island Energy, Pittsburg Power Company, Marina, Waterfront, Environmental Affairs, Public Works, Successor Agency, Housing Authority, Recreation Services, City Attorney</p>
<p>Goal 2</p> <p>Prioritize Public Safety</p>	<p>Continue specialized enforcement, continue Street Safety, Ceasefire and Crime Free Housing programs, analyze current processes and assess security of City buildings, install additional cameras, expand outreach with community and PUSD, repair potential areas of concern at IE, complete projects to reduce bicycle and pedestrian accidents</p>	<p>Police, Environmental Affairs, Marina, Engineering, Island Energy, Pittsburg Power Company, Waterfront, CDBG</p>
<p>Goal 3</p> <p>Improve Public Facilities and Infrastructure</p>	<p>Complete construction of capital projects and update infrastructure, improve traffic operations on State Route 4, work with developers to incorporate public spaces in new developments, complete 2040 General Plan Existing Conditions Report, allocate funding for improving and updating public use facilities and infrastructure throughout the City, complete facility enhancement at IE, use up-to-date technology to trouble shoot potential issues, begin dredging Marina, provide increased safety improvements for recreation facilities</p>	<p>Engineering, Planning, Waterfront, Marina, Public Works, Island Energy, CDBG, Recreation Services</p>

## ➤ LONG TERM/SHORT TERM GOALS

LONG TERM GOALS	SHORT TERM GOALS	IMPLEMENTATION THROUGH DEPARTMENTS AND PROGRAMS
<p>Goal 4</p> <p>Continue Economic Development, Diversified Housing and Facilitate Growth and Retention of Existing Businesses</p>	<p>Continue being a resource for businesses in collaboration with outside agencies, market the City as a business and tourist location, seek out and continue to develop business opportunities, continue development inspections, progress with current business development, evaluate sites and establish plan to optimize use, fund programs that result in job creation, acquire a home to be used as a Housing Authority rental unit, continue the Housing Rehabilitation and First Time Homebuyer Programs, collaborate to ensure installation of fiber optic line</p>	<p>Building, Planning, Economic Development, Waterfront, Environmental Affairs, CDBG, City Attorney, Successor Agency</p>
<p>Goal 5</p> <p>Increase Efficiency of City Operations and Services</p>	<p>Migrate to paperless file system, citywide training, recruit and retain quality staff, review/revise internal and external rules, regulations and policies, audit and update residential programs, synchronize signals at 22 intersections, increase number of Preliminary Plan Review applications, review and implement technology to improve process efficiencies, expand EOC preparedness, implement and improve online capabilities, increase the City's online presence, revise and manage lease agreements and administrative plans, take steps to reduce maintenance needs of landscape, reduce water use, evaluate storm drains and laterals, continue Automatic Water Reading System installations, work with tenants and borrowers to keep payments current</p>	<p>City Clerk, City Attorney, Human Resources, Building, Engineering, Planning, Environmental Affairs, Marina, Water, Sewer, Successor Agency, Housing Authority, Island Energy</p>
<p>Goal 6</p> <p>Improve the Quality of Life for Pittsburg Residents</p>	<p>Increase retail in Southwest Hills, provide property management, increase Code Enforcement compliance, host gatherings and events, increase attendance and participation, continue First Time Homebuyer program, continue environmental programs, expand community partnerships, continue youth, family, recreation and community programs, increase program visibility, ensure public recreational use at Tech Park</p>	<p>Planning, Economic Development, Marina, Waterfront, Environmental Affairs, CDBG, Housing Authority, Pittsburg Power Company, Recreation Services</p>



## ➤ CITY GOVERNMENT ORGANIZATION



## ➤ **BUDGET PROCESS AND BASIS OF BUDGETING**

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### **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 operating budget. The Finance Subcommittee reviews, makes revisions as necessary, and recommends the operating budget.

The Oversight Board of the Successor Agency to the Former Redevelopment Agency reviews and recommends the 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 Pittsburgh 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 or 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 or 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 2019/20 Budget Development Calendar

Jan 2019						
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	21	22	23	24	25	26
27	28	29	30	31		

- 1/1 Winter Break - City Offices Closed  
 1/21 City Holiday - Martin Luther King Jr. Day - City Offices Closed  
 1/8 Distribution of Mid-Year Reports for Dept. Year-End Estimates  
 1/17 Department Year End Estimates Due to Finance  
 1/18 - 1/30 Finance Staff Review and Reporting of Year-End Estimates

Jul 2019						
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Feb 2019						
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24	25	26	27	28		

- 2/2 City Manager Review and Approval of Year-End Estimates  
 2/2 7-Year General Fund Balancing Plan and 20 Yr Projections Update  
 2/5 Budget Kickoff Meeting/Distribution of Budget Packets  
 2/12 City Holiday - Lincoln's Birthday - City Offices Closed  
 2/18 City Holiday - Washington's Birthday - City Offices Closed  
 2/19 Goal Setting Workshop at City Council  
 2/21 Finance Subcommittee Meeting - Mid Year Budget Review

Aug 2019						
S	M	T	W	T	F	S
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Mar 2019						
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31						

- 3/4 Mid Year Budget Review at City Council  
 3/7 Staff Operating Budgets due to Finance  
 3/8 - 3/15 Finance Staff Analysis and Preparation of Draft Budget  
 3/16 7-Year General Fund Balancing Plan and 20 Yr Projections Update  
 3/18 - 3/29 Senior Management and City Manager Begin Review of Budget  
 3/22 Department Narratives due to Finance

Sep 2019						
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Apr 2019						
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28	29	30				

- 4/1 City Holiday - Cesar Chavez Day - City Offices Closed  
 4/1 - 4/4 City Manager Review - Operating Budget & 20 Yr Plan  
 4/5 Update General Fund 7 Yr Balancing Plan & 20 Yr Projections  
 4/8 Finance Subcommittee 1st Review - Operating Budget & 20 Yr Plan  
 4/15 Finance Subcommittee 2nd Review - Operating Budget & 20 Yr Plan  
 4/22 Public Workshop Proposed FY 2019/20 Operating Budget

Oct 2019						
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May 2019						
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26	27	28	29	30	31	

- 5/7 Measure M Oversight Committee Meeting  
 4/25 - 5/24 Budget Staff's Compilation of Proposed Budget Document  
 5/20 Finance Subcommittee 3rd Review - Operating Budget & 20 Yr Plan  
 5/20 Measure M Presentation to City Council  
 5/27 City Holiday - Memorial Day - City Offices Closed

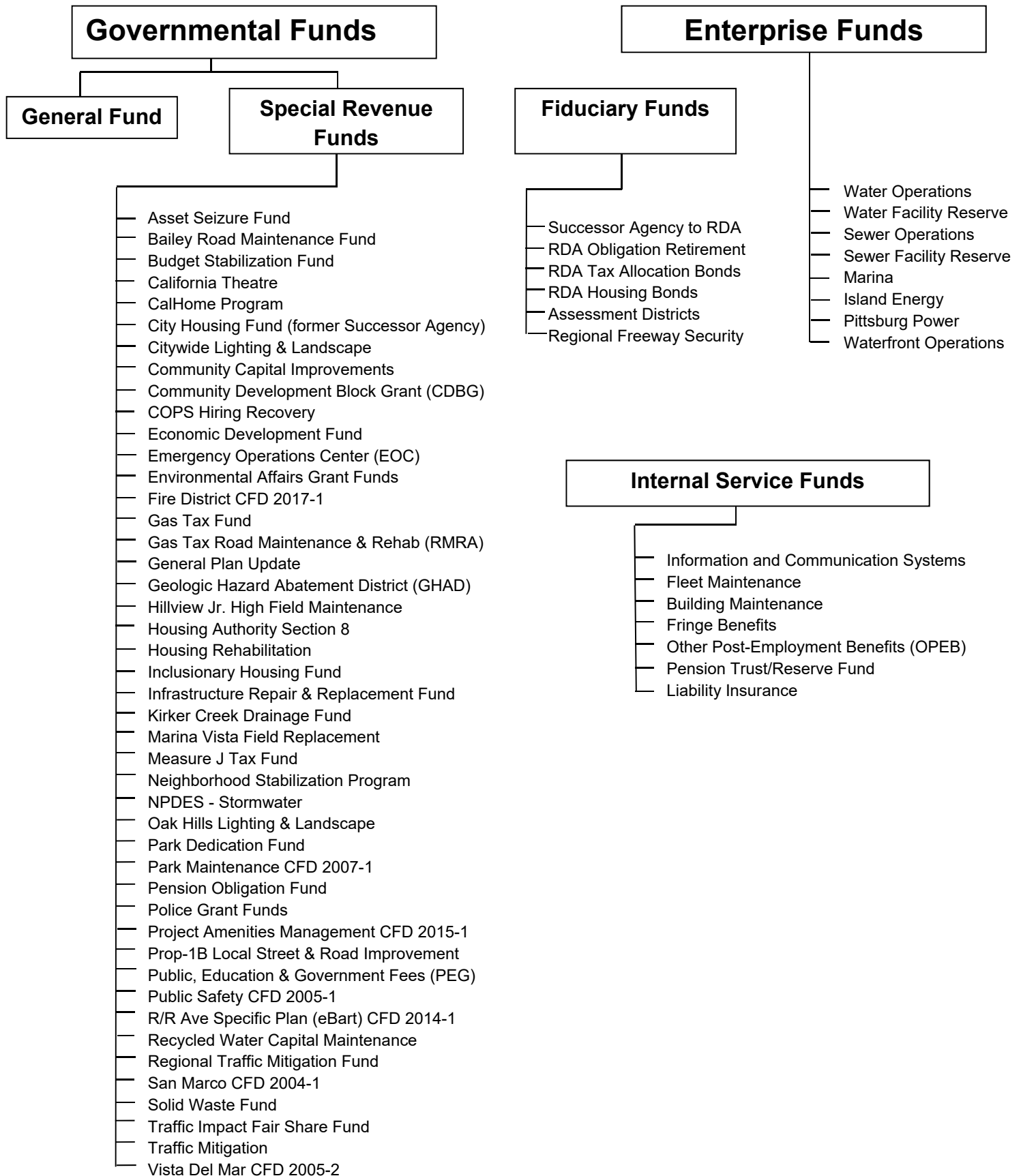
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Jun 2019						
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30						

- 6/7 Distribution of Proposed Budgets to Council & Senior Mgrs.  
 6/17 Adoption of Gann Spending Limit  
 6/17 Public Hearing and Adoption of the FY 2019/20 Budget  
 6/21 Final Adopted Budget Posted to City Website  
 9/9 Update General Fund 7 Yr Balancing Plan & 20 Yr Projections  
 9/16 End of FY 2018/19 Reports to CM (Actual Expenses/Revenues)  
 9/23 Proposed Finance Committee Meeting - Year End Reporting

Dec 2019						
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29	30	31				

## ➤ BUDGETARY FUND STRUCTURE



## ➤ MAJOR REVENUE SOURCES – GENERAL FUND

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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. Major revenue sources in the General Fund include 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 and fees, and recreation program fees. Expenditures consist of general government operating expenses which include Human Resources, Finance, Police, Recreation, Public Works and other services.

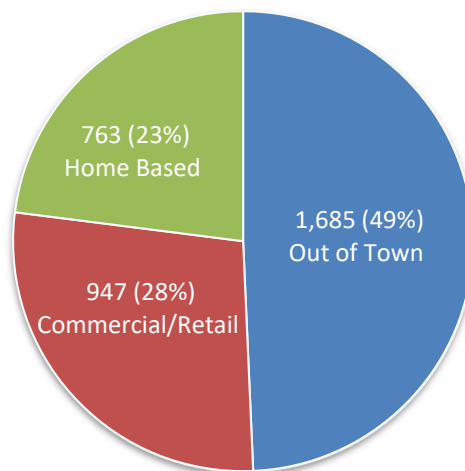
### **Administrative Recoveries**

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

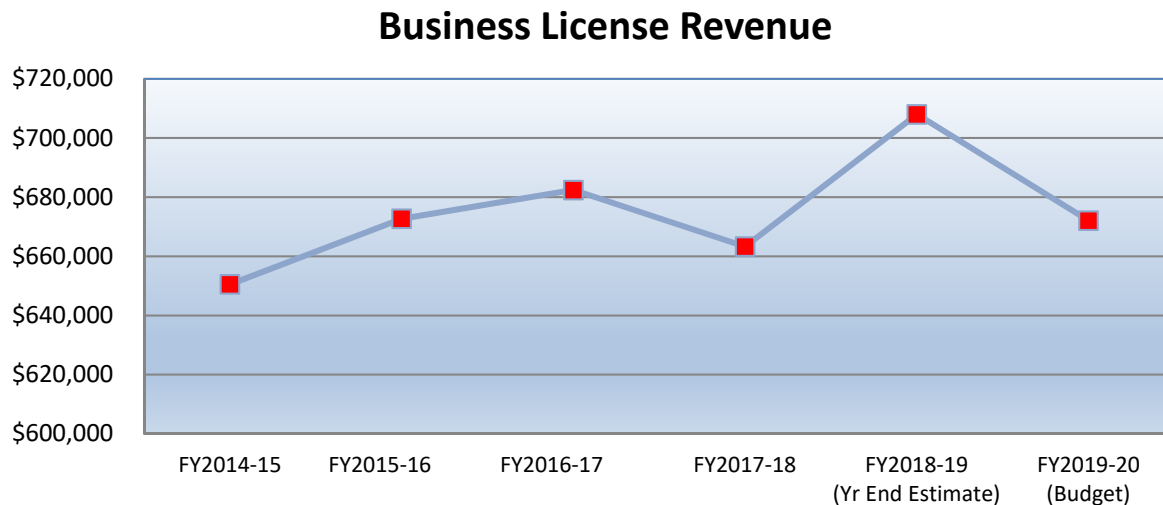
### **Business License Tax**

The Business License Tax 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 3,395 active business licenses of which 1,710 businesses are located within the City and 1,685 businesses are located outside of the City. Online transactions continue to increase, now in its second year since implementation, and accounts for over 34 percent (1,144 licenses) of our completed applications.

### **Business License Breakdown By Business Type**



Based on current year business license renewal activity, revenue will be \$708,000 in FY 2018-19, but City staff projects revenue to slightly decrease to \$672,000 in FY 2019-20 due to reduced out-of-town license applications.



### **Community Benefit and Service Fee**

The Community Benefit and Services Fee, which began in 2011, has generated approximately \$3.3 million over a seven-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 2019-20 at \$623,000.

### **County Tipping Fees – Keller Canyon Mitigation**

The Keller Canyon Mitigation 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). In FY 2018-19, the Keller Canyon Landfill will process approximately 814,000 tons of taxable solid waste. City staff estimates revenues to be slightly higher from the previous year at \$1,050,000 in FY 2019-20.

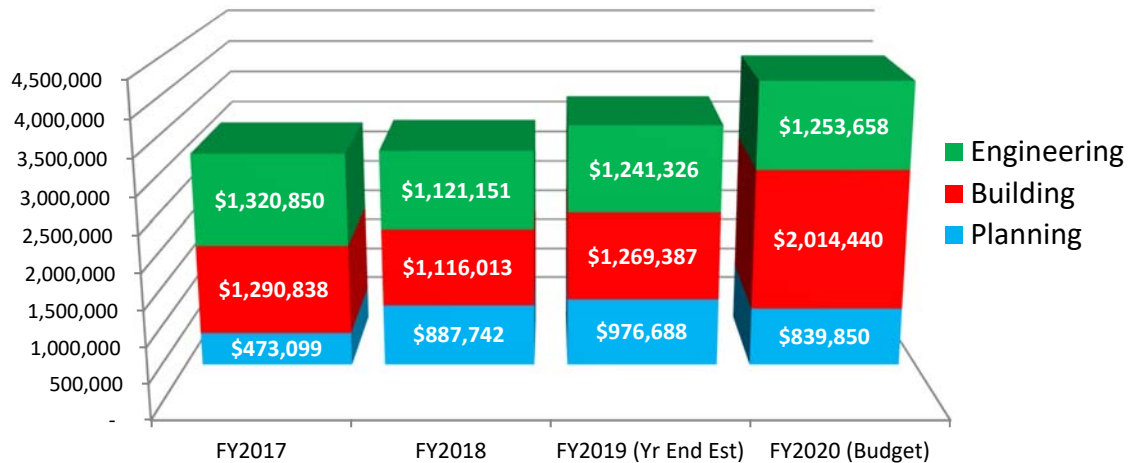
### **Development Service Fees**

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. These 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 \$3.5 million in FY 2018-19. Whereas, City staff estimates revenues to increase to \$4.1 million in FY 2019-20 due to anticipated service



fee rate increases upon completion of an ongoing Citywide User Fee Study. The last User Fee Study was performed in 2015.

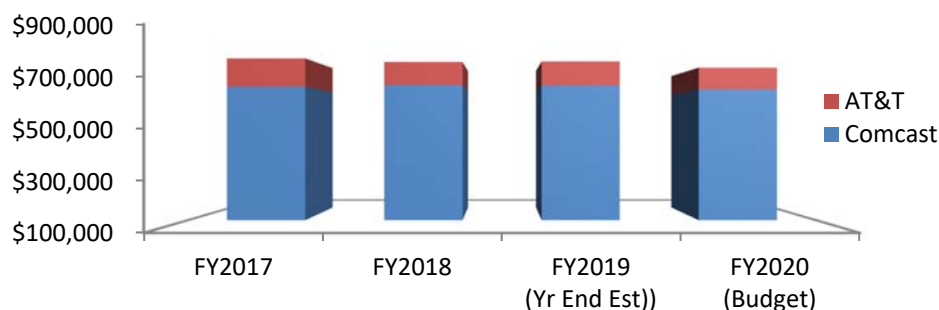
### Development Service Fees



### 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.

### Cable Franchise Fees



Comcast Cable reported gross receipts remains consistent from previous years however AT&T reported gross receipts have been decreasing as their number of subscribers continue to drop. The City estimates franchise fees of \$765,000 (of which \$670,000 is from Comcast and \$95,000 from AT&T) in FY 2019-20.

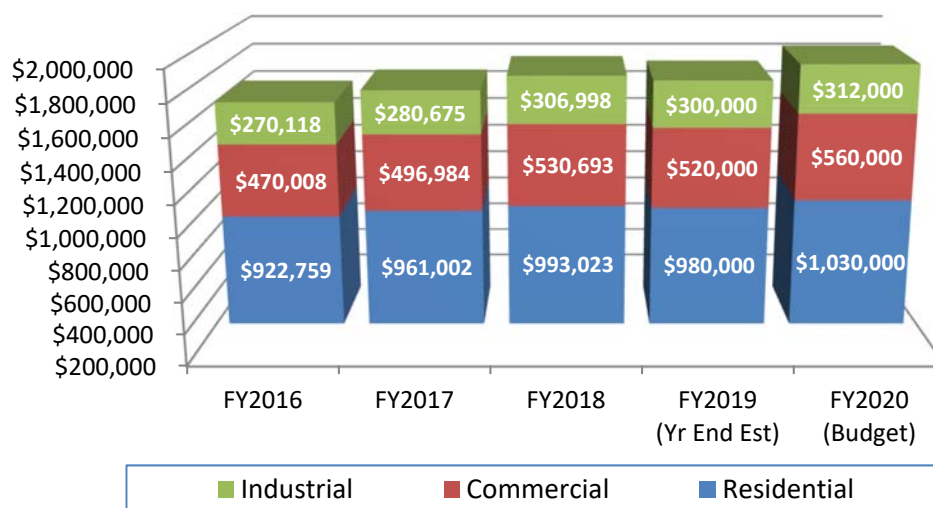
### **Franchise Fee from the Recycling Center & Transfer Station (RCTS)**

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 FY 1996-97 and adjusted by the Consumer Price Index (CPI) annually thereafter. Based on an annual CPI inflation factor of 4.2 percent, the City estimates franchise fees at \$1,001,000 in FY 2019-20.

### **Franchise Fees on Refuse and Recycling**

Pittsburg Disposal Service pays a Residential, Commercial, and Industrial Franchise Fee of 12 percent based on gross receipts. Gross receipts have increased based upon previously adopted rate increases by Pittsburg Disposal Service and increased growth of new developments and businesses within the City. City staff estimates franchise fee revenue to increase to \$1,902,000 in FY 2019-20 due to new development within the City.

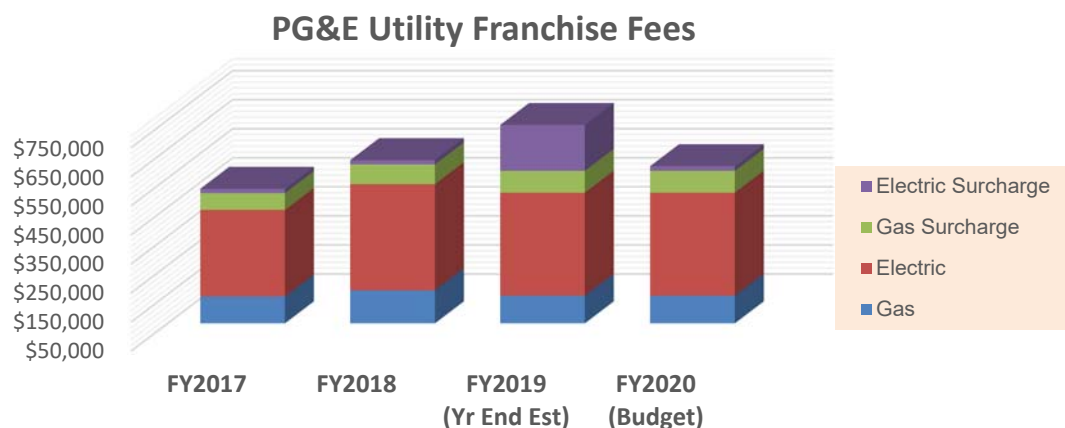
#### **Refuse and Recycling Franchise**



### **Franchise Fees on Utilities**

Utility Franchise Fees are paid by Pacific Gas & Electric Company (PG&E) 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 and the Gas Franchise is one percent. In addition, the City is paid a Surcharge on electricity and natural gas to replace Franchise Fees lost due to deregulation. The California Public Utilities Commission (CPUC) approved the increase in utility rates reflecting increased franchise fee revenue to \$732,990 in FY 2018-19. In April 2018, the City joined the Marin Clean Energy Community Choice Aggregation Program (MCE) designed to provide resources and incentives to help residents, businesses and public agencies become more energy efficient. Customers enrolled in

the program purchase their commodity from a third-party energy service provider. Therefore, PG&E electric revenues decreased but the electric franchise fee surcharge increased due to PG&E billing customers a surcharge on the commodity purchased from the third party, in lieu of a franchise fee. In addition, as part of the California cap-and-trade program, which was designed to reduce the state's greenhouse gas emissions, PG&E distributed a semi-annual Electric California Climate Credit to its customers to ease the burden customers bear from higher electricity and gas rates. As more consumers choose to purchase energy from a third-party at a cheaper price and continue to receive energy efficient credit incentives, PG&E reported revenues and franchise fees to the City will decrease. City staff estimates franchise fees will decrease by 19 percent to \$591,000 in FY 2019-20.



### **Investment Earnings**

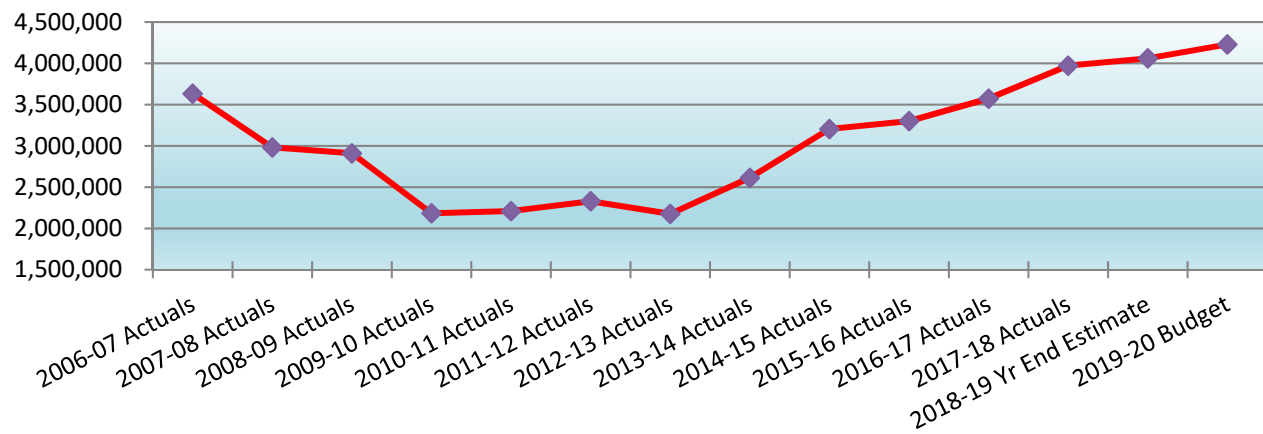
The City utilizes a strict cash management program to ensure that all available funds are invested to earn the maximum yield consistent with safety and liquidity. Investment income is subject to extreme fluctuation making it difficult to analyze and predict trends. Based on the recent interest rates earned on our investments, staff estimates FY 2019-20 investment earnings to be \$125,000.

### **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, the property is appraised at the current market value. The City of Pittsburg's property tax revenue, excluding the Pittsburg Successor Agency to the former Redevelopment Agency's project area which consists of 70% of City properties, is approximately 16 percent of the property tax rate on secured, unsecured and unitary taxes that homeowners pay to the County.

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 gradual 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.

### Property Tax Revenue



Based on the Property Assessment Value (AV) report from Contra Costa County, City staff estimates property taxes to increase by four percent, to \$4.2 million in FY 2019-20.

HISTORICAL GROSS ASSESSMENT VALUATION					
Fiscal Year	Land	Improvements	Personal Property	Gross	Prior Year Variance
FY 2010-11	1,291,970,726	4,261,648,442	139,832,660	\$ 5,693,451,828	(1.0%)
FY 2011-12	1,212,412,953	4,256,357,435	141,090,919	\$ 5,609,861,307	(1.5%)
FY 2012-13	1,165,223,630	4,223,853,661	137,267,135	\$ 5,526,344,426	(1.5%)
FY 2013-14	1,255,042,127	4,347,436,227	128,832,623	\$ 5,731,310,977	3.7%
FY 2014-15	1,442,385,836	4,664,153,180	133,949,553	\$ 6,240,488,569	8.9%
FY 2015-16	1,605,095,513	4,888,258,096	125,511,128	\$ 6,618,864,737	6.1%
FY 2016-17	1,742,190,654	4,930,330,068	127,586,933	\$ 6,800,107,655	2.7%
FY 2017-18	1,920,471,203	5,170,256,626	114,841,147	\$ 7,205,568,976	6.0%
FY 2018-19	2,109,900,611	5,449,816,081	128,190,760	\$ 7,687,907,452	6.7%

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. The City experienced higher than normal transfer of real property in FY 2017-18 with high housing demand and increasing housing values but this has now stabilized and is gradually slowing down. City staff estimates transfer tax revenue of \$350,000 in FY 2018-19 and down to \$260,000 in FY 2019-20 based on recent activity.

## **Police Fines and Fees**

The Police Department's revenues are comprised largely from citations, moving violations, abandoned vehicle abatements, administrative citations, Proposition 172, and 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 and 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. The City estimates revenue at \$7.5 million in FY 2018-19 and \$7.4 million in FY 2019-20 for administrative and support fees.

## **Recreation Program Fees**

Recreational fees are charged to participants to help 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 \$601,000 in revenue in FY 2019-20.

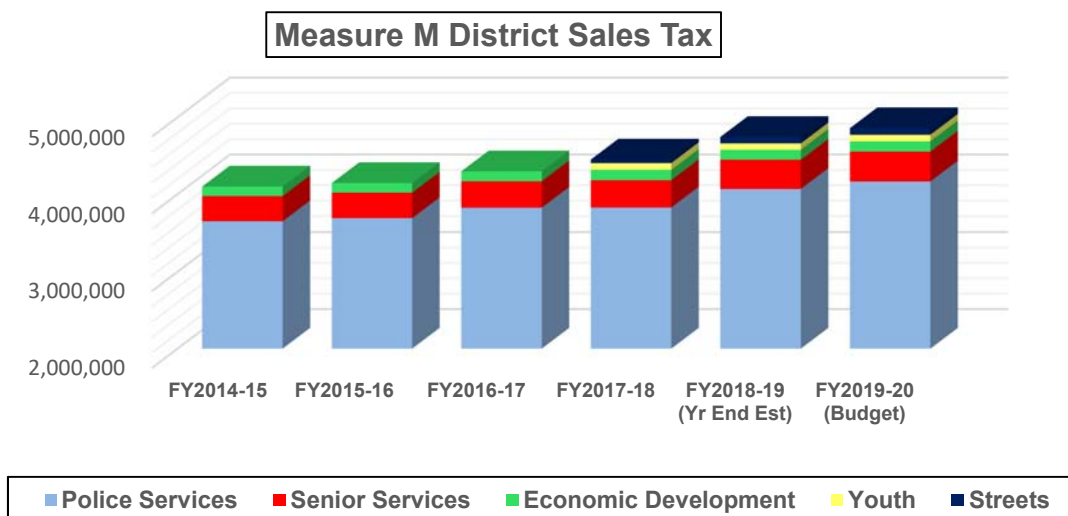


## **Sales Tax (Local Bradley Burns)**

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. On June 2018, in the case of *South Dakota v. Wayfair*, the Supreme Court ruled in favor of South Dakota allowing the state to charge tax on purchases made from out-of-state sellers, even if the seller does not have a physical presence in the taxing state. This decision allows states more authority to require out-of-state sellers to collect sales and use tax. The California Department of Fee and Tax Administration (CDFTA) announced it will require out-of-state retailers to collect and remit use tax beginning on April 1, 2019 if in the preceding or current calendar year their sales into California exceed \$100,000, or 200 or more separate transactions. With this change and a projected growth in service station gross sales, City staff estimates sales tax revenues to increase from \$9.2 million in FY 2018-19 to \$9.4 million in FY 2019-20.

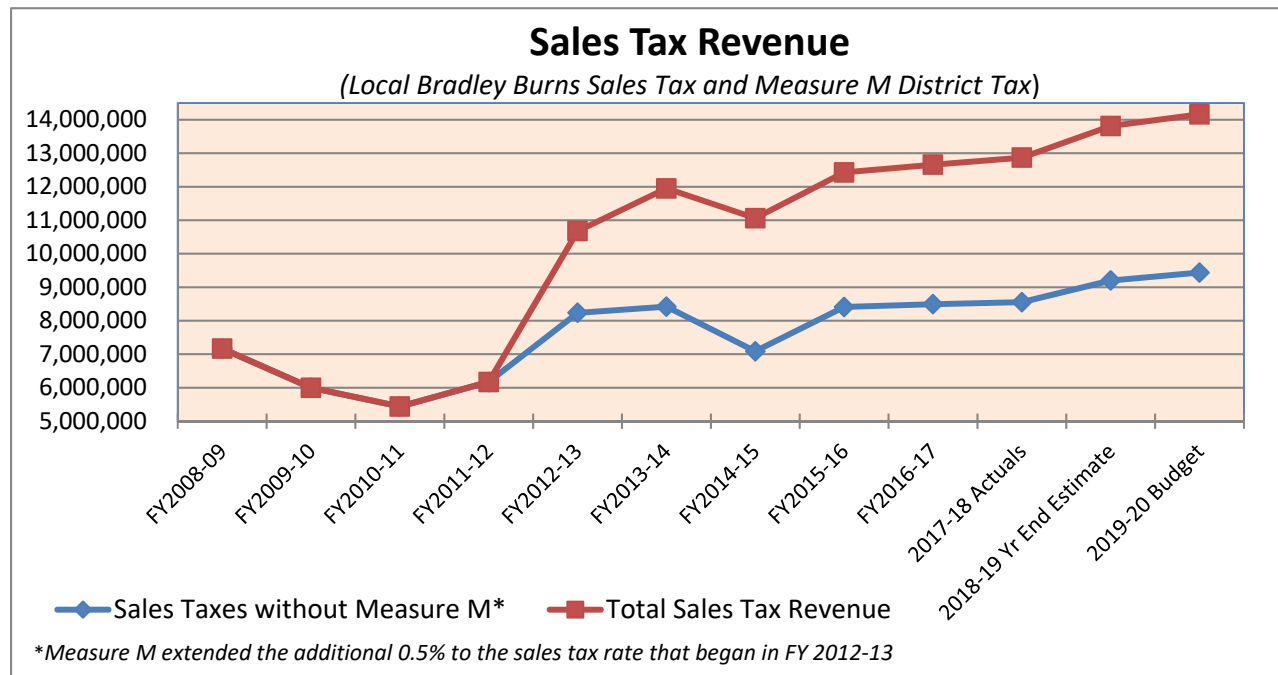
## **Measure M – Temporary District Sales Tax Increase**

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 estimates revenues from Measure M at \$4.6 million in FY 2018-19 with a slight increase to over \$4.7 million in FY 2019-20.





Total revenues from both Sales Tax and Measure M are projected to be approximately \$13.8 million in FY 2018-19 and \$14.2 million in FY 2019-20.



### **Transfer-In from other Funds**

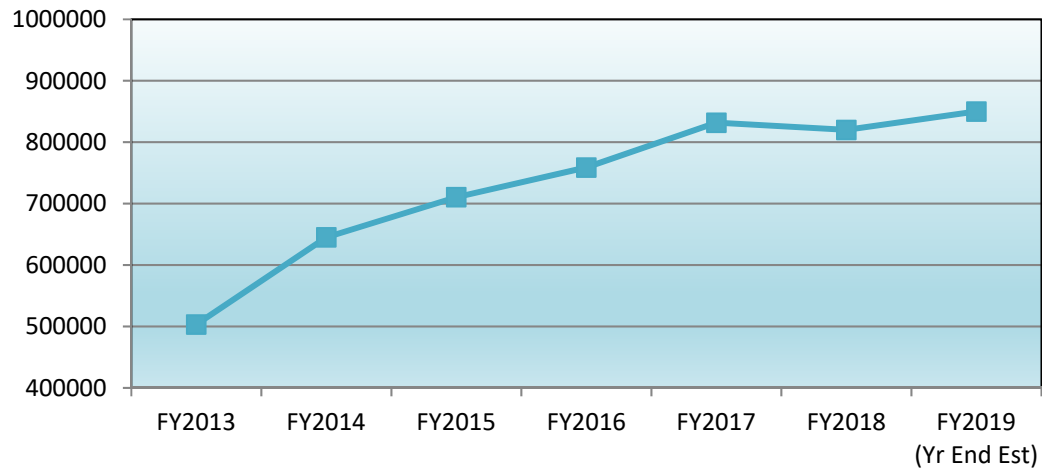
Transfers-In represent a transfer of cash from other funds to reflect the administrative support and other services provided by the General Fund. Examples would be Water and Sewer, Storm Water, Power, Island Energy, and miscellaneous Assessment District funds. Other transfers such as Gas Tax and Measure 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 and is paid by travelers staying at any of the City's four 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 term-rentals within the City of Pittsburg. The City also entered into a similar agreement with MisterB&B in March 2019. Staff estimates that these new agreements will bring in approximately \$12,000 to \$15,000 in additional revenue annually.

TOT revenue is projected to remain stable with modest increases in the next two years. The City estimates TOT revenues to come in at \$820,000 in FY 2018-19 to \$850,000 in FY 2019-20.

### Transient Occupancy Tax (TOT)





## ➤ **MAJOR REVENUE SOURCES – INTERNAL SERVICE FUNDS**

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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 administrative 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**

The City's Information and Communications Fund provides a centralized funding mechanism for the operation, maintenance and replacement of the Citywide network infrastructure, telephones, computer equipment and other hardware and software needs. Charges are applied to departments based on infrastructure usage.

## ➤ MAJOR REVENUE SOURCES – ENTERPRISE FUNDS

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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 \$2.1 million in gross revenue and \$2.1 million in operating expenses.



### **Pittsburg Power and Island Energy Funds**

The Pittsburg Power Company (PPC) is a municipal utility formed under the California Constitution. The PPC does business in the City of Pittsburg and as Island Energy (IE) 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 2019-20 is \$6.3 million of which \$5.4 million is revenue from the electric operation and \$740,000 from gas 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 \$5.2 million in gross revenue and \$4.2 million in operating expenses in FY 2019-20. Excess annual revenues over operating expenses are utilized to maintain and update the infrastructure of the system through capital projects.

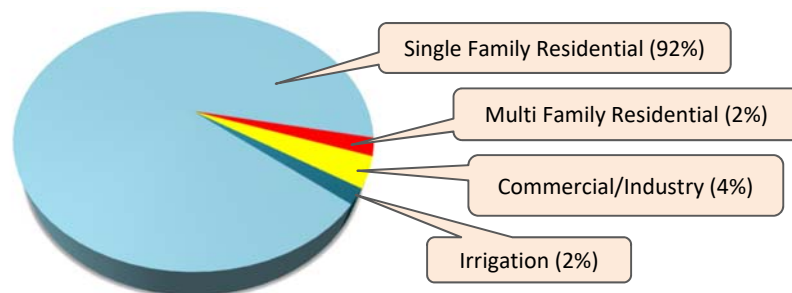
### **Waterfront Operations Fund**

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 \$1.9 million in FY 2019-20.

### **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 18,839 customers of which 92 percent (17,322) of these accounts are for residential locations. The annual operation of the Water Fund generates approximately \$23.1 million in gross revenue and \$21.4 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). FRC's 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 FRC's 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 FRC's 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

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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 CFD 2005-2, Public Safety CFD 2005-1, Park Maintenance CFD 2007-1, Gas Tax, Measure C and M, Railroad Avenue 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 of the city's general fund operating expenses, whichever is greater, but no more than \$7,500,000 or 25 percent of the City's annual general fund operating expenses, whichever is greater. One-time revenues and projected recurring revenues that exceed ten percent 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 and may be made in order to balance the General Fund budget.

### **Economic Development Fund**

During Fiscal Year 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 revenues include Business Improvement District Tax (BID) collected on business license applications, an allocation of 2.75 percent of the City's Measure M proceeds for FY 2019-20, rental income, and transferred funds from the Pittsburg Power Company. Total revenues are estimated at \$523,727 in FY 2019-20.

### **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 \$3.0 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 \$33,960 for FY 2019-20.

### **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 Fiscal Year 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.

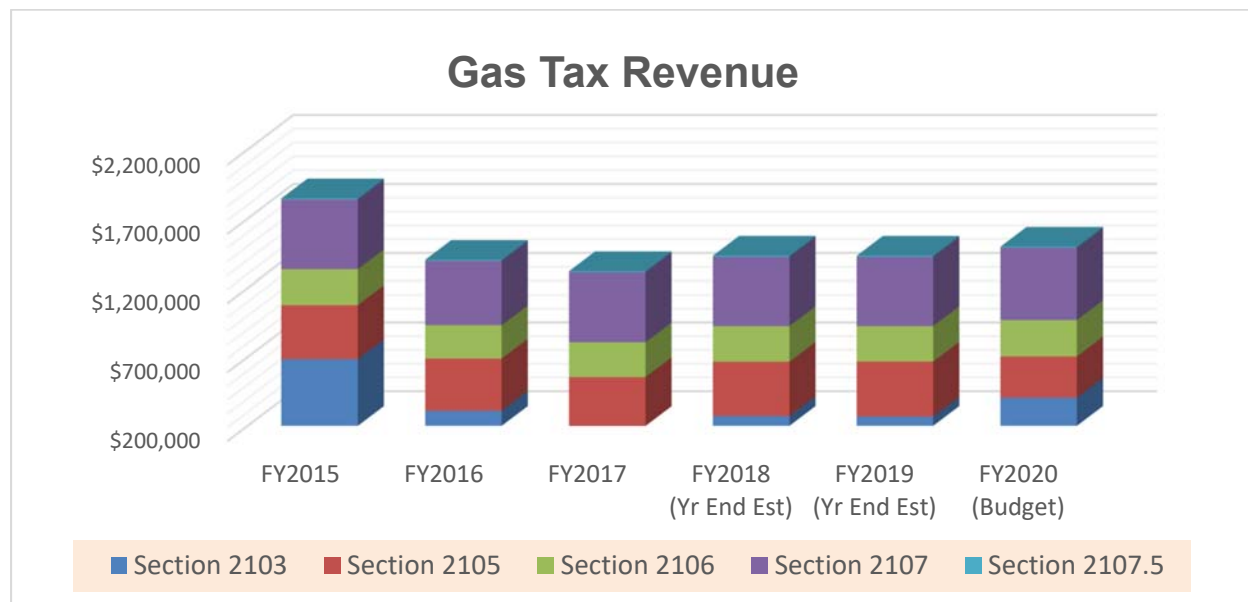
**Section 2106** – Revenues equal to 1.04 cents per gallon are allocated as follows:

- \$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 (about \$2.6 million per year) 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 slightly increase from \$1.5 million in FY 2018-19 to \$1.6 million in FY 2019-20.



### **SB-1 Gas Tax Fund – Road Maintenance and Rehabilitation Account (RMRA)**

The Road Maintenance and Rehabilitation Account (RMRA) bill was enacted under the Road Repair and Accountability Act of 2017 also known as SB-1. Announced on March 29, 2017, SB-1 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, SB-1 revenues must be used for road maintenance and rehabilitation projects and contains specific accountability and reporting requirements. It requires the City to submit an annual report of project completion to the California Transportation Commission (CTC) in order to receive RMRA funds. A recall measure to eliminate this increase in tax on November 2018 did not make the ballot, as it failed to collect enough valid signatures. Based on projections from California League of Cities, the City estimates \$1.2 million in revenue in FY 2019-20.

### **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 March 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 \$868,000 in FY 2018-19 and \$877,000 in FY 2019-20.

### **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 2019-20.

### **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 is a total of 1,427 parcels in the district. In FY 2019-20 CFD collections are estimated to be \$91,636 with maximum special tax rate per residential unit of \$63.45. Additionally, on June 2006 the City entered into a joint use agreement with Mount Diablo Unified School (MDUSD) of which MDUSD will pay its share of 50 percent of the annual maintenance cost of Delta View Elementary School (Lasater) Park. City estimates its 50 percent share at \$35,000 in FY 2019-20.



### **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 fees, 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 of gross receipts from Comcast Cable and AT&T U-Verse.

The City anticipates receiving \$135,000 from Comcast and \$25,000 from AT&T in FY 2019-20.

### **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 fund 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 increase by 2 percent annually. City staff estimates revenue to be at \$20,000 in FY 2019-20.

The BART Pittsburg Center station opened on Memorial Day weekend 2018 and is located in the center of Railroad Avenue and Highway 4. This new service between the Pittsburg/Bay Point Station and Antioch is 10 miles long, adds two new stations, and provides much needed congestion relief on State Route 4.



## **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. City staff estimates revenue to come in at \$880,000 in FY 2018-19 and \$938,000 in FY 2019-20.

## **San Marco Community Facilities District (CFD 2004-1)**

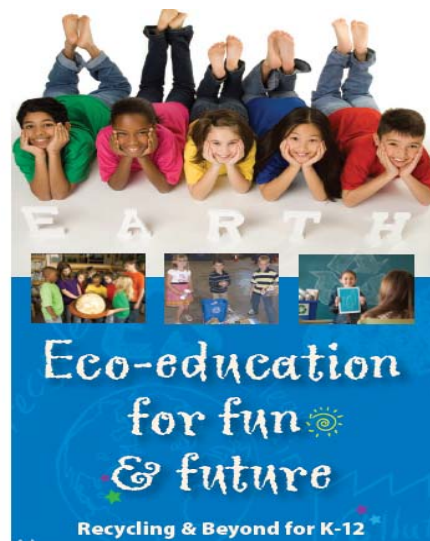
On June 7, 2004 the City Council approved the formation of the San Marco CFD 2004-1 to provide police services to the surrounding area. There is a total of 1,099 taxable parcels and City staff estimates revenue to be \$974,000 in FY 2019-20 and \$1,023,000 in FY 2019-20.

## **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 (\$1.91/ton effective October 2018) 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 341,000 tons), City staff expects solid waste recycling and inspection fee revenue to stay consistent at \$600,000 in FY 2018-19 and FY 2019-20.



## **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 \$333,000 in FY 2018-19 and \$350,000 in FY 2019-20.

**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 648 residential and non-residential parcels. Staff estimates revenues to be \$516,000 for FY 2019-20, with maximum special tax rates per residential unit of \$675.66 and \$1,351.30 per acre for non-residential.

## ➤ MAJOR REVENUE SOURCES – FIDUCIARY FUNDS

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### **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.

## ➤ General Fund 20-Year Forecast

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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 Fund. Again, in 2012 and 2017, Council made modifications affecting the BSF by implementing and updating the Fiscal Sustainability Ordinance (FSO). These requirements ensure that the City's General, Internal Service, and Enterprise Funds be structurally balanced by maintaining a 30 percent minimum reserve. The BSF must also maintain a minimum of \$2,000,000 or five percent of the General Fund's operating expenses. To accomplish this, the City diligently reviews the fiscal health of the Funds.

The 20-year Forecast has been a great tool for Council and Management 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 with controlling costs and will continue to utilize this forecast model to address the City's fiscal projections. The accompanying 20-year forecast 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:

<b><u>Revenue Assumptions</u></b>	<b><u>Expenditure Assumptions</u></b>
<ul style="list-style-type: none"><li>• Annual Increase in Operating Revenues of 2%</li><li>• Administrative recoveries grow by 1% annually</li><li>• Increases in Housing, Commercial and Industrial revenues starting in FY 19-20</li><li>• Measure M Sales Tax revenues will expire June 2035</li><li>• Successor Agency pass-through will end in FY 29-30, offset by additional property taxes in FY 30-31</li><li>• New Hotel resulting in increased TOT income starting in FY 2021-22</li></ul>	<ul style="list-style-type: none"><li>• Salary increases for FY 19-20 are shown based upon the current Sworn MOU.</li><li>• Salary increases beyond FY 19-20 are shown at a 1% increase</li><li>• Salary Savings – 3.0% vacancy rate used, except for sworn personnel</li><li>• PERS 115 Trust and OPEB liability prefunding continues, as indicated</li><li>• Other Expenses – average increase of 2% annually</li></ul>

<b>City of Pittsburg 20-year General Fund Forecast</b>	<b>YE Estimate FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>Annual Revenues</b>			
Taxes - Property, Sales, TOT, Franchise & Motor Vehicle	28,896,482	29,557,928	30,364,057
Fees, Intergovernmental, Permits, Fines and Service Charges	6,523,916	7,287,268	7,360,109
Transfers In from other City Funds	4,776,538	4,802,989	5,050,314
Other Revenues	4,952,115	5,165,089	5,216,688
<b>Total Annual Revenues</b>	<b>45,149,051</b>	<b>46,813,274</b>	<b>47,991,167</b>
<b>Potential New or Short Term Revenues</b>			
Police Grants	433,551	311,034	-
Waterfront Lease Revenues	-	-	81,162
New Hotel TOT	-	-	-
Commercial and Industrial Development	-	-	226,464
Housing Development Projects	-	-	63,833
<b>Total Potential New</b>	<b>433,551</b>	<b>311,034</b>	<b>371,460</b>
<b>Total Revenues</b>	<b>45,582,602</b>	<b>47,124,308</b>	<b>48,362,627</b>
<b>Annual Expenses</b>			
Salaries	19,270,698	19,500,959	19,812,505
Vacancy Rate/Attrition Savings	(387,121)	(518,527)	(534,083)
CalPERS	3,936,775	4,563,597	5,597,592
CCCERA, Pension Bonds & 115 Trust	3,458,680	3,317,574	3,405,470
Benefits & Insurance	7,115,866	7,517,752	7,978,981
Contractual and Professional Services	7,377,605	7,226,855	7,384,892
Transfers Out and Other Costs	5,822,062	5,635,113	5,738,708
Pavement Maintenance	-	500,000	500,000
<b>Total Annual Expenses</b>	<b>46,594,565</b>	<b>47,743,323</b>	<b>49,884,065</b>
<b>Adjustments</b>			
New Revenues or Reductions not yet identified	-	-	(1,300,000)
<b>Total Annual Expenses + Adjustments</b>	<b>46,594,565</b>	<b>47,743,323</b>	<b>48,584,065</b>
<b>Use or Surplus of Genral Fund Reserves</b>	<b>(1,011,963)</b>	<b>(619,015)</b>	<b>(221,438)</b>
<b>General Fund Reserve Balance</b>	<b>15,987,429</b>	<b>15,368,414</b>	<b>15,021,976</b>
General Fund Reserve held in Property	-	-	-
<b>Total General Fund Reserve</b>	<b>15,987,429</b>	<b>15,368,414</b>	<b>15,021,976</b>
Total General Fund Reserve as a Percentage of Annual Expenses (30% minimum)	34.31%	32.19%	30.11%
<b>Available Balance of Budget Stabilization Fund (BSF)</b>	<b>2,395,285</b>	<b>2,395,285</b>	<b>2,520,285</b>
BSF as a Percentage of Annual Expenses (5% minimum)	5.14%	5.02%	5.05%
Indicates significant Changes			



<b>City of Pittsburg 20-year General Fund Forecast</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>
<b>Annual Revenues</b>			
Taxes - Property, Sales, TOT, Franchise & Motor Vehicle	31,215,185	32,069,234	32,928,530
Fees, Intergovernmental, Permits, Fines and Service Charges	7,433,991	7,508,933	7,584,959
Transfers In from other City Funds	5,213,737	5,391,797	5,583,859
Other Revenues	5,268,970	5,321,949	5,375,633
<b>Total Annual Revenues</b>	<b>49,131,884</b>	<b>50,291,913</b>	<b>51,472,982</b>
<b>Potential New or Short Term Revenues</b>			
Police Grants	-	-	-
Waterfront Lease Revenues	165,669	169,098	172,612
New Hotel TOT	98,550	295,650	394,200
Commercial and Industrial Development	377,994	526,754	117,289
Housing Development Projects	102,021	211,745	281,451
<b>Total Potential New</b>	<b>744,233</b>	<b>1,203,247</b>	<b>965,552</b>
<b>Total Revenues</b>	<b>49,876,117</b>	<b>51,495,160</b>	<b>52,438,533</b>
<b>Annual Expenses</b>			
Salaries	20,000,941	20,191,287	20,383,562
Vacancy Rate/Attrition Savings	(550,105)	(566,608)	(583,607)
CalPERS	6,248,610	6,974,403	7,625,946
CCCERA, Pension Bonds & 115 Trust	3,441,597	3,519,119	3,557,431
Benefits & Insurance	8,472,349	9,000,211	9,565,097
Contractual and Professional Services	7,546,495	7,711,747	7,880,734
Transfers Out and Other Costs	5,792,347	5,872,150	5,953,402
Pavement Maintenance	500,000	500,000	500,000
<b>Total Annual Expenses</b>	<b>51,452,234</b>	<b>53,202,309</b>	<b>54,882,566</b>
<b>Adjustments</b>			
New Revenues or Reductions not yet identified	(1,400,000)	(1,400,000)	(1,750,000)
<b>Total Annual Expenses + Adjustments</b>	<b>50,052,234</b>	<b>51,802,309</b>	<b>53,132,566</b>
<b>Use or Surplus of Genral Fund Reserves</b>	<b>(176,117)</b>	<b>(307,149)</b>	<b>(694,032)</b>
<b>General Fund Reserve Balance</b>	<b>14,745,859</b>	<b>14,338,710</b>	<b>13,569,677</b>
General Fund Reserve held in Property	750,000	2,000,000	3,000,000
<b>Total General Fund Reserve</b>	<b>15,495,859</b>	<b>16,338,710</b>	<b>16,569,677</b>
Total General Fund Reserve as a Percentage of Annual Expenses (30% minimum)	30.12%	30.71%	30.19%
<b>Available Balance of Budget Stabilization Fund (BSF)</b>	<b>2,620,285</b>	<b>2,720,285</b>	<b>2,795,285</b>
BSF as a Percentage of Annual Expenses (5% minimum)	5.09%	5.11%	5.09%
Indicates significant Changes			

<b>City of Pittsburg 20-year General Fund Forecast</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>
<b>Annual Revenues</b>			
Taxes - Property, Sales, TOT, Franchise & Motor Vehicle	33,793,213	34,457,338	35,134,964
Fees, Intergovernmental, Permits, Fines and Service Charges	7,662,091	7,740,351	7,819,763
Transfers In from other City Funds	5,573,434	5,686,027	5,804,724
Other Revenues	5,430,036	5,485,169	5,541,043
<b>Total Annual Revenues</b>	<b>52,458,775</b>	<b>53,368,885</b>	<b>54,300,494</b>
<b>Potential New or Short Term Revenues</b>			
Police Grants	-	-	-
Waterfront Lease Revenues	176,214	179,906	183,691
New Hotel TOT	402,084	410,126	418,328
Commercial and Industrial Development	193,034	205,295	217,801
Housing Development Projects	293,352	378,894	465,291
<b>Total Potential New</b>	<b>1,064,685</b>	<b>1,174,221</b>	<b>1,285,111</b>
<b>Total Revenues</b>	<b>53,523,460</b>	<b>54,543,106</b>	<b>55,585,605</b>
<b>Annual Expenses</b>			
Salaries	20,577,787	20,773,981	20,972,165
Vacancy Rate/Attrition Savings	(601,115)	(619,148)	(637,723)
CalPERS	8,334,117	8,796,971	9,339,914
CCCERA, Pension Bonds & 115 Trust	3,596,619	3,636,584	3,475,662
Benefits & Insurance	10,169,729	10,817,037	11,510,171
Contractual and Professional Services	8,053,543	8,230,264	8,410,989
Transfers Out and Other Costs	6,036,137	6,120,393	6,206,210
Pavement Maintenance	500,000	500,000	500,000
<b>Total Annual Expenses</b>	<b>56,666,817</b>	<b>58,256,082</b>	<b>59,777,387</b>
<b>Adjustments</b>			
New Revenues or Reductions not yet identified	(3,250,000)	(3,750,000)	(3,750,000)
<b>Total Annual Expenses + Adjustments</b>	<b>53,416,817</b>	<b>54,506,082</b>	<b>56,027,387</b>
<b>Use or Surplus of Genral Fund Reserves</b>	<b>106,643</b>	<b>37,024</b>	<b>(441,782)</b>
<b>General Fund Reserve Balance</b>	<b>13,601,320</b>	<b>13,563,344</b>	<b>13,046,561</b>
General Fund Reserve held in Property	3,500,000	4,000,000	5,000,000
<b>Total General Fund Reserve</b>	<b>17,101,320</b>	<b>17,563,344</b>	<b>18,046,561</b>
Total General Fund Reserve as a Percentage of Annual Expenses (30% minimum)	30.18%	30.15%	30.19%
<b>Available Balance of Budget Stabilization Fund (BSF)</b>	<b>2,870,285</b>	<b>2,945,285</b>	<b>3,020,285</b>
BSF as a Percentage of Annual Expenses (5% minimum)	5.07%	5.06%	5.05%
Indicates significant Changes			

<b>City of Pittsburg 20-year General Fund Forecast</b>	<b>FY 2027-28</b>	<b>FY 2028-29</b>	<b>FY 2029-30</b>
<b>Annual Revenues</b>			
Taxes - Property, Sales, TOT, Franchise & Motor Vehicle	35,826,372	36,531,848	37,251,684
Fees, Intergovernmental, Permits, Fines and Service Charges	7,900,352	7,982,142	8,065,159
Transfers In from other City Funds	5,895,110	6,036,546	6,364,792
Other Revenues	5,597,672	5,655,066	5,713,238
<b>Total Annual Revenues</b>	<b>55,219,505</b>	<b>56,205,601</b>	<b>57,394,873</b>
<b>Potential New or Short Term Revenues</b>			
Police Grants	-	-	-
Waterfront Lease Revenues	187,570	191,546	195,622
New Hotel TOT	426,695	435,229	443,933
Commercial and Industrial Development	230,557	243,568	425,840
Housing Development Projects	552,551	689,498	930,887
<b>Total Potential New</b>	<b>1,397,373</b>	<b>1,559,842</b>	<b>1,996,282</b>
<b>Total Revenues</b>	<b>56,616,878</b>	<b>57,765,443</b>	<b>59,391,155</b>
<b>Annual Expenses</b>			
Salaries	21,172,358	21,374,583	21,578,858
Vacancy Rate/Attrition Savings	(656,854)	(676,560)	(696,857)
CalPERS	9,817,502	10,302,675	10,791,530
CCCERA, Pension Bonds & 115 Trust	3,512,802	3,547,962	3,587,744
Benefits & Insurance	12,252,522	13,047,739	13,899,748
Contractual and Professional Services	8,595,812	8,784,830	8,978,141
Transfers Out and Other Costs	6,293,626	6,382,684	6,473,427
Pavement Maintenance	500,000	500,000	500,000
<b>Total Annual Expenses</b>	<b>61,487,768</b>	<b>63,263,912</b>	<b>65,112,590</b>
<b>Adjustments</b>			
New Revenues or Reductions not yet identified	(5,500,000)	(5,500,000)	(6,000,000)
<b>Total Annual Expenses + Adjustments</b>	<b>55,987,768</b>	<b>57,763,912</b>	<b>59,112,590</b>
<b>Use or Surplus of Genral Fund Reserves</b>	<b>629,110</b>	<b>1,531</b>	<b>278,565</b>
<b>General Fund Reserve Balance</b>	<b>13,600,671</b>	<b>13,502,202</b>	<b>13,690,767</b>
General Fund Reserve held in Property	5,000,000	6,000,000	6,000,000
<b>Total General Fund Reserve</b>	<b>18,600,671</b>	<b>19,502,202</b>	<b>19,690,767</b>
Total General Fund Reserve as a Percentage of Annual Expenses (30% minimum)	30.25%	30.83%	30.24%
<b>Available Balance of Budget Stabilization Fund (BSF)</b>	<b>3,095,285</b>	<b>3,195,285</b>	<b>3,285,285</b>
BSF as a Percentage of Annual Expenses (5% minimum)	5.03%	5.05%	5.05%
Indicates significant Changes			

<b>City of Pittsburg 20-year General Fund Forecast</b>	<b>FY 2030-31</b>	<b>FY 2031-32</b>	<b>FY 2032-33</b>
<b>Annual Revenues</b>			
Taxes - Property, Sales, TOT, Franchise & Motor Vehicle	38,198,617	39,174,323	40,179,852
Fees, Intergovernmental, Permits, Fines and Service Charges	8,149,429	8,234,978	8,321,835
Transfers In from other City Funds	6,605,155	6,568,639	6,669,853
Other Revenues	10,739,462	10,904,941	11,073,484
<b>Total Annual Revenues</b>	<b>63,692,663</b>	<b>64,882,880</b>	<b>66,245,024</b>
<b>Potential New or Short Term Revenues</b>			
Police Grants	-	-	-
Waterfront Lease Revenues	199,799	204,081	208,470
New Hotel TOT	452,812	461,868	471,105
Commercial and Industrial Development	442,756	456,564	470,648
Housing Development Projects	1,045,333	1,130,885	1,224,050
<b>Total Potential New</b>	<b>2,140,701</b>	<b>2,253,398</b>	<b>2,374,274</b>
<b>Total Revenues</b>	<b>65,833,364</b>	<b>67,136,278</b>	<b>68,619,298</b>
<b>Annual Expenses</b>			
Salaries	21,785,207	21,993,649	22,204,207
Vacancy Rate/Attrition Savings	(717,763)	(739,296)	(761,474)
CalPERS	11,288,007	11,731,352	12,302,066
CCCERA, Pension Bonds & 115 Trust	3,628,599	3,660,234	3,665,436
Benefits & Insurance	14,812,775	15,791,371	16,840,431
Contractual and Professional Services	9,175,846	9,378,050	9,584,859
Transfers Out and Other Costs	6,565,898	6,660,143	6,756,211
Pavement Maintenance	500,000	500,000	500,000
<b>Total Annual Expenses</b>	<b>67,038,570</b>	<b>68,975,505</b>	<b>71,091,736</b>
<b>Adjustments</b>			
New Revenues or Reductions not yet identified	(1,900,000)	(2,500,000)	(3,200,000)
<b>Total Annual Expenses + Adjustments</b>	<b>65,138,570</b>	<b>66,475,505</b>	<b>67,891,736</b>
<b>Use or Surplus of Genral Fund Reserves</b>	<b>694,794</b>	<b>660,773</b>	<b>727,562</b>
<b>General Fund Reserve Balance</b>	<b>14,260,561</b>	<b>14,821,334</b>	<b>15,473,897</b>
General Fund Reserve held in Property	6,000,000	6,000,000	6,000,000
<b>Total General Fund Reserve</b>	<b>20,260,561</b>	<b>20,821,334</b>	<b>21,473,897</b>
Total General Fund Reserve as a Percentage of Annual Expenses (30% minimum)	30.22%	30.19%	30.21%
<b>Available Balance of Budget Stabilization Fund (BSF)</b>	<b>3,410,285</b>	<b>3,510,285</b>	<b>3,585,285</b>
BSF as a Percentage of Annual Expenses (5% minimum)	5.09%	5.09%	5.04%
Indicates significant Changes			

<b>City of Pittsburg 20-year General Fund Forecast</b>	<b>FY 2033-34</b>	<b>FY 2034-35</b>	<b>FY 2035-36</b>	<b>FY 2036-37</b>
<b>Annual Revenues</b>				
Taxes - Property, Sales, TOT, Franchise & Motor Vehicle	41,216,297	42,284,799	36,428,312	37,425,381
Fees, Intergovernmental, Permits, Fines and Service Charges	8,410,028	8,499,585	8,590,537	8,682,913
Transfers In from other City Funds	6,797,656	6,918,999	7,055,942	7,208,093
Other Revenues	11,245,155	11,420,014	11,598,126	11,779,557
<b>Total Annual Revenues</b>	<b>67,669,136</b>	<b>69,123,398</b>	<b>63,672,917</b>	<b>65,095,943</b>
<b>Potential New or Short Term Revenues</b>				
Police Grants	-	-	-	-
Waterfront Lease Revenues	212,969	217,580	222,306	227,151
New Hotel TOT	480,528	490,138	499,941	509,940
Commercial and Industrial Development	485,013	529,666	514,611	529,856
Housing Development Projects	1,311,389	1,399,601	1,497,707	1,602,801
<b>Total Potential New</b>	<b>2,489,898</b>	<b>2,636,985</b>	<b>2,734,565</b>	<b>2,869,748</b>
<b>Total Revenues</b>	<b>70,159,034</b>	<b>71,760,382</b>	<b>66,407,483</b>	<b>67,965,691</b>
<b>Annual Expenses</b>				
Salaries	22,416,902	22,631,757	22,848,793	23,068,033
Vacancy Rate/Attrition Savings	(784,319)	(807,848)	(832,084)	(857,046)
CalPERS	12,819,147	13,341,932	13,872,981	14,412,776
CCCERA, Pension Bonds & 115 Trust	3,704,039	3,745,353	346,171	346,171
Benefits & Insurance	17,965,229	19,171,439	20,465,175	21,853,016
Contractual and Professional Services	9,796,381	10,012,729	10,234,016	10,460,360
Transfers Out and Other Costs	6,854,151	6,843,505	6,768,614	6,858,121
Pavement Maintenance	500,000	500,000	500,000	500,000
<b>Total Annual Expenses</b>	<b>73,271,531</b>	<b>75,438,867</b>	<b>74,203,666</b>	<b>76,641,432</b>
<b>Adjustments</b>				
New Revenues or Reductions not yet identified	(3,900,000)	(4,500,000)	(7,200,000)	(9,500,000)
Total Annual Expenses + Adjustments	69,371,531	70,938,867	67,003,666	67,141,432
<b>Use or Surplus of Genral Fund Reserves</b>	<b>787,503</b>	<b>821,516</b>	<b>(596,184)</b>	<b>824,260</b>
General Fund Reserve Balance	16,161,400	16,857,916	16,261,732	17,010,992
General Fund Reserve held in Property	6,000,000	6,000,000	6,000,000	6,000,000
Total General Fund Reserve	22,161,400	22,857,916	22,261,732	23,010,992
Total General Fund Reserve as a Percentage of Annual Expenses (30% minimum)	30.25%	30.30%	30.00%	30.02%
Available Balance of Budget Stabilization Fund (BSF)	3,685,285	3,810,285	3,810,285	3,885,285
BSF as a Percentage of Annual Expenses (5% minimum)	5.03%	5.05%	5.13%	5.07%
Indicates significant Changes				

<b>City of Pittsburg 20-year General Fund Forecast</b>	<b>FY 2037-38</b>	<b>FY 2038-39</b>	<b>FY 2039-40</b>
<b>Annual Revenues</b>			
Taxes - Property, Sales, TOT, Franchise & Motor Vehicle	38,455,443	39,519,791	40,619,774
Fees, Intergovernmental, Permits, Fines and Service Charges	8,776,746	8,872,068	8,968,912
Transfers In from other City Funds	7,337,838	7,449,739	7,592,091
Other Revenues	11,964,372	12,152,638	12,344,427
<b>Total Annual Revenues</b>	<b>66,534,399</b>	<b>67,994,237</b>	<b>69,525,204</b>
<b>Potential New or Short Term Revenues</b>			
Police Grants	-	-	-
Waterfront Lease Revenues	232,117	256,974	282,827
New Hotel TOT	520,139	530,541	541,152
Commercial and Industrial Development	545,405	561,266	577,444
Housing Development Projects	2,055,904	2,588,300	3,062,760
<b>Total Potential New</b>	<b>3,353,565</b>	<b>3,937,081</b>	<b>4,464,183</b>
<b>Total Revenues</b>	<b>69,887,964</b>	<b>71,931,318</b>	<b>73,989,387</b>
<b>Annual Expenses</b>			
Salaries	23,289,500	23,513,216	23,739,205
Vacancy Rate/Attrition Savings	(882,758)	(909,240)	(936,517)
CalPERS	14,959,341	15,528,699	16,077,412
CCCERA, Pension Bonds & 115 Trust	346,171	346,171	346,171
Benefits & Insurance	23,342,052	24,939,914	26,654,825
Contractual and Professional Services	10,691,881	10,928,701	11,170,948
Transfers Out and Other Costs	6,948,997	7,041,266	7,134,951
Pavement Maintenance	500,000	500,000	500,000
<b>Total Annual Expenses</b>	<b>79,195,184</b>	<b>81,888,727</b>	<b>84,686,994</b>
<b>Adjustments</b>			
New Revenues or Reductions not yet identified	(10,500,000)	(11,000,000)	(11,500,000)
<b>Total Annual Expenses + Adjustments</b>	<b>68,695,184</b>	<b>70,888,727</b>	<b>73,186,994</b>
<b>Use or Surplus of Genral Fund Reserves</b>	<b>1,192,780</b>	<b>1,042,591</b>	<b>802,393</b>
<b>General Fund Reserve Balance</b>	<b>18,078,772</b>	<b>18,996,363</b>	<b>19,673,755</b>
General Fund Reserve held in Property	6,000,000	6,000,000	6,000,000
<b>Total General Fund Reserve</b>	<b>24,078,772</b>	<b>24,996,363</b>	<b>25,673,755</b>
Total General Fund Reserve as a Percentage of Annual Expenses (30% minimum)	30.40%	30.52%	30.32%
<b>Available Balance of Budget Stabilization Fund (BSF)</b>	<b>4,010,285</b>	<b>4,135,285</b>	<b>4,260,286</b>
BSF as a Percentage of Annual Expenses (5% minimum)	5.06%	5.05%	5.03%
Indicates significant Changes			

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

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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 Housing Authority of the City of Pittsburgh’s (“HACP”) fund balance decreased dramatically over the past couple of years to less than one month of operating expenses. Currently, HACP has received the HUD’s Calendar Year 2019 Renewal Funding annual increment. In April 2017, HACP received notification from HUD that it is in a shortfall position and continues the status through fiscal year 2018-19. The shortfall status means HACP might not have enough funding to support the current leasing level through December 2019. HACP 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, HACP will be eligible and has applied for set aside funding from HUD to offset the shortfall.

The FY 2019-20 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 80% of eligibility to the FY 2018-19 funding.

HACP continues to be challenged to maintain the level of service with significant increases in costs from the rising rental market coupled with lower earned administrative fees. HACP’s plan is to closely balance units leased with a healthy dose of administrative revenue and attempt to cover all the costs. However, the Housing Authority of the City of Pittsburgh 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 Pittsburgh Finance Department has established a 7-year forecast to help manage the City of Pittsburgh Housing Authority’s budget. HACP anticipates using existing reserves to supplement its’ shortfall through FY 2019-20. However, by FY 2021-22, HACP 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 2019-20 through 2024-25 1%

Estimated Ending Fund Balance  
at June 30, 2019 \$90,118

### **Expenditure Assumptions**

#### **Annual Increase in Operating Expenditures**

1.5% - 2% 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 FY 18-19	Adopted Budget FY 19-20	Projected				
			FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Program Revenue from HUD	\$ 16,200,000	\$ 16,478,260	\$ 16,643,043	\$ 16,809,473	\$ 16,977,568	\$ 17,147,344	\$ 17,318,817
Program Expenses	(16,124,791)	(16,294,198)	(16,661,012)	(16,827,622)	(16,995,898)	(17,165,858)	(17,337,516)
<b>Net Operating Income / (Deficit)</b>	<b>\$ 75,209</b>	<b>\$ 184,062</b>	<b>\$ (17,969)</b>	<b>\$ (18,149)</b>	<b>\$ (18,330)</b>	<b>\$ (18,514)</b>	<b>\$ (18,699)</b>
<b>Administrative Revenue</b>							
Administrative Overhead from HUD	\$ 1,090,783	\$ 1,095,192	\$ 1,106,144	\$ 1,117,205	\$ 1,128,377	\$ 1,139,661	\$ 1,151,058
Other Svcs fee (incl. Port In & Unreported Income)	5,433	4,550	5,500	5,500	5,500	5,500	5,500
Interest Income	3,875	4,000	2,000	2,000	2,000	2,000	2,000
Rental Income	107,179	111,355	113,485	114,480	115,485	116,500	117,525
<b>Total Administrative Revenue</b>	<b>1,207,270</b>	<b>1,215,097</b>	<b>1,227,129</b>	<b>1,239,185</b>	<b>1,251,362</b>	<b>1,263,661</b>	<b>1,276,083</b>
<b>Administrative Expenses</b>							
Salaries and Benefits	(831,801)	(873,895)	(875,615)	(889,286)	(903,371)	(917,887)	(932,857)
Retirement	(72,146)	(80,909)	(74,048)	(80,738)	(89,044)	(96,254)	(101,937)
Pension Bonds & CCCERA Loan Payment	(105,233)	(105,767)	(110,491)	(111,515)	(112,591)	(113,721)	(114,669)
Administrative Overhead for Port Out	(83,500)	(84,000)	(85,178)	(86,030)	(86,890)	(87,759)	(88,636)
Rental Property Expenses	(12,068)	(13,625)	(12,808)	(13,196)	(13,601)	(14,025)	(14,420)
Other Administrative Expenses	(224,702)	(196,702)	(180,348)	(186,147)	(192,721)	(198,712)	(205,027)
<b>Total Admin. Expenses</b>	<b>(1,329,450)</b>	<b>(1,354,898)</b>	<b>(1,338,488)</b>	<b>(1,366,912)</b>	<b>(1,398,218)</b>	<b>(1,428,358)</b>	<b>(1,457,546)</b>
<b>Net Administrative Income/(Deficit)</b>	<b>\$ (122,180)</b>	<b>\$ (139,801)</b>	<b>\$ (111,359)</b>	<b>\$ (127,727)</b>	<b>\$ (146,856)</b>	<b>\$ (164,697)</b>	<b>\$ (181,463)</b>
<b>Total Fund Income/(Deficit)</b>	<b>\$ (46,971)</b>	<b>\$ 44,261</b>	<b>\$ (129,328)</b>	<b>\$ (145,876)</b>	<b>\$ (165,186)</b>	<b>\$ (183,211)</b>	<b>\$ (200,162)</b>
<b>Available Beginning Fund Balance</b>	<b>\$ 137,089</b>	<b>\$ 90,118</b>	<b>\$ 134,379</b>	<b>\$ 5,051</b>	<b>\$ (140,825)</b>	<b>\$ (306,011)</b>	<b>\$ (489,222)</b>
<b>Use of Fund Balance</b>	<b>(46,971)</b>	<b>44,261</b>	<b>(129,328)</b>	<b>(145,876)</b>	<b>(165,186)</b>	<b>(183,211)</b>	<b>(200,162)</b>
<b>Available Ending Fund Balance</b>	<b>\$ 90,118</b>	<b>\$ 134,379</b>	<b>\$ 5,051</b>	<b>\$ (140,825)</b>	<b>\$ (306,011)</b>	<b>\$ (489,222)</b>	<b>\$ (689,384)</b>



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# Summary of Fund Condition Table 1

	Estimated Reserves June 30, 2019 <sup>1</sup>	Projected Revenues 2019-20	Transfers-In	Projected Expenditures 2019-20	Transfers-Out	Estimated Balance June 30, 2020
<b>General Fund</b>						
General Fund	16,374,269	42,180,285	4,944,023	45,598,434	2,144,889	15,755,254
<b>Subtotal, General Fund</b>	<b>\$ 16,374,269</b>	<b>\$ 42,180,285</b>	<b>\$ 4,944,023</b>	<b>\$ 45,598,434</b>	<b>\$ 2,144,889</b>	<b>\$ 15,755,254</b>
<b>Internal Service Funds</b>						
Building Maintenance	996,183	1,992,846	60,000	2,062,069	11,938	975,022
Fleet Maintenance	700,177	2,100,534	-	2,078,900	9,972	711,839
Fringe Benefits	814,782	2,214,000	-	2,211,163	-	817,619
Information Communication Services	1,238,620	1,280,371	-	1,381,240	-	1,137,751
Insurance	545,980	1,956,690	-	1,924,690	-	577,980
Other Post-Employment Benefits (OPEB) <sup>2</sup>	216,577	1,777,855	500,000	2,272,580	-	221,852
Pension Trust/Reserve Fund <sup>3</sup>	-	294,215	-	294,215	-	-
<b>Subtotal, Internal Service Funds</b>	<b>\$ 4,512,319</b>	<b>\$ 11,616,511</b>	<b>\$ 560,000</b>	<b>\$ 12,224,857</b>	<b>\$ 21,910</b>	<b>\$ 4,442,063</b>
<b>Enterprise Funds</b>						
Island Energy	2,995,148	6,265,000	-	6,894,381	28,792	2,336,975
Marina	841,496	2,144,852	-	2,171,890	16,994	797,464
Pittsburg Power	2,128,476	2,725,185	50,000	1,649,513	730,197	2,523,951
Sewer Utility	1,746,696	5,391,189	-	4,560,115	851,324	1,726,446
Waterfront Operations	568,954	1,850,912	-	1,310,676	13,343	1,095,847
Water Utility	13,424,146	23,018,198	814,279	21,981,674	394,462	14,880,487
<b>Subtotal, Enterprise Funds</b>	<b>\$ 21,704,916</b>	<b>\$ 41,395,336</b>	<b>\$ 864,279</b>	<b>\$ 38,568,249</b>	<b>\$ 2,035,112</b>	<b>\$ 23,361,170</b>
<b>Special Revenue Funds</b>						
Assets Seizure	20,598	15,740	-	15,000	-	21,338
Budget Stabilization	2,295,285	-	-	-	-	2,295,285
CA Energy Conservation Program	7	-	74,500	74,497	-	10
CalHome Program	123,090	1,500	-	-	-	124,590
California Theatre	52,432	279,307	175,000	466,747	-	39,992
Economic Development	253,289	373,727	150,000	315,291	51,264	410,461
Emergency Operations Center	869	-	55,000	34,700	20,000	1,169
Fire District CFD	545	6,288	-	2,125	-	4,708
Gas Tax	(211,086)	1,586,571	-	52,100	1,312,111	11,274
Gas Tax - Road Maint & Rehab (RMRA)	56,967	1,210,657	150,000	1,352,427	-	65,197
General Plan Update	2,821	-	160,000	160,000	-	2,821
GHAD Administration	83	-	521,860	517,787	4,073	83
Golf Course	43	-	13,250	13,250	-	43
Hillview Jr. High Athletic Field (Maintenance)	353,996	3,200	-	-	-	357,196
Housing Authority-Section 8	90,118	17,693,357	-	17,630,416	18,680	134,379
HUD Community Development Block Grant	116,150	919,673	-	536,190	358,312	141,321
Lighting and Landscape	30,371	3,051,400	1,238,111	4,183,570	109,753	26,559
Lighting and Landscaping Oak Hill	34,692	34,260	663	37,298	-	32,317
Marina Vista Field Replacement	303,928	4,200	-	-	-	308,128
Measure J Tax Fund	127,537	877,200	-	162,000	695,332	147,405
Miscellaneous Grants	-	142,934	-	-	141,034	1,900
Neighborhood Stabilization	45,103	680	-	-	-	45,783
Park Maintenance CFD 2007-1	85,769	127,186	-	86,907	702	125,346
Project Amenities Mgmt (CFD 2015-1)	32,579	26,172	-	3,800	-	54,951
Public Safety CFD 2005-1	72,386	517,521	-	10,100	560,000	19,807
Public, Education & Gov't Fees (PEG)	607,304	168,500	-	145,500	-	630,304
R/R Ave Specific Plan (e-BART) CFD 2014	23,658	20,068	-	-	-	43,726
San Marco CFD 2004-1	148,423	1,023,309	-	14,200	1,125,000	32,532
Small Cities Grant	36,358	-	180,399	-	-	216,757
Solid Waste	267,646	604,000	-	516,166	104,213	251,267
Southwest Pittsburg GHAD II	3,849,964	958,837	-	181,500	521,860	4,105,441
Storm Water Utility NPDES	535,106	1,134,824	100,000	1,245,008	63,918	461,004
Successor Agency Housing Fund	2,890,987	332,917	-	913,741	562	2,309,601
Vista Del Mar CFD 2005-2	39,802	350,812	-	800	380,000	9,814
<b>Subtotal, Special Revenue Funds</b>	<b>\$ 12,286,820</b>	<b>\$ 31,464,840</b>	<b>\$ 2,818,783</b>	<b>\$ 28,671,120</b>	<b>\$ 5,466,814</b>	<b>\$ 12,432,509</b>
<b>Capital Projects Funds</b>						
Bailey Road Maintenance	1,305,473	13,000	-	-	-	1,318,473
Capital Improvement	23,138	-	500,000	500,000	-	23,138
Community Capital Improvement	98,207	-	-	-	-	98,207
Inclusionary Housing	397,155	4,000	-	-	-	401,155

	Estimated Reserves June 30, 2019 <sup>1</sup>	Projected Revenues 2019-20	Transfers-In	Projected Expenditures 2019-20	Transfers-Out	Estimated Balance June 30, 2020
Infrastructure Repair & Replacement	15,268	5,000	-	-	-	20,268
Kirker Creek Drainage Fees	371,426	3,000	-	-	18,360	356,066
Park Dedication	105,185	951,955	-	716,104	-	341,036
RDA - Project Fund	44,779	-	-	-	-	44,779
Recycled Water Capital Maintenance	31,646	480	-	-	-	32,126
Regional Traffic Mitigation	10,197	8,000	-	-	-	18,197
Traffic Impact Fair Share	497,230	5,000	-	-	-	502,230
Traffic Mitigation	1,570,132	1,339,157	-	85,157	-	2,824,132
<b>Subtotal, Capital Projects Funds</b>	<b>\$ 4,469,836</b>	<b>\$ 2,329,592</b>	<b>\$ 500,000</b>	<b>\$ 1,301,261</b>	<b>\$ 18,360</b>	<b>\$ 5,979,807</b>
<b>Successor Agency to RDA Funds</b>						
Successor Agency to RDA-Tax Increment	595,217	247,987	368,648	913,377	51,420	247,055
Successor Agency Obligation Retirement Fund	-	33,719,155	-	-	33,719,155	-
<b>Subtotal, Successor Agency to RDA Funds</b>	<b>\$ 595,217</b>	<b>\$ 33,967,142</b>	<b>\$ 368,648</b>	<b>\$ 913,377</b>	<b>\$ 33,770,575</b>	<b>\$ 247,055</b>
<b>Debt Service Funds<sup>4</sup></b>						
Assessment Districts Fund	8,093,563	4,199,436	-	2,820,271	-	9,472,728
Pension Obligations	2,912,864	4,494,693	-	4,479,693	-	2,927,864
Successor Agency to RDA Bond Funds	40,758,375	224,600	31,378,871	31,237,745	30,000	41,094,101
Successor Agency to RDA – Hsg Bond Funds	2,664,696	49,000	2,053,056	2,032,228	-	2,734,524
<b>Subtotal, Debt Service Funds</b>	<b>\$ 54,429,498</b>	<b>\$ 8,967,729</b>	<b>\$ 33,431,927</b>	<b>\$ 40,569,937</b>	<b>\$ 30,000</b>	<b>\$ 56,229,217</b>
<b>Total, All Funds</b>	<b>\$ 114,372,875</b>	<b>\$ 171,921,435</b>	<b>\$ 43,487,660</b>	<b>\$ 167,847,235</b>	<b>\$ 43,487,660</b>	<b>\$ 118,447,075</b>

<sup>1</sup> Represents working capital and does not include fixed assets, inventory, long-term advances or loans

<sup>2</sup> Does not include CERBT trust funds held by CalPERS

<sup>3</sup> Pension trust funds are collected and disbursed to a trustee

<sup>4</sup> Debt service fund balances include debt service reserves held by a trustee

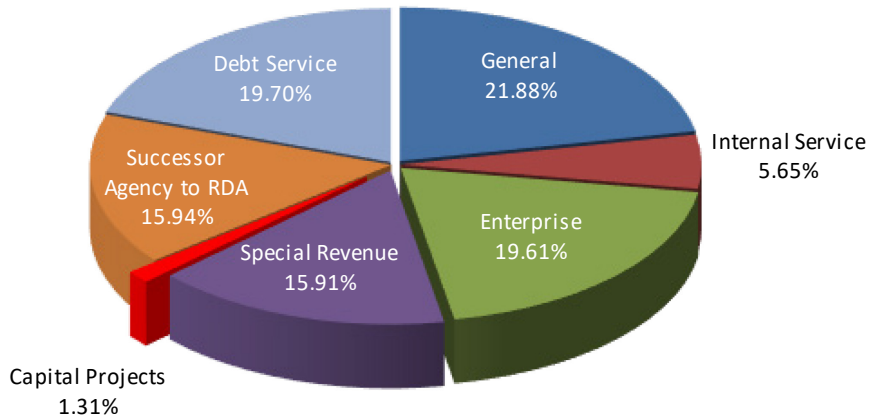
## Summary of Revenues and Expenditures – All Funds

### Table 2

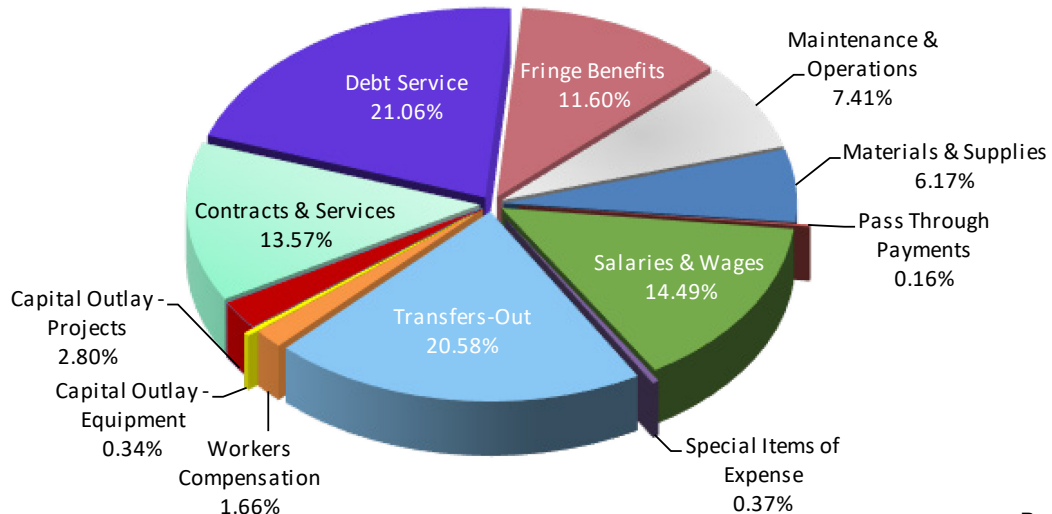
	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
<b>Revenue</b>					
General Fund	48,051,876	45,380,742	47,124,308	1,743,566	3.84
Internal Service Funds	11,577,364	11,772,295	12,176,511	404,216	3.43
Enterprise Funds	40,972,959	52,539,835 <sup>1</sup>	42,244,865	(10,294,970)	-19.59
Special Revenue Funds	35,662,969	42,741,007 <sup>1</sup>	34,270,373	(8,470,634)	-19.82
Capital Projects Funds	711,531	7,677,068	2,829,592	(4,847,476)	-63.14
Successor Agency to RDA Funds	36,184,178	34,545,126	34,335,790	(209,336)	-0.61
Debt Service Funds	42,548,760	41,966,070	42,427,656	461,586	1.10
<b>Total, Revenues</b>	<b>\$ 215,709,637</b>	<b>\$ 236,622,143</b>	<b>\$ 215,409,095</b>	<b>\$ (21,213,048)</b>	<b>-8.96 %</b>
<b>Expenditure</b>					
Capital Outlay - Equipment	2,707,619	1,777,177 <sup>1</sup>	710,000	(1,067,177)	-60.05
Capital Outlay - Projects	10,964,898	43,307,826 <sup>1</sup>	5,922,427	(37,385,399)	-86.32
Contracts & Services	27,676,013	33,942,605 <sup>1</sup>	28,682,801	(5,259,804)	-15.50
Debt Service Funds	43,741,209	44,389,147	44,512,231	123,084	0.28
Fringe Benefits	19,948,981	22,332,719	24,514,725	2,182,006	9.77
Maintenance & Operations	13,347,745	15,046,683	15,654,681	607,998	4.04
Materials & Supplies	11,050,232	13,211,924	13,040,507	(171,417)	-1.30
Pass Through Payments	2,487,122	339,535	341,682	2,147	0.63
Salaries & Wages	26,876,901	30,478,734	30,633,156	154,422	0.51
Special Items of Expense	69,348	397,696	780,500	382,804	96.26
Transfers-Out	49,426,907	55,121,553	43,487,660	(11,633,893)	-21.11
Workers Compensation	3,275,477	3,600,466	3,054,525	(545,941)	-15.16
<b>Total, Expenditures</b>	<b>\$ 211,572,452</b>	<b>\$ 263,946,065</b>	<b>\$ 211,334,895</b>	<b>\$ (52,611,170)</b>	<b>-19.93 %</b>

(1) Includes \$2.5M freeway security network project funded by CalTrans and \$450K project funded by MIDD. These projects are cost-neutral to the City.

### 2019-20 Revenues by Fund Type



### 2019-20 Expenditures by Category



**Revenue Source by Category and Object**  
**Table 3**

	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
<b>General Fund</b>					
Fines & Forfeitures	580,801	705,433	639,075	(66,358)	-9.41
Franchise Fees	4,184,014	4,145,234	4,277,010	131,776	3.18
Intergovernmental Revenue	3,060,437	2,961,598	3,401,975	440,377	14.87
Other Revenues	2,341,706	2,107,523	1,994,812	(112,711)	-5.35
Other Taxes	7,356,935	7,426,333	7,515,000	88,667	1.19
Permits, Licenses & Fees	1,829,498	1,972,365	2,861,611	889,246	45.09
Property Taxes	3,972,712	4,052,195	4,230,000	177,805	4.39
Sales Taxes	12,869,325	13,809,560	14,160,918	351,358	2.54
Service Fees	2,475,783	2,673,510	2,555,093	(118,417)	-4.43
Transfers-In	8,737,205	5,040,545	4,944,023	(96,522)	-1.91
Use of Money & Property	643,460	486,446	544,791	58,345	11.99
<b>Subtotal, General Fund</b>	<b>\$ 48,051,876</b>	<b>\$ 45,380,742</b>	<b>\$ 47,124,308</b>	<b>\$ 1,743,566</b>	<b>3.84 %</b>
<b>Internal Service Funds</b>					
Other Revenues	6,061,574	6,432,934	6,318,619	(114,315)	-1.78
Service Fees	4,640,945	4,777,736	5,297,892	520,156	10.89
Transfers-In	874,845	561,625	560,000	(1,625)	-0.29
<b>Subtotal, Internal Service Funds</b>	<b>\$ 11,577,364</b>	<b>\$ 11,772,295</b>	<b>\$ 12,176,511</b>	<b>\$ 404,216</b>	<b>3.43 %</b>
<b>Enterprise Funds</b>					
Debt Service	24	-	-	-	-100.00
Fines & Forfeitures	10,536	16,121	-	(16,121)	-100.00
Franchise Fees	880,000	880,000	880,000	-	-
Intergovernmental Revenue	139,465	987,020	355,000	(632,020)	-64.03
Other Revenues	1,509,006	1,576,675	1,397,186	(179,489)	-11.38
Service Fees	34,358,981	35,841,928	36,311,831	469,903	1.31
Transfers-In	1,926,733	10,832,074	877,529	(9,954,545)	-91.90
Use of Money & Property	2,148,214	2,406,017	2,423,319	17,302	0.72
<b>Subtotal, Enterprise Funds</b>	<b>\$ 40,972,959</b>	<b>\$ 52,539,835</b>	<b>\$ 42,244,865</b>	<b>\$ (10,294,970)</b>	<b>-19.59 %</b>
<b>Special Revenue Funds</b>					
Fines & Forfeitures	24,409	-	15,000	15,000	-100.00
Franchise Fees	158,017	163,000	160,000	(3,000)	-1.84
Intergovernmental Revenue	18,536,951	23,977,381	18,220,792	(5,756,589)	-24.01
Other Revenues	2,899,797	4,034,789	1,326,049	(2,708,740)	-67.13
Other Taxes	2,635,755	3,571,691	3,690,674	118,983	3.33
Sales Taxes	133,474	130,441	133,581	3,140	2.41
Service Fees	113,287	205,666	263,259	57,593	28.00
Special Assessments	6,690,461	6,864,712	7,193,832	329,120	4.79
Transfers-In	3,866,374	3,408,341	2,805,533	(602,808)	-17.69
Use of Money & Property	604,444	384,986	461,653	76,667	19.91
<b>Subtotal, Special Revenue Funds</b>	<b>\$ 35,662,969</b>	<b>\$ 42,741,007</b>	<b>\$ 34,270,373</b>	<b>\$ (8,470,634)</b>	<b>-19.82 %</b>
<b>Capital Projects Funds</b>					
Intergovernmental Revenue	338,622	2,058,108	-	(2,058,108)	-100.00
Other Revenues	36,272	4,089,199	-	(4,089,199)	-100.00
Service Fees	218,223	146,416	2,284,112	2,137,696	1,460.02
Transfers-In	29,948	1,365,345	500,000	(865,345)	-63.38
Use of Money & Property	88,466	18,000	45,480	27,480	152.67
<b>Subtotal, Capital Projects Funds</b>	<b>\$ 711,531</b>	<b>\$ 7,677,068</b>	<b>\$ 2,829,592</b>	<b>\$ (4,847,476)</b>	<b>-63.14 %</b>
<b>Successor Agency to RDA Funds</b>					
Intergovernmental Revenue	574,056	-	-	-	-100.00
Other Revenues	2,412,744	212,380	498,235	285,855	134.60
Property Taxes	32,979,792	33,827,124	33,380,507	(446,617)	-1.32
Transfers-In	38,806	361,960	368,648	6,688	1.85
Use of Money & Property	178,780	143,662	88,400	(55,262)	-38.47
<b>Subtotal, Successor Agency to RDA Funds</b>	<b>\$ 36,184,178</b>	<b>\$ 34,545,126</b>	<b>\$ 34,335,790</b>	<b>\$ (209,336)</b>	<b>-0.61 %</b>
<b>Debt Service Funds</b>					
Debt Service	320,684	11,800	270,500	258,700	2,192.37
Service Fees	4,408,823	4,475,976	4,509,693	33,717	0.75
Special Assessments	3,831,900	3,884,944	4,137,748	252,804	6.51
Transfers-In	33,952,998	33,551,664	33,431,927	(119,737)	-0.36
Use of Money & Property	34,355	41,686	77,788	36,102	86.60
<b>Subtotal, Debt Service Funds</b>	<b>\$ 42,548,760</b>	<b>\$ 41,966,070</b>	<b>\$ 42,427,656</b>	<b>\$ 461,586</b>	<b>1.10 %</b>
<b>Total, All Funds</b>	<b>\$ 215,709,637</b>	<b>\$ 236,622,143</b>	<b>\$ 215,409,095</b>	<b>\$ (21,213,048)</b>	<b>-8.96 %</b>

**Summary of Expenditures by Program**  
**Table 4**

	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
<b>City Council</b>					
City Council	67,948	98,994	115,857	16,863	17.03
<b>Subtotal, City Council</b>	<b>\$ 67,948</b>	<b>\$ 98,994</b>	<b>\$ 115,857</b>	<b>\$ 16,863</b>	<b>17.03 %</b>
<b>Administration</b>					
City Manager	219,841	277,497	240,160	(37,337)	-13.45
City Clerk	392,137	458,607	416,656	(41,951)	-9.15
City Attorney	362,194	484,914	397,703	(87,211)	-17.98
Human Resources	947,461	1,184,354	1,250,512	66,158	5.59
Treasurer	6,331	6,286	6,286	-	-
Finance	2,824,727	3,110,445	3,081,258	(29,187)	-0.94
General Fund - Non Departmental	4,333,662	4,365,160	4,410,057	44,897	1.03
Emergency Operation Center	54,645	54,700	54,700	-	-
Information Technology	882,055	1,271,210	1,381,240	110,030	8.66
Employee Fringe Benefits	2,537,012	2,469,094	2,211,163	(257,931)	-10.45
Other Post-Employment Benefits (OPEB)	2,427,525	2,174,899	2,272,580	97,681	4.49
Pension Trust	-	394,215	294,215	(100,000)	-25.37
Insurance	1,191,221	1,657,729	1,924,690	266,961	16.10
Budget Stabilization	5,588,505	-	-	-	-100.00
<b>Subtotal, Administration</b>	<b>\$ 21,767,316</b>	<b>\$ 17,909,110</b>	<b>\$ 17,941,220</b>	<b>\$ 32,110</b>	<b>0.18 %</b>
<b>Police Department</b>					
Police Services	25,143,899	28,849,801 <sup>1</sup>	29,376,175	526,374	1.82
San Marco CFD	669,059	1,034,400 <sup>1</sup>	1,139,200	104,800	10.13
Vista Del Mar CFD	256,662	426,050 <sup>1</sup>	380,800	(45,250)	-10.62
Public Safety CFD	316,092	624,375 <sup>1</sup>	570,100	(54,275)	-8.69
Asset Forfeitures	11,940	-	15,000	15,000	-100.00
Police Grants	1,317,509	3,132,131 <sup>3</sup>	141,034	(2,991,097)	-95.50
<b>Subtotal, Police Department</b>	<b>\$ 27,715,161</b>	<b>\$ 34,066,757</b>	<b>\$ 31,622,309</b>	<b>\$ (2,444,448)</b>	<b>-7.18 %</b>
<b>Enterprise Services</b>					
Marina	1,797,859	2,603,213	2,188,884	(414,329)	-15.92
Golf Course	10,201	12,700	13,250	550	4.33
Fire District CFD	2,025	4,515	2,125	(2,390)	-52.93
R/R Ave e-BART CFD	47,717	-	-	-	-100.00
Environmental Affairs	803,776	884,545	840,376	(44,169)	-4.99
Housing Rehab Loans - CDBG	83,713	180,399	-	(180,399)	-100.00
CDBG Entitlements	666,076	1,003,873	894,502	(109,371)	-10.89
CalHome Program	1,115	45,000	-	(45,000)	-100.00
Waterfront Operations	1,407,132	3,131,868	1,324,019	(1,807,849)	-57.72
Economic Development	469,750	471,715	366,555	(105,160)	-22.29
<b>Subtotal Enterprise Services</b>	<b>\$ 5,289,364</b>	<b>\$ 8,337,828</b>	<b>\$ 5,629,711</b>	<b>\$ (2,708,117)</b>	<b>-0.32 %</b>
<b>Community Development</b>					
Planning Division	1,486,126	2,107,270	1,847,068	(260,202)	-12.35
Planning Grants	42,699	269,301	-	(269,301)	-100.00
Building Division	849,759	977,060	925,592	(51,468)	-5.27
Engineering Division	1,859,855	1,911,695	2,393,085	481,390	25.18
Gas Tax	1,726,929	5,021,996	2,716,638	(2,305,358)	-45.91
Measure J Tax	3,525,858	6,703,222	857,332	(5,845,890)	-87.21
NPDES	1,054,998	1,273,183	1,308,926	35,743	2.81
Southwest Pittsburg GHAD	489,181	851,526	703,360	(148,166)	-17.40
GHAD Administration	340,673	453,469	521,860	68,391	15.08
Pittsburg CIP	44,118	1,776,191	500,000	(1,276,191)	-71.85
Developer Fee Fund	1,843,941	8,644,722	819,621	(7,825,101)	-90.52
Community Capital Improvements	243,594	978,038	-	(978,038)	-100.00
Project Amenities Mgmt CFD	3,459	6,500	3,800	(2,700)	-41.54
Infrastructure Repair & Replacement	411,500	490,795	-	(490,795)	-100.00
<b>Subtotal Community Development</b>	<b>\$ 13,922,690</b>	<b>\$ 31,464,968</b>	<b>\$ 12,597,282</b>	<b>\$ (18,867,686)</b>	<b>-0.60 %</b>
<b>Public Works - Maintenance Services</b>					
Swim Center Maint.	140,621	153,842	170,489	16,647	10.82
Landscape	2,498,003	2,757,629	2,817,250	59,621	2.16
Landscape - Oak Hills Assessment	15,176	35,175	37,298	2,123	6.04
Park Maintenance CFD	68,667	75,017	87,609	12,592	16.79
Public Works Administration	89,359	96,421	101,914	5,493	5.70
Streets	2,375,063	2,579,867	3,063,387	483,520	18.74



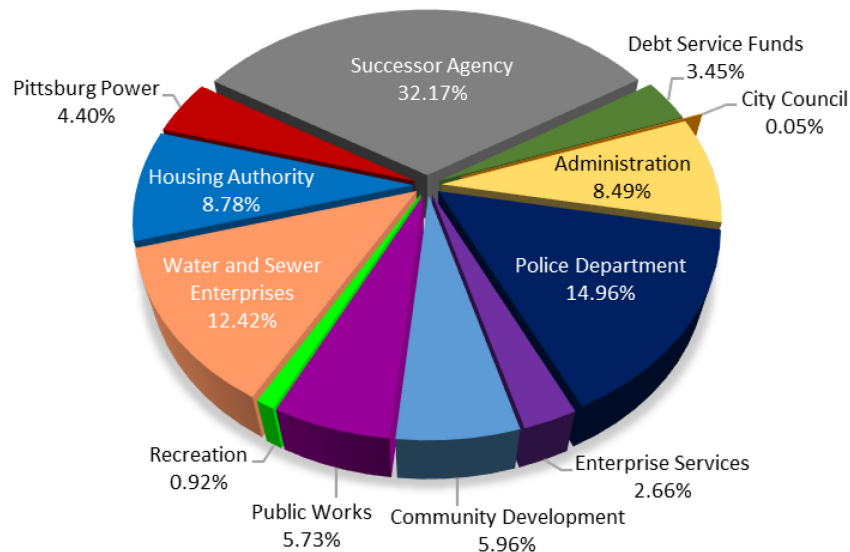
	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
Street Lighting	865,349	843,169	923,512	80,343	9.53
Street Trees	552,456	486,386	491,414	5,028	1.03
Concrete	56,947	60,722	61,147	425	0.70
Fleet Maintenance	1,746,110	2,627,996	2,088,872	(539,124)	-20.51
Building Maintenance	1,720,058	1,888,440	2,074,007	185,567	9.83
Graffiti Removal Program	152,759	160,038	182,490	22,452	14.03
<b>Subtotal, Public Works - Maintenance Services</b>	<b>\$ 10,280,568</b>	<b>\$ 11,764,702</b>	<b>\$ 12,099,389</b>	<b>\$ 334,687</b>	<b>2.84 %</b>
<b>Recreation</b>					
Recreation Administration	169,964	186,262	318,117	131,855	70.79
Recreation Services	1,068,072	1,312,512	1,149,345	(163,167)	-12.43
Recreation Grants	14,268	14,010	-	(14,010)	-100.00
California Theatre	370,319	382,250	466,747	84,497	22.11
<b>Subtotal Recreation</b>	<b>\$ 1,622,623</b>	<b>\$ 1,895,034</b>	<b>\$ 1,934,209</b>	<b>\$ 9,175</b>	<b>0.02 %</b>
<b>Public Works - Water and Sewer</b>					
Water Operating	14,538,735	22,666,326	16,787,544	(5,878,782)	-25.94
Water CIP	809,480	1,371,105	875,000	(496,105)	-36.18
Water Facility Reserve Fee Funds	1,410,901	3,589,391	-	(3,589,391)	-100.00
Sewer Maintenance	3,089,810	2,962,612	3,308,010	345,398	11.66
Sewer CIP	3,012,544	18,353,999	1,300,000	(17,053,999)	-92.92
Sewer Facility Reserve Fee Funds	-	693,113	-	(693,113)	-100.00
Water Bond Debt Service	3,145,300	4,874,148	3,170,764	(1,703,384)	-34.95
Sewer Bond Debt Service	805,922	805,434	803,429	(2,005)	-0.25
<b>Subtotal, Public Works - Water &amp; Sewer</b>	<b>\$ 26,812,692</b>	<b>\$ 55,316,128</b>	<b>\$ 26,244,747</b>	<b>\$ (29,071,381)</b>	<b>-52.55 %</b>
<b>Housing Authority</b>					
Housing Authority - Section 8	16,887,948	17,452,375	17,649,096	196,721	1.13
Housing - Successor Agency	265,941	390,313	914,303	523,990	134.25
<b>Subtotal, Housing Authority</b>	<b>\$ 17,153,889</b>	<b>\$ 17,842,688</b>	<b>\$ 18,563,399</b>	<b>\$ 720,711</b>	<b>4.04 %</b>
<b>Pittsburg Power Company</b>					
Island Energy	5,357,950	6,133,082 <sup>3</sup>	5,903,173	(229,909)	-3.75
Pittsburg Power	2,434,808	2,916,477	2,329,710	(586,767)	-20.12
Power Company Capital Projects	404,960	992,546	1,070,000	77,454	7.80
<b>Subtotal, Pittsburg Power Company</b>	<b>\$ 8,197,718</b>	<b>\$ 10,042,105</b>	<b>\$ 9,302,883</b>	<b>\$ (739,222)</b>	<b>-7.36 %</b>
<b>Successor Agency to Former RDA</b>					
RDA General	33,749,812	33,863,624 <sup>2</sup>	33,770,575	(93,049)	-0.27
RDA Administration	2,568,847	432,961 <sup>2</sup>	913,377	480,416	110.96
RDA Capital Projects Fund	60,519	426,327	-	(426,327)	-100.00
RDA Tax Allocation Bonds	30,993,361	31,195,693 <sup>2</sup>	31,267,745	72,052	0.23
RDA Housing Bonds	2,037,302	2,030,665 <sup>2</sup>	2,032,228	1,563	0.08
<b>Subtotal, Successor Agency to Former RDA</b>	<b>\$ 69,409,841</b>	<b>\$ 67,949,270</b>	<b>\$ 67,983,925</b>	<b>\$ 34,655</b>	<b>0.05 %</b>
<b>Debt Service Funds</b>					
Pension Obligation Bond	4,310,948	4,425,976	4,479,693	53,717	1.21
Assessment Districts	5,021,694	2,832,505	2,820,271	(12,234)	-0.43
<b>Subtotal, Debt Service Funds</b>	<b>\$ 9,332,642</b>	<b>\$ 7,258,481</b>	<b>\$ 7,299,964</b>	<b>\$ 41,483</b>	<b>0.57 %</b>
<b>Total, Uses by Program</b>	<b>\$ 211,572,452</b>	<b>\$ 263,946,065</b>	<b>\$ 211,334,895</b>	<b>\$ (52,611,170)</b>	<b>-19.93 %</b>

(1) Includes transfers between Police funds in the amount of \$2,382,402, therefore uses appear to be overstated by \$2,382,402.

(2) Uses appear to be overstated by inclusion of transfers between Agency funds to pay for debt obligations in the amount of \$33,770,575.

(3) Includes \$2.5M freeway security network project funded by CalTrans and \$450K project funded by MIDD. These projects are cost-neutral to the City.

## 2019-20 Expenditures by Program



**Expenditures by Fund Type - All Funds**  
**Table 5**

	General	Internal Service	Enterprise	Special Revenue
<b>City Council</b>				
City Council	115,857	-	-	-
<b>Subtotal, City Council</b>	<u>\$ 115,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Administration</b>				
City Manager	240,160	-	-	-
City Clerk	416,656	-	-	-
City Attorney	397,703	-	-	-
Human Resources	1,250,512	-	-	-
Treasurer	6,286	-	-	-
Finance	1,538,430	-	1,542,828	-
General Fund - Non Departmental	4,410,057	-	-	-
Information Technology	-	1,381,240	-	-
Employee Fringe Benefits	-	2,211,163	-	-
Other Post-Employment Benefits (OPEB)	-	2,272,580	-	-
Pension Trust	-	294,215	-	-
Insurance	-	1,924,690	-	-
Budget Stabilization	-	-	-	-
<b>Subtotal, Administration</b>	<u>\$ 8,259,804</u>	<u>\$ 8,083,888</u>	<u>\$ 1,542,828</u>	<u>\$ 54,700</u>
<b>Police Department</b>				
Police Services	<sup>1</sup> 29,376,175	-	-	-
San Marco CFD	-	-	-	<sup>1</sup> 1,139,200
Vista Del Mar CFD	-	-	-	<sup>1</sup> 380,800
Public Safety CFD	-	-	-	<sup>1</sup> 570,100
Asset Forfeitures	-	-	-	15,000
Police Grants	-	-	-	141,034
<b>Subtotal, Police Department</b>	<u>\$ 29,376,175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,246,134</u>
<b>Enterprise Services</b>				
Marina	-	-	2,188,884	-
Golf Course	-	-	-	13,250
Fire District CFD	-	-	-	2,125
R/R Ave e-BART CFD	-	-	-	-
Environmental Affairs	-	-	-	840,376
Housing Rehab Loans - CDBG	-	-	-	-
CDBG Entitlements	-	-	-	894,502
CalHome Program	-	-	-	-
Waterfront Operations	-	-	1,324,019	-
Economic Development	-	-	-	366,555
<b>Subtotal, Enterprise Services</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,512,903</u>	<u>\$ 2,116,808</u>
<b>Community Development</b>				
Planning Division	1,687,068	-	-	160,000
Building Division	925,592	-	-	-
Engineering Division	2,393,085	-	-	-
Gas Tax	-	-	-	2,716,638
Measure J Tax	-	-	-	857,332
NPDES	-	-	-	1,308,926
Southwest Pittsburg GHAD	-	-	-	<sup>2</sup> 703,360
GHAD Administration	-	-	-	<sup>2</sup> 521,860
Pittsburg CIP	-	-	-	-
Developer Fee Funds	-	-	-	-
Community Capital Improvements	-	-	-	-
Project Amenities Mgmt CFD	-	-	-	3,800
Infrastructure Repair & Replacement	-	-	-	-
<b>Subtotal, Community Development</b>	<u>\$ 5,005,745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,271,916</u>

(1) Includes transfers between Police funds in the amount of \$2,382,402, therefore uses appear to be overstated by \$2,382,402

(2) Includes transfers between funds for the administration of the GHAD program in the amount of \$521,860, therefore uses appear to be overstated by \$521,860.

**Expenditures by Fund Type - All Funds**  
**Table 5**

	Capital Projects	Debt Service	Successor Agency	Total
<b>City Council</b>				
City Council	-	-	-	115,857
<b>Subtotal, City Council</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,857</u>
<b>Administration</b>				
City Manager	-	-	-	240,160
City Clerk	-	-	-	416,656
City Attorney	-	-	-	397,703
Human Resources	-	-	-	1,250,512
Treasurer	-	-	-	6,286
Finance	-	-	-	3,081,258
General Fund - Non Departmental	-	-	-	4,410,057
Information Technology	-	-	-	1,381,240
Employee Fringe Benefits	-	-	-	2,211,163
Other Post-Employment Benefits (OPEB)	-	-	-	2,272,580
Pension Trust	-	-	-	294,215
Insurance	-	-	-	1,924,690
Budget Stabilization	-	-	-	-
<b>Subtotal, Administration</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,941,220</u>
<b>Police Department</b>				
Police Services	-	-	-	29,376,174
San Marco CFD	-	-	-	1,139,200
Vista Del Mar CFD	-	-	-	380,800
Public Safety CFD	-	-	-	570,100
Asset Forfeitures	-	-	-	15,000
Police Grants	-	-	-	141,034
<b>Subtotal, Police Department</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,622,308</u>
<b>Enterprise Services</b>				
Marina	-	-	-	2,188,884
Golf Course	-	-	-	13,250
Fire District CFD	-	-	-	2,125
R/R Ave e-BART CFD	-	-	-	-
Environmental Affairs	-	-	-	840,376
Housing Rehab Loans - CDBG	-	-	-	-
CDBG Entitlements	-	-	-	894,502
CalHome Program	-	-	-	-
Waterfront Operations	-	-	-	1,324,019
Economic Development	-	-	-	366,555
<b>Subtotal, Enterprise Services</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,629,711</u>
<b>Community Development</b>				
Planning Division	-	-	-	1,847,068
Building Division	-	-	-	925,592
Engineering Division	-	-	-	2,393,085
Gas Tax	-	-	-	2,716,638
Measure J Tax	-	-	-	857,332
NPDES	-	-	-	1,308,926
Southwest Pittsburg GHAD	-	-	-	703,360
GHAD Administration	-	-	-	521,860
Pittsburg CIP	500,000	-	-	500,000
Developer Fee Funds	819,621	-	-	819,621
Community Capital Improvements	-	-	-	-
Project Amenities Mgmt CFD	-	-	-	3,800
Infrastructure Repair & Replacement	-	-	-	-
<b>Subtotal, Community Development</b>	<u>\$ 1,319,621</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,597,282</u>

**Expenditures by Fund Type - All Funds**  
**Table 5**

	General	Internal Service	Enterprise	Special Revenue
<b>Public Works</b>				
Swim Center Maint.	170,489	-	-	-
Landscape	-	-	-	2,817,250
Landscape - Oak Hills Assessment	-	-	-	37,298
Park Maintenance CFD	-	-	-	87,609
Public Works Administration	101,914	-	-	-
Streets	3,063,387	-	-	-
Street Lighting	-	-	-	923,512
Street Trees	-	-	-	491,414
Concrete	-	-	-	61,147
Fleet Maintenance	-	2,088,872	-	-
Building Maintenance	-	2,074,007	-	-
Graffiti Removal Program	182,490	-	-	-
<b>Subtotal, Public Works</b>	<b>\$ 3,518,280</b>	<b>\$ 4,162,879</b>	<b>\$ -</b>	<b>\$ 4,418,230</b>
<b>Recreation</b>				
Recreation Administration	318,117	-	-	-
Recreation Services	1,149,345	-	-	-
Recreation Grants	-	-	-	-
California Theatre	-	-	-	466,747
<b>Subtotal, Recreation</b>	<b>\$ 1,467,462</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 466,747</b>
<b>Water and Sewer Enterprises</b>				
Water Operating	-	-	16,787,544	-
Water CIP	-	-	875,000	-
Water Facility Reserve Fee Funds	-	-	-	-
Sewer Maintenance	-	-	3,308,010	-
Sewer CIP	-	-	1,300,000	-
Sewer Facility Reserve Fee Funds	-	-	-	-
Water Bond Debt Service	-	-	3,170,764	-
Sewer Bond Debt Service	-	-	803,429	-
<b>Subtotal, Water and Sewer</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,244,747</b>	<b>\$ -</b>
<b>Housing Authority</b>				
Housing Authority - Section 8	-	-	-	17,649,096
Housing - Successor Agency	-	-	-	914,303
<b>Subtotal, Housing Authority</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,563,399</b>
<b>Pittsburg Power Company</b>				
Island Energy	-	-	5,903,173	-
Pittsburg Power	-	-	2,329,710	-
Power Company Capital Projects	-	-	1,070,000	-
<b>Subtotal, Pittsburg Power Company</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,302,883</b>	<b>\$ -</b>
<b>Successor Agency to Former RDA</b>				
RDA General	-	-	-	-
RDA Administration	-	-	-	-
RDA Capital Projects Fund	-	-	-	-
RDA Tax Allocation Bonds	-	-	-	-
RDA Housing Bonds	-	-	-	-
<b>Subtotal, Successor Agency to RDA</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Debt Service Funds</b>				
Pension Obligation Bond	-	-	-	-
Assessment Districts	-	-	-	-
<b>Subtotal, Debt Service Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total, Expenditures</b>	<b>\$ 47,743,323</b>	<b>\$ 12,246,767</b>	<b>\$ 40,603,361</b>	<b>\$ 34,137,934</b>

**Expenditures by Fund Type - All Funds**  
**Table 5**

	Capital Projects	Debt Service	Successor Agency	Total
<b>Public Works</b>				
Swim Center Maint.	-	-	-	170,489
Landscape	-	-	-	2,817,250
Landscape - Oak Hills Assessment	-	-	-	37,298
Park Maintenance CFD	-	-	-	87,609
Public Works Administration	-	-	-	101,914
Streets	-	-	-	3,063,387
Street Lighting	-	-	-	923,512
Street Trees	-	-	-	491,414
Concrete	-	-	-	61,147
Fleet Maintenance	-	-	-	2,088,872
Building Maintenance	-	-	-	2,074,007
Graffiti Removal Program	-	-	-	182,490
<b>Subtotal, Public Works</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,099,389</b>
<b>Recreation</b>				
Recreation Administration	-	-	-	318,117
Recreation Services	-	-	-	1,149,345
Recreation Grants	-	-	-	-
California Theatre	-	-	-	466,747
<b>Subtotal, Recreation</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,934,209</b>
<b>Water and Sewer Enterprises</b>				
Water Operating	-	-	-	16,787,544
Water CIP	-	-	-	875,000
Water Facility Reserve Fee Funds	-	-	-	-
Sewer Maintenance	-	-	-	3,308,010
Sewer CIP	-	-	-	1,300,000
Sewer Facility Reserve Fee Funds	-	-	-	-
Water Bond Debt Service	-	-	-	3,170,764
Sewer Bond Debt Service	-	-	-	803,429
<b>Subtotal, Water and Sewer</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,244,747</b>
<b>Housing Authority</b>				
Housing Authority - Section 8	-	-	-	17,649,096
Housing - Successor Agency	-	-	-	914,303
<b>Subtotal, Housing Authority</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,563,399</b>
<b>Pittsburg Power Company</b>				
Island Energy	-	-	-	5,903,173
Pittsburg Power	-	-	-	2,329,710
Power Company Capital Projects	-	-	-	1,070,000
<b>Subtotal, Pittsburg Power Company</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,302,883</b>
<b>Successor Agency to Former RDA</b>				
RDA General	-	- <sup>3</sup>	33,770,575	33,770,576
RDA Administration	-	-	913,377	913,377
RDA Capital Projects Fund	-	-	-	-
RDA Tax Allocation Bonds	- <sup>3</sup>	31,267,745	-	31,267,745
RDA Housing Bonds	- <sup>3</sup>	2,032,228	-	2,032,228
<b>Subtotal, Successor Agency to RDA</b>	-	33,299,973	34,683,952	67,983,926
<b>Debt Service Funds</b>				
Pension Obligation Bond	-	4,479,693	-	4,479,693
Assessment Districts	-	2,820,271	-	2,820,271
<b>Subtotal, Debt Service Funds</b>	<b>\$ -</b>	<b>\$ 7,299,964</b>	<b>\$ -</b>	<b>\$ 7,299,964</b>
<b>Total, Expenditures</b>	<b>\$ 1,319,621</b>	<b>\$ 40,599,937</b>	<b>\$ 34,683,952</b>	<b>\$ 211,334,895</b>

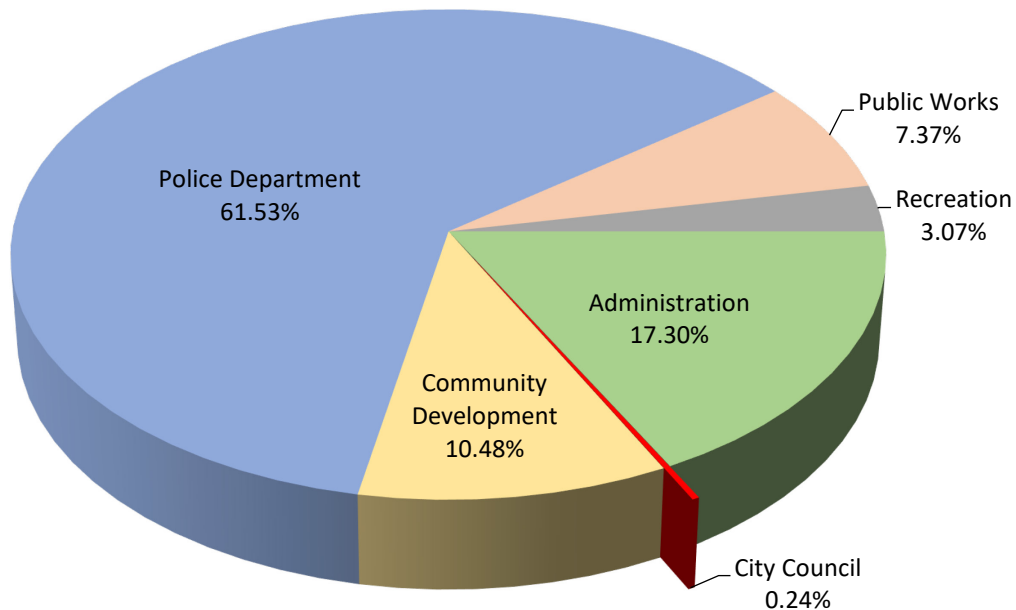
(3) Includes transfers between funds in the Successor Agency program budget to pay for debt obligation in the amount of \$33,770,575, therefore uses appear to be overstated by \$33,770,575.

**General Fund Revenues and Expenditures  
Table 6**

	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
<b>General Fund Reserves<sup>1</sup></b>	<b>\$ 17,099,392</b>	<b>\$ 16,374,269</b>	<b>\$ 15,755,254</b>	<b>\$ (619,015)</b>	<b>-3.78 %</b>
<b>Revenues</b>					
Fines & Forfeitures	580,801	705,433	639,075	(66,358)	-9.41
Franchise Fees	4,184,014	4,145,234	4,277,010	131,776	3.18
Intergovernmental Revenue	3,060,437	2,961,598	3,401,975	440,377	14.87
Other Revenues	2,341,706	2,107,523	1,994,812	(112,711)	-5.35
Other Taxes	7,356,935	7,426,333	7,515,000	88,667	1.19
Permits, Licenses & Fees	1,829,498	1,972,365	2,861,611	889,246	45.09
Property Taxes	3,972,712	4,052,195	4,230,000	177,805	4.39
Sales Taxes	12,869,325	13,809,560	14,160,918	351,358	2.54
Service Fees	2,475,783	2,673,510	2,555,093	(118,417)	-4.43
Transfers-In	8,737,205	5,040,545	4,944,023	(96,522)	-1.91
Use of Money & Property	643,460	486,446	544,791	58,345	11.99
<b>Total, General Fund Revenues</b>	<b>\$ 48,051,876</b>	<b>\$ 45,380,742</b>	<b>\$ 47,124,308</b>	<b>\$ 1,743,566</b>	<b>3.84 %</b>
<b>Expenditures</b>					
Administration	7,736,532	8,352,298	8,259,804	(92,494)	-1.11
City Council	67,948	98,994	115,857	16,863	17.03
Community Development	4,195,740	4,733,025	5,005,745	272,720	5.76
Police Department	25,143,899	28,849,801	29,376,175	526,374	1.82
Public Works	2,757,802	2,990,168	3,518,280	528,112	17.66
Recreation	1,238,036	1,498,774	1,467,462	(31,312)	-2.09
<b>Total, General Fund Expenditures</b>	<b>\$ 41,139,957</b>	<b>\$ 46,523,060</b>	<b>\$ 47,743,323</b>	<b>\$ 1,220,263</b>	<b>2.62 %</b>

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

## 2019-20 General Fund Expenditures by Department



# General Fund Revenues

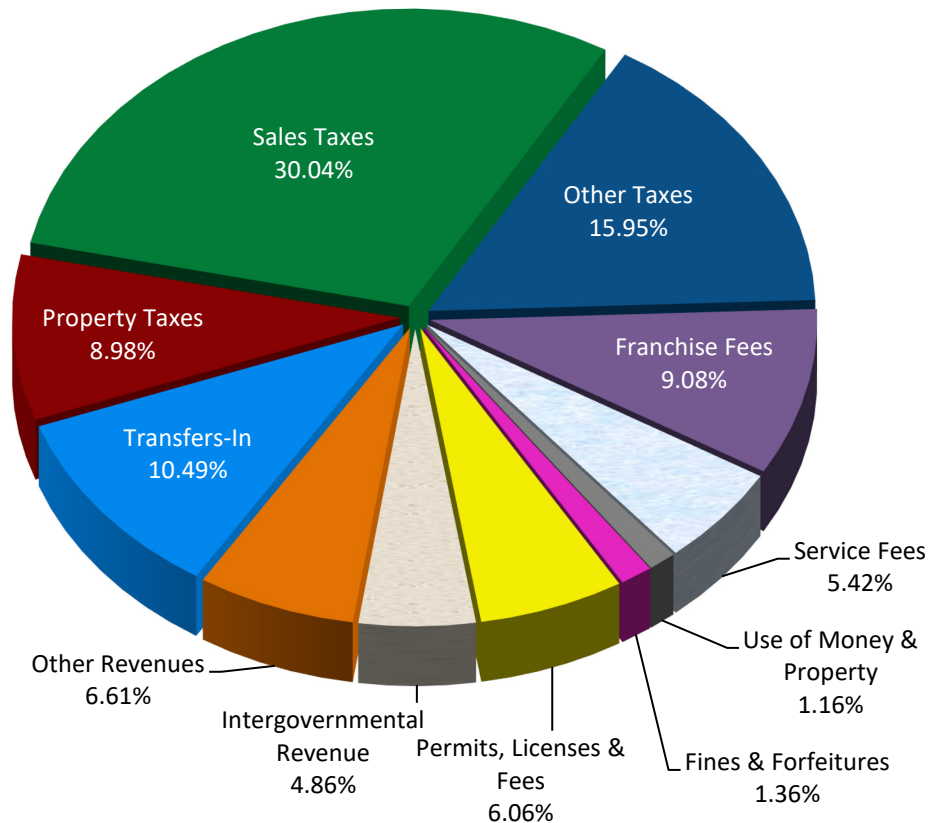
## Table 7

	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
<b>Property Taxes</b>					
Homeowners Tax Relief	78,226	80,000	80,000	-	-
Prior Year Taxes	(24,813)	(30,000)	(30,000)	-	-
Secured Property Taxes	2,778,270	2,977,822	3,150,000	172,178	5.78
Supplemental Taxes	513,143	400,000	400,000	-	-
Unitary Taxes	320,272	315,000	320,000	5,000	1.59
Unsecured Property Taxes	307,614	309,373	310,000	627	0.20
<b>Subtotal, Property Taxes</b>	<b>\$ 3,972,712</b>	<b>\$ 4,052,195</b>	<b>\$ 4,230,000</b>	<b>\$ 177,805</b>	<b>4.39 %</b>
<b>Sales Taxes</b>					
Sales & Use Taxes	8,553,654	9,196,700	9,437,000	240,300	2.61
Sales Taxes - Increase	4,315,671	4,612,860	4,723,918	111,058	2.41
<b>Subtotal, Sales Taxes</b>	<b>\$ 12,869,325</b>	<b>\$ 13,809,560</b>	<b>\$ 14,160,918</b>	<b>\$ 351,358</b>	<b>2.54 %</b>
<b>Other Taxes</b>					
Business License Tax	520,751	530,000	550,000	20,000	3.77
Motor Vehicle Tax	4,825,687	5,141,333	5,230,000	88,667	1.72
Other Taxes	565,355	350,000	260,000	(90,000)	-25.71
Public Safety - Prop 172 Sales Tax	613,399	585,000	625,000	40,000	6.84
Transient Occupancy Taxes	831,743	820,000	850,000	30,000	3.66
<b>Subtotal, Other Taxes</b>	<b>\$ 7,356,935</b>	<b>\$ 7,426,333</b>	<b>\$ 7,515,000</b>	<b>\$ 88,667</b>	<b>1.19 %</b>
<b>Franchise Fees</b>					
Calpine	19,167	17,500	17,874	374	2.14
Comcast Broadband	688,929	687,000	670,000	(17,000)	-2.47
Franchise Fees - Other	101,178	95,000	95,000	-	-
PG&E	611,818	591,000	591,000	-	-
Pittsburg Disposal	1,830,714	1,795,000	1,902,000	107,000	5.96
RCTS	932,208	959,734	1,001,136	41,402	4.31
<b>Subtotal, Franchise Fees</b>	<b>\$ 4,184,014</b>	<b>\$ 4,145,234</b>	<b>\$ 4,277,010</b>	<b>\$ 131,776</b>	<b>3.18 %</b>
<b>Service Fees</b>					
Building Service Fees	242,559	239,540	259,540	20,000	8.35
Engineering Service Fees	4,216	19,380	4,471	(14,909)	-76.93
Other Reimbursements	501,388	400,000	345,000	(55,000)	-13.75
Other Service Fees	618,504	628,255	642,163	13,908	2.21
Planning Service Fees	66,509	338,302	218,750	(119,552)	-35.34
Police Service Fees	516,450	539,889	564,569	24,680	4.57
Public Works Service Fees	282,354	276,000	279,000	3,000	1.09
Recreation Entrance Fees	154,698	160,319	160,500	181	0.11
Recreation Service Fees	79,784	64,347	69,100	4,753	7.39
Recreation Sports Fees	9,321	7,478	12,000	4,522	60.47
<b>Subtotal, Service Fees</b>	<b>\$ 2,475,783</b>	<b>\$ 2,673,510</b>	<b>\$ 2,555,093</b>	<b>\$ (118,417)</b>	<b>-4.43 %</b>
<b>Use of Money &amp; Property</b>					
Investment Earnings	211,046	151,400	219,000	67,600	44.65
Rental Income	360,545	325,046	325,791	745	0.23
Sale of Property	71,869	10,000	-	(10,000)	-100.00
<b>Subtotal, Use of Money &amp; Property</b>	<b>\$ 643,460</b>	<b>\$ 486,446</b>	<b>\$ 544,791</b>	<b>\$ 58,345</b>	<b>11.99 %</b>
<b>Fines &amp; Forfeitures</b>					
Abandoned Vehicle Abatement	111,365	140,000	100,000	(40,000)	-28.57
Booking Fees	4,807	5,500	5,000	(500)	-9.09
Code Enforcement Fines	54,952	92,233	88,575	(3,658)	-3.97
Fines and forfeitures	822	1,000	2,500	1,500	150.00
Police Fines	145,726	107,500	130,000	22,500	20.93
Police Forfeitures	747	1,200	1,000	(200)	-16.67
POST Reimbursements	12,646	8,000	12,000	4,000	50.00
Vehicle Code Fines	249,736	350,000	300,000	(50,000)	-14.29
<b>Subtotal, Fines &amp; Forfeitures</b>	<b>\$ 580,801</b>	<b>\$ 705,433</b>	<b>\$ 639,075</b>	<b>\$ (66,358)</b>	<b>-9.41 %</b>
<b>Permits, Licenses &amp; Fees</b>					
Building Fees	126,613	128,918	281,700	152,782	118.51
Building Permits	739,641	888,925	1,464,250	575,325	64.72
Business License Fees	147,409	125,000	127,000	2,000	1.60
Code Enforcement Fee	10,556	10,000	-	(10,000)	-100.00
Engineering Fees	525,281	605,011	695,000	89,989	14.87
Other Fees	10,261	10,261	10,261	-	-



	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
Other Permits	11,606	4,772	9,100	4,328	90.70
Planning & Zoning	245,256	182,778	238,100	55,322	30.27
Planning Service Fees	5,000	10,000	30,000	20,000	200.00
Police Fees	7,875	6,700	6,200	(500)	-7.46
<b>Subtotal, Permits, Licenses &amp; Fees</b>	<b>\$ 1,829,498</b>	<b>\$ 1,972,365</b>	<b>\$ 2,861,611</b>	<b>\$ 889,246</b>	<b>45.09 %</b>
<b>Intergovernmental Revenue</b>					
Grants	413,116	121,688	169,649	47,961	39.41
Intergovernmental revenues	172,134	345,309	533,972	188,663	54.64
Other Reimbursements	294,342	475,444	454,149	(21,295)	-4.48
RDA AB-1290/City Pass Through	741,134	400,000	590,000	190,000	47.50
School Resource Officer Reimbursement	360,672	505,000	535,705	30,705	6.08
State Mandated Costs	61,413	109,157	68,500	(40,657)	-37.25
Tipping Fee	1,017,626	1,005,000	1,050,000	45,000	4.48
<b>Subtotal, Intergovernmental Revenue</b>	<b>\$ 3,060,437</b>	<b>\$ 2,961,598</b>	<b>\$ 3,401,975</b>	<b>\$ 440,377</b>	<b>14.87 %</b>
<b>Other Revenues</b>					
Administrative Overhead	1,900,152	1,734,638	1,765,312	30,674	1.77
Donations	5,989	19,500	-	(19,500)	-100.00
Other	28,232	66,067	11,500	(54,567)	-82.59
Other Reimbursements	316,516	287,318	218,000	(69,318)	-24.13
<b>Other Revenues</b>	<b>90,817</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.00</b>
<b>Subtotal, Other Revenues</b>	<b>\$ 2,341,706</b>	<b>\$ 2,107,523</b>	<b>\$ 1,994,812</b>	<b>\$ (112,711)</b>	<b>-5.35 %</b>
<b>Transfers-In</b>					
Transfers-In	8,737,205	5,040,545	4,944,023	(96,522)	-1.91
<b>Subtotal, Transfers-In</b>	<b>\$ 8,737,205</b>	<b>\$ 5,040,545</b>	<b>\$ 4,944,023</b>	<b>\$ (96,522)</b>	<b>-1.91 %</b>
<b>Total, General Fund Revenues</b>	<b>\$ 48,051,876</b>	<b>\$ 45,380,742</b>	<b>\$ 47,124,308</b>	<b>\$ 1,743,566</b>	<b>3.84 %</b>

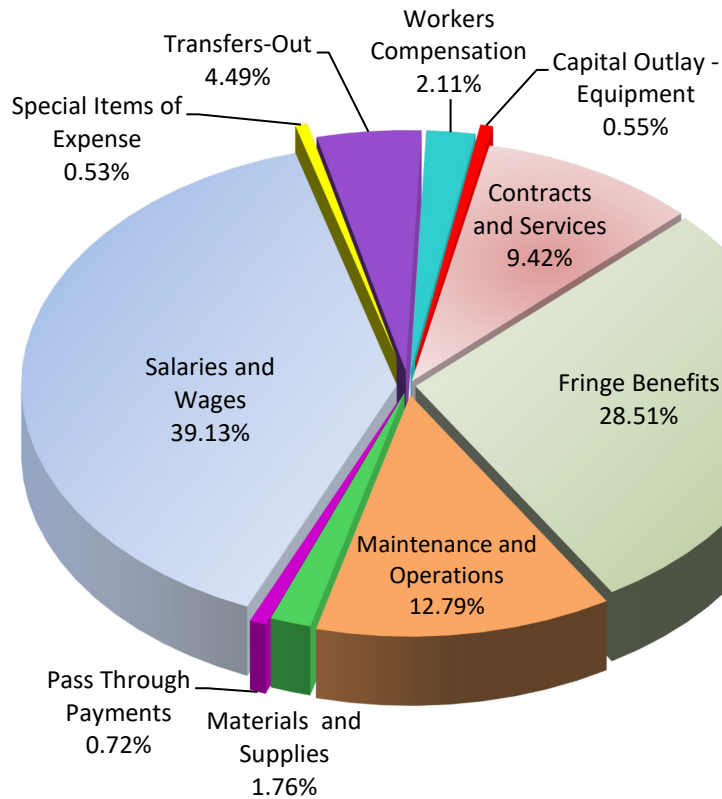
## General Fund Revenues by Source



**General Fund Expenditures by Category**  
**Table 8**

	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
General Fund					
Capital Outlay - Equipment	621,087	406,347	262,000	(144,347)	-35.52
Capital Outlay - Projects	639,529	-	-	-	-100.00
Contracts & Services	4,671,760	4,996,357	4,496,563	(499,794)	-10.00
Fringe Benefits	10,701,421	12,621,585	13,609,471	987,886	7.83
Maintenance & Operations	4,655,273	5,422,958	6,104,835	681,877	12.57
Materials & Supplies	762,031	864,610	841,685	(22,925)	-2.65
Pass Through Payments	298,927	339,535	341,682	2,147	0.63
Salaries & Wages	16,243,992	18,627,427	18,682,432	55,005	0.30
Special Items of Expense	22,489	251,696	253,500	1,804	0.72
Transfers-Out	1,535,266	1,762,164	2,144,889	382,725	21.72
Workers Compensation	988,182	1,230,381	1,006,266	(224,115)	-18.22
<b>Total, General Fund Expenditures</b>	<b>\$ 41,139,957</b>	<b>\$ 46,523,060</b>	<b>\$ 47,743,323</b>	<b>\$ 1,220,263</b>	<b>2.62 %</b>

**2019-20 General Fund Expenditures by Category**



## FY 2019-2020 FUNDED POSITIONS

FY 2019-2020 Adopted Base		Title of Position	Monthly Salary		
1.00	City Manager		Contract		
1.00	City Attorney		Contract		
1.00	Chief of Police		15,022	-	18,991
1.00	Assistant City Manager		14,744	-	18,815
2.00	Police Captain		12,729	-	16,246
1.00	Director of Community Development		12,608	-	15,936
1.00	Director of Community Services		12,608	-	15,936
1.00	Director of Finance		12,608	-	15,936
1.00	Director of Human Resources		12,608	-	15,936
1.00	City Engineer		11,455	-	13,923
1.00	Power Company Manager		11,455	-	13,923
1.00	Assistant Director of Public Works		11,195	-	13,608
5.00	Police Lieutenant		11,098	-	14,163
1.00	Assistant Director of Economic Development & Recreation		10,700	-	13,004
1.00	Lead Public Works Superintendent		10,685	-	12,987
1.00	Assistant to the City Manager		10,278	-	12,492
1.00	Director of Records & Council Services		10,278	-	12,492
1.00	Environmental Affairs Manager		10,272	-	12,486
1.00	Planning Manager		10,272	-	12,486
1.00	Water Plant Superintendent		9,692	-	11,781
2.00	Public Works Superintendent		9,230	-	11,219
1.00	Administrative Officer		9,137	-	11,107
3.00	Sr. Civil Engineer		9,137	-	11,107
1.00	Information Technology Manager		8,985	-	10,921
3.00	Finance Division Manager		8,985	-	10,921
1.00	Housing Manager		8,985	-	10,921
1.00	Utility Supervisor		8,755	-	10,643
1.00	Water Plant Supervisor		8,755	-	10,643
1.00	Building Inspection Supervisor		8,755	-	10,643
11.00	Police Sergeant		8,599	-	10,975
2.00	Senior Planner		8,326	-	10,120
1.00	Compliance Principal		8,261	-	10,041
1.00	Harbormaster		8,261	-	10,041
1.00	Police Services Administrator		8,261	-	10,041
1.00	Sr. Administrative Analyst		7,809	-	9,491
1.00	Sr. Information Technology Analyst		7,809	-	9,491
1.00	Sr. Human Resources Analyst		7,809	-	9,491
4.00	Utility Technician		7,711	-	9,373
2.00	Civil Engineer II		7,519	-	9,140
1.00	Water Quality Analyst II		7,462	-	9,070
1.00	GIS Coordinator		7,328	-	8,907
1.00	Revenue Operations Supervisor		7,238	-	8,798
1.00	Financial Analyst		7,083	-	8,609
6.00	Water Plant Operator		7,071	-	8,595
1.00	Water Instrument / Maintenance Technician I		7,040	-	8,558
1.00	Water Maintenance Mechanic I		7,040	-	8,558

## FY 2019-2020 FUNDED POSITIONS

FY 2019-2020 Adopted Base		Title of Position	Monthly Salary		
1.00		Information Technology Analyst II	7,037	-	8,553
1.00		Administrative Analyst II	6,746	-	8,199
1.00		Crime Analyst	6,746	-	8,199
1.00		Human Resources Analyst	6,746	-	8,199
2.00		Recreation Supervisor	6,603	-	8,026
1.00		Equipment Shop Supervisor	6,601	-	8,024
6.00		Public Works Supervisor	6,601	-	8,024
1.00		Police Records Supervisor	6,590	-	8,010
1.00		Combination Building Inspector	6,522	-	7,926
3.00		Civil Engineer I	6,494	-	7,894
1.00		Accountant II	6,312	-	7,672
2.00		Engineering Technician II	6,304	-	7,662
1.00		Environmental Health Specialist	6,243	-	7,588
2.00		Assistant Planner	6,212	-	7,551
67.00		Police Officer	6,054	-	8,943
2.00		Electrician	6,011	-	7,307
2.00		Utility Lineworker	6,011	-	7,307
1.00		Information Technology Analyst I	6,011	-	7,307
1.00		Lead Community Services Specialist	6,001	-	7,294
1.00		Police Property and Evidence Coordinator	5,999	-	7,292
1.00		Administrative Analyst I	5,826	-	7,081
1.00		Administrative Coordinator	5,639	-	6,854
2.00		Accountant I	5,639	-	6,854
1.00		Deputy City Clerk	5,590	-	6,796
1.00		Executive Secretary to the Chief of Police	5,590	-	6,796
2.00		Human Resources Specialist	5,590	-	6,796
1.00		Payroll Specialist	5,590	-	6,796
1.00		Lead Marina Services Worker	5,558	-	6,756
7.00		Maintenance Lead Worker	5,558	-	6,756
2.00		Community Outreach Coordinator	5,500	-	6,685
1.00		Engineering Technician I	5,444	-	6,617
3.00		Administrative Specialist	5,324	-	6,472
2.00		Equipment Mechanic	5,310	-	6,455
4.00		Permit Technician	5,253	-	6,386
1.00		Police Evidence Technician	5,253	-	6,386
8.00		Community Services Specialist	5,184	-	6,301
1.00		Recreation Coordinator	5,055	-	6,145
5.00		Accounting Technician	4,981	-	6,055
4.00		Housing Specialist	4,898	-	5,954
1.00		Electrician Apprentice	4,801	-	5,836
15.00		Maintenance Worker II	4,801	-	5,836
4.00		Police Records Clerk (Part 2 of 2)	4,512	-	5,485
6.00		Administrative Assistant (Part 2 of 2)	4,297	-	5,224
22.00		Maintenance Worker I	4,148	-	5,042
2.00		Sweeper Operator	4,148	-	5,042
4.00		Police Records Clerk (Part 1 of 2)	3,898	-	4,739

## FY 2019-2020 FUNDED POSITIONS

FY 2019-2020 Adopted Base		Title of Position	Monthly Salary		
5.00		Account Clerk (Part 1 of 2)	3,719	-	4,520
2.00		Administrative Assistant (Part 1 of 2)	3,711	-	4,512
4.00		Maintenance Assistant	3,372	-	4,099
3.00		Office Assistant	3,372	-	4,099
<b>290.00</b>		<b>City Wide Total</b>			

## FY 2019 - 2020 FULL TIME PERSONNEL ALLOCATIONS

Department/Division	FY 2017-2018 Amended Base	FY 2018-2019 Adopted Base	FY 2019-2020 Adopted Base
<b><u>Administration</u></b>			
City Manager	0.80	0.50	0.95
City Clerk	2.20	1.40	1.40
City Attorney	0.00	2.30	1.00
Human Resources	4.00	5.00	5.00
Finance/Accounting	9.46	8.95	8.95
Finance/Utility Billing	8.04	7.55	8.50
Information/Communication Systems	0.00	0.00	5.00
<b><u>Community Development</u></b>			
Planning	4.43	4.33	5.99
Building - Code Enforcement	5.73	5.48	5.14
Engineering	11.48	11.98	12.71
NPDES Administration & Outreach	1.21	1.26	1.21
Southwest Pittsburg GHAD II	1.60	1.45	1.50
Local Traffic Mitigation Fee Fund	0.10	0.10	0.10
<b><u>Enterprise Services</u></b>			
Solid Waste	1.50	1.50	1.50
Economic Development	0.45	0.45	0.95
CDBG Entitlements	0.55	0.55	0.55
Waterfront Operations	3.75	4.75	3.75
Marina	6.05	6.05	6.80
<b><u>Police Department</u></b>			
Police - Admin & Support Services	3.00	7.00	7.00
Police - Operations Bureau	62.50	72.00	70.00
Police - Investigations	17.30	14.80	13.80
Police - Support Services	15.00	16.00	19.00
Police - Family Justice Center	0.20	0.20	0.20
San Marco Police CFD 2004-1	2.98	0.00	0.00
Vista Del Mar CFD 2005-2	1.39	0.00	0.00
Public Safety Service CFD 2005	1.63	0.00	0.00
<b><u>Recreation</u></b>			
Recreation - Admin	0.75	0.75	1.70
Recreation - Sports	1.15	1.15	1.15
Recreation - Senior Center	2.00	2.00	2.00

## FY 2019 - 2020 FULL TIME PERSONNEL ALLOCATIONS

Department/Division	FY 2017-2018 Amended Base	FY 2018-2019 Adopted Base	FY 2019-2020 Adopted Base
<b><u>Public Works - Maintenance Services</u></b>			
Graffiti Removal Program	1.15	1.15	1.20
Public Works/Streets	11.95	13.05	12.75
Citywide Street Lighting	1.30	1.30	1.30
Citywide Street Trees	2.70	2.50	2.50
Citywide Concrete Program	0.25	0.10	0.10
Citywide Landscape	9.64	8.65	9.65
Park Maintenance CFD 2007-1	0.36	0.25	0.25
NPDES - Maintenance/Trash & Illicit Discharge	2.75	2.65	2.90
Fleet Maintenance	3.45	3.55	3.55
Building Maintenance	4.15	4.25	5.45
<b><u>Public Works - Water and Sewer Enterprises</u></b>			
Water Operating	32.10	32.60	32.60
Sewer Maintenance	8.90	8.40	9.90
<b><u>Housing Authority</u></b>			
Housing Authority - Section 8	6.65	6.65	6.65
RDA Housing - Administration	0.20	0.20	0.20
<b><u>Pittsburg Power Company</u></b>			
Island Energy	10.35	10.25	11.50
Pittsburg Power	1.75	1.85	2.55
<b><u>Successor Agency to Former Redevelopment Agency</u></b>			
RDA Administration	1.10	1.10	1.10
<b>Citywide Totals:</b>	<b>268.00</b>	<b>276.00</b>	<b>290.00</b>

## CHANGES TO FY 2018-19 ADOPTED BUDGET BASE POSITIONS

### **Additions:**

Account Clerk  
Assistant Planner  
Assistant to the City Manager  
Community Outreach Coordinator  
Electrician Apprentice  
Information Technology Manager  
Permit Technician

### **Department**

Utility Billing  
Planning  
City Managers Office  
City Managers Office  
Public Works  
Information/Communication  
Engineering

### **Reclassifications:**

Civil Engineer II to Senior Civil Engineer  
Maintenance Assistant to Maintenance Worker I x 2  
Maintenance Worker II to Maintenance Lead Worker  
Marina Maintenance Worker to Maintenance Worker I x 3  
Permit Technician to Administrative Coordinator  
Planning Technician to Assistant Planner  
Police Records Manager to Police Records Supervisor  
Sr. Financial Analyst to Admin. Officer  
Utility Billing Supervisor to Revenue Operations Supervisor  
Water Treatment Plant Apprentice to WTP Operator

Engineering  
Public Works  
Public Works  
Marina  
Building  
Planning  
Police  
Power  
Finance  
Public Works

### **Unfunded:**

Senior Combination Building Inspector

Building

## CHANGES FOR FY 2019-20 BUDGET BASE POSITIONS

### **Additions:**

Administrative Analyst  
Administrative Assistant  
Administrative Assistant  
Civil Engineer  
GIS Coordinator  
Information Systems Analyst  
Information Systems Analyst  
Information Systems Analyst  
Information Systems Analyst  
Maintenance Worker I  
Public Works Superintendent  
Water Plant Operator

### **Department**

Public Works  
Recreation  
Waterfront  
Engineering  
Information Technology  
Information Technology  
Information Technology  
Information Technology  
Public Works  
Public Works  
Public Works

### **Reclassifications:**

Maintenance Assistant to Maintenance Worker I

Public Works

### **Unfunded:**

Director of Public Works  
Electrician  
Paralegal

Public Works  
Power  
City Attorney



## ➤ ADMINISTRATION

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CITY MANAGER'S OFFICE

CITY TREASURER

CITY CLERK/RECORDS/COUNCIL SERVICES

CITY ATTORNEY

HUMAN RESOURCES

FINANCE

INFORMATION & COMMUNICATION SERVICES

## ➤ ADMINISTRATION – CITY MANAGER

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### 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 Improvement Program (CIP) budget
- Coordinate and integrate City services to ensure effective, efficient and responsive service delivery



## ➤ ADMINISTRATION - TREASURER

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### **Overview**

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



**Nancy Parent  
City Treasurer**

## ➤ ADMINISTRATION - CITY CLERK/RECORDS AND COUNCIL SERVICES

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### 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



*Alice Evenson  
Pittsburg City Clerk*

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.

### 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

- ✓ Coordinate recruitment of openings on the City's Commissions (three vacancies on Planning Commission and three vacancies on Community Advisory Committee)
- ✓ Perform all statutory duties in timely fashion, including Filing Officer duties required by the Political Reform Act for campaign disclosure statements for candidates and officeholders
- ✓ Revise the Citywide Retention and Records Management Policy
- ✓ Incorporate Closed Captioning into CCTV's broadcast of meetings and upgrade the Council Chamber audio system
- ✓ Schedule staff training for California Public Records Act

### **Accomplishments**

- ✓ Coordinated responses to Grand Jury surveys and reports
- ✓ Assembled, published and processed 54 City Council/Oversight Board and Planning Commission Meeting Agendas
- ✓ Processed 277 Resolutions, 23 Ordinances, 16 Minute Order Actions, seven various reports submitted to Council for approval
- ✓ Responded to 216 Public Records Requests
- ✓ Eight Commission vacancies were filled

## ➤ **ADMINISTRATION – CITY ATTORNEY**

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### **Overview**

The City Council established and filled the in-house position of City Attorney in 2018. The City Attorney provides legal advice to staff on a broad range of matters, reviews contracts, and represents the City in certain litigation and non-litigation matters.

### **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

- ✓ Monitor Outside Counsel usage and expenditures
- ✓ Advise Staff regarding litigation risk reduction

#### Citywide Goal 4 – Continue Economic Development through Strategic Partnerships

- ✓ Provide legal services toward progress of hotel development and Clear Channel lease and rezoning

#### Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Provide training to Staff on the Public Records Act and to those that prepare and/or review contracts
- ✓ Review agenda items prior to going to Council
- ✓ Provide information to City Council members on conflicts of interest and land use
- ✓ Provide information to the community on the Brown Act through social media

## ➤ **ADMINISTRATION – HUMAN RESOURCES**

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### **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**

- ✓ Maintain an effective benefits education program by offering accessible resources and quarterly informational workshops

- ✓ Update the City's Personnel Rules and commence meet-and-confer sessions with all bargaining units
- ✓ Implement a learning program to provide quarterly relevant training and development opportunities for City employees, with an emphasis on skill building for successful job performance and promotability
- ✓ Develop a military leave policy to establish guidelines in accordance with applicable federal and state guidelines
- ✓ Conduct negotiations and complete successor memorandums of understanding for all five bargaining units by December 31, 2020
- ✓ Promote the City as an attractive employer to secure highly qualified candidates by increasing presence on social media through job preview videos that spotlight employees and give insight into various City Departments
- ✓ Complete recruitments for full-time vacant positions, on average, within 60 days
- ✓ Explore an enhanced utilization of the employee and manager self-services web portals in the Human Resources Information System
- ✓ Conduct an audit of all classification specification descriptions to ensure compliance with the American with Disabilities Act (ADA)
- ✓ Develop an employee engagement committee to plan employee events
- ✓ Identify training opportunities for Staff as a proactive approach to succession planning

### **Accomplishments**

- ✓ Filled 48 vacancies on average within 30 days, while processing over 2,400 applications
- ✓ Conducted a Request for Proposal for selection of an employee benefits broker consulting firm, resulting in a General Fund savings of over \$5,000 per fiscal year
- ✓ Implemented an employee benefits outreach program, with employee participation levels far surpassing previous years
- ✓ Conducted an internal learning pilot program to provide relevant training and development opportunities for City employees
- ✓ Analyzed workers' compensation claims and provided six safety training workshops targeted at reducing high-frequency and costly claims
- ✓ Conducted classification system analysis studies for eight reclassifications, four amended specifications and eight new specifications adopted by the City Council



- ✓ Negotiated two-year term labor agreements with three of the City's five bargaining units and completed successor memorandums of understanding by target dates
- ✓ Developed the City's Employee Identification Card policy to comply with workplace safety, emergency operations and disaster service worker guidelines
- ✓ Amended the City's Employee Recognition policy to enhance the recognition of dedicated employees
- ✓ Amended the City's Education Reimbursement Policy to encourage and support accredited educational programs
- ✓ Developed an ADA Reasonable Accommodations/Interactive Process Procedure to assure equal employment opportunities and practices

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

<b>Performance Measure</b>	<b>Goal(s)</b>	<b>FY 16-17 Actual</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Estimate</b>	<b>FY 19-20 Projected</b>
Number of Regular Recruitments Conducted	5	14	25	25	20
Number of Regular Vacancies Filled	5	29	34	49	35
Average Number of Calendar Days from Requisition to Eligibility List	5	45	44	40	40
Number of Employees Contributing Pre-Tax Dollars to Deferred Compensation Benefit Plans	5	199	215	231	246
Number of Injury Incidents Requiring Medical Attention Beyond First Aid	5	43	25	30	25
Number of Safety Workshops Offered	5	3	3	5	6
Number of Wellness Events Offered	5	5	3	6	8
Number of Staff Development/ Compliance Trainings Offered	5	11	15	21	25

## ➤ ADMINISTRATION – FINANCE

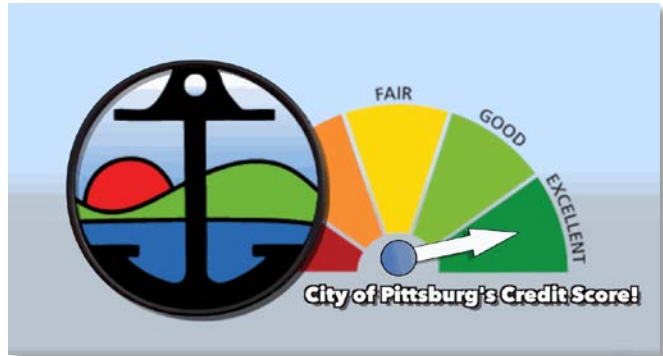
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### Overview

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
- ✓ Review existing water rates and need for multifamily water service deposit
- ✓ Maintain or improve the City's credit rating

- ✓ Continue to pre-fund Other Post-Employment Benefits (OPEB) and Section 115 Trust
- ✓ Review the Senior and Disabled Citizens water rate discount
- ✓ Monitor mandatory water requirements as outlined in AB 401

### **Accomplishments**

- ✓ Worked with Council and City departments to submit a budget consistent with the City's Fiscal Sustainability Ordinance
- ✓ Maintained bond ratings while increasing the City's overall credit rating
- ✓ Pre-funded a Section 115 Trust for CalPERS pension obligations
- ✓ Updated the City's Purchasing Policy and Local Hiring Policy

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

<b>Performance Measure</b>	<b>Goal(s)</b>	<b>FY 16-17 Actual</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Estimate</b>	<b>FY 19-20 Projected</b>
Business Licenses Issued	1,5	3,494	3,547	3,627	3,720
Utility Bills Generated	5	221,391	223,869	225,360	225,900
Credit Rating Increases	1	1	2	1	1
Online/Automatic Payments Processed	5	93,882	100,413	108,000	115,000

## ➤ ADMINISTRATION – INFORMATION/COMMUNICATIONS SYSTEMS

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### 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 the VoIP system and Citywide network
- ✓ Completed migration to OnBase electronic document management system
- ✓ Continued enhancement of GIS platform by adding more layers and imagery for Staff, as well as introduced additional interactive capabilities for citizens

- ✓ Replaced 30 desktop computers and 100 phones Citywide and installed a new call recording system for the Police Department
- ✓ Planned shutdown and restart of the IT infrastructure at City Hall as part of the emergency power and breaker testing at City Hall
- ✓ Enhance backup system with a high capacity tape drive
- ✓ Connected and managed the new digital signboard at Railroad and California Avenues
- ✓ Upgraded internet circuit for the Police Department from 50 to 100 MBPS and procurement of additional 100 MBPS circuit from Comcast
- ✓ Upgraded server and storage system for the Police Department video surveillance system and implemented the video wall and Live Earth systems

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

Performance Measure	Goal(s)	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Estimate	FY 19-20 Projected
High Priority Tech Projects Completed	5	10	12	15	15
Tech Service Requests Completed	5	2,034	1,982	2,000	2,200

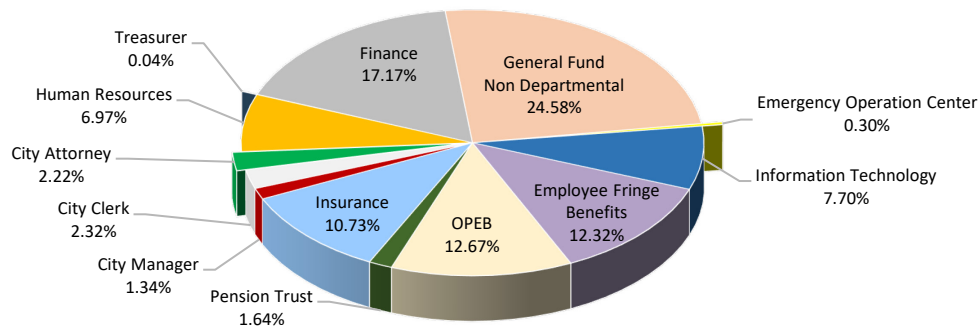
**FY 2019-20 FULL TIME PERSONNEL ALLOCATIONS**  
**Administration**

<b>Department/Division</b>	<b>FY 2017-2018 Amended Base</b>	<b>FY 2018-2019 Adopted Base</b>	<b>FY 2019-2020 Adopted Base</b>
City Manager	0.80	0.50	0.95
City Clerk	2.20	1.40	1.40
City Attorney	0.00	2.30	1.00
Human Resources	4.00	5.00	5.00
Finance/Accounting	9.46	8.95	8.95
Finance/Utility Billing	8.04	7.55	8.50
Information/Communication Systems	0.00	0.00	5.00
<b>TOTAL:</b>	<b>24.50</b>	<b>25.70</b>	<b>30.80</b>

## Detailed Program Budget Administration

	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	24.50	25.70	30.80	5.10	19.84 %
<b>SOURCES OF REVENUE</b>					
General Fund	17,236,071	12,667,697	13,036,391	368,694	2.91
Enterprise Funds	709,370	829,509	841,414	11,905	1.44
Internal Service Funds	7,390,436	7,905,082	8,023,131	118,049	1.49
Special Revenue Funds	55,074	55,052	55,000	(52)	-0.09
(Addition To)/Reduction in Fund Balance	(3,623,635)	(3,548,230)	(4,014,716)	(466,486)	13.15
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 21,767,316</b>	<b>\$ 17,909,110</b>	<b>\$ 17,941,220</b>	<b>\$ 32,110</b>	<b>0.18 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	1,896,984	2,463,710	2,743,995	280,285	11.38
Maintenance & Operations	2,759,662	3,467,442	3,956,456	489,014	14.10
Workers Compensation	1,749,426	1,826,063	1,572,719	(253,344)	-13.87
Materials & Supplies	204,511	400,412	295,740	(104,672)	-26.14
Pass Through Payments	298,927	339,535	341,682	2,147	0.63
Contracts & Services	2,916,408	2,956,377	2,379,932	(576,445)	-19.50
Fringe Benefits	3,907,457	4,551,211	4,900,807	349,596	7.68
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 13,733,375</b>	<b>\$ 16,004,750</b>	<b>\$ 16,191,331</b>	<b>\$ 186,581</b>	<b>1.17 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Special Items of Expense	19,125	217,196	245,000	27,804	12.80
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ 19,125</b>	<b>\$ 217,196</b>	<b>\$ 245,000</b>	<b>\$ 27,804</b>	<b>12.80 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	-	5,000	-	(5,000)	-100.00
Capital Outlay - Projects	639,529	-	-	-	-100.00
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 639,529</b>	<b>\$ 5,000</b>	<b>\$ -</b>	<b>\$ (5,000)</b>	<b>-100.00 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	7,375,287	1,682,164	1,504,889	(177,275)	-10.54
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 7,375,287</b>	<b>\$ 1,682,164</b>	<b>\$ 1,504,889</b>	<b>\$ (177,275)</b>	<b>-10.54 %</b>
<b>TOTAL USES</b>	<b>\$ 21,767,316</b>	<b>\$ 17,909,110</b>	<b>\$ 17,941,220</b>	<b>\$ 32,110</b>	<b>0.18 %</b>
<b>USES BY PROGRAM RECAP</b>					
City Manager	219,841	277,497	240,160	(37,337)	-13.45
City Clerk	392,137	458,607	416,656	(41,951)	-9.15
City Attorney	362,194	484,914	397,703	(87,211)	-17.98
Human Resources	947,461	1,184,354	1,250,512	66,158	5.59
Treasurer	6,331	6,286	6,286	-	-
Finance	2,824,727	3,110,445	3,081,258	(29,187)	-0.94
General Fund - Non-Departmental	4,333,662	4,365,160	4,410,057	44,897	1.03
Emergency Operation Center	54,645	54,700	54,700	-	-
Information Technology (IT)	882,055	1,271,210	1,381,240	110,030	8.66
Employee Fringe Benefits	2,537,012	2,469,094	2,211,163	(257,931)	-10.45
Other Post-Employment Benefits (OPEB)	2,427,525	2,174,899	2,272,580	97,681	4.49
Pension Trust	-	394,215	294,215	(100,000)	-25.37
Insurance	1,191,221	1,657,729	1,924,690	266,961	16.10
Budget Stabilization	5,588,505	-	-	-	-100.00
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 21,767,316</b>	<b>\$ 17,909,110</b>	<b>\$ 17,941,220</b>	<b>\$ 32,110</b>	<b>0.18 %</b>

## Administration - Uses by Division



## ➤ CITY COUNCIL

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MAYOR BANALES

VICE MAYOR KILLINGS

COUNCIL MEMBER CRAFT

COUNCIL MEMBER SCALES-PRESTON

COUNCIL MEMBER BARRETT WHITE

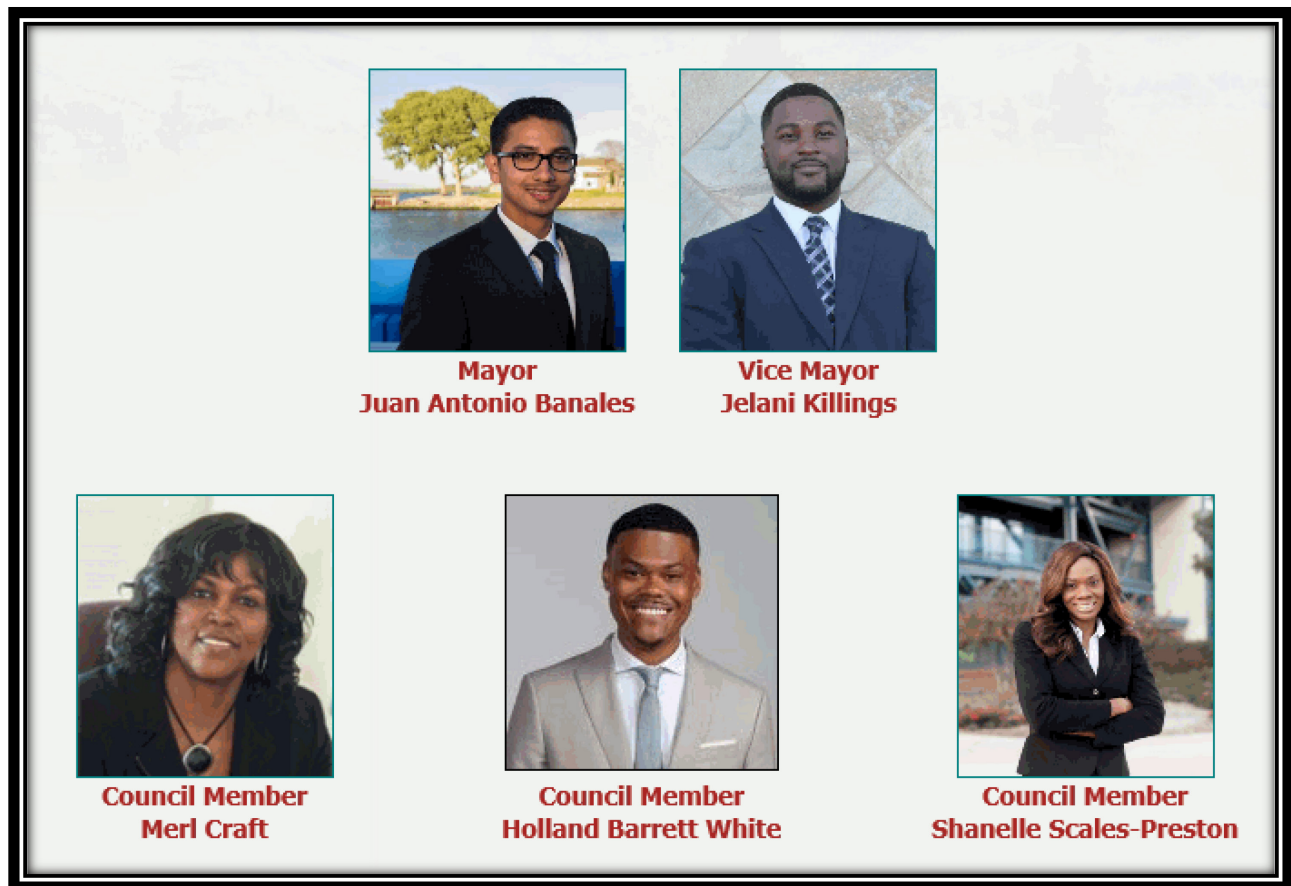


## ➤ CITY COUNCIL

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### 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.



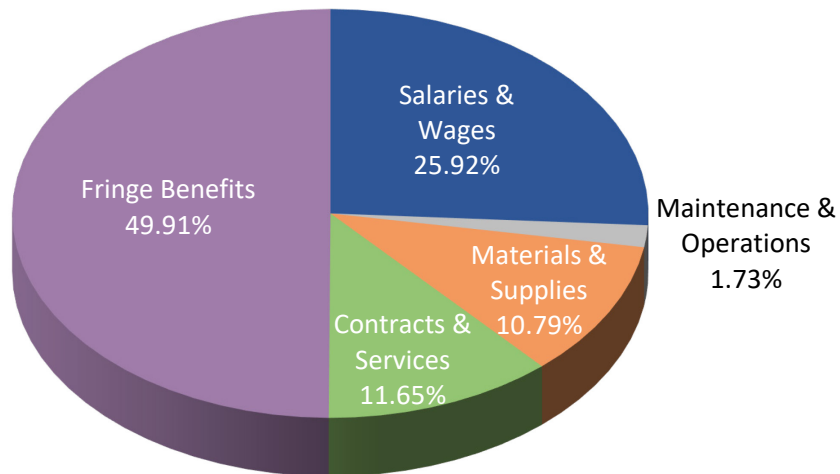
### Service Levels

- 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

	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	-	-	-	-	-
<b>SOURCES OF REVENUE</b>					
(Addition To)/Reduction in Fund Balance	67,948	98,994	115,857	16,863	17.03 %
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 67,948</b>	<b>\$ 98,994</b>	<b>\$ 115,857</b>	<b>\$ 16,863</b>	<b>17.03 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	30,000	30,030	30,030	-	-
Maintenance & Operations	1,940	1,834	2,000	166	9.05
Materials & Supplies	5,023	11,345	12,500	1,155	10.18
Contracts & Services	4,322	23,422	13,500	(9,922)	-42.36
Fringe Benefits	26,663	32,363	57,827	25,464	78.68
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 67,948</b>	<b>\$ 98,994</b>	<b>\$ 115,857</b>	<b>\$ 16,863</b>	<b>17.03 %</b>
<b>TOTAL USES</b>	<b>\$ 67,948</b>	<b>\$ 98,994</b>	<b>\$ 115,857</b>	<b>\$ 16,863</b>	<b>17.03 %</b>
<b>USES BY PROGRAM RECAP</b>					
City Council	67,948	98,994	115,857	16,863	17.03
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 67,948</b>	<b>\$ 98,994</b>	<b>\$ 115,857</b>	<b>\$ 16,863</b>	<b>17.03 %</b>

## City Council - Uses by Type



## ➤ COMMUNITY DEVELOPMENT

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**BUILDING CODE ENFORCEMENT**

**ENGINEERING**

**PLANNING**

## ➤ **COMMUNITY DEVELOPMENT – BUILDING CODE ENFORCEMENT**

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### **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 such as Edgewater Apartments, Dow Phases II and III and Alves Ranch Subdivision
- ✓ Inspect residential developments for compliance with applicable codes and provide 900 Housing Quality inspections for the Pittsburg Housing Authority
- ✓ Issue 300 solar energy system permits within one day of application submittal for residential and 10 days for commercial

- ✓ Review plans and respond with comments or issue permits within 30 days for 90% of completed applications
- ✓ Survey in-person customers to rate their experience with Staff and the permit process

#### Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Increase efficiency and reach of Rental Inspection Program by reviewing data management, inspect approximately 80 residential units and increase enrollment
- ✓ Audit Oak Hills Residential Preferential Parking Permit Program and update resident vehicle enrollment records

#### Accomplishments

- ✓ Issued permits and provided inspection of 150 new single-family homes and issued 300 solar permits
- ✓ Streamlined plan review for Electric Vehicle (EV) Charging Stations and approved 11 stations for residential use
- ✓ Provided approximately 700 Housing Quality inspections for the Pittsburg Housing Authority (reduced from prior years as requirement from HUD is now less frequent)
- ✓ Registered nearly 4,000 units in the Residential Rental Inspection Program, which includes 47 additional units over the previous year

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

Performance Measure	Goal(s)	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Estimate	FY 19-20 Projected
Solar Energy Permits Issued	4	377	443	300	300
Electric Vehicle Charging Station Permits Issued	4	8	17	11	20
New Single-Family Home Permits and Inspections Issued	4	210	111	150	120

## ➤ COMMUNITY DEVELOPMENT - ENGINEERING

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### **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 grants to fund public infrastructure improvements

#### **Citywide Goal 3 – Improve Public Facilities and Infrastructure**

- ✓ Complete construction of five capital projects including pedestrian trails, bridge seismic retrofit and receive 95% completed plans for James Donlan extension
- ✓ Update the City's Five-Year Capital Improvement Program
- ✓ Collaborate with Caltrans, MTC and CCTA to identify best options to reduce traffic delays at entries to State Route 4 during commute hours

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

#### Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Complete synchronization of traffic signals at five intersections along Bailey Road, six intersections along Buchanan Road and 11 intersections along Loveridge Road
- ✓ Improve integration of Geographic Information System (GIS) with other technology (including the new City website) to improve accuracy and expand public access

#### Accomplishments

- ✓ Completed the Pittsburg Center Station Multimodal Transfer Facility, the pedestrian-accessible path from the BART parking lot to Railroad Avenue, the Power Avenue Class I Trail for bicycles and pedestrians
- ✓ Awarded over \$1 million in new grants for upgrades to traffic signal equipment, increased signal visibility and pedestrian signal notification
- ✓ Began design process for three Class I and Class IV trails centered around Pittsburg Center Station
- ✓ Traffic engineers met with principals at each school campus to improve traffic flow and pedestrian safety
- ✓ Synchronized traffic signals at five intersections along Buchanan Road corridor and 14 intersections along West Leland Road corridor
- ✓ Added 50 information map layers to the GIS system, including Old Town Historic Walking tour accessible to the public
- ✓ Installed 26 Accessible Ramps in the vicinity of Foothill Elementary School



## ➤ COMMUNITY DEVELOPMENT – PLANNING

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### 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 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

- ✓ Secure Senate Bill 2 (SB2) funding for projects related to statewide affordable housing requirements such as development of objective design standards and easy-to-use fee calculator for accessory dwelling units on the City website
- ✓ Continue to track reimbursable project funds by application type to better forecast future revenues
- ✓ Provide quarterly invoices to all applicants with reimbursable accounts to ensure funds are appropriately tracked and collected

**Citywide Goal 3** – Improve Public Facilities and Infrastructure

- ✓ Work with developers to incorporate public spaces in new developments within the Railroad Avenue Specific Plan area
- ✓ Complete the 2040 General Plan 'Existing Conditions Report' to assist with future long-range planning guidance

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

- ✓ Implement all aspects of the General Plan Update 'Community Engagement Plan' to maximize community input
- ✓ Update the Inclusionary Housing Ordinance as directed by the Certified Housing Element

- ✓ Identify potential amendments to the Pedestrian Commercial (CP) Zoning District, as well as potential land use and urban design policies

#### Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Review the City's Design Review and Development Guidelines (DRDGs) and adopt objective design standards for applications
- ✓ Increase the number of applications that use the Preliminary Plan Review (PPR) process and continue to encourage all major developments to utilize the process
- ✓ Continue using Smartsheets to track planning projects and associated matrices, providing City Council and the Planning Commission quarterly updates



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

- ✓ Complete necessary zoning and General Plan changes in the southwest hills to encourage retail growth
- ✓ Publish quarterly informative bulletins about existing and often overlooked regulations such as rules for temporary signs, home occupation permits and fencing and property maintenance
- ✓ Ensure proposed technology park incorporates abundant landscaping and perimeter pathways available for public recreational use

#### Accomplishments

- ✓ Planning revenues projected to exceed revenue forecasts
- ✓ Completed "Pittsburg Moves" active transportation plan
- ✓ Implemented a new GIS layer of Affordable Housing sites for better staff analyses related to new housing projects
- ✓ Increased the number of Preliminary Plan Review applications filed over the previous year
- ✓ Updated the City's cannabis regulations
- ✓ Began working on the 2040 "Envision Pittsburg" General Plan Update and conducted several community visioning workshops
- ✓ Reviewed applications for two potential grocery store retail centers in the Southwest Hills (San Marco Commercial Center & Alves Ranch)
- ✓ Increase voluntary code enforcement compliance to 75%

**FY 2019-20 FULL TIME PERSONNEL ALLOCATIONS**  
**Community Development**

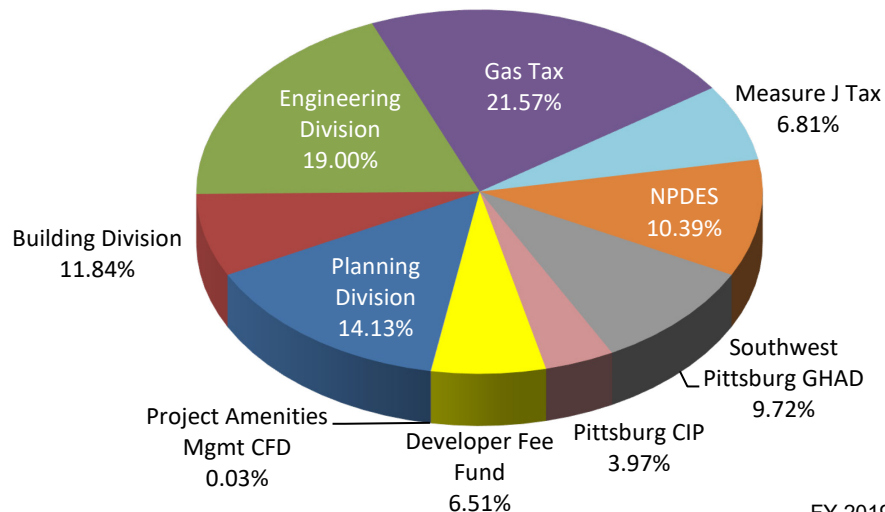
<b>Department/Division</b>	<b>FY 2017-2018 Amended Base</b>	<b>FY 2018-2019 Adopted Base</b>	<b>FY 2019-2020 Adopted Base</b>
Planning	4.43	4.33	5.99
Building - Code Enforcement	5.73	5.48	5.14
Engineering	11.48	11.98	12.71
NPDES Administration & Outreach	1.21	1.26	1.21
Southwest Pittsburg GHAD II	1.60	1.45	1.50
Local Traffic Mitigation Fee Fund	0.10	0.10	0.10
<b>TOTAL:</b>	<b>24.55</b>	<b>24.60</b>	<b>26.65</b>

## Detailed Program Budget Community Development

	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	24.55	24.60	26.65	2.05	8.33 %
<b>SOURCES OF REVENUE</b>					
General Fund	3,124,906	3,368,567	4,107,948	739,381	21.95
Capital Projects Funds	650,844	7,322,357	2,829,112	(4,493,245)	-61.36
Special Revenue Funds	7,964,496	13,366,173	6,726,121	(6,640,052)	-49.68
(Addition To)/Reduction in Fund Balance	2,182,444	7,407,871	(1,065,899)	(8,473,770)	-114.39
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 13,922,690</b>	<b>\$ 31,464,968</b>	<b>\$ 12,597,282</b>	<b>\$ (18,867,686)</b>	<b>-59.96 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	2,290,974	2,840,986	2,686,470	(154,516)	-5.44
Maintenance & Operations	761,404	1,127,341	712,504	(414,837)	-36.80
Workers Compensation	143,351	163,855	162,321	(1,534)	-0.94
Materials & Supplies	97,047	125,967	138,190	12,223	9.70
Contracts & Services	1,146,623	2,183,803	1,257,322	(926,481)	-42.43
Fringe Benefits	1,748,838	1,868,983	2,157,394	288,411	15.43
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 6,188,237</b>	<b>\$ 8,310,935</b>	<b>\$ 7,114,201</b>	<b>\$ (1,196,734)</b>	<b>-14.40 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	47,901	77,905	-	(77,905)	-100.00
Capital Outlay - Projects	3,841,265	18,654,115	2,707,427	(15,946,688)	-85.49
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 3,889,166</b>	<b>\$ 18,732,020</b>	<b>\$ 2,707,427</b>	<b>\$ (16,024,593)</b>	<b>-85.55 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	3,845,287	4,422,013	2,775,654	(1,646,359)	-37.23
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 3,845,287</b>	<b>\$ 4,422,013</b>	<b>\$ 2,775,654</b>	<b>\$ (1,646,359)</b>	<b>-37.23 %</b>
<b>TOTAL USES</b>	<b>\$ 13,922,690</b>	<b>\$ 31,464,968</b>	<b>\$ 12,597,282</b>	<b>\$ (18,867,686)</b>	<b>-59.96 %</b>
<b>USES BY PROGRAM RECAP</b>					
Planning Division	1,486,126	2,107,270	1,847,068	(260,202)	-12.35
Planning Grants	42,699	269,301	-	(269,301)	-100.00
Building Division	849,759	977,060	925,592	(51,468)	-5.27
Engineering Division	1,859,855	1,911,695	2,393,085	481,390	25.18
Gas Tax	1,726,929	5,021,996	2,716,638	(2,305,358)	-45.91
Measure J Tax	3,525,858	6,703,222	857,332	(5,845,890)	-87.21
NPDES	1,054,998	1,273,183	1,308,926	35,743	2.81
Southwest Pittsburg GHAD	489,181	851,526 <sup>1</sup>	703,360	(148,166)	-17.40
GHAD Administration	340,673	453,469 <sup>1</sup>	521,860	68,391	15.08
Pittsburg CIP	44,118	1,776,191	500,000	(1,276,191)	-71.85
Developer Fee Fund	1,843,941	8,644,722	819,621	(7,825,101)	-90.52
Community Capital Improvements	243,594	978,038	-	(978,038)	-100.00
Project Amenities Mgmt CFD	3,459	6,500	3,800	(2,700)	-41.54
Infrastructure Repair & Replacement	411,500	490,795	-	(490,795)	-100.00
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 13,922,690</b>	<b>\$ 31,464,968</b>	<b>\$ 12,597,282</b>	<b>\$ (18,867,686)</b>	<b>-59.96 %</b>

(1) Includes transfers between funds for the administration of the GHAD program in the amount of \$521,860, therefore uses appear to be overstated by \$521,860

### Community Development - Uses by Division



## ➤ ENTERPRISE SERVICES

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COMMUNITY DEVELOPMENT BLOCK GRANT

ECONOMIC DEVELOPMENT

ENVIRONMENTAL AFFAIRS

MARINA OPERATIONS

WATERFRONT OPERATIONS

## ➤ ENTERPRISE SERVICES – COMMUNITY DEVELOPMENT BLOCK GRANT

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### 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 the low and moderate income population; 2) Aid in prevention of or elimination of slums or blight; and 3) Urgent need (i.e. damage due to natural disasters).



For FY 2019-20, the City is estimating to receive \$662,895 from HUD. Along with \$6,679 in program income and \$250,000 of unallocated funds from prior years, the total anticipated CDBG funding for FY 19-20 is \$919,579.

### 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 loan 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 result in job creation
- ✓ Fund the Housing Rehabilitation Loan 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 can contribute to blight



#### Accomplishments

- ✓ Funded job training and placement programs that resulted in 15 residents being trained, two being placed with employer partners, while five residents received assistance with growing their business
- ✓ Installed 29 Americans with Disabilities Act (ADA) curb ramps
- ✓ Funded code enforcement efforts to address the decline in targeted neighborhoods resulting in 1,475 properties received code violations during the first half of the year, of which, 788 were corrected by the homeowner
- ✓ Allocated approximately \$107,000 to a variety of supportive services including assistance for youth, seniors, victims of abuse, and the homeless population
- ✓ Allocated funds to the housing rehabilitation loan program to provide low-interest loans to four 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	Goal(s)	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Estimate	FY 19-20 Projected
ADA Ramps Installed	3	-	14	29	50
Housing Rehabilitation Loans	4	2	2	4	5
Number of Residents Helped Through Supportive Services	6	1,500	1,700	1500	1700



## ➤ ENTERPRISE SERVICES – ECONOMIC DEVELOPMENT

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### Overview

The Economic Development Department is responsible for building strong partnerships with local businesses and non-profit organizations. Its mission is to 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
- Manage international Sister City relations including the administration of Sister City visits

### 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
- ✓ Develop a resource fund to provide MicroLoans and Façade Improvement Funds to small businesses





- ✓ Seek out and connect small businesses to companies that provide non-traditional business financing
- ✓ Continue being a resource for small businesses by providing three free seminars in collaboration ICA Fund Good Jobs, Los Medanos Community College, Chamber of Commerce, Small Business Development Center, and the Workforce Development Board
- ✓ Collaborate with the Chamber of Commerce and other agencies within the region on marketing efforts to increase visibility
- ✓ In collaboration with other City departments, identify strategies for bringing additional commercial resources west of Bailey Road, streamline approvals and create a handout for potential businesses outlining the process and fees
- ✓ Continue to collaborate with real estate brokers to market industrial and commercial properties, particularly around the Pittsburg Civic Center BART station



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

- ✓ Continue to work with Planning staff, brokers, and property owners to increase retail in Southwest Hills by targeting select grocers and developers
- ✓ Provide ongoing property management, administer leases, protect City assets, and mitigate the risk of future property damage, while maintaining a minimum 75 percent occupancy rate
- ✓ Continue to administer and grow the Sister City Program
- ✓ Consider potential amendments to the Zoning Ordinance regarding food trucks with the Land Use Subcommittee; utilize food trucks as vendors for City events

#### Accomplishments

- ✓ Conducted one-on-one meetings with large industry businesses and sales tax providers
- ✓ Met with 25 small to mid-sized businesses through Business Walk program
- ✓ Participated in a regional marketing campaign focusing on the manufacturing industry and collaborated with the Chamber of Commerce on Manufacturing Day activities for Pittsburg High School students

- ✓ Marketed the City via a quarter-page advertisement in the 2018 California Summer issue of *USA Today*, ThinkPittsburg social media campaign, Highway 4 billboards and Small Business Saturday
- ✓ Partnered with Working Solutions to provide MicroLoans of \$5,000 - \$50,000 to small businesses



- ✓ Provided Free Access to Capital for Pittsburg businesses
- ✓ Submitted 10 responses to official State request for information for businesses looking for locations
- ✓ Hosted the Regional, Local and Prison to Employment Initiative Planning Session for Contra Costa and Alameda counties; as well as collaborated with East County cities and Contra Costa County to provide the East County Fair Chance Summit
- ✓ Provided the “red carpet” approach for seven potential business looking to relocate
- ✓ Continued marketing potential retail center space to grocery store developers such as Safeway, Albertsons, Raleys and others
- ✓ Provided five intern opportunities in Economic Development and the Police Department for youth
- ✓ Executed leases with Diablo Energy Storage, Contra Costa County Sherriff's Academy and Rocky's Diner
- ✓ Hosted two Sister City exchanges from Japan and sent a delegation to Japan

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

Performance Measure	Goal	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Estimate	FY 19-20 Projected
Small/Midsize Business Retention Visits	4	5	15	25	30
Large Employer Retention Visits	4	5	10	10	10

## ➤ ENTERPRISE SERVICES – ENVIRONMENTAL AFFAIRS

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### 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, electronic waste (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 – Junior 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

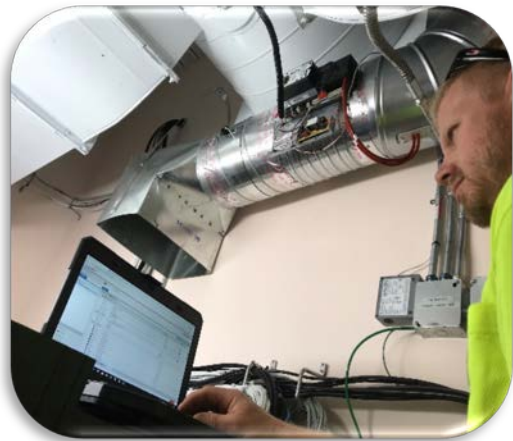


#### *Stormwater Outreach, Education, and Compliance:*

- 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 Greenhouse Gas Inventory by collecting data, assess and reevaluate data to create a Climate Action Plan to reduce City's carbon footprint
- Oversee and manage PG&E's franchise
- Install Light Emitting Diode (LED's) 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 Workshops and 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 programming for Delta TV with show sponsorship, government programming, sports broadcasting, and youth education



## **Goals**

### **Citywide Goal 1** - Achieve and Maintain a Structurally Balanced Budget

- ✓ Complete and maintain City Energy Efficiency Projects, including optimization of City Hall HVAC system and LED lighting conversions

## Citywide Goal 2 - Prioritize Public Safety First in the City Budget

- ✓ Develop an afterschool program on street safety for the City's junior high schools
- ✓ Develop a recognition program for parents and/or students for street safety

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

- ✓ Work with Comcast to complete installation of one new fiber-optic line in an area without current service



## Citywide Goal 5 - Increase Efficiency of City Operations and Services

- ✓ Expand Emergency Operations Center (EOC) Preparedness through:
  - Add one shelter to the list of City locations
  - Send four staff members to California Specialized Training Institute (CSTI) four-day earthquake training and introduction to EOC
  - Provide training for Policy Group on EOC and roles
  - Complete a Debris Management Plan
- ✓ Complete PEG ADA close caption installation and operation with Delta TV & CCTV
- ✓ Continue Pittsburg High School Broadcasting program for events such as theatre performances, school events and sporting events
- ✓ Finalize confined space assessments and train Staff on updated policy

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

- ✓ Increase participation in the Civic Pride – Litter Project (for community and schools) to 250 participants and create a business outreach to add 10 businesses
- ✓ Continue City beautification efforts and curb illegal dumping by:
  - Promoting the Adopt-a-Spot program and add two more locations
  - Research adding more trash receptacles that are attractive but cost efficient to maintain
  - Providing security infrastructure around common dumping areas to mitigate illegal dumping and identify violators

- ✓ Continue to require air quality monitoring in surrounding neighborhood of Keller Canyon Landfill, review Land Use Permit, test soil on site and require the permanent closure of the front cell of the landfill

### **Accomplishments**

- ✓ Achieved 23 percent energy use reduction between 2017 and 2018 through optimization of HVAC system
- ✓ Converted three lights in Marina Basin to LED
- ✓ Installed Energy Management Software to track facilities' usage
- ✓ Street Safety Committee sent three joint safety letters from Police Chief, City Manager and School Superintendent to parents about street safety; increased street safety awareness at junior high schools with Walk 'n' Roll events
- ✓ Completed City's Emergency Operations Plan update and training for all staff
- ✓ Completed Polystyrene Ordinance with implementation April 2019
- ✓ Local Enforcement Agency completed a Five-Year Permit Review of the local transfer station
- ✓ Updated the Countywide Siting Element to include an Engineered Municipal Solid Waste conversion project proposed at the local transfer station
- ✓ Held second annual Civic Pride Day – Litter Project cleanup event with 165 participants at five locations



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

<b>Performance Measure</b>	<b>Goal(s)</b>	<b>FY 16-17 Actual</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Estimate</b>	<b>FY 18-19 Projected</b>
Energy Savings at City Hall	1	-	10%	23%	35%
Energy Savings due to Facility Lighting Upgrades	1	70%	46%	26%	28%
Participants in Civic Pride Day	6	120	165	200	250
EOC Preparedness Trainings	5	5	5	3	5

## ➤ ENTERPRISE SERVICES – MARINA OPERATIONS

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### Overview

The George Lowy Marina, also known as the Pittsburg Marina (Marina), is located between the Sacramento and San Joaquin rivers. The Marina has 575 berths, occupies approximately 38 acres, and includes both a motorized and non-motorized public launch ramp, as well as an ADA accessible kayak launch ramp. The Marina vicinity also includes the Pittsburg Yacht Club, scenic waterfront parks, the “Marina Green” event space, several restaurants, and a privately-owned marine repair yard.

The Marina has a standing reputation as affordable, welcoming, and picturesque. The Marina will be focusing on modernization and efficiency in fiscal year 2019-2020 to enhance its reputation, recreation opportunities offered, fiscal sustainability, and each customer’s experience.



### Service Levels

- Provide free boat launching, sewage pump-out at the fuel docks and wireless network access
- Offer fueling facilities with clean diesel and other premium fuels, overnight guest berthing, long-term berthing, and live-aboard berthing which include restroom and laundry facilities
- Kayak and stand-up paddle board rentals and covered guest boater congregation area available

### Goals

#### Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

- ✓ Review assessment of Marina Master Fee Schedule update
- ✓ Conduct assessment of Marina occupancy



### Citywide Goal 3 – Improve Public Facilities and Infrastructure

- ✓ Obtain 10-year dredging permits
- ✓ Begin dredging of Episode 1 (Lowy Basin and launch ramps) in Army Corps of Engineers calendar year 2019 work window



### Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Conduct a modernization assessment of the Marina's management software, rules and regulations and boater outreach

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

- ✓ Host quarterly Boater Sundays

### Accomplishments

- ✓ Updated Marina Master Fee Schedule
- ✓ Assessment of Marina Master Fee Schedule Update presented to Waterfront and Economic Development Subcommittee
- ✓ Kayak and stand-up paddle board rentals provided for summer 2018
- ✓ Reduced calls for service at Riverview Park by 25 percent
- ✓ Reduced calls for service near and at the berm by 24 percent
- ✓ Negotiations started for a long-term commercial lease at the berm property
- ✓ Contracted for 10-year dredge permits
- ✓ Hosted quarterly Boater Sundays during summer 2018

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

Performance Measure	Goal(s)	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Estimate	FY 19-20 Projected
Update Marina Fees	1	CPI	CPI	6%	6%
Non-motorized Watercraft Rentals	1,6	-	10	34	50
Host Gatherings for Slip Holders	6	-	-	4	4
Funds Contributed to Marina Maintenance Dredging Project	3	47,000	41,208	160,000	50,000

## ➤ ENTERPRISE SERVICES – WATERFRONT DEVELOPMENT

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### Overview

The Waterfront Operations and Development Division (Waterfront) is responsible for overseeing compliance with Senate Bill 551 (SB551) which granted tidelands and submerged Public Trust Lands (Trust Lands) to the City of Pittsburg (City). Under SB551, the Waterfront strives to bring widespread public benefit to the area by providing events and activities at the waterfront. In addition, it provides services for existing and prospective Trust Lands tenants including assistance with leasing and development, property inspections, and marketing and promotion of waterfront properties. The Waterfront 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 unleased areas, for which leases are required
- Implement the 2017 Trust Lands Use Plan, draft a Five-Year Trust Lands Utilization Report Plan and submit annual Statements of Revenues and Expenditures as required by SB-551 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 communication with the California State Lands Commission and other federal, state, and local permitting agencies
- Brand and market the Pittsburg Waterfront to attract recreational activity
- Seek and manage grants for preservation, environmental sustainability, and development



## **Goals**

### **Citywide Goal 1** – Achieve and Maintain a Structurally Balanced Budget

- ✓ Execute recreational Trust Lands leases to bring all tidelands users into compliance
- ✓ Contribute at least \$50,000 to the Marina Maintenance Dredging capital improvement project



### **Citywide Goal 2** – Prioritize Public Safety

- ✓ Develop a security plan to curb loitering and provide a safer environment in and around the Waterfront



### Citywide Goal 3 – Improve Public Facilities and Infrastructure

- ✓ Repair the Riverview Park fishing pier
- ✓ Dredge the Lowy Basin entrance and gas docks area
- ✓ Replace the boat launch ramp restrooms

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

- ✓ Environmentally assess two underutilized waterfront sites
- ✓ Complete a Reuse/Cleanup Plan for brownfields in the Waterfront area



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

- ✓ Increase participation in the Second Annual Fishing Derby by 20 percent
- ✓ Host three Waterfront events and provide support for two other events:
  - Fifth Annual Delta Board Meeting
  - Fourth of July Fireworks
  - Second Annual Pittsburg Fishing Derby
  - First Friday series
  - Jazz, Blues and Funk Festival



### Accomplishments

- ✓ Awarded a grant in the amount of \$564,000 by the California Division of Boating and Waterways for construction to rehabilitate the Pittsburg Public Boat Launching Facility restrooms
- ✓ Executed the City's first commercial Tidelands Lease
- ✓ Updated the Central Harbor Park fishing pier
- ✓ Contributed \$367,000 to the Marina Maintenance Dredging project
- ✓ Facilitated the demolition plan of the dilapidated Tesoro timberwharf

- ✓ Installed an ADA accessible non-motorized launch ramp at the Marina
- ✓ Worked with new Waterfront property owner, Making Waves, to maintain public access on the former Tesoro and Johns Manville properties
- ✓ Continued to meet milestones for the US Environmental Protection Agency Brownfield Assessment grant project
- ✓ Completed environmental assessments of two Waterfront properties
- ✓ Collaborated with the City's Recreation Department, the Pittsburg Arts & Community Foundation and other organizations to host three events and two event series:
  - Fourth Annual Delta Board Meeting
  - Fourth of July Fireworks
  - First Annual Pittsburg Fishing Derby
  - First Friday series
  - Jazz, Blues and Funk Festival

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

Performance Measure	Goal(s)	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Estimate	FY 19-20 Projected
Seek Grant Funding (number of grants awarded out of number applied for)	1	0 of 3	3 of 4	1 of 1	1 of 1
Trust Lands Leases Executed	1	-	-	1	4
Funds Contributed to the Marina Maintenance Dredging project	3	-	\$45,000	\$367,000	\$50,000
Assess Underutilized Waterfront Sites	4	-	1	4	3
Host Waterfront Events	6	7	8	8	9
Delta Board Meeting Competitors	6	50	37	28	30
Annual Fishing Derby Participants	6	-	-	59	75
Public Participation in Summer Waterfront Activities Program (kayak and stand-up paddle board rentals)	6	-	10	34	50

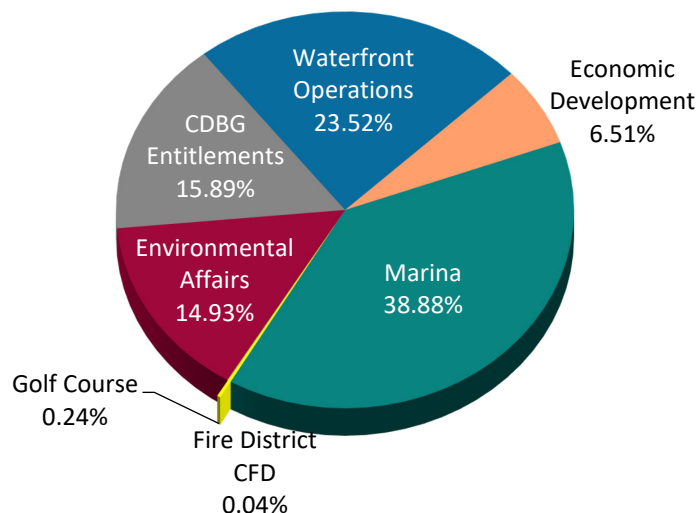
**FY 2019-20 FULL TIME PERSONNEL ALLOCATIONS**  
**Enterprise Services**

<b>Department/Division</b>	<b>FY 2017-2018 Amended Base</b>	<b>FY 2018-2019 Adopted Base</b>	<b>FY 2019-2020 Adopted Base</b>
Environmental Affairs	1.50	1.50	1.50
Economic Development	0.45	0.45	0.95
Community Development Block Grant	0.55	0.55	0.55
Marina Operations	6.05	6.05	6.80
Waterfront Operations	3.75	4.75	3.75
<b>TOTAL:</b>	<b>12.30</b>	<b>13.30</b>	<b>13.55</b>

## Detailed Program Budget Enterprise Services

	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	12.30	13.30	13.55	.25	1.88 %
<b>SOURCES OF REVENUE</b>					
Enterprise Funds	3,590,151	5,046,700	4,009,014	(1,037,686)	-20.56
Special Revenue Funds	2,151,794	2,546,242	2,498,655	(47,587)	-1.87
(Addition To)/Reduction in Fund Balance	(452,581)	744,886	(877,958)	(1,622,844)	-217.86
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 5,289,364</b>	<b>\$ 8,337,828</b>	<b>\$ 5,629,711</b>	<b>\$ (2,708,117)</b>	<b>-32.48 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	1,079,501	1,207,581	1,196,107	(11,474)	-0.95
Maintenance & Operations	594,306	655,108	648,249	(6,859)	-1.05
Workers Compensation	66,918	73,588	62,916	(10,672)	-14.50
Materials & Supplies	667,203	736,824	725,490	(11,334)	-1.54
Contracts & Services	1,599,405	2,535,873	1,466,756	(1,069,117)	-42.16
Fringe Benefits	721,076	787,050	872,067	85,017	10.80
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 4,728,409</b>	<b>\$ 5,996,024</b>	<b>\$ 4,971,585</b>	<b>\$ (1,024,439)</b>	<b>-17.09 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Special Items of Expense	38,059	145,000	1,000	(144,000)	-99.31
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ 38,059</b>	<b>\$ 145,000</b>	<b>\$ 1,000</b>	<b>\$ (144,000)</b>	<b>-99.31 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	81,383	123,332	93,000	(30,332)	-24.59
Capital Outlay - Projects	-	978,541	20,000	(958,541)	-97.96
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 81,383</b>	<b>\$ 1,101,873</b>	<b>\$ 113,000</b>	<b>\$ (988,873)</b>	<b>-89.74 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	441,513	1,094,931	544,126	(550,805)	-50.30
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 441,513</b>	<b>\$ 1,094,931</b>	<b>\$ 544,126</b>	<b>\$ (550,805)</b>	<b>-50.30 %</b>
<b>TOTAL USES</b>	<b>\$ 5,289,364</b>	<b>\$ 8,337,828</b>	<b>\$ 5,629,711</b>	<b>\$ (2,708,117)</b>	<b>-32.48 %</b>
<b>USES BY PROGRAM RECAP</b>					
Marina	1,797,859	2,603,213	2,188,884	(414,329)	-15.92
Golf Course	10,201	12,700	13,250	550	4.33
Fire District CFD	2,025	4,515	2,125	(2,390)	-52.93
R/R Ave e-BART CFD	47,717	-	-	-	-100.00
Environmental Affairs	803,776	884,545	840,376	(44,169)	-4.99
Housing Rehab Loans - CDBG	83,713	180,399	-	(180,399)	-100.00
CDBG Entitlements	666,076	1,003,873	894,502	(109,371)	-10.89
CalHome Program	1,115	45,000	-	(45,000)	-100.00
Waterfront Operations	1,407,132	3,131,868	1,324,019	(1,807,849)	-57.72
Economic Development	469,750	471,715	366,555	(105,160)	-22.29
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 5,289,364</b>	<b>\$ 8,337,828</b>	<b>\$ 5,629,711</b>	<b>\$ (2,708,117)</b>	<b>-32.48 %</b>

### Enterprise Services - Uses by Division



## ➤ HOUSING AUTHORITY

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HOUSING AUTHORITY – SECTION 8

HOUSING – SUCCESSOR AGENCY



## ➤ HOUSING AUTHORITY

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### **Overview**

The Housing Authority of the City of Pittsburg (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, also known as Section 8), 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 1,123 households, which includes previously homeless Veterans.

### **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 Affairs Department to fully utilize leasing under the 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

- ✓ Continue to maximize utilization of all available funding while supporting the maximum number of units
- ✓ Conduct two Landlord Workshops to solicit participation in the program
- ✓ Recruit an additional 10 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”

- ✓ Continue purging paper files and conversion to electronic files; thereby improving efficiency, reducing costs and enhancing customer service
- ✓ Initiate new and revised rental agreements
- ✓ Revise current administrative plan

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

- ✓ Continue to offer homeownership opportunities to families under the First-Time Homebuyer programs sponsored by local financial institutions
- ✓ Continue to foster close relationships with local non-profits and other agencies to assist families in need
- ✓ Seek funding opportunities to add to the Housing Authority's services

**Accomplishments**

- Awarded a Certificate of Recognition from HUD for being a high-performing housing authority for the eleventh year in a row
- Obtained increased subsidies to protect families from future reductions in funding
- Assisted two families in becoming proud homeowners
- Awarded 15 additional VASH Vouchers, increasing subsidies for the program to assist veteran families

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

Performance Measure	Goal(s)	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Estimate	FY 19-20 Projected
Landlord Summits Conducted	1	1	1	2	2
Property Owners Participating in Housing Choice Voucher Program	6	517	520	527	530
Rental Units Participating	6	1,018	995	956	940
Veterans Assisted Housing Vouchers	1, 6	135	139	145	170

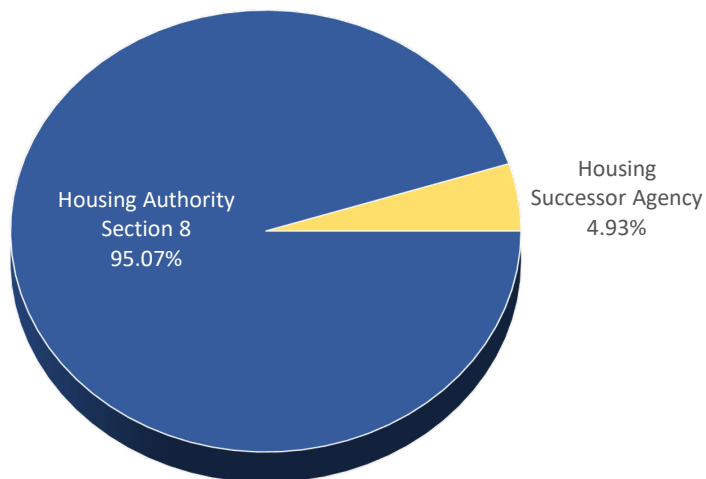
**FY 2019-20 FULL TIME PERSONNEL ALLOCATIONS**  
**Housing Authority**

<b>Department/Division</b>	<b>FY 2017-2018 Amended Base</b>	<b>FY 2018-2019 Adopted Base</b>	<b>FY 2019-2020 Adopted Base</b>
Housing Authority - Section 8	6.65	6.65	6.65
Successor Agency - Housing	0.20	0.20	0.20
<b>TOTAL:</b>	<b>6.85</b>	<b>6.85</b>	<b>6.85</b>

## Detailed Program Budget Housing Authority

	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	6.85	6.85	6.85	-	-
<b>SOURCES OF REVENUE</b>					
Special Revenue Funds	17,547,909	17,672,738	18,026,954	354,216	2.00
(Addition To)/Reduction in Fund Balance	(394,020)	169,950	536,445	366,495	215.65
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 17,153,889</b>	<b>\$ 17,842,688</b>	<b>\$ 18,563,399</b>	<b>\$ 720,711</b>	<b>4.04 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	515,166	538,879	537,908	(971)	-0.18
Maintenance & Operations	273,456	316,716	344,807	28,091	8.87
Workers Compensation	32,137	34,124	28,120	(6,004)	-17.59
Materials & Supplies	28,001	24,325	28,725	4,400	18.09
Contracts & Services	15,864,220	16,509,077	16,675,853	166,776	1.01
Fringe Benefits	411,583	400,422	428,744	28,322	7.07
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 17,124,563</b>	<b>\$ 17,823,543</b>	<b>\$ 18,044,157</b>	<b>\$ 220,614</b>	<b>1.24 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Special Items of Expense	-	-	500,000	500,000	100.00
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>100.00 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	11,766	-	-	-	-100.00
Capital Outlay - Projects	-	-	-	-	-100.00
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 11,766</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	17,560	19,145	19,242	97	0.51
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 17,560</b>	<b>\$ 19,145</b>	<b>\$ 19,242</b>	<b>\$ 97</b>	<b>0.51 %</b>
<b>TOTAL USES</b>	<b>\$ 17,153,889</b>	<b>\$ 17,842,688</b>	<b>\$ 18,563,399</b>	<b>\$ 720,711</b>	<b>4.04 %</b>
<b>USES BY PROGRAM RECAP</b>					
Housing Authority - Section 8	16,887,948	17,452,375	17,649,096	196,721	1.13
Housing - Successor Agency	265,941	390,313	914,303	523,990	134.25
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 17,153,889</b>	<b>\$ 17,842,688</b>	<b>\$ 18,563,399</b>	<b>\$ 720,711</b>	<b>4.04 %</b>

## Housing Authority - Uses by Division



## ➤ PITTSBURG POWER COMPANY

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PITTSBURG POWER COMPANY

ISLAND ENERGY

## ➤ PITTSBURG POWER COMPANY

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### **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**

- Develop opportunities between City Staff, the community, businesses, industry and the Board of Directors on potential business interest 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
- Collaborate between and 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 companies and meeting twice a year to receive project updates and address any 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

- ✓ Continue to provide funding support to the Pittsburg Police Department and General Fund in the amount of approximately \$1,000,000
- ✓ Sponsor and fund job apprenticeship and after school programs; as well as seek funding to expand existing programs
- ✓ Monitor Marin Clean Energy (MCE) Renewables Program Benefit



### Accomplishments

- ✓ Sponsored the Future Build job pre-apprenticeship and training program, which admitted 36 students which had a graduation rate of 89 percent and an employment rate of 85 percent, with graduates earning an average of \$19 per hour
- ✓ Sponsored short-term classes, training 20 residents in such topics as traffic control and flagging
- ✓ 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
- ✓ Supported Energy Delivery Solutions advancement into CEQA process
- ✓ Collaborated with MCE Clean Energy to launch the Community Choice Aggregation Program within the City

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

Performance Measure	Goal(s)	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Estimate	FY 19-20 Projected
Future Build Graduates	6	42	37	32	40

## ➤ PITTSBURG POWER COMPANY – ISLAND ENERGY

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### 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.



### 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 per the Fiscal Sustainability Ordinance

- ✓ Complete four commercial interconnects/expansions per Nimitz Group lease
- ✓ Standardize purchasing and contracting processes for better budgetary planning and control

Citywide Goal 2 – Prioritize Public Safety

- ✓ Enhance fencing, bollards, and signage for six key electrical substations to eliminate public safety threats
- ✓ Remove and cap six exposed, disconnected gas risers
- ✓ Weld shut approximately 20 manhole covers subject to potential access and cable theft

Citywide Goal 3 – Improve Public Facilities and Infrastructure

- ✓ Use thermal camera for electric system reliability trouble-shooting for multiple facilities Island-wide
- ✓ Repair two failed "looped" electric backbone circuits to improve system reliability
- ✓ Refurbish six wharf substations to improve system reliability



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

- ✓ Ensure electric rates below that of PG&E's by maintaining low administrative overhead costs
- ✓ Develop multi-year capital improvement projects to address all areas of load loss to minimize lost revenue
- ✓ Identify and remediate system and financial losses, by striving for zero bad meters and a year-to-year reduction in system loss



Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Complete as-built sets of electrical single line, master diagram, switching diagram, and "Master Plan" schematic
- ✓ Develop advanced work order process to effectively track work progress and recover customer support costs

**Accomplishments**

- ✓ Connected 40 new residential customers and 14 commercial customers
- ✓ Completed new residential electric & natural gas distribution system backbone
- ✓ Invested in new safety tools, equipment, plans and procedures for employee and public safety
- ✓ Deployed Advanced Metering Infrastructure (AMI) system to eliminate meter read time and human errors
- ✓ Integrated utility billing system with AMI system
- ✓ Implemented the Three-Step Contracting Process for facilitating customer support and recovering associated costs

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

Performance Measure	Goal(s)	FY 17-18 Actual	FY 18-19 Estimate	FY 19-20 Projected
Residential Customer Connections	1	40	40	20
Commercial Customer Connections	1	2	14	5
Residential Solar Interconnections	1	12	40	10
Gas Line Upgrades (Units)	3	6	6	4

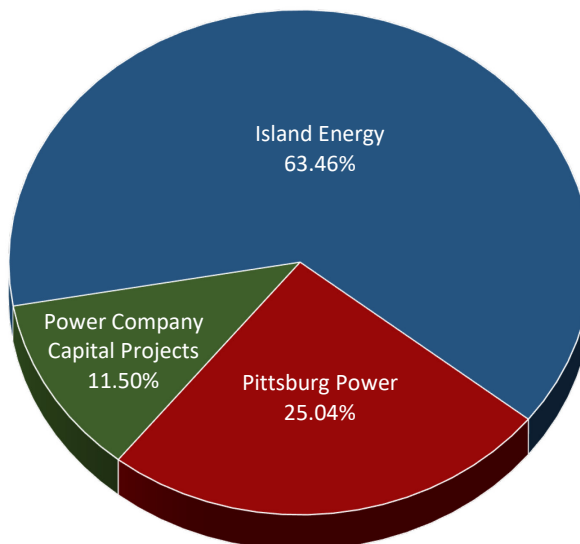
**FY 2019-20 FULL TIME PERSONNEL ALLOCATIONS**  
**Pittsburg Power Company**

<b>Department/Division</b>	<b>FY 2017-2018 Amended Base</b>	<b>FY 2018-2019 Adopted Base</b>	<b>FY 2019-2020 Adopted Base</b>
Island Energy	10.35	10.25	11.50
Pittsburg Power	1.75	1.85	2.55
<b>TOTAL:</b>	<b>12.10</b>	<b>12.10</b>	<b>14.05</b>

## Detailed Program Budget Pittsburg Power Company

	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	12.10	12.10	14.05	1.95	16.12 %
<b>SOURCES OF REVENUE</b>					
Enterprise Funds	8,570,899	8,920,683	9,040,185	119,502	1.34
(Addition To)/Reduction in Fund Balance	(373,181)	1,121,422	262,698	(858,724)	-76.57
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 8,197,718</b>	<b>\$ 10,042,105</b>	<b>\$ 9,302,883</b>	<b>\$ (739,222)</b>	<b>-7.36 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	1,432,965	1,553,328	1,718,859	165,531	10.66
Maintenance & Operations	706,461	730,411	691,986	(38,425)	-5.26
Workers Compensation	88,298	98,903	89,026	(9,877)	-9.99
Materials & Supplies	1,887,827	2,054,846	2,150,700	95,854	4.66
Contracts & Services	1,317,200	2,016,343	1,621,348	(394,995)	-19.59
Fringe Benefits	817,588	871,970	1,085,975	214,005	24.54
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 6,250,339</b>	<b>\$ 7,325,801</b>	<b>\$ 7,357,894</b>	<b>\$ 32,093</b>	<b>0.44 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Special Items of Expense	-	1,000	1,000	-	-
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>0.00 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	786,255	527,004	165,000	(362,004)	-68.69
Capital Outlay - Projects	553	1,429,482	1,020,000	(409,482)	-28.65
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 786,808</b>	<b>\$ 1,956,486</b>	<b>\$ 1,185,000</b>	<b>\$ (771,486)</b>	<b>-39.43 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	1,160,571	758,818	758,989	171	0.02
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 1,160,571</b>	<b>\$ 758,818</b>	<b>\$ 758,989</b>	<b>\$ 171</b>	<b>0.02 %</b>
<b>TOTAL USES</b>	<b>\$ 8,197,718</b>	<b>\$ 10,042,105</b>	<b>\$ 9,302,883</b>	<b>\$ (739,222)</b>	<b>-7.36 %</b>
<b>USES BY PROGRAM RECAP</b>					
Island Energy	5,357,950	6,133,082	5,903,173	(229,909)	-3.75
Pittsburg Power	2,434,808	2,916,477	2,329,710	(586,767)	-20.12
Power Company Capital Projects	404,960	992,546	1,070,000	77,454	7.80
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 8,197,718</b>	<b>\$ 10,042,105</b>	<b>\$ 9,302,883</b>	<b>\$ (739,222)</b>	<b>-7.36 %</b>

## Pittsburg Power Company - Uses by Division



## ➤ POLICE DEPARTMENT

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OPERATIONS BUREAU

INVESTIGATIONS

SUPPORT SERVICES

CODE ENFORCEMENT

## ➤ POLICE DEPARTMENT

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### 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 Gang/Vice Team. 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**

- ✓ Develop a “Return to Work” program to assist Pittsburg’s homeless population transition back into the workforce



- ✓ Continued crime-reduction efforts and monitor social media to identify potential trends in illegal activity
- ✓ Expand Explorer and Junior Explorer programs, establish an Introduction to Law Enforcement class at Pittsburg High School and seek funding to expand high school summer Police Intern program
- ✓ Renovate the Property and Evidence room to develop long-term storage solutions, as well as conduct a full inventory on guns, drugs and currency
- ✓ Continue specialized enforcement assignments to prevent violence, gang activity and human trafficking; and explore strategies to reduce rapes and educate public on sexual assault prevention and reporting via the Gang/Vice Unit, County Anti-Violence Support Effort (CASE) and the FBI Safe Streets Task Force
- ✓ Add eight additional automatic license plate recognition (ALPR) cameras to City camera network
- ✓ Complete a cold-case review of unsolved murder cases utilizing the significant advancements in DNA technology
- ✓ Conduct a beat structure assessment and a security assessment at City Hall
- ✓ Increase Code Enforcement efforts at commercial locations throughout the City



### **Accomplishments**

- ✓ Second lowest year of reported Part I crime since 1995 with a population increase of more than 20,000 over the same time period
- ✓ Processed 61 Public Records Act (PRA) requests in 2018, a 221% over the previous year
- ✓ Expanded our Homeless Outreach Team with the addition of a Sergeant and added patrols to four of the City's largest shopping centers
- ✓ Continued collaboration with the California Department of Transportation on the Regional Freeway Camera Project, which is operation in 80% of East County



- ✓ Obtained full staffing with the most diverse staff the Department has seen in the past 25 years
- ✓ Obtained critical de-escalation training simulator to enhance training available to officers who must make split-second decisions
- ✓ Equipped all marked police units with dash-mounted cameras
- ✓ Reduced active, open cases assigned to detectives by 55%, reducing cases pending review by the District Attorney's office from 1,100 to 500
- ✓ Reduced fatal traffic collisions by 43%
- ✓ Continued actively engaging community through social media, neighborhood watch and business watch meetings, as well as events such as Coffee with a Cop and National Night Out



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

Performance Measure	Goal	Calendar Year 2016	Calendar Year 2017	Calendar Year 2018	Change from 2017
<b>OPERATIONS BUREAU</b>					
Calls for Service	2	72,426	80,631	80,133	-0.06%
Arrests	2	2,805	3,329	2,808	-15.65%
Traffic Citations	2	2,541	5,428	4,461	-17.82%
Guns Recovered	2	126	156	238	52.56%
Total Part I Crime*	2	33.8	30.6	29.2	-4.57%
Total Violent Crime*	2	4.5	4.9	5.8	18.37%
<b>SUPPORT SERVICES BUREAU</b>					
Public Records Act Requests	2	22	19	61	221.05%
PRA – Police Report Requests	2	2,840	2,852	3,384	18.65%

*\*Per 1,000 residents (Part I Crime includes murder, rape, robbery, aggravated assault, burglary, larceny vehicle theft and arson, Violent Crime includes murder, rape, robbery and aggravated assault)*



**FY 2019-20 FULL TIME PERSONNEL ALLOCATIONS**  
**Police Department**

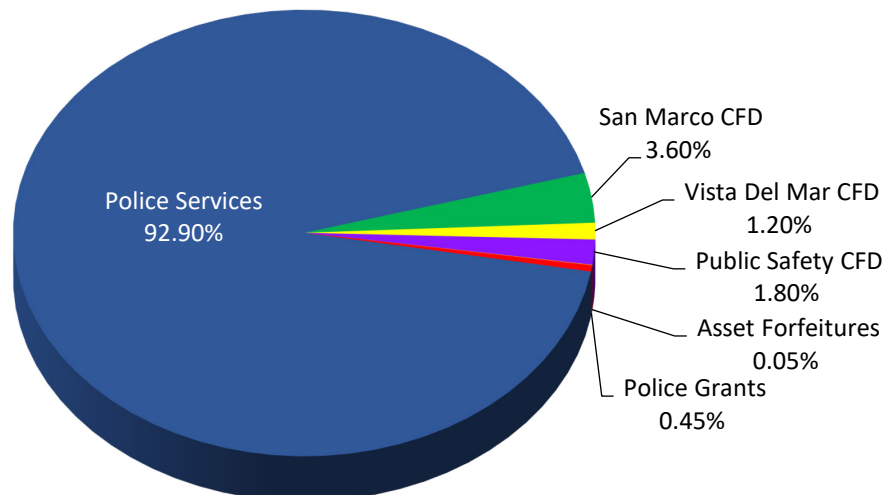
<b>Department/Division</b>	<b>FY 2017-2018 Amended Base</b>	<b>FY 2018-2019 Adopted Base</b>	<b>FY 2019-2020 Adopted Base</b>
Police - Admin & Support Services	3.00	7.00	7.00
Police - Operations Bureau	62.50	72.00	70.00
Police - Investigations	17.30	14.80	13.80
Police - Support Services	15.00	16.00	19.00
Police - Family Justice Center	0.20	0.20	0.20
San Marco Police CFD	2.98	0.00	0.00
Vista Del Mar CFD	1.39	0.00	0.00
Public Safety Service CFD 2005-01	1.63	0.00	0.00
<b>TOTAL:</b>	<b>104.00</b>	<b>110.00</b>	<b>110.00</b>

## Detailed Program Budget Police Department

	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	104.00	110.00	110.00	-	-
<b>SOURCES OF REVENUE</b>					
General Fund	24,722,881	26,354,426	26,993,773	639,347	2.43
Special Revenue Funds	3,245,392	4,452,782	2,050,316	(2,402,466)	-53.95
(Addition To)/Reduction in Fund Balance	(253,112)	3,259,549 <sup>1</sup>	2,578,220	(681,329)	-20.90
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 27,715,161</b>	<b>\$ 34,066,757</b>	<b>\$ 31,622,309</b>	<b>\$ (2,444,448)</b>	<b>-7.18 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	12,355,301	13,328,719	13,339,328	10,609	0.08
Maintenance & Operations	2,053,669	2,540,364	2,806,391	266,027	10.47
Workers Compensation	748,071	877,547	700,384	(177,163)	-20.19
Materials & Supplies	378,612	539,970	287,500	(252,470)	-46.76
Contracts & Services	3,226,503	5,717,634	2,488,800	(3,228,834)	-56.47
Fringe Benefits	7,827,421	8,840,950	9,526,872	685,922	7.76
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 26,589,577</b>	<b>\$ 31,845,184</b>	<b>\$ 29,149,275</b>	<b>\$ (2,695,909)</b>	<b>-8.47 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Special Items of Expense	3,495	5,000	5,000	-	-
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ 3,495</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ -</b>	<b>0.00 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	916,089	(102,434)	262,000	364,434	-355.77
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 916,089</b>	<b>\$ (102,434)</b>	<b>\$ 262,000</b>	<b>\$ 364,434</b>	<b>-355.77 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	206,000	2,319,007 <sup>1</sup>	2,206,034	(112,973)	-4.87
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 206,000</b>	<b>\$ 2,319,007</b>	<b>\$ 2,206,034</b>	<b>\$ (112,973)</b>	<b>-4.87 %</b>
<b>TOTAL USES</b>	<b>\$ 27,715,161</b>	<b>\$ 34,066,757</b>	<b>\$ 31,622,309</b>	<b>\$ (2,444,448)</b>	<b>-7.18 %</b>
<b>USES BY PROGRAM RECAP</b>					
Police Services	25,143,899	28,849,801 <sup>1</sup>	29,376,175	526,374	1.82
San Marco CFD	669,059	1,034,400	1,139,200	104,800	10.13
Vista Del Mar CFD	256,662	426,050	380,800	(45,250)	-10.62
Public Safety CFD	316,092	624,375	570,100	(54,275)	-8.69
Asset Forfeitures	11,940	-	15,000	15,000	-100.00
Police Grants	1,317,509	3,132,131	141,034	(2,991,097)	-95.50
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 27,715,161</b>	<b>\$ 34,066,757</b>	<b>\$ 31,622,309</b>	<b>\$ (2,444,448)</b>	<b>-7.18 %</b>

(1) Includes transfers from Police CFD funds and Grant funds for police services in the amount of \$2,382,402, therefore uses appear to be overstated by that amount.

## Police Department - Uses by Division



## ➤ PUBLIC WORKS – MAINTENANCE SERVICES

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CITYWIDE STREET LIGHTING

CITYWIDE STREET & CONCRETE MAINTENANCE

CITYWIDE STREET TREES

GRAFFITI REMOVAL

CITYWIDE LANDSCAPE & PARK MAINTENANCE

SWIM CENTER MAINTENANCE

BUILDING MAINTENANCE

FLEET MAINTENANCE

## ➤ PUBLIC WORKS - MAINTENANCE SERVICES

### Overview

The Public Works Department is responsible for the operation and maintenance of City facilities and infrastructure. The Public Works Maintenance Services Department maintains, within the limits of respective budgets, all City street maintenance including lighting, sidewalks and trees, storm drains, graffiti removal, landscaping, parks 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 streetlight inspections, including inspections of City-owned parking lots and facilities, to identify inoperative or malfunctioning lights
- Identify and notify PG&E of inoperable PG&E maintained streetlights requiring repair and monitor status for compliance
- Replace City-owned light poles damaged by vehicular accidents
- Construct and install a limited number of new streetlight poles in areas that do not have efficient lighting pertaining to City rights-of-way, parking lots and streets; reducing electrical power consumption and operating costs where possible through the use of solar-powered streetlights
- Repair underground electrical conductors and replace conductors stolen by thieves taking the wire for scrap/recycling value





#### *Citywide Street Maintenance:*

- Perform maintenance including repairing potholes, asphalt patching, crack filling and slurry sealing
- Maintain and install signage throughout the City
- Perform re-striping of crosswalks, dividers, legends with thermoplastic and traffic buttons/markers that have worn over time due to vehicular traffic

#### *Citywide Concrete:*

- Mark sidewalk lifts and schedule the repairs of damaged sidewalks, curbs, and gutters based on the severity of damage and potential for contributing to personal injury
- Educate property owners on their responsibility for curb, gutter, and sidewalk damage, if not street tree or utility related; as well as notify property owners of damages requiring their repair

#### *Citywide Street Trees:*

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



#### *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 identify serial taggers for future recovery of costs associated with Graffiti Removal and to help in prosecution

### *Citywide Landscape and Park Maintenance:*

- 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

## **Goals**

### **Citywide Goal 1** – Achieve and Maintain a Structurally Balanced Budget

- ✓ Continue to seek additional sources of supplemental labor and maintain current sources to compliment the City's landscape maintenance efforts

### **Citywide Goal 2** – Prioritize Public Safety

- ✓ Replace playground equipment and other amenities at City parks

### **Citywide Goal 5** – Increase Efficiency of City Operations and Services

- ✓ Complete landscape median projects on Marina Boulevard to reduce maintenance and water use
- ✓ Explore feasibility of contract maintenance of medians and City right-of-way areas



## **Accomplishments**

- ✓ Continued successful graffiti abatement program, responding within 24 hours on weekdays
- ✓ Increased safety and lighting by installing solar lighting for BART pedestrian path along Railroad Avenue and Bliss Avenue and a solar street pole light on Arroyo Way



## ➤ PUBLIC WORKS – BUILDING MAINTENANCE

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### 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
Estimated Cumulative Square Footage of City Buildings	146,500
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 258 vehicles and pieces of equipment. This includes 29 police patrol cars, 16 sedans, 5 motorcycles, 47 heavy-duty trucks and construction equipment, and 94 light-duty and medium-duty trucks, vans and SUVs, and 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 5,000 miles
- Service heavy equipment (backhoes, Vac-Con, 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	29
<i>Routine Service for Patrol Cars (7 times per year)</i>	203
Number of Police Motorcycles	5
Number of City Sedans, Light-Duty and Medium-Duty Trucks and Vans	110
<i>Routine Service for Sedans, Light-Duty and Medium-Duty Trucks and Vans (3 times per year)</i>	330
Heavy-Duty Trucks and Other Heavy Equipment	47
<i>Routine Service for Heavy-Duty Trucks and Other Heavy Equipment (2 times per year)</i>	94
Miscellaneous Equipment (i.e. compressors, mowers, amusement park rides)	66

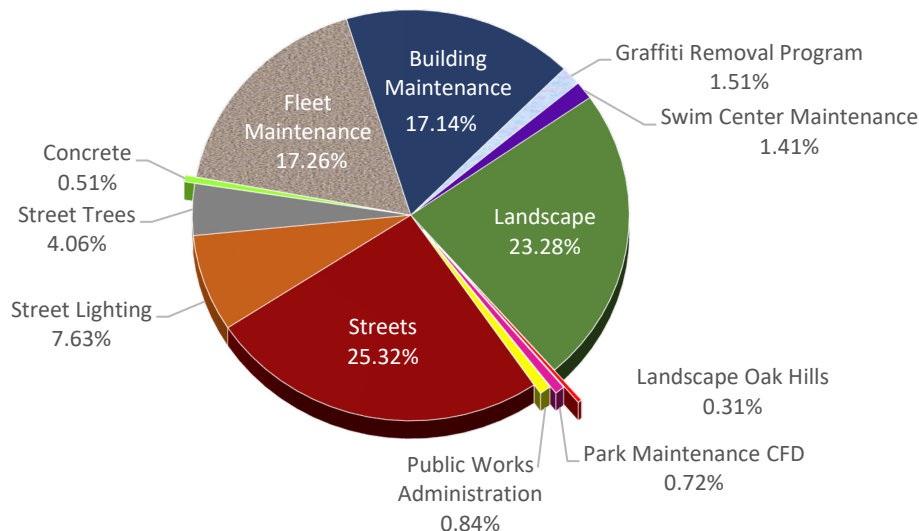
**FY 2019-20 FULL TIME PERSONNEL ALLOCATIONS**  
**Public Works - Maintenance Services**

<b>Department/Division</b>	<b>FY 2017-2018 Amended Base</b>	<b>FY 2018-2019 Adopted Base</b>	<b>FY 2019-2020 Adopted Base</b>
Graffiti Removal Program	1.15	1.15	1.20
Public Works-Streets	11.95	13.05	12.75
Citywide Street Lighting	1.30	1.30	1.30
Citywide Landscape	9.64	8.65	9.65
Citywide Street Trees	2.70	2.50	2.50
Citywide Concrete Program	0.25	0.10	0.10
Park Maintenance CFD 2007-1	0.36	0.25	0.25
NPDES - Storm Drain Clean-Up	2.75	2.65	2.90
Fleet Maintenance	3.45	3.55	3.55
Building Maintenance	4.15	4.25	5.45
<b>TOTAL:</b>	<b>37.70</b>	<b>37.45</b>	<b>39.65</b>

## Detailed Program Budget Public Works – Maintenance Services

	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	37.70	37.45	39.65	2.20	5.87 %
<b>SOURCES OF REVENUE</b>					
General Fund	1,966,375	1,978,326	1,996,940	18,614	0.94
Internal Service Funds	4,186,928	3,867,213	4,153,380	286,167	7.40
Special Revenue Funds	4,330,359	4,234,876	4,459,020	224,144	5.29
(Addition To)/Reduction in Fund Balance	(203,094)	1,684,287	1,490,049	(194,238)	-11.53
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 10,280,568</b>	<b>\$ 11,764,702</b>	<b>\$ 12,099,389</b>	<b>\$ 334,687</b>	<b>2.84 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	2,994,784	3,262,040	3,247,615	(14,425)	-0.44
Maintenance & Operations	2,782,386	2,815,161	3,093,068	277,907	9.87
Workers Compensation	183,647	208,840	172,114	(36,726)	-17.59
Materials & Supplies	1,223,173	1,314,566	1,330,400	15,834	1.20
Contracts & Services	608,056	936,956	1,326,511	389,555	41.58
Fringe Benefits	1,849,036	2,051,209	2,197,316	146,107	7.12
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 9,641,082</b>	<b>\$ 10,588,772</b>	<b>\$ 11,367,024</b>	<b>\$ 778,252</b>	<b>7.35 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	509,025	1,041,370	100,000	(941,370)	-90.40
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 509,025</b>	<b>\$ 1,041,370</b>	<b>\$ 100,000</b>	<b>\$ (941,370)</b>	<b>-90.40 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	130,461	134,560	632,365	497,805	369.95
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 130,461</b>	<b>\$ 134,560</b>	<b>\$ 632,365</b>	<b>\$ 497,805</b>	<b>369.95 %</b>
<b>TOTAL USES</b>	<b>\$ 10,280,568</b>	<b>\$ 11,764,702</b>	<b>\$ 12,099,389</b>	<b>\$ 334,687</b>	<b>2.84 %</b>
<b>USES BY PROGRAM RECAP</b>					
Swim Center Maint.	140,621	153,842	170,489	16,647	10.82
Landscape	2,498,003	2,757,629	2,817,250	59,621	2.16
Landscape - Oak Hills Assessment	15,176	35,175	37,298	2,123	6.04
Park Maintenance CFD	68,667	75,017	87,609	12,592	16.79
Public Works Administration	89,359	96,421	101,914	5,493	5.70
Streets	2,375,063	2,579,867	3,063,387	483,520	18.74
Street Lighting	865,349	843,169	923,512	80,343	9.53
Street Trees	552,456	486,386	491,414	5,028	1.03
Concrete	56,947	60,722	61,147	425	0.70
Fleet Maintenance	1,746,110	2,627,996	2,088,872	(539,124)	-20.51
Building Maintenance	1,720,058	1,888,440	2,074,007	185,567	9.83
Graffiti Removal Program	152,759	160,038	182,490	22,452	14.03
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 10,280,568</b>	<b>\$ 11,764,702</b>	<b>\$ 12,099,389</b>	<b>\$ 334,687</b>	<b>2.84 %</b>

## Public Works Maintenance Services - Uses by Division



➤ **PUBLIC WORKS – WATER AND SEWER SYSTEM  
ENTERPRISES**

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**WATER LINES**

**WATER TREATMENT PLANT**

**SEWER MAINTENANCE**

## ➤ PUBLIC WORKS – WATER AND SEWER SYSTEM ENTERPRISES – WATER OPERATIONS

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### Overview

The Water Distribution Maintenance Division 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 with annual water loss full audit of the City's water treatment and delivery system to help reduce potential loss sources; prioritize projects that would reduce water loss
- ✓ Continue annual replacement program for poly water service laterals to decrease water loss in the distribution system
- ✓ Continue Automatic Meter Reading replacement

program for the eighth year; replacing 1,600 meters for a total of 77 percent of the meter system replaced

### **Accomplishments**

- ✓ Completed seventh year of the program to install Automatic Meter Reading System to improve accuracy and efficiency of meter reading
- ✓ Completed annual water loss audit for the water treatment and distribution system to help identify potential loss sources
- ✓ Completed the replacement of 123 poly water services to help reduce potential source of water loss

<b>Water Maintenance Responsibility</b>	
Water Distribution System (in miles)	225
Fire Hydrants	1,840
Water Isolation Valves	5,900
Water Meter Conversions to Automatic System Completed	12,400
Water Customer Service Lines and Meters	18,200



## ➤ PUBLIC WORKS – WATER AND SEWER SYSTEM ENTERPRISES – SEWER OPERATIONS

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### 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)
- Perform routine tasks such as root cutting and video inspections of main lines and laterals utilizing a Closed-Circuit Television (CCTV) inspection truck, which provides greater efficiency in pinpointing problems and chronic areas
- Provide preventative cleaning for 18 miles of problem sewer lines that have been identified with chronic or regularly reoccurring problems, which prevents overflows until these lines can be replaced as part of a capital improvement project
- Repair and/or replace sewer laterals within the City's right-of-way (lower laterals) as well as respond to lateral blockages, conduct video inspections, and schedule repair or replacement if problem is in the lower lateral

### Goals

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Use CCTV truck to view and evaluate approximately 100,000 linear feet of sewer and storm drainpipe to locate areas needing spot repair and to increase efficiency of maintenance, particularly in known problem areas



## **Accomplishments**

- ✓ Evaluated approximately 90,000 linear feet of sewer lines with the CCTV truck to identify mainline problems and confirm new installations/replacements
- ✓ Repaired 26 lower sewer laterals
- ✓ Root-foamed over 17,000 feet of problem sewer line to reduce potential for sewer back-up

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



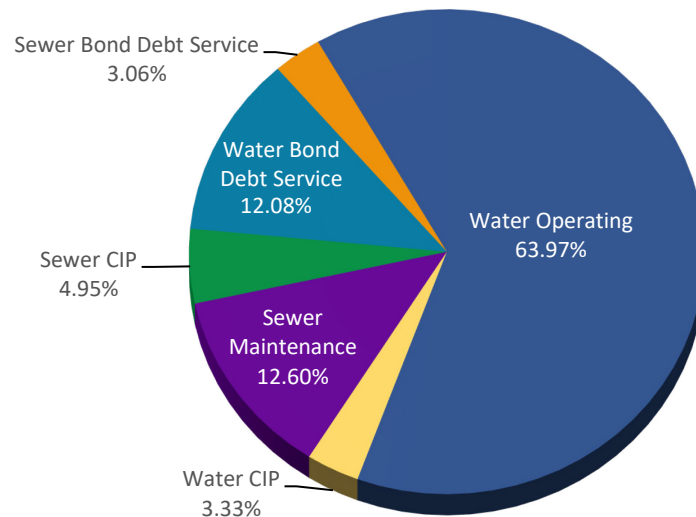
**FY 2019-20 FULL TIME PERSONNEL ALLOCATIONS**  
**Public Works - Water and Sewer Systems Enterprises**

<b>Department/Division</b>	<b>FY 2017-2018 Amended Base</b>	<b>FY 2018-2019 Adopted Base</b>	<b>FY 2019-2020 Adopted Base</b>
Water Operating	32.10	32.60	32.60
Sewer Maintenance	8.90	8.40	9.90
<b>TOTAL:</b>	<b>41.00</b>	<b>41.00</b>	<b>42.50</b>

## Detailed Program Budget Public Works – Water and Sewer Enterprises

	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	41.00	41.00	42.50	1.50	3.66 %
<b>SOURCES OF REVENUE</b>					
Capital Projects Funds	169	-	480	480	-100.00
Debt Service	215,588	3,000	28,000	25,000	833.33
Enterprise Funds	28,102,539	37,742,943	28,354,252	(9,388,691)	-24.88
(Addition To)/Reduction in Fund Balance	(1,505,604)	17,570,185	(2,137,985)	(19,708,170)	-112.17
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 26,812,692</b>	<b>\$ 55,316,128</b>	<b>\$ 26,244,747</b>	<b>\$ (29,071,381)</b>	<b>-52.55 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	3,565,501	4,275,591	4,263,660	(11,931)	-0.28
Maintenance & Operations	3,016,618	2,955,822	2,947,142	(8,680)	-0.29
Workers Compensation	219,484	259,355	220,800	(38,555)	-14.87
Materials & Supplies	6,491,221	7,933,422	8,008,987	75,565	0.95
Contracts & Services	431,211	525,085	380,300	(144,785)	-27.57
Fringe Benefits	2,378,158	2,626,298	2,938,879	312,581	11.90
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 16,102,193</b>	<b>\$ 18,575,573</b>	<b>\$ 18,759,768</b>	<b>\$ 184,195</b>	<b>0.99 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Debt Service	3,648,123	3,985,582	3,974,193	(11,389)	-0.29
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ 3,648,123</b>	<b>\$ 3,985,582</b>	<b>\$ 3,974,193</b>	<b>\$ (11,389)</b>	<b>-0.29 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	355,200	105,000	90,000	(15,000)	-14.29
Capital Outlay - Projects	4,245,566	21,944,298	2,175,000	(19,769,298)	-90.09
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 4,600,766</b>	<b>\$ 22,049,298</b>	<b>\$ 2,265,000</b>	<b>\$ (19,784,298)</b>	<b>-89.73 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	2,461,610	10,705,675	1,245,786	(9,459,889)	-88.36
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 2,461,610</b>	<b>\$ 10,705,675</b>	<b>\$ 1,245,786</b>	<b>\$ (9,459,889)</b>	<b>-88.36 %</b>
<b>TOTAL USES</b>	<b>\$ 26,812,692</b>	<b>\$ 55,316,128</b>	<b>\$ 26,244,747</b>	<b>\$ (29,071,381)</b>	<b>-52.55 %</b>
<b>USES BY PROGRAM RECAP</b>					
Water Operating	14,538,735	22,666,326	16,787,544	(5,878,782)	-25.94
Water CIP	809,480	1,371,105	875,000	(496,105)	-36.18
Water Facility Reserve Fee Funds	1,410,901	3,589,391	-	(3,589,391)	-100.00
Sewer Maintenance	3,089,810	2,962,612	3,308,010	345,398	11.66
Sewer CIP	3,012,544	18,353,999	1,300,000	(17,053,999)	-92.92
Sewer Facility Reserve Fee Funds	-	693,113	-	(693,113)	-100.00
Water Bond Debt Service	3,145,300	4,874,148	3,170,764	(1,703,384)	-34.95
Sewer Bond Debt Service	805,922	805,434	803,429	(2,005)	-0.25
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 26,812,692</b>	<b>\$ 55,316,128</b>	<b>\$ 26,244,747</b>	<b>\$ (29,071,381)</b>	<b>-52.55 %</b>

### Water and Sewer Enterprises - Uses by Division



## ➤ RECREATION PROGRAMS

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ADMINISTRATION

AQUATICS

SENIOR CENTER

SMALL WORLD PARK

CALIFORNIA THEATRE

## ➤ RECREATION PROGRAMS

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### **Overview**

The Recreation Department presents programs and services including aquatics, the Senior Center, and 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 all age groups of residents in 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 our residents ages 50 and up 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

- ✓ Identify park improvement projects and work with volunteer organizations, non-profits organizations, and local businesses to complete those projects
- ✓ Increase revenues by 10% through facility rentals and programming
- ✓ Continue to seek federal, state, county and private organizations for grant and funding opportunities to support recreation programs

#### **Citywide Goal 3** – Improve Public Facilities and Infrastructure

- ✓ Provide for increased safety and security improvements for facilities such as Small World Park and Senior Center
- ✓ Seek grants and other means of funding to improve facilities and infrastructure throughout the City



#### **Citywide Goal 5** – Increase Efficiency of City Operations and Services

- ✓ Open the Second-Floor counter at City Hall for the purposes of the facility rentals and customer service

#### **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 providing personal development activities and trainings
- ✓ Expand partnerships with local non-profits and businesses that focus on recreational and personal development and job training
- ✓ Provide a variety of community events throughout the City
- ✓ Increase attendance by 15 percent at Small World Park and Buchanan Pool
- ✓ Provide new recreational youth sports programs
- ✓ Identify programming for teens in grades nine through 12

### **Accomplishments**

- ✓ Received \$48,000 in grant funding from First 5, Keller Canyon, Los Medanos College Healthcare District, Calpine, and Mt. Diablo Resource Recovery
- ✓ Installed security swing doors with visibility at Buchanan Pool to prevent people from entering into or leaving the pool area unnoticed
- ✓ Installed new televisions and flooring in the main hall of the Senior Center
- ✓ Upgraded the security camera system in the Senior Center
- ✓ Installed new wireless network at Small World Park
- ✓ Completed major repairs made to the train at Small World Park
- ✓ Provided capability to check facility availability and sign up for programs online
- ✓ Began Pittsburg Summer Youth Corps (PSYC) program which provides summer work experience and personal development for 20 students, ages 11-14, in collaboration with the Pittsburg Chamber of Commerce, Kumon Math and Reading Center, PACF, Pittsburg High School alumni, and local businesses for PSYC
- ✓ Sponsored eight Junior High and High School students for an accelerated math program through Kumon Math and Reading Center
- ✓ Collaborated with Pittsburg High School Video Production class on "Envision Pittsburg" the Pilot City Project



- ✓ Conducted the Pittsburg Junior Kings Youth Basketball League for ages 6-14 with 86 participants
- ✓ Held STEM (Science, Technology, Engineering and Math) Week at Small World Park in partnership with four outside agencies

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

Performance Measure	Goal(s)	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Estimate	FY 19-20 Projected
Aquatic Center Gate Attendance	6	2,379	2,645	5,000	5,500
Small World Park Gate Attendance	6	25,050	29,000	35,000	35,500
Senior Center Nutrition/Exercise Class Participants	6	11,305	13,260	15,000	15,500
Community Events Hosted	6	28	35	33	35
Community Events Hosted in Collaboration with Other City Departments and Organizations	6	11	17	16	17



## ➤ 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. Each summer, a youth performing arts camp trains the next generation of performers on the historic stage.

Event films, including classics and moving documentaries, draw crowds to the venue. 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	Goal(s)	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Estimate	FY 19-20 Projected
Box Office Ticket Sales	6	14,201	10,737	11,200	13,500
Performances	6	95	61	66	82

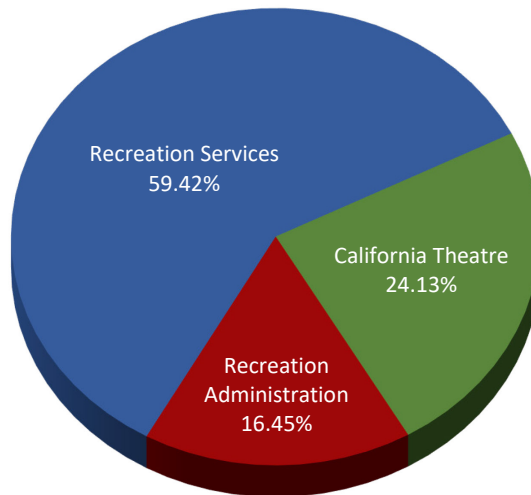
**FY 2019-20 FULL TIME PERSONNEL ALLOCATIONS**  
**Recreation**

<b>Department/Division</b>	<b>FY 2017-2018 Amended Base</b>	<b>FY 2018-2019 Adopted Base</b>	<b>FY 2019-2020 Adopted Base</b>
Recreation - Admin	0.75	0.75	1.70
Recreation - Sports	1.15	1.15	1.15
Recreation - Senior Center	2.00	2.00	2.00
<b>TOTAL:</b>	<b>3.90</b>	<b>3.90</b>	<b>4.85</b>

## Detailed Program Budget Recreation

	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	3.90	3.90	4.85	0.95	24.36 %
<b>SOURCES OF REVENUE</b>					
General Fund	990,984	1,011,726	989,256	(22,470)	-2.22
Special Revenue Funds	367,945	413,144	454,307	41,163	9.96
(Addition To)/Reduction in Fund Balance	263,694	470,164	490,646	20,482	4.36
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 1,622,623</b>	<b>\$ 1,895,034</b>	<b>\$ 1,934,209</b>	<b>\$ 39,175</b>	<b>2.07 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	534,295	763,570	670,825	(92,745)	-12.15
Maintenance & Operations	342,318	350,356	395,221	44,865	12.81
Workers Compensation	32,837	45,807	35,796	(10,011)	-21.85
Materials & Supplies	66,989	68,647	60,675	(7,972)	-11.61
Contracts & Services	452,775	418,773	481,851	63,078	15.06
Fringe Benefits	184,740	218,381	261,341	42,960	19.67
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 1,613,954</b>	<b>\$ 1,865,534</b>	<b>\$ 1,905,709</b>	<b>\$ 40,175</b>	<b>2.15 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Special Items of Expense	8,669	29,500	28,500	(1,000)	-3.39
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ 8,669</b>	<b>\$ 29,500</b>	<b>\$ 28,500</b>	<b>\$ (1,000)</b>	<b>-3.39 %</b>
<b>TOTAL USES</b>	<b>\$ 1,622,623</b>	<b>\$ 1,895,034</b>	<b>\$ 1,934,209</b>	<b>\$ 39,175</b>	<b>2.07 %</b>
<b>USES BY PROGRAM RECAP</b>					
Recreation Administration	169,964	186,262	318,117	131,855	70.79
Recreation Services	1,068,072	1,312,512	1,149,345	(163,167)	-12.43
Recreation Grants	14,268	14,010	-	(14,010)	-100.00
California Theatre	370,319	382,250	466,747	84,497	22.11
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 1,622,623</b>	<b>\$ 1,895,034</b>	<b>\$ 1,934,209</b>	<b>\$ 39,175</b>	<b>2.07 %</b>

## Recreation Services - Uses by Division



➤ **SUCCESSOR AGENCY TO THE FORMER  
REDEVELOPMENT AGENCY OF THE CITY OF PITTSBURG**

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**SUCCESSOR AGENCY ADMINISTRATION**

**SUCCESSOR AGENCY DEBT SERVICE**



## ➤ **SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF PITTSBURG**

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### **Overview**

Pursuant to California Assembly Bill 1X 26, the State resolution dissolving redevelopment agencies (the Dissolution Act), the Redevelopment Agency of the City of Pittsburg (Agency) was dissolved on February 1, 2012. 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 the Dissolution Act
- 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, the City, Pittsburg Arts and Community Foundation (PACF), Pittsburg Power, and Housing Authority

### **Goals**

#### **Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget**

- ✓ Dispose of the remaining six Successor Agency properties to 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, in conjunction with City departments and outside agencies
- ✓ Administer and continue funding the Housing Rehabilitation Loan Program, which preserves existing homes
- ✓ Acquire a home to be used for the Housing Authority rental program



## Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Work with tenants and borrowers to keep lease and loan payments current
- ✓ Keep insurance documents current
- ✓ Continue to work with tenants to ensure property maintenance is regularly performed to reduce/prevent costly repairs and collect maintenance reports
- ✓ Manage 28 leases and loans for City, Successor Agency, PACF, and Housing Authority

### Accomplishments

- ✓ Sold one property for approximately \$160,000 and in escrow process on an additional anticipate another property is anticipated to close escrow by fiscal-year end for approximately \$50,000
- ✓ Four properties are at various stages of disposition for a value of approximately \$1.95 million
- ✓ Provided housing counseling services to 56 Pittsburg residents through three quarters of the fiscal year
- ✓ Funded three housing rehabilitation loans in collaboration with CDBG, while two additional loans have been initiated
- ✓ One First Time Home Buyer down payment assistance was issued



**FY 2019-20 FULL TIME PERSONNEL ALLOCATIONS**  
**Successor Agency to Former Redevelopment Agency**

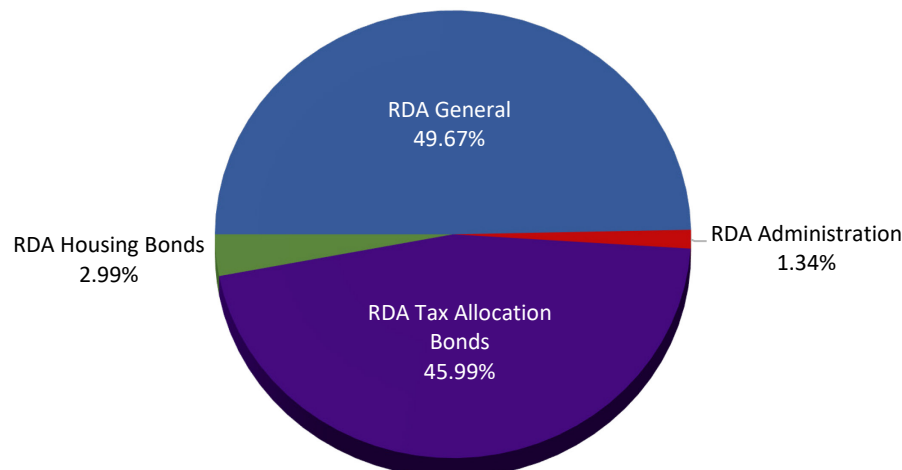
<b>Department/Division</b>	<b>FY 2017-2018 Amended Base</b>	<b>FY 2018-2019 Adopted Base</b>	<b>FY 2019-2020 Adopted Base</b>
RDA Administration	1.10	1.10	1.10
<b>TOTAL:</b>	<b>1.10</b>	<b>1.10</b>	<b>1.10</b>

## Detailed Program Budget Successor Agency to Former RDA

	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	1.10	1.10	1.10	-	-
<b>SOURCES OF REVENUE</b>					
Capital Projects Funds	60,518	354,711	-	(354,711)	-100.00
Debt Service	34,069,439	33,601,664	33,705,527	103,863	0.31
Redevelopment Agency	36,184,178	34,545,126	34,335,790	(209,336)	-0.61
(Addition To)/Reduction in Fund Balance	(904,294)	552,231	(57,392)	494,839	-89.61
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 69,409,841</b>	<b>\$ 67,949,270</b>	<b>\$ 67,983,925</b>	<b>\$ 34,655</b>	<b>-0.05 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	181,430	214,300	198,359	(15,941)	-7.44
Maintenance & Operations	24,864	54,854	24,958	(29,896)	-54.50
Workers Compensation	11,308	12,384	10,329	(2,055)	-16.59
Materials & Supplies	625	1,600	1,600	-	-
Pass Through Payments	2,188,195	-	-	-	-100.00
Contracts & Services	108,038	119,262	590,628	471,366	395.24
Fringe Benefits	76,421	83,882	87,503	3,621	4.32
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 2,590,881</b>	<b>\$ 486,282</b>	<b>\$ 913,377</b>	<b>\$ 427,095</b>	<b>87.83 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Debt Service	32,991,857	33,176,358	33,269,973	93,615	0.28
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ 32,991,857</b>	<b>\$ 33,176,358</b>	<b>\$ 33,269,973</b>	<b>\$ 93,615</b>	<b>0.28 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Projects	38,485	301,390	-	(301,390)	-100.00
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 38,485</b>	<b>\$ 301,390</b>	<b>\$ -</b>	<b>\$ (301,390)</b>	<b>-100.00 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	33,788,618	33,985,240	33,800,575	(184,665)	-0.54
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 33,788,618</b>	<b>\$ 33,985,240</b>	<b>\$ 33,800,575</b>	<b>\$ (184,665)</b>	<b>-0.54 %</b>
<b>TOTAL USES</b>	<b>\$ 69,409,841</b>	<b>\$ 67,949,270</b>	<b>\$ 67,983,925</b>	<b>\$ 34,655</b>	<b>0.05 %</b>
<b>USES BY PROGRAM RECAP</b>					
RDA General	33,749,812	33,863,624 <sup>1</sup>	33,770,575	(93,049)	-0.27
RDA Administration	2,568,847	432,961 <sup>1</sup>	913,377	480,416	110.96
RDA Capital Projects Fund	60,519	426,327	-	(426,327)	-100.00
RDA Tax Allocation Bonds	30,993,361	31,195,693 <sup>1</sup>	31,267,745	72,052	0.23
RDA Housing Bonds	2,037,302	2,030,665 <sup>1</sup>	2,032,228	1,563	0.08
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 69,409,841</b>	<b>\$ 67,949,270</b>	<b>\$ 67,983,925</b>	<b>\$ 34,655</b>	<b>0.05 %</b>

(1) Represents transfers between funds to pay for debt obligations in the amount of \$33,770,575, therefore uses appear to be overstated by \$33,770,575

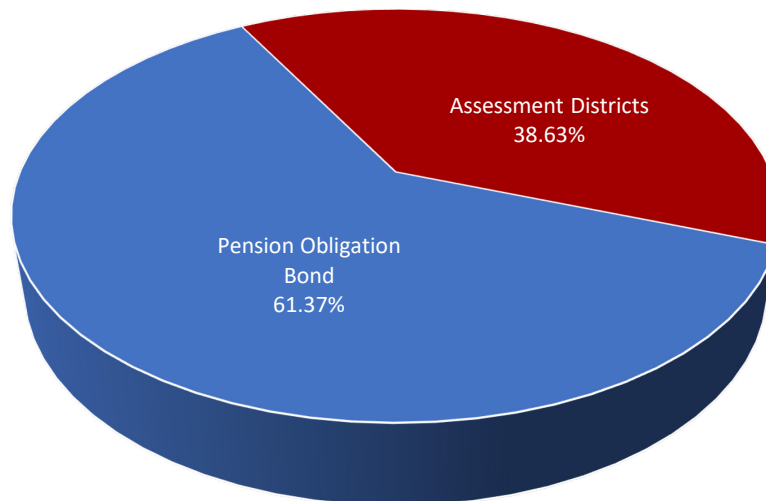
## Successor Agency to the Former RDA Uses by Division



## Detailed Program Budget Debt Service

	2017-18 Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change from 2018-19	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	-	-	-	-	-
<b>SOURCES OF REVENUE</b>					
Debt Service	8,263,733	8,361,406	8,694,129	332,723	3.98
(Addition To)/Reduction in Fund Balance	1,068,909	(1,102,925)	(1,394,165)	(291,240)	26.41
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 9,332,642</b>	<b>\$ 7,258,481</b>	<b>\$ 7,299,964</b>	<b>\$ 41,483</b>	<b>0.57 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Maintenance & Operations	30,661	31,274	31,899	625	2.00
Contracts & Services	1,252	-	-	-	-100.00
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 31,913</b>	<b>\$ 31,274</b>	<b>\$ 31,899</b>	<b>\$ 625</b>	<b>2.00 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Debt Service	7,101,229	7,227,207	7,268,065	40,858	0.57
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ 7,101,229</b>	<b>\$ 7,227,207</b>	<b>\$ 7,268,065</b>	<b>\$ 40,858</b>	<b>0.57 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Projects	2,199,500	-	-	-	-100.00
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 2,199,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00 %</b>
<b>TOTAL USES</b>	<b>\$ 9,332,642</b>	<b>\$ 7,258,481</b>	<b>\$ 7,299,964</b>	<b>\$ 41,483</b>	<b>0.57 %</b>
<b>USES BY PROGRAM RECAP</b>					
Pension Obligation Bond	4,310,948	4,425,976	4,479,693	53,717	1.21
Assessment Districts	5,021,694	2,832,505	2,820,271	(12,234)	-0.43
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 9,332,642</b>	<b>\$ 7,258,481</b>	<b>\$ 7,299,964</b>	<b>\$ 41,483</b>	<b>0.57 %</b>

## Debt Service - Uses by Division



## ➤ CAPITAL OUTLAY – PROJECTS

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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

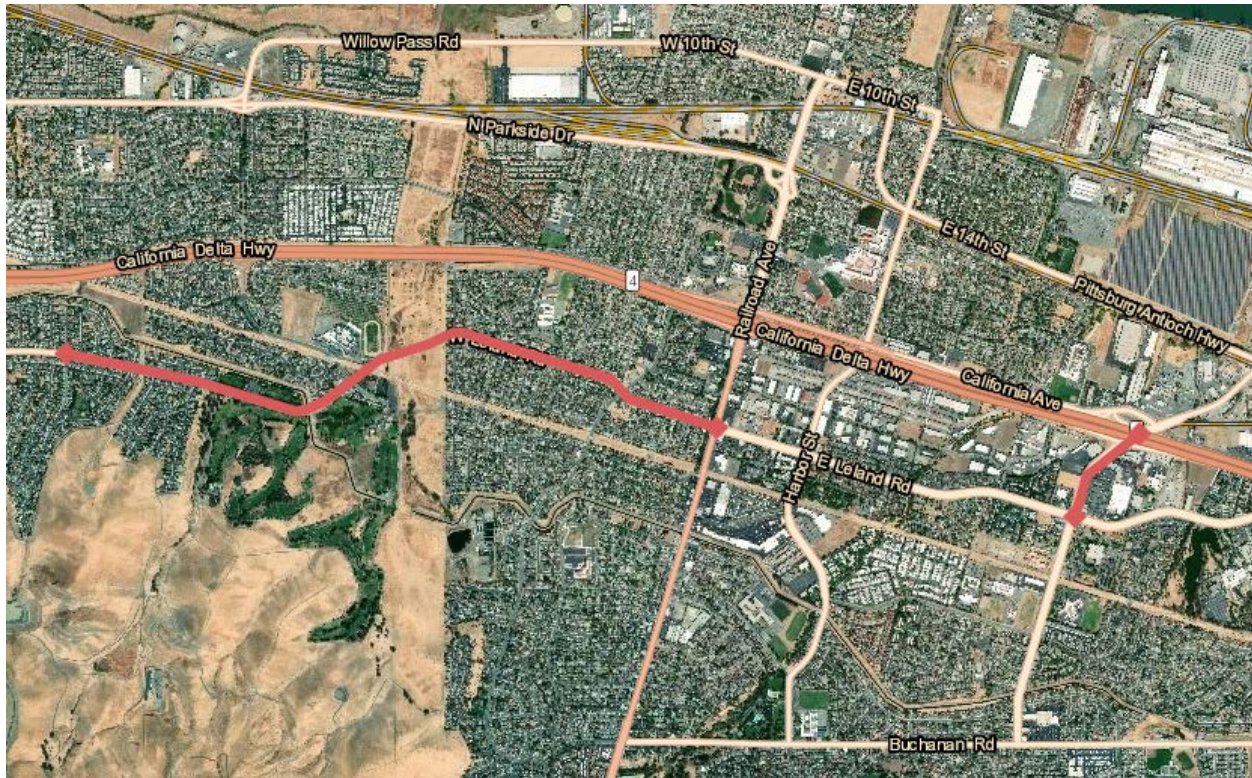
## New Capital Project Funding for FY 2019-20

Project Name	Funding Source	Prior Allocations	FY 19-20 Allocation
2019-20 SB-1 Pavement Management	RMRA	\$ -	\$ 895,000
2019-20 Street Maintenance	Gas Tax/RMRA	-	322,427
2019-20 Citywide Traffic Calming	Measure J	-	50,000
Patch Paving, Sealing & Striping	GF	-	500,000
Annual Citywide Fence/Soundwall/Streetlight Replacement & Installation	Measure J	100,000	100,000
Annual Citywide Striping and Signage	Gas Tax	50,000	50,000
2019-20 Traffic Signal Modification	RMRA	-	135,000
Water Treatment Plant Capital Repairs & Improvements	WOF	150,000	75,000
Automatic Water Meter Reading System	WOF	2,506,793	300,000
2020-21 Water Main Installation & Replacement	WOF	-	400,000
Annual Water Treatment Plant Filter Media Replacement	WOF	100,000	100,000
Sewer and Water Replacement & Rehabilitation	SOF, SFR, WOF, Wbond, WFR	11,627,500	1,300,000
Annual Park Sign Replacement	PDF	-	50,000
Annual Playground Replacement	PDF	80,000	80,000
Biennial Playfield Replacement	PDF	-	250,000
Annual Park Features Replacement	PDF	75,000	75,000
Annual Park and Landscaping Improvements	PDF	-	200,000
Marina Infrastructure Repair & Replacement	ME	20,000	20,000
Repurpose Station E	IE	-	350,000
Duct Bank and Vault Replacements	IE	400,000	50,000
Waterfront Area Reliability	IE	-	500,000
Outage Recovery	IE	-	120,000
<b>Totals</b>		<b>\$ 15,109,293</b>	<b>\$ 5,922,427</b>

## Total FY 2019-20 Allocations by Funding Source:

Fund Name	Abbreviation	Prior Allocations	FY 19-20 Allocation
Gas Tax Fund	Gas Tax	\$ -	\$ 200,000
Gas Tax SB-1 Road Maintenance and Rehabilitation Fund	RMRA	50,000	1,202,427
General Fund	GF	-	500,000
Measure J Fund	Measure J	100,000	150,000
Water Operating Fund	WOF	8,056,793	875,000
Water Bond Fund	WBond	940,000	-
Water Facility Reserve Fund	WFR	77,500	-
Sewer Operating Fund	SOF	4,850,000	1,300,000
Sewer Facility Reserve Fund	SFR	460,000	-
Park Dedication Fund	PDF	155,000	655,000
Marina Enterprise Fund	ME	20,000	20,000
Island Energy Fund	IE	400,000	1,020,000
<b>Totals</b>		<b>\$ 15,109,293</b>	<b>\$ 5,922,427</b>





## ST-99: 2019-20 SB-1 PAVEMENT MANAGEMENT

### Project No.

2223

### Status:

2019-20 Allocation: \$895,000

### Estimated Project Cost:

\$895,000

### Project Limits:

West Leland Road – Jacqueline Drive to Railroad Avenue & Loveridge Road – SR4 to East Leland Road

### Funding Sources:

*Eligible Funding Sources:* Gas Tax, SB-1 Gas Tax (RMRA), Measure J

*Identified Funding:* \$895,000 RMRA

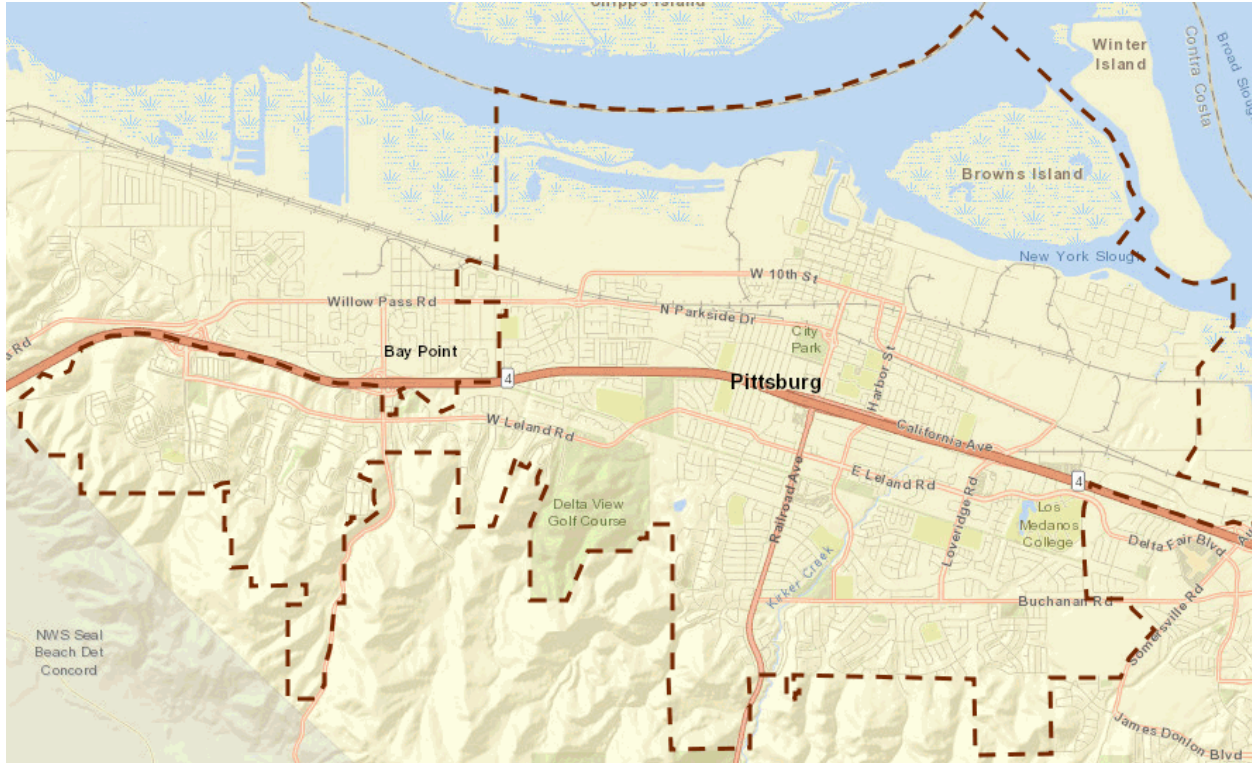
### Project Description:

This project will repair & improve the pavement on West Leland Road from Railroad Avenue to Jacqueline Drive and Loveridge Road from State Route 4 to East Leland Road. The project will use a variety of pavement management techniques including slurry seal, patch paving, pavement overlay/inlay, pavement reconstruction and crack sealing.

### Impact on Operating Budget:

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





## ST-98: 2019-20 STREET MAINTENANCE

**Project No.**  
2224

**Status:**  
2019-20 Allocation: \$322,427

**Estimated Project Cost:**  
\$322,427

**Project Limits:**  
Citywide

**Funding Sources:**  
*Eligible Funding Source:* Gas Tax, SB-1 Gas Tax (RMRA)  
*Identified Funding Source:* \$172,427 RMRA, \$150,000 Gas Tax

### 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, three-layer and crack sealing.

### Impact on Operating Budget:

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



## ST- 26: 2019-20 CITYWIDE TRAFFIC CALMING

**Project No.**

2021

**Status:**

2019-20 Allocation: \$50,000

**Estimated Project Cost:**

\$50,000

**Project Limits:**

Citywide

**Funding Sources:**

*Eligible Funding Source:* Gas Tax, SB-1 Gas Tax (RMRA), Measure J

*Identified Funding:* \$50,000 Measure J

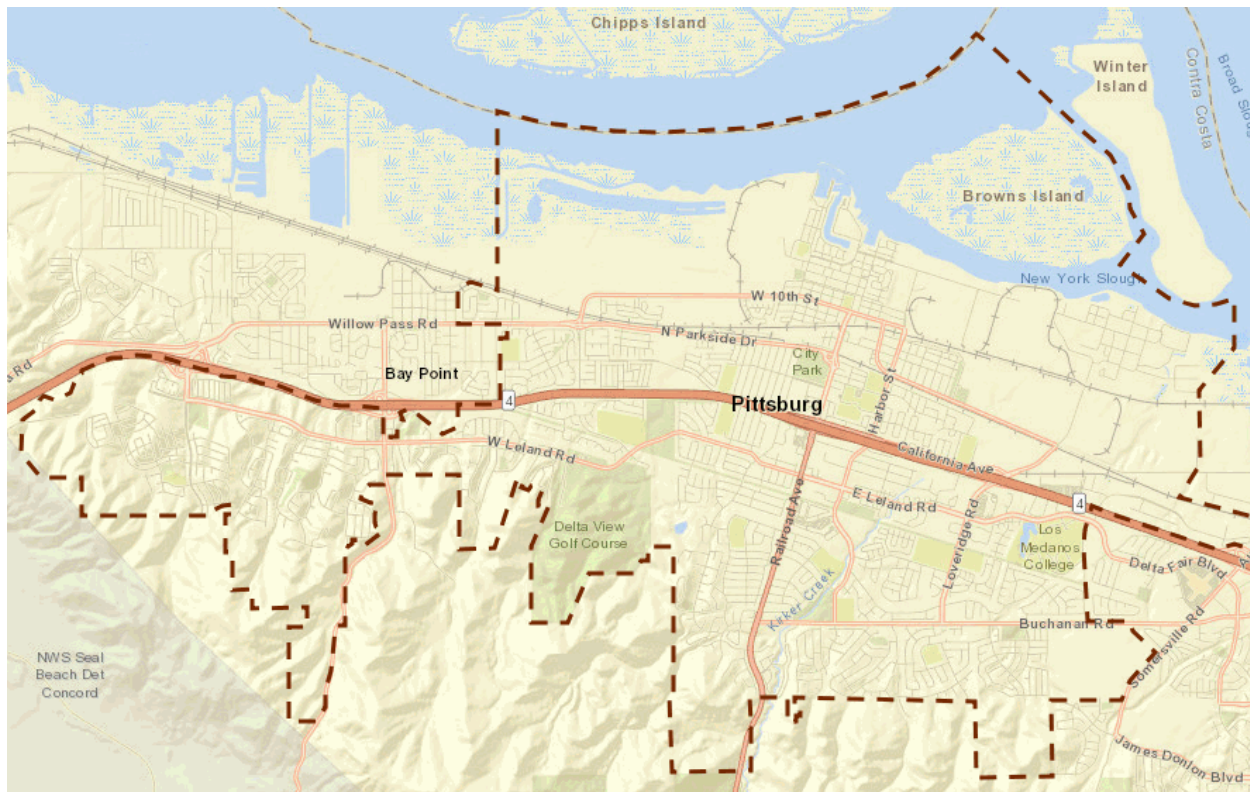
**Project Description:**

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 as maintenance of signs and speed humps would have minimal maintenance.





## ST- 73: PATCH PAVING, SEALING & STRIPING

### Project No.

3117

### Status:

2019-20 Allocation: \$500,000

### Estimated Project Cost:

\$500,000

### Project Limits:

Citywide

### Funding Sources:

*Eligible Funding Source:* Gas Tax, SB-1 Gas Tax (RMRA) Measure J, General Fund (GF)

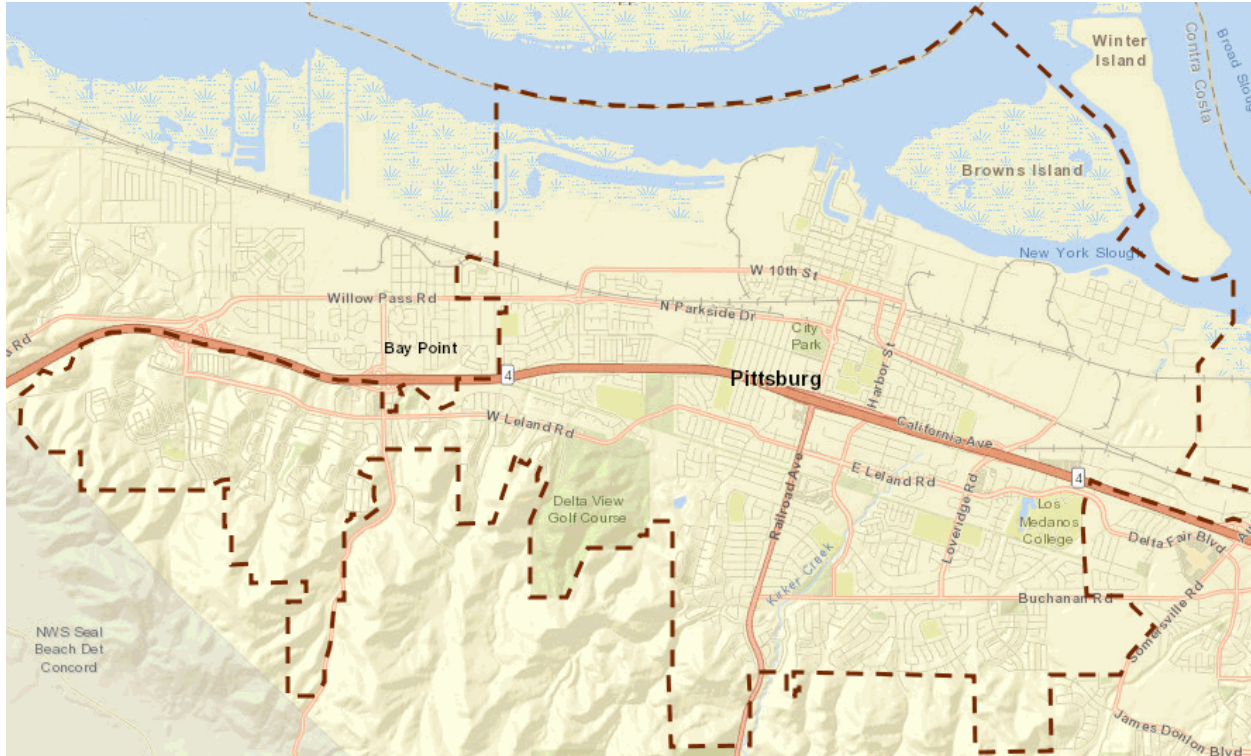
*Identified Funding:* \$500,000 GF

### Project Description:

This project is for preventative maintenance aimed at mitigating future failures of streets and street segments. The locations and priorities are determined by Public Works and Engineering staff with guidance from the City's Pavement Management Program.

### Impact on Operating Budget:

No significant impact on operating budget since this involves routine pavement maintenance and repair of Citywide streets.



## ST-41: ANNUAL CITYWIDE FENCE, SOUNDWALL AND STREETLIGHT REPLACEMENT/INSTALLATION

**Project No.**  
2017

**Status:**  
Previous Allocation: \$100,000  
2019-20 Allocation: \$100,000

**Estimated Project Cost:**  
\$200,000

**Project Limits:**  
Citywide

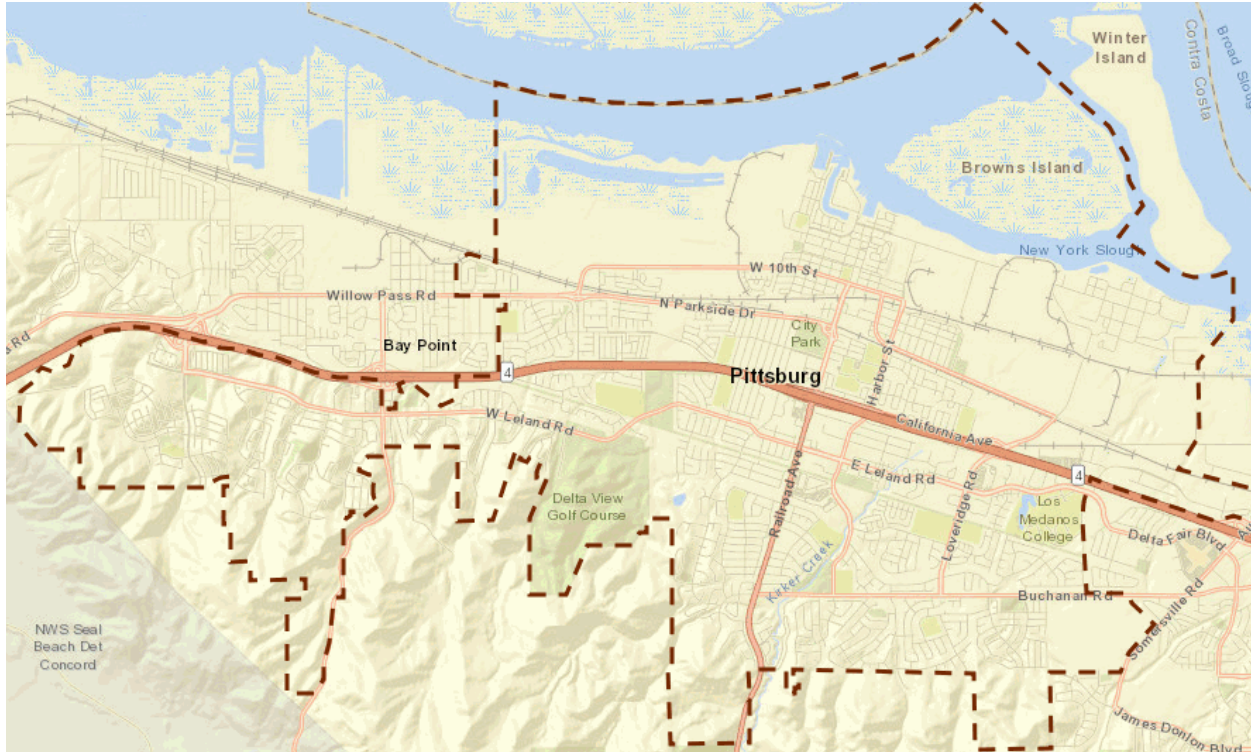
**Funding Sources:**  
*Eligible Funding Source:* Gas Tax, SB-1 Gas Tax (RMRA), Measure J  
*Identified Funding Source:* \$100,000 Measure J

### Project Description:

This project is for the replacement of damaged or deteriorated fencing, sound walls and 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: ANNUAL CITYWIDE STRIPING & SIGNAGE

### Project No.

2219

### Status:

Previous Allocation: \$50,000

2019-20 Allocation: \$50,000

### Estimated Project Cost:

\$100,000

### Project Limits:

Citywide

### Funding Sources:

*Eligible Funding Source:* Gas Tax, SB-1 Gas Tax (RMRA), Measure J

*Identified Funding:* \$50,000 Gas Tax

### 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-8: 2019-20 TRAFFIC SIGNAL MODIFICATION

**Project No.**

2225

**Status:**

2019-20 Allocation: \$135,000

**Estimated Project Cost:**

\$135,000

**Project Limits:**

Citywide

**Funding Sources:**

*Eligible Funding:* SB-1 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 would be minimal.





## W-6: WTP CAPITAL REPAIRS AND IMPROVEMENTS

**Project No.**

5058

**Status:**

Previous Allocation: \$150,000

2019-20 Allocation: \$ 75,000

**Estimated Project Cost:**

\$525,000

**Project Limits:**

Water Treatment Plant

**Funding Sources:**

*Eligible Funding Source:* Water Operations (WOF)

*Identified Funding:* \$75,000 WOF

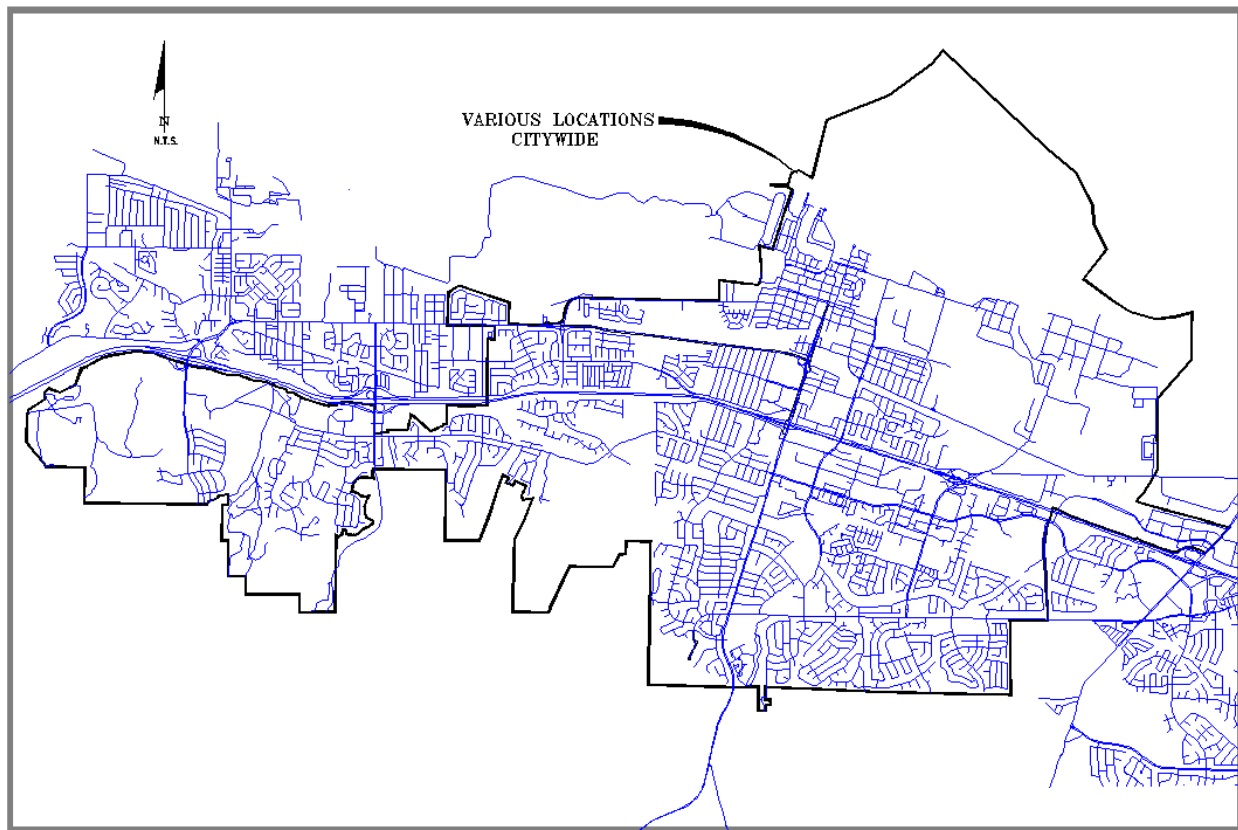
**Project Description:**

This project will provide upgrades/repairs to facilities at the Water Treatment Plant as identified 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 WATER METER READING SYSTEM

**Project No.**  
5030

**Status:**  
Previous Allocation: \$2,506,793  
2019-20 Allocation: \$300,000

**Estimated Project Cost:**  
\$4,006,793

**Project Limits:**  
Water System

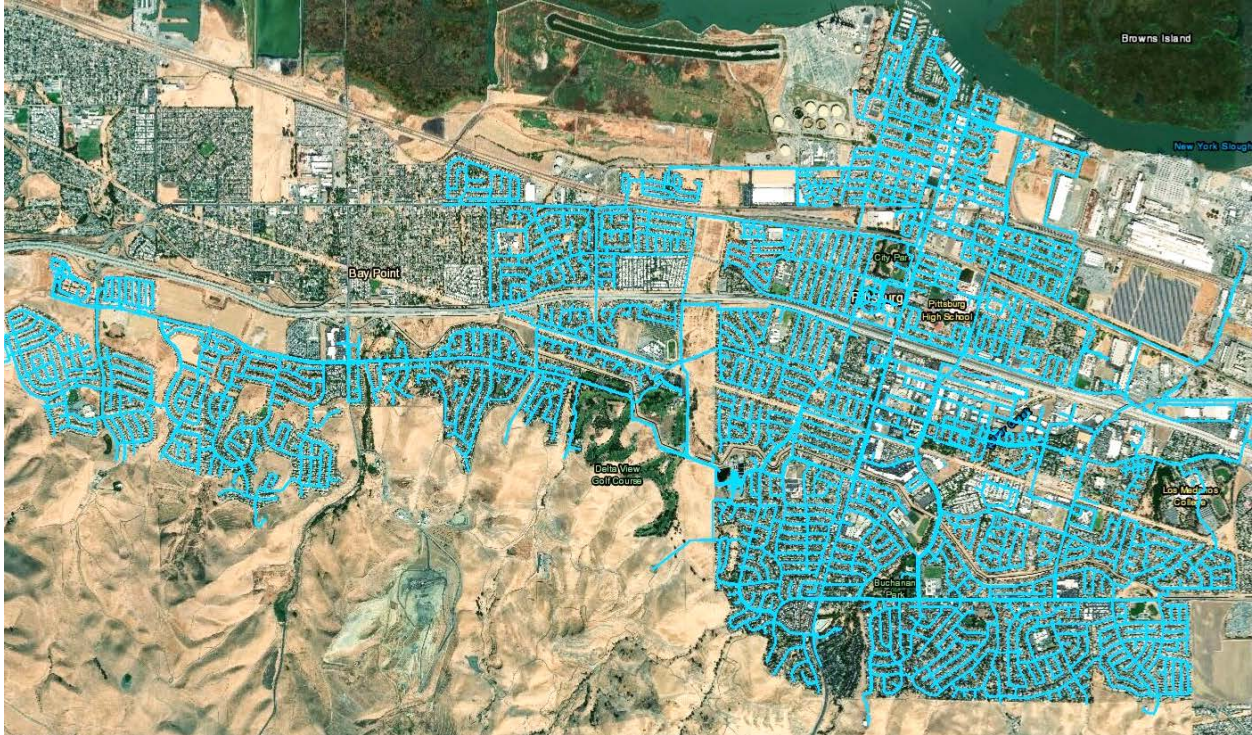
**Funding Sources:**  
*Eligible Funding:* Water Operations Fund (WOF)  
*Identified Funding:* \$300,000 WOF

### 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 Operating Budget:

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



## W-8: 2020-21 WATER MAIN INSTALLATION & REPLACEMENT

### Project No.

5003

### Status:

2019-20 Allocation: \$400,000

### Estimated Project Cost:

\$3,000,000

### Project Limits:

Citywide

### Funding Sources:

*Eligible Funding Source:* Water Operations (WOF)

*Identified Funding Source:* \$400,000 WOF

### Project Description:

Project will identify and replace water mains, service connections and valves that have reached the end of their useful life, have become maintenance problems or install mains to improve fire flow in localized areas.

### Impact on Operating Budget:

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





## W-39: ANNUAL WTP FILTER MEDIA REPLACEMENT

**Project No.**  
5060

**Status:**  
Previous Allocation: \$100,000  
2019-20 Allocation: \$100,000

**Estimated Project Cost:**  
\$600,000

**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 in two of 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), 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: \$11,627,500  
2019-20 Allocation: \$1,300.00

**Estimated Project Cost:**  
\$12,927,500

**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:* \$6,150,000 SOF  
\$460,000 SFR, \$5,300,000 WOF, \$77,500 WFR 503, \$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 Operating Budget:**

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





## PK-15: ANNUAL PARK SIGN REPLACEMENT

**Project No.**  
3075

**Status:**  
2019-20 Allocation: \$50,000

**Estimated Project Cost:**  
\$250,000

**Project Limits:**  
Citywide Park System

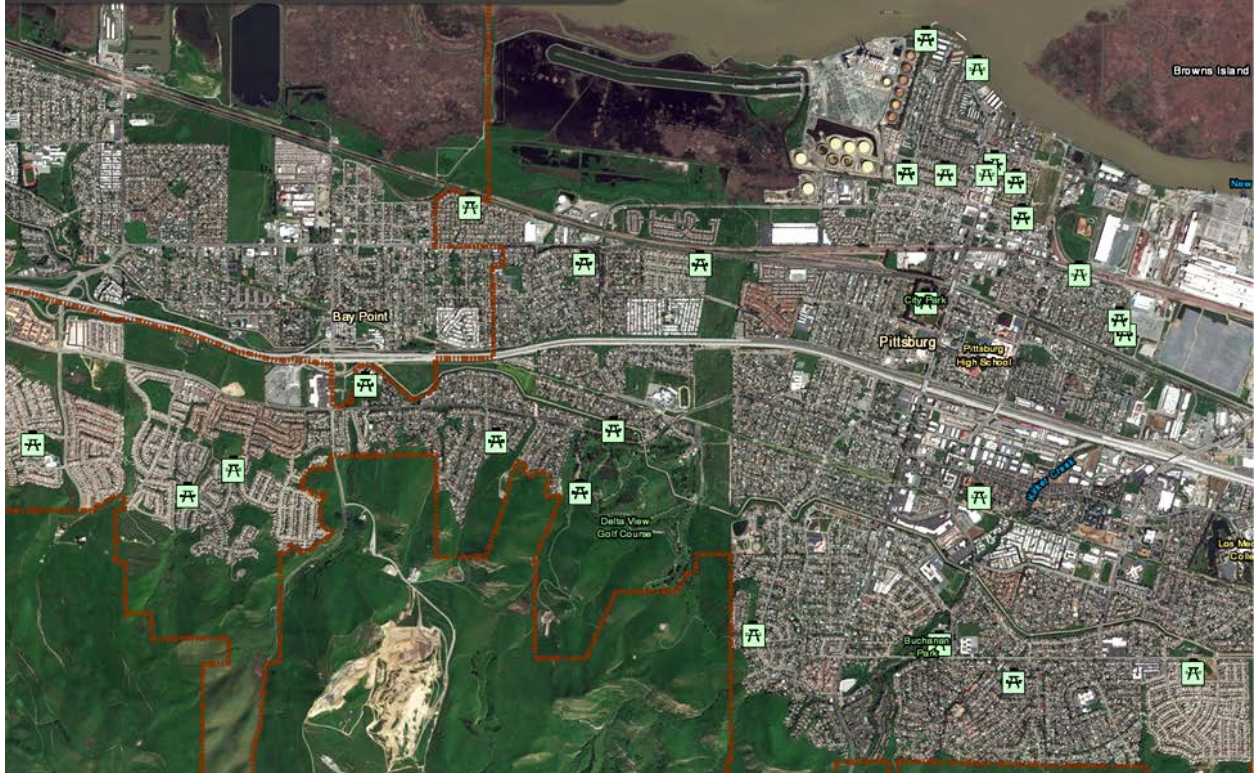
**Funding Sources:**  
*Eligible Funding Source:* Park Dedication Funds (PDF), Grants  
*Identified Funding:* \$50,000 PDF

### **Project Description:**

Recurring annual project for the replacement or rehabilitation of park signage 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 replacement and rehabilitation to existing signage at City parks.



## PK-4: ANNUAL PLAYGROUND REPLACEMENT

**Project No.**

3071

**Status:**

Previous Allocation: \$80,000

2019-20 Allocation: \$80,000

**Estimated Project Cost:**

\$480,000

**Project Limits:**

Citywide Park System

**Funding Sources:**

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

*Identified Funding:* \$160,000 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-8: BIENNIAL PLAYFIELD REPLACEMENT

**Project No.**  
3076

**Estimated Project Cost:**  
\$500,000

**Status:**  
2019-20 Allocation: \$250,000

**Project Limits:**  
Citywide

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

### **Project Description:**

Recurring biennial project for the upgrades and replacement of playfields 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 replacement of existing City facilities.





## PK-9: ANNUAL PARK FEATURES REPLACEMENT

**Project No.**

3073

**Status:**

Previous Allocation: \$75,000

2019-20 Allocation: \$75,000

**Estimated Project Cost**

\$450,000

**Project Limits:**

Citywide Park System

**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 features at City parks.



## PK-13: ANNUAL PARK AND LANDSCAPING IMPROVEMENT

**Project No.**  
3077

**Status:**  
2019-20 Allocation: \$200,000

**Estimated Project Cost:**  
\$200,000

**Project Limits:**  
Citywide Park System

**Funding Sources:**  
*Eligible Funding Source:* Park Dedication Funds (PDF), Grants  
*Identified Funding:* \$200,000 PDF

### **Project Description:**

This project is to improve public parks throughout the City through the removal and/or replacement of high-maintenance amenities and landscaping with those that will reduce or eliminate maintenance and staffing requirements.

### **Impact on Operating Budget:**

Minimal savings in the future are anticipated due to a reduction in maintenance costs.





## M-11: MARINA INFRASTRUCTURE REPAIR & REPLACEMENT

**Project No.**  
5502

**Status:**  
Previous Allocation: \$20,000  
2019-20 Allocation: \$20,000

**Estimated Project Cost:**  
\$500,000

**Project Limits:**  
Pittsburg Marina

**Funding Sources:**  
*Eligible Funding Sources:* Marina Enterprise (ME), Waterfront Operations (WO), Grants  
*Identified Funding:* \$20,000 MO

### **Project Description:**

This project is for the replacement and repair of Marina infrastructure, above and beyond normal maintenance. Aging infrastructure includes wooden Docks 1-3, electrical panels on guest Docks E & F, Riverview Basin restroom facilities and more.

### **Impact on Operating Budget:**

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



## **PP-4: REPURPOSE STATION E**

**Project No.**

5819

**Status:**

2019-20 Allocation: \$350,000

**Estimated Project Cost:**

\$350,000

**Project Limits:**

Nimitz Avenue at 7<sup>th</sup> Street – Mare Island

**Funding Sources**

*Eligible Funding Source:* Island Energy Fund (IE)

*Identified Funding Source:* \$350,000 IE

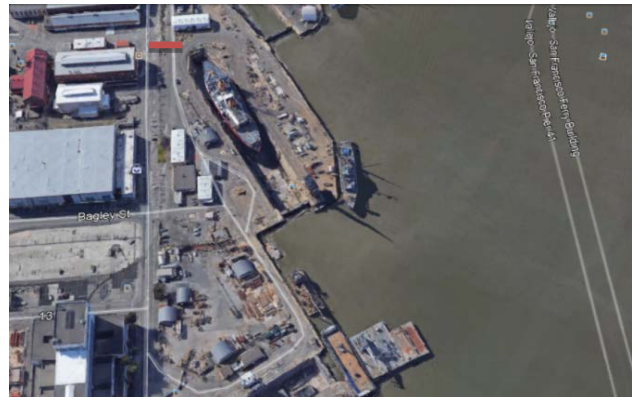
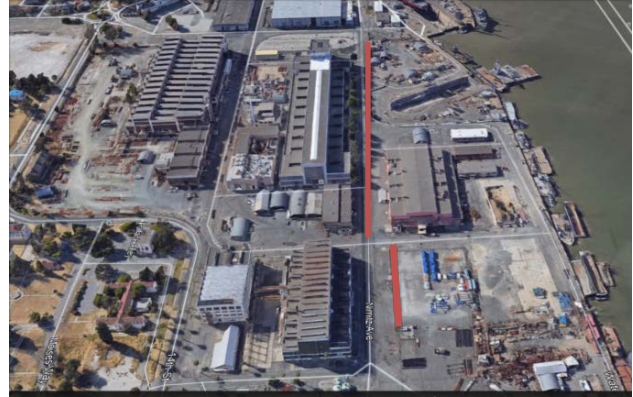
**Project Description:**

Repurpose Island Energy Station E (Mare Island Building 801) from an electrical shop, open-air substation and storage facility to business offices and facilities.

**Impact on Operating Budget:**

No significant impact on the operating budget as Island Energy staff will occupy the offices, once completed. Cost of maintenance and savings from current lease will be minimal.





## PP-2: DUCT BANK AND VAULT REPLACEMENTS

### Project No.

5816

### Status:

Previous Allocation: \$400,000

2019-20 Allocation: \$50,000

### Estimated Project Cost:

\$450,000

### Project Limits:

Island Energy

### Funding Sources:

*Eligible Funding:* Island Energy Fund (IE)

*Identified Funding:* \$50,000 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-5: WATERFRONT AREA RELIABILITY

**Project No.**

5820

**Status:**

2019-20 Allocation: \$500,000

**Estimated Project Cost:**

\$500,000

**Project Limits:**

Berth 12 – 18 Mare Island

**Funding Sources:**

*Eligible Funding:* Island Energy Fund (IE)

*Identified Funding:* \$50,000 IE

**Project Description:**

This project is for the modernization of up to eight electrical substations to mitigate equipment failures that cause service interruptions. Aging infrastructure, including but not limited to underground lead cable, transformers and breaker sets, will be evaluated for repairs and replacement. The project will also evaluate the addition of underground primary voltage circuits, breakers and transformer equipment.

**Impact on Operating Budget:**

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





## PP-8: OUTAGE RECOVERY

**Project No.**

5821

**Status:**

2019-20 Allocation: \$120,000

**Estimated Project Cost:**

\$120,000

**Project Limits:**

Island Energy

**Funding Sources:**

*Eligible Funding:* Island Energy Fund (IE)

*Identified Funding:* \$120,000 IE

**Project Description:**

This project is for the ability to respond efficiently to unpredicted failures in equipment, including but not limited to underground cable faults, break or transformer failures, and gas line or regulator breaches, that result in customer service interruptions.

**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 2019/20 fiscal year budget:

Description	Funding Source (Fund)	Total Allocation	Justification
Police Digital Equipment/Media & Storage	General Fund	\$200,000	Axon - Body Cameras, In Car Cameras, Interview Rooms, Digital Storage
Police Servers/Storage	General Fund	40,000	Server Replacement/Storage
Police Radios	General Fund	22,000	Mobile Police Radios - 3
Equipment for Public Broadcast	Public, Education & Government	48,000	Purchase various pieces of equipment including video equipment, audio equipment, cameras, converters, digital recorders, and fiber optics/cable
Water Treatment Plant Lab Equipment Replacement	Water Operating	60,000	Replacement of laboratory equipment that is not cost effective to repair
Sewer Operating Equipment	Sewer Operating	30,000	CCTV Cameras and equipment needed to access more areas of the sewer collection system. Pipe bursting equipment replacement needed due to age plus additional add-ons as part of the upgrade.
Waterfront Street Lighting	Waterfront Operations	25,000	Replace old and inefficient lighting along Marina Blvd. with energy saving and brighter lighting that increases safety and visibility along the waterfront.
Marina Server/Software	Marina Operations	20,000	Additional server, equipment needs for new POS software at the Marina
Island Energy Dump Truck	Island Energy	45,000	For system repairs, excavation of duct banks, manholes and dumping debris
Island Energy Backhoe	Island Energy	50,000	Equipment needed for system repairs, excavation of duct banks, manholes and dumping debris
Island Energy Ditch-Witch Excavator	Island Energy	30,000	Necessary to remove debris and water from manholes to enhance safety and work conditions
Island Energy – Megger Underground Fault Detection Equipment	Island Energy	30,000	Needed to locate underground cable faults to allow for quicker repairs

## ➤ CAPITAL OUTLAY – EQUIPMENT (continued)

Description	Funding Source (Fund)	Total Allocation	Justification
Island Energy – Gas Meters & Regulators	Island Energy	10,000	Miscellaneous gas and electrical components to support customer project requests
Fleet Maintenance – Police Vehicle Parts	Fleet Maintenance	80,00	Additional parts needed to outfit new police vehicles
Building Furniture	Building Maintenance	20,000	Replacement of various Council Chamber furniture, City Hall Reception Area furniture, cubicle and office furniture replacements as needed
<b>Totals</b>		<b>\$710,000</b>	

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

Description	Funding Source (Fund)	Total Allocation	Justification
Ford SUVs - Police	Fleet Maintenance	\$160,000	4 Ford Utility Police Patrol Vehicles - Replace 3 marked and 1 unmarked patrol vehicles due to age, miles and condition
Ford F250 Truck - Police	Fleet Maintenance	39,000	1 Ford F250 Crew Cab 4x4 - Replaces Ford F350 Pickup
Motorcycle - Police	Fleet Maintenance	32,000	1 Police Motorcycle - Replaces 1 Kawasaki Bike due to age, miles and condition
UTV - Police	Fleet Maintenance	34,000	1 Polaris UTV for Police use
Ford Sedan - Police	Fleet Maintenance	50,000	2 Ford Fusion Investigations Vehicles - Replace Ford Taurus vehicles due to age, miles and condition
F150 Truck – Public Works Admin	Fleet Maintenance	25,000	1 F150 Truck - Replaces F150 truck due to age, miles and condition
F350 Truck – Street Maintenance	Fleet Maintenance	34,000	1 F350 Truck w/Service Body - Replaces F250 pickup due to age, miles and condition
F250 Truck – Lighting and Landscape	Fleet Maintenance	102,000	3 F250 Trucks w/Service Body - Replace 1 F150 and 2 F250 Pickups due to age, miles and condition

## ➤ CAPITAL OUTLAY – EQUIPMENT (continued)

Description	Funding Source (Fund)	Total Allocation	Justification
Riding Mower - Landscape	Fleet Maintenance	30,000	2 Riding Zero-Turn Mowers – Replace JD Mowers due to age, miles and condition
F250 W/Dump - Landscape	Fleet Maintenance	34,000	1 F250 Pickup w/Stake Bed Dump – Replaces F150 Stake Bed due to age, miles and condition
F250 – Water Operations	Fleet Maintenance	30,000	1 F250 Pickup 4 x 4 - Replaces Ford F150 4 x 4 due to age, miles and condition
F750 Dump Truck – Water Operations	Fleet Maintenance	110,000	1 F750 5-Yard Dump Truck – Replaces F750 Dump Truck due to age, miles and condition
F150 Truck – Sewer Operations	Fleet Maintenance	25,000	1 F150 Truck - Replaces F150 Truck due to age, miles and condition
<b>Total to Be Financed</b>		<b>\$705,000</b>	

The estimated current year principal and interest calculations for the above fleet have been included in the 2019/20 fiscal year operating budget.



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## ➤ **FINANCIAL POLICIES AND PROCEDURES**

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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 wherever 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 Pages 270-280 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 Pages 280-293 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 Pages 300-305 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 Pages 294-299 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 Pages 306-308 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 Pages 309-331 in the Appendix section of the budget)

### **Purchasing Policies**

Delegates purchasing authority to the City Manager for goods and services valued at \$75,000 or below and to Senior Executive staff for those valued at \$50,000 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 Pages 331-345 in the Appendix section of the budget)



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## ➤ DEBT SERVICE - OVERVIEW

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The City and its related entities have combined outstanding principal of \$423.3 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 <sup>(1)</sup> \$90.3 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 <sup>(2)</sup> \$6,261 and represents <sup>(3)</sup> 8.68% 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 2019-20 Fiscal Year and its calculations can be found in the Appendices section of the budget book*

(1) After deducting \$4,590,286,949 Successor Agency to the former Pittsburg Redevelopment incremental valuation

(2) Debt Per Capita:  $\frac{451,648,834}{72,141}$   $\frac{\text{Outstanding Principal}}{\text{City Population}}$  = \$ 6,261

(3)  $\frac{\$ 6,261}{72,141}$   $\frac{\text{Debt Per Capita}}{\text{City Population}}$  = 8.68% of Total Personal Income

## ➤ DEBT SERVICE - REVENUE SOURCES

CITY				
<b>- Pension Obligation</b>	<b>Series</b>	<b>Allocated Charges</b>	<b>Interest Earnings</b>	<b>FY 19-20</b>
Taxable Pension Funding Bond	2006	\$ 3,706,170	\$ -	\$ 3,706,170
CCCERA Triennial Experience Update	2006	773,523	-	773,523
		4,479,693	-	4,479,693
<b>- Energy Efficiency Loans</b>				
California Energy Commission Energy Conservation Loan	2012	74,497	-	74,497
PG&E Energy Efficient Retrofit Loan - Chiller Replacement	2018	21,329	-	21,329
<i>Total Energy Efficiency Loans:</i>		95,827	-	95,827
<b>- Assessment District Bonds</b>	<b>Assessment Collection</b>			
2011 Reassessment Revenue Refunding Bonds A & B	2011-1	1,730,901	17,418	1,748,319
Century Plaza - AutoMall	2001-03	318,604	3,230	321,834
Community Facilities District - Vista Del Mar	2016	734,594	275	734,869
<i>Total Assessment Districts:</i>		2,784,099	20,923	2,805,022
<b>- Revenue Bonds - Enterprise Funds</b>	<b>Sewer/Water Revenues</b>			
Water Revenue Refunding	2016	2,523,900	-	2,523,900
<i>Total Revenue Bonds:</i>		2,523,900	-	2,523,900
I-Bank Loan - Water System Modification Project	2014	646,864	-	646,864
2004 Wastewater Bonds- Refinance/Installment Sale Agreement	2014	803,429	-	803,429
		1,450,293	-	1,450,293
<b>- Capital Leases for Governmental Activity</b>	<b>Allocated Charges</b>			
Street Sweeper	2015	48,473	-	48,473
Various Fleet Vehicles	2018	121,602	-	121,602
Various Fleet Vehicles/Equipment	2019	57,890	-	57,890
VOIP System Upgrade	2018	121,209	-	121,209
		349,173	-	349,173
<b>TOTAL CITY DEBT SERVICES:</b>		<b>\$ 11,682,984</b>	<b>\$ 20,923</b>	<b>\$ 11,703,908</b>

<b>SUCCESSOR AGENCY TO FORMER RDA</b>	<b>Series</b>	<b>Tax Increment</b>	<b>Interest Earnings</b>	<b>FY 19-20</b>
Tax Allocation Bonds (Partially Refunded by 2014 TARB)	1999	5,153,180	3,600	5,156,780
Tax Allocation Refunding Bonds	2014	7,385,665	180,000	7,565,665
Subordinate Tax Allocation Refunding Bonds	2016A	6,002,850	8,000	6,010,850
Subordinate Tax Allocation Refunding Bonds	2016B	5,800	-	5,800
Subordinate Tax Allocation Refunding Bonds, Forward	2016C	12,495,650	3,000	12,498,650
Housing Set Aside Tax Allocation Bonds (Taxable)	2006A	674,984	44,000	718,984
Housing Set Aside Tax Allocation Refunding Bonds (Taxable)	2016A	1,308,244	5,000	1,313,244
<b>TOTAL RDA DEBT SERVICES:</b>		<b>33,026,373</b>	<b>243,600</b>	<b>33,269,973</b>
<b>GRAND TOTAL CITY and RDA DEBT SERVICES:</b>		<b>\$ 44,709,357</b>	<b>\$ 264,523</b>	<b>\$ 44,973,880</b>

## ➤ DEBT SERVICE - EXPENDITURE REQUIREMENTS

CITY						Outstanding Principal at July 1, 2019
	Series	Principal	Interest	Other Costs	FY 19-20	
<b>- Pension Obligation Bond</b>						
Taxable Pension Funding Bond	2006	\$ 2,306,659	\$ 1,392,911	\$ 6,600	\$ 3,706,170 <sup>(1)</sup>	\$ 49,945,000
CCCERA Triennial Experience Update	2006	339,766	433,757	-	773,523	6,196,527
		2,646,425	1,826,667	6,600	4,479,693	56,141,527
California Energy Commission Energy Conservation Loan	2012	68,626	5,871	-	74,497	212,193
PG&E Energy Efficient Retrofit Loan - Chiller Replacement	2018	21,329	-	-	21,329	190,187
<i>Total Energy Efficiency Loans:</i>		89,956	5,871	-	95,827	402,381
<b>- Assessment District Bonds</b>						
2011 Reassessment Revenue Refunding Bonds A & B	2011-1	1,205,000	462,357	80,962	1,748,319	10,490,000
Century Plaza - AutoMall	2001-03	140,000	167,006	14,828	321,834	2,935,000
Community Facilities District - Vista Del Mar	2016	375,000	343,969	15,900	734,869	8,635,000
<i>Total Assessment Districts:</i>		1,720,000	973,332	111,690	2,805,022	22,060,000
<b>- Revenue Bonds (Enterprise Funds)</b>						
Water Revenue Refunding	2016	1,360,000	1,154,650	9,250	2,523,900	27,335,000
<i>Total Revenue Bonds:</i>		1,360,000	1,154,650	9,250	2,523,900	27,335,000
I-Bank Loan - Water System Modification Project	2014	252,812	362,675	31,377	646,864	10,459,018
2004 Wastewater Bonds- Refinance/Installment Sale Agreement	2014	782,000	21,429	-	803,429	1,578,000
		1,034,812	384,103	31,377	1,450,293	12,037,018
<b>- Capital Leases for Governmental Activity</b>						
Street Sweeper	2015	46,847	1,626	-	48,473	70,755
Various Fleet Vehicles	2018	103,628	17,973	-	121,602	498,648
Various Fleet Vehicles/Equipment	2019	48,414	9,476	-	57,890	261,368
VOIP System Upgrade	2018	121,209	-	-	121,209	363,626
		320,098	29,076	-	349,173	1,194,396
<b>TOTAL CITY DEBT SERVICES:</b>						
		<b>\$ 7,171,291</b>	<b>\$ 4,373,700</b>	<b>\$ 158,917</b>	<b>\$ 11,703,908</b>	<b>\$119,170,322</b>

SUCCESSOR AGENCY TO FORMER RDA	Series	Principal	Interest	Other Costs	FY 19-20	Outstanding Principal at July 1, 2019
Tax Allocation Bonds (Partially Refunded by 2014 TARB)	1999	1,576,000	3,574,000	6,780	5,156,780 <sup>(2)</sup>	95,795,000
Tax Allocation Refunding Bonds	2014	5,755,000	1,794,125	16,540	7,565,665	38,960,000
Subordinate Tax Allocation Refunding Bonds	2016A	-	6,004,250	6,600	6,010,850	120,085,000
Subordinate Tax Allocation Refunding Bonds (Taxable)	2016B	-	-	5,800	5,800	-
Subordinate Tax Allocation Refunding Bonds, Forward	2016C	11,300,000	1,192,750	5,900	12,498,650	29,505,000
Housing Set Aside Tax Allocation Bonds (Taxable)	2006A	280,000	435,084	3,900	718,984	8,340,000
Housing Set Aside Tax Allocation Refunding Bonds (Taxable)	2016A	880,000	427,344	5,900	1,313,244	11,475,000
<b>TOTAL RDA DEBT SERVICES:</b>						
		<b>\$ 19,791,000</b>	<b>\$ 13,427,553</b>	<b>\$ 51,420</b>	<b>\$ 33,269,973</b>	<b>\$304,160,000</b>

**GRAND TOTAL CITY and RDA DEBT SERVICES:** **\$ 26,962,291 \$ 17,801,253 \$ 210,337 \$ 44,973,880 \$423,330,322**

(1) includes unaccreted discount in the total amount of \$16,684,358

(2) includes unaccreted discount in the total amount of \$52,668,692

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>CITY OF PITTSBURG</b> <b>Taxable Pension Funding Bonds Series 2006</b>
DATE OF ISSUES:	June 15, 2006
AMOUNT OF ISSUE:	\$ 39,566,056
AMOUNT OUTSTANDING: (June 30, 2019)	\$ 49,945,000 <sup>(1)</sup>
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 2018-19		FY 2019-20		FY 2018-20
<b>REVENUE SOURCES</b>					
Allocated Charges	\$	3,652,454	\$	3,706,170	\$ 7,358,624
<b>TOTAL:</b>	<b>\$</b>	<b>3,652,454</b>	<b>\$</b>	<b>3,706,170</b>	<b>\$ 7,358,624</b>
<b>EXPENDITURES</b>					
Fiscal Paying Agent Fees	\$	2,200	\$	2,600	\$ 4,800
Professional Administrative Fees		4,000		4,000	8,000
Principal Reduction		1,271,823		1,280,580	2,552,403
CAB Accreted Principal		888,178		959,420	1,847,598
Interest Expense		1,418,273		1,392,911	2,811,184
Pre-Pay Principal <sup>(2)</sup>		67,980		66,659	134,639
<b>TOTAL:</b>	<b>\$</b>	<b>3,652,454</b>	<b>\$</b>	<b>3,706,170</b>	<b>\$ 7,358,624</b>

(1) Includes unaccreted discount in the total amount of \$16,684,358

(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
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
<b>TOTAL</b>	<b>\$ 32,277,560</b>	<b>\$ 17,090,715</b>	<b>\$ 17,667,440</b>	<b>\$ 67,035,715</b>

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: \$ 6,196,527  
(June 30, 2019)

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

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### DEBT SERVICE REQUIREMENTS

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	FY 2018-19		FY 2019-20		FY 2018-20
<b>REVENUE SOURCES</b>					
Allocated Charges	\$	773,523	\$	773,523	\$ 1,547,046
	<b>\$</b>	<b>773,523</b>	<b>\$</b>	<b>773,523</b>	<b>\$ 1,547,046</b>
<b>EXPENDITURES</b>					
Principal Reduction	\$	317,538	\$	339,766	\$ 657,304
Interest Expense	\$	455,985	\$	433,757	\$ 889,742
<b>TOTAL:</b>	<b>\$</b>	<b>773,523</b>	<b>\$</b>	<b>773,523</b>	<b>\$ 1,547,046</b>

## ➤ DEBT SERVICE - AMORTIZATION SCHEDULE

### CCCERA (Issued in 2008)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
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
<b>TOTAL</b>	<b>\$ 6,196,527</b>	<b>\$ 3,212,691</b>	<b>\$ 9,409,217</b>

## ➤ DEBT SERVICE REQUIREMENTS

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### 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, 2019)	\$	212,193	
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		

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### DEBT SERVICE REQUIREMENTS

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	FY 2018-19		FY 2019-20		FY 2018-20	
<b>REVENUE SOURCES</b>						
Citywide Lighting PG&E Savings	\$	74,497	\$	74,497	\$	148,994
	<b>\$</b>	<b>74,497</b>	<b>\$</b>	<b>74,497</b>	<b>\$</b>	<b>148,994</b>
<b>EXPENDITURES</b>						
Principal Reduction	\$	66,627	\$	68,626	\$	135,253
Interest Expense		7,870		5,871		13,741
<b>TOTAL:</b>	<b>\$</b>	<b>74,497</b>	<b>\$</b>	<b>74,497</b>	<b>\$</b>	<b>148,994</b>

➤ **DEBT SERVICE - AMORTIZATION SCHEDULE**

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**CEC Energy Conservation Loan  
(Issued in 2012)**

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>		<b>INTEREST</b>		<b>TOTAL</b>
2020	\$	68,626	\$	5,871	\$ 74,497
2021		70,715		3,782	74,497
2022		72,852		1,645	74,497
<b>TOTAL</b>	<b>\$</b>	<b>212,193</b>	<b>\$</b>	<b>11,298</b>	<b>\$ 223,491</b>

## ➤ DEBT SERVICE REQUIREMENTS

### 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, 2019)	\$	190,187	
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 2018-19		FY 2019-20		FY 2018-20
<b>REVENUE SOURCES</b>					
Building Maintenance Allocations	\$	21,329	\$	21,329	\$ 42,659
	<b>\$</b>	<b>21,329.40</b>	<b>\$</b>	<b>21,329.40</b>	<b>\$ 42,658.80</b>
<b>EXPENDITURES</b>					
Principal Reduction	\$	21,329	\$	21,329	\$ 42,659
Interest Expense		-		-	-
<b>TOTAL:</b>	<b>\$</b>	<b>21,329</b>	<b>\$</b>	<b>21,329</b>	<b>\$ 42,659</b>



➤ **DEBT SERVICE - AMORTIZATION SCHEDULE**

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

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>		<b>INTEREST</b>		<b>TOTAL</b>
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		19,552		-	19,552
<b>TOTAL</b>	<b>\$</b>	<b>190,187</b>	<b>\$</b>	<b>-</b>	<b>\$ 190,187</b>

## ➤ DEBT SERVICE REQUIREMENTS

### 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, 2019)	\$	70,755	
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 2018-19		FY 2019-20		FY 2018-20
<b>REVENUE SOURCES</b>					
Fleet Maintenance Allocations:	\$	48,473	\$	48,473	\$ 96,946
		-		-	-
	<b>\$</b>	<b>48,473</b>	<b>\$</b>	<b>48,473</b>	<b>\$ 96,946</b>
<b>EXPENDITURES</b>					
Principal Reduction	\$	45,585	\$	46,847	\$ 92,432
Interest Expense		2,888		1,626	4,514
<b>TOTAL:</b>	<b>\$</b>	<b>48,473</b>	<b>\$</b>	<b>48,473</b>	<b>\$ 96,946</b>

➤ **DEBT SERVICE - AMORTIZATION SCHEDULE**

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**Street Sweeper Equipment Lease-Purchase  
(Issued in 2015)**

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>		<b>INTEREST</b>		<b>TOTAL</b>
2020	\$	46,847	\$	1,626	\$ 48,473
2021		23,908		329	24,236
<b>TOTAL</b>	<b>\$</b>	<b>70,755</b>	<b>\$</b>	<b>1,955</b>	<b>\$ 72,709</b>

## ➤ DEBT SERVICE REQUIREMENTS

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### Fleet Vehicles/Lease-Purchase (Issued in 2018)

AGREEMENT:	Tax-Exempt Equipment Lease-Purchase Agreement by and between Holman Capital Corporation and the City of Pittsburgh		
AGREEMENT DATE:	November 15, 2018		
CITY RESOLUTION NO.:	18-13558		
AMOUNT OF ISSUE:	\$	549,017	
AMOUNT OUTSTANDING: (June 30, 2019)	\$	498,648	
DESCRIPTION:	The City of Pittsburgh entered into a lease-purchase agreement with Holman Capital for the lease/purchase of various Fleet Vehicles including (1) Street Sweeper, (1) Gang Mower, (1) Terex Hi-Ranger Truck, and (1) Ford Cargo Van. The scheduled lease-purchase term is 5 years at an interest rate of 3.80%		
DUE and PAYABLE ON:	November 15 and May 15 Each Year		
PAYMENT ENTITY:	Holman Capital Corporation		

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### DEBT SERVICE REQUIREMENTS

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	FY 2018-19		FY 2019-20		FY 2018-20	
<b>REVENUE SOURCES</b>						
Fleet Maintenance Allocations:	\$	60,801	\$	121,602	\$	182,403
		-		-		-
	<b>\$</b>	<b>60,801</b>	<b>\$</b>	<b>121,602</b>	<b>\$</b>	<b>182,403</b>
<b>EXPENDITURES</b>						
Principal Reduction	\$	50,416	\$	103,628	\$	154,044
Interest Expense		10,385		17,973		28,358
<b>TOTAL:</b>	<b>\$</b>	<b>60,801</b>	<b>\$</b>	<b>121,602</b>	<b>\$</b>	<b>182,403</b>

➤ **DEBT SERVICE - AMORTIZATION SCHEDULE**

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**Fleet Vehicles/Lease-Purchase  
(Issued in 2018)**

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>		<b>INTEREST</b>		<b>TOTAL</b>
2020	\$	103,628	\$	17,973	\$ 121,602
2021		107,604		13,998	121,602
2022		111,731		9,870	121,602
2023		116,017		5,584	121,602
2024		59,667		1,134	60,801
<b>TOTAL</b>	<b>\$</b>	<b>498,648</b>	<b>\$</b>	<b>48,560</b>	<b>\$ 547,208</b>

## ➤ DEBT SERVICE REQUIREMENTS

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### Fleet Vehicles/Lease-Purchase (Issued in 2019)

AGREEMENT:	Tax-Exempt Equipment Lease-Purchase Agreement by and between Holman Capital Corporation and the City of Pittsburgh		
AGREEMENT DATE:	April 24, 2019		
CITY RESOLUTION NO.:	19-13620		
AMOUNT OF ISSUE:	\$	261,368	
AMOUNT OUTSTANDING: (June 30, 2019)	\$	261,368	
DESCRIPTION:	The City of Pittsburgh entered into a lease-purchase agreement with Holman Capital for the lease/purchase of various Fleet Vehicles including (1) Thermoplastic Machine, (1) Backhoe, and (1) Compressor. The scheduled lease-purchase term is 5 years at an interest rate of 3.80%		
DUE and PAYABLE ON:	April 24 and October 24 each year		
PAYMENT ENTITY:	Holman Capital Corporation		

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### DEBT SERVICE REQUIREMENTS

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	FY 2018-19		FY 2019-20		FY 2018-20	
<b>REVENUE SOURCES</b>						
Fleet Maintenance Allocations:	\$	-	\$	57,890	\$	57,890
		-		-		-
	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>57,890</b>	<b>\$</b>	<b>57,890</b>
<b>EXPENDITURES</b>						
Principal Reduction	\$	-	\$	48,414	\$	48,414
Interest Expense		-		9,476		9,476
<b>TOTAL:</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>57,890</b>	<b>\$</b>	<b>57,890</b>



➤ **DEBT SERVICE - AMORTIZATION SCHEDULE**

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**Fleet Vehicles/Lease-Purchase  
(Issued in 2019)**

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>		<b>INTEREST</b>		<b>TOTAL</b>
2020	\$	48,413.91	\$	9,476	\$ 57,890
2021		50,271		7,619	57,890
2022		52,200		5,691	57,890
2023		54,202		3,688	57,890
2024		56,281		1,609	57,890
<b>TOTAL</b>	<b>\$</b>	<b>261,368</b>	<b>\$</b>	<b>28,084</b>	<b>\$ 289,451</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

AGREEMENT:	Tax-Exempt Lease Agreement between Key Government Finance, Inc. and the City of Pittsburgh		
AGREEMENT DATE:	April 2, 3018		
CITY RESOLUTION NO.:	18-13465		
AMOUNT OF ISSUE:	\$	606,043	
AMOUNT OUTSTANDING: (June 30, 2019)	\$	363,626	
DESCRIPTION:	The City of Pittsburgh 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.		

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### DEBT SERVICE REQUIREMENTS

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	FY 2018-19		FY 2019-20		FY 2018-20	
<b>REVENUE SOURCES</b>						
IT Allocations	\$	121,209	\$	121,209	\$	242,417
		-		-		-
	<b>\$</b>	<b>121,209</b>	<b>\$</b>	<b>121,209</b>	<b>\$</b>	<b>242,417</b>
<b>EXPENDITURES</b>						
Principal Reduction	\$	121,209	\$	121,209	\$	242,417
Interest Expense		-		-		-
<b>TOTAL:</b>	<b>\$</b>	<b>121,209</b>	<b>\$</b>	<b>121,209</b>	<b>\$</b>	<b>242,417</b>

➤ **DEBT SERVICE - AMORTIZATION SCHEDULE**

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

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>		<b>INTEREST</b>		<b>TOTAL</b>
2020	\$	121,209	\$	-	\$ 121,209
2021		121,209		-	121,209
2022		121,209		-	121,209
<b>TOTAL</b>	<b>\$</b>	<b>363,626</b>	<b>\$</b>	<b>-</b>	<b>\$ 363,626</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>CITY OF PITTSBURG</b> Century Plaza Auto Mall Assessment District 2001-03
DATE OF ISSUES:	October 1, 2002
AMOUNT OF ISSUE:	\$ 4,405,000
AMOUNT OUTSTANDING: (June 30, 2019)	\$ 2,935,000
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 2018-19	FY 2019-20	FY 2018-20
<b>REVENUE SOURCES</b>			
Assessment Collection	\$ 322,070	\$ 318,604	\$ 640,674
Interest Earnings	2,150	3,230	5,380
<b>TOTAL:</b>	<b>\$ 324,220</b>	<b>\$ 321,834</b>	<b>\$ 646,054</b>
<b>EXPENDITURES</b>			
Fiscal Paying Agent Fees	\$ -	\$ -	\$ -
Professional Administrative Fees	9,180	9,500	18,680
County Admin. Fees	320	390	710
City Admin. Fees	4,841	4,938	9,779
Principal Reduction	135,000	140,000	275,000
Interest Expense	174,879	167,006	341,885
<b>TOTAL:</b>	<b>\$ 324,220</b>	<b>\$ 321,834</b>	<b>\$ 646,054</b>

## ➤ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
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
<b>TOTAL</b>	<b>\$ 2,935,000</b>	<b>\$ 1,359,234</b>	<b>\$ 4,294,234</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>CITY OF PITTSBURG</b> <b>Vista Del Mar CFD Special Tax Bonds 2005-02</b>
DATE OF ISSUES:	June 30, 2015
AMOUNT OF ISSUE:	\$ 9,655,000
AMOUNT OUTSTANDING: (June 30, 2019)	\$ 8,635,000
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 2018-19	FY 2019-20	FY 2018-20
<b>REVENUE SOURCES</b>			
Assessment Collection	\$ 733,264	\$ 734,594	\$ 1,467,858
Interest Earnings	250	275	525
<b>TOTAL:</b>	<b>\$ 733,514</b>	<b>\$ 734,869</b>	<b>\$ 1,468,383</b>
<b>EXPENDITURES</b>			
Fiscal Paying Agent Fees	\$ -	\$ -	\$ -
Professional Administrative Fees	16,320	15,000	31,320
County Admin. Fees	825	900	1,725
Principal Reduction	365,000	375,000	740,000
Interest Expense	351,369	343,969	695,338
<b>TOTAL:</b>	<b>\$ 733,514</b>	<b>\$ 734,869</b>	<b>\$ 1,468,383</b>



## ➤ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
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
<b>TOTAL</b>	<b>\$ 8,635,000</b>	<b>\$ 3,322,709</b>	<b>\$ 11,957,709</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>Pittsburg Infrastructure Financing Authority 2011 Reassessment Revenue Refunding Bonds A &amp; B</b>		
DATE OF ISSUES:	August 24, 2011		
AMOUNT OF ISSUE:	\$	17,840,000	
AMOUNT OUTSTANDING: (June 30, 2019)	\$	10,490,000	
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 2018-19		FY 2019-20		FY 2018-20
<b>REVENUE SOURCES</b>					
Assessment Collection	\$	1,748,699	\$	1,730,901	\$ 3,479,600
Interest Earnings		16,622		17,418	34,040
<b>TOTAL:</b>	<b>\$</b>	<b>1,765,321</b>	<b>\$</b>	<b>1,748,319</b>	<b>\$ 3,513,640</b>
<b>EXPENDITURES</b>					
Fiscal Paying Agent Fees	\$	4,200	\$	4,300	\$ 8,500
Professional Administrative Fees		45,000		45,000	90,000
County Admin. Fees		4,300		4,700	9,000
City Admin. Fees		26,433		26,962	53,395
Principal Reduction		1,165,000		1,205,000	2,370,000
Interest Expense		520,388		462,357	982,745
<b>TOTAL:</b>	<b>\$</b>	<b>1,765,321</b>	<b>\$</b>	<b>1,748,319</b>	<b>\$ 3,513,640</b>

## ➤ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL		INTEREST		TOTAL
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
<b>TOTAL</b>	<b>\$</b>	<b>10,490,000</b>	<b>\$</b>	<b>2,853,413</b>	<b>\$ 13,343,413</b>

## ➤ DEBT SERVICE REQUIREMENTS

### I BANK LOAN - WATER SYSTEMS MODIFICATION PROJECT

INSTALLMENT SALE AGREEMENT	<b>Installment Sale Agreement by and between the City of Pittsburg and the California Infrastructure and Economic Development Bank</b>
AGREEMENT DATE	November 17, 2014
AMOUNT OF ISSUE:	\$ 11,387,398
AMOUNT OUTSTANDING: (June 30, 2019)	\$ 10,459,018
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 2018-19	FY 2019-20	FY 2018-20
<b>REVENUE SOURCES</b>			
Water Charge Revenues	\$ 647,747	\$ 646,864	\$ 1,294,611
Interest Earnings		-	-
<b>TOTAL:</b>	<b>\$ 647,747</b>	<b>\$ 646,864</b>	<b>\$ 1,294,611</b>
<b>EXPENDITURES</b>			
Professional Administrative Fees	\$ 32,110	\$ 31,377	\$ 63,487
Principal Reduction	244,240	252,812	497,052
Interest Expense	371,398	362,675	734,073
<b>TOTAL:</b>	<b>\$ 647,747</b>	<b>\$ 646,864</b>	<b>\$ 1,294,611</b>

## ➤ DEBT SERVICE - AMORTIZATION SCHEDULE

### I-BANK LOAN - WATER SYSTEMS MODIFICATION PROJECT

FISCAL YEAR	PRINCIPAL	INTEREST	ANNUAL FEE	TOTAL
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
<b>TOTAL</b>	<b>\$ 10,459,018</b>	<b>\$ 5,475,449</b>	<b>\$ 483,676</b>	<b>\$ 16,418,143</b>

## ➤ 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:                \$        1,578,000  
(June 30, 2019)

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

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### DEBT SERVICE REQUIREMENTS

	FY 2018-19		FY 2019-20		FY 2018-20
<b>REVENUE SOURCES</b>					
Sewer Charge Revenues	\$	805,434	\$	803,429	\$ 1,608,862
Interest Earnings				-	-
<b>TOTAL:</b>	<b>\$</b>	<b>805,434</b>	<b>\$</b>	<b>803,429</b>	<b>\$ 1,608,862</b>
<b>EXPENDITURES</b>					
Principal Reduction	\$	772,000	\$	782,000	\$ 1,554,000
Interest Expense		33,434		21,429	54,862
<b>TOTAL:</b>	<b>\$</b>	<b>805,434</b>	<b>\$</b>	<b>803,429</b>	<b>\$ 1,608,862</b>



**➤ DEBT SERVICE - AMORTIZATION SCHEDULE**

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**REFINANCE OF 2004 WASTEWATER BONDS**

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>		<b>INTEREST</b>		<b>TOTAL</b>
2020	\$	782,000	\$	21,429	\$ 803,429
2021		796,000		9,254	805,254
<hr/>					
<b>TOTAL</b>	<b>\$</b>	<b>1,578,000</b>	<b>\$</b>	<b>30,682</b>	<b>\$ 1,608,682</b>

## ➤ DEBT SERVICE REQUIREMENTS

### 2016A REFUNDING WATER REVENUE BONDS (Issued in 2016)

BOND ISSUES:	<b>CITY OF PITTSBURG</b> <b>Water Revenue Bonds 2016</b>
DATE OF ISSUES:	October 25, 2016
AMOUNT OF ISSUE:	\$ 30,850,000
AMOUNT OUTSTANDING: (June 30, 2019)	\$ 27,335,000
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					
REVENUE SOURCES	FY 2018-19		FY 2019-20		FY 2018-20
Water Charge Revenues	\$	2,532,400	\$	2,523,900	\$ 5,056,300
Interest Earnings		-		-	-
<b>TOTAL:</b>	<b>\$</b>	<b>2,532,400</b>	<b>\$</b>	<b>2,523,900</b>	<b>\$ 5,056,300</b>
<b>EXPENDITURES</b>					
Professional Administrative Fees	\$	6,250	\$	6,250	\$ 12,500
Arbitrage Rebate Liability		3,000		3,000	6,000
Principal Reduction		1,315,000		1,360,000	2,675,000
Interest Expense		1,208,150		1,154,650	2,362,800
<b>TOTAL:</b>	<b>\$</b>	<b>2,532,400</b>	<b>\$</b>	<b>2,523,900</b>	<b>\$ 5,056,300</b>

**➤ DEBT SERVICE - AMORTIZATION SCHEDULE**

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**2016A REFUNDING WATER REVENUE BONDS**  
**(Issued in 2016 )**

<b>FISCAL YEAR</b>		<b>PRINCIPAL</b>		<b>INTEREST</b>		<b>TOTAL</b>
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
<b>TOTAL</b>	<b>\$</b>	<b>27,335,000</b>	<b>\$</b>	<b>9,514,825</b>	<b>\$</b>	<b>36,849,825</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>REDEVELOPMENT AGENCY</b> <b>Tax Allocation Bonds Series 1999</b>
DATE OF ISSUES:	November 3, 1999
AMOUNT OF ISSUE:	\$ 30,106,357
AMOUNT OUTSTANDING: (June 30, 2019)	\$ 95,795,000 <sup>(1)</sup>
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 2018-19	FY 2019-20	FY 2018-20
<b>REVENUE SOURCES</b>			
Tax Increment	\$ 1,786,999	\$ 5,153,180	\$ 6,940,179
Interest Earnings	6,600	3,600	10,200
<b>TOTAL:</b>	<b>\$ 1,793,599</b>	<b>\$ 5,156,780</b>	<b>\$ 6,950,379</b>
<b>EXPENDITURES</b>			
Professional Administrative Fees	\$ 6,600	\$ 6,780	\$ 13,380
Principal Reduction	-	1,576,000	1,576,000
Interest Expense	1,786,999	3,574,000	5,360,999
<b>TOTAL:</b>	<b>\$ 1,793,599</b>	<b>\$ 5,156,780</b>	<b>\$ 6,950,379</b>

(1) Includes unaccrued discount in the total amount of \$52,668,692

## ➤ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	ACCRETED PRINCIPAL	TOTAL
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
<b>TOTAL</b>	<b>\$ 20,396,355</b>	<b>\$ 75,398,645</b>	<b>\$ 95,795,000</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY Senior Tax Allocation Refunding Bonds 2014</b>
DATE OF ISSUES:	June 18, 2014
AMOUNT OF ISSUE:	\$ 67,445,000
AMOUNT OUTSTANDING: (June 30, 2019)	\$ 38,960,000
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 2018-19	FY 2019-20	FY 2018-20
REVENUE SOURCES			
Tax Increment	\$ 10,811,295	\$ 7,385,665	\$ 18,196,960
Interest Earnings	87,000	180,000	267,000
TOTAL:	<b>\$ 10,898,295</b>	<b>\$ 7,565,665</b>	<b>\$ 18,463,960</b>
EXPENDITURES			
Professional Administrative Fees	\$ 6,920	\$ 16,540	\$ 23,460
Principal Reduction	8,735,000	5,755,000	14,490,000
Interest Expense	2,156,375	1,794,125	3,950,500
TOTAL:	<b>\$ 10,898,295</b>	<b>\$ 7,565,665</b>	<b>\$ 18,463,960</b>

## ➤ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR		PRINCIPAL		INTEREST		TOTAL
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
<b>TOTAL</b>	<b>\$</b>	<b>38,960,000</b>	<b>\$</b>	<b>8,635,500</b>	<b>\$</b>	<b>47,595,500</b>



## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY Subordinate Tax Allocation Bonds, Series 2016A (Tax Exempt)</b>
DATE OF ISSUES:	February 10, 2016
AMOUNT OF ISSUE:	\$ 120,085,000
AMOUNT OUTSTANDING: (June 30, 2019)	\$ 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 2018-19		FY 2019-20		FY 2018-20
<b>REVENUE SOURCES</b>					
Tax Increment	\$	6,009,750	\$	6,002,850	\$ 12,012,600
Interest Earnings		-		8,000.00	8,000.00
<b>TOTAL:</b>	<b>\$</b>	<b>6,009,750</b>	<b>\$</b>	<b>6,010,850</b>	<b>\$ 12,020,600</b>
<b>EXPENDITURES</b>					
Professional Administrative Fees	\$	5,500	\$	6,600	\$ 12,100
Principal Reduction		-		-	-
Interest Expense		6,004,250		6,004,250	12,008,500
<b>TOTAL:</b>	<b>\$</b>	<b>6,009,750</b>	<b>\$</b>	<b>6,010,850</b>	<b>\$ 12,020,600</b>

➤ **DEBT SERVICE - AMORTIZATION SCHEDULE**

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

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
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
<b>TOTAL:</b>	<b>\$ 120,085,000</b>	<b>\$ 42,282,875</b>	<b>\$ 162,367,875</b>

## ➤ DEBT SERVICE REQUIREMENTS

### 2016B SUCCESSOR AGENCY TAXABLE BONDS (Issued in 2016)

BOND ISSUES:	<b>SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY Subordinate Tax Allocation Bonds, Series 2016B (Taxable)</b>
DATE OF ISSUES:	February 10, 2016
AMOUNT OF ISSUE:	\$ 26,690,000
AMOUNT OUTSTANDING: (June 30, 2019)	\$ -
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 2018-19		FY 2019-20		FY 2018-20
<b>REVENUE SOURCES</b>					
Tax Increment	\$	4,297,048	\$	5,800	\$ 4,302,848
Interest Earnings		-		-	-
<b>TOTAL:</b>	<b>\$</b>	<b>4,297,048</b>	<b>\$</b>	<b>5,800</b>	<b>\$ 4,302,848</b>
<b>EXPENDITURES</b>					
Professional Administrative Fees	\$	2,500	\$	5,800	\$ 8,300
Principal Reduction		4,240,000		-	4,240,000
Interest Expense		54,548		-	54,548
<b>TOTAL:</b>	<b>\$</b>	<b>4,297,048</b>	<b>\$</b>	<b>5,800</b>	<b>\$ 4,302,848</b>

## ➤ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
<hr/>			
<b>TOTAL:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY Subordinate Tax Allocation Bonds, Series 2016C-Tax Exempt ,Forward</b>
DATE OF ISSUES:	February 10, 2016
AMOUNT OF ISSUE:	\$ 37,755,000
AMOUNT OUTSTANDING: (June 30, 2019)	\$ 29,505,000
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 2018-19	FY 2019-20	FY 2018-20
<b>REVENUE SOURCES</b>			
Tax Increment	\$ 9,934,000	\$ 12,495,650	\$ 22,429,650
Interest Earnings	-	3,000.00	3,000.00
<b>TOTAL:</b>	<b>\$ 9,934,000</b>	<b>\$ 12,498,650</b>	<b>\$ 22,432,650</b>
<b>EXPENDITURES</b>			
Professional Administrative Fees	\$ 2,500	\$ 5,900	\$ 8,400
Principal Reduction	8,250,000	11,300,000	19,550,000
Interest Expense	1,681,500	1,192,750	2,874,250
<b>TOTAL:</b>	<b>\$ 9,934,000</b>	<b>\$ 12,498,650</b>	<b>\$ 22,432,650</b>

## ➤ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
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	-	-	-
<b>TOTAL:</b>	<b>\$ 29,505,000</b>	<b>\$ 1,964,125</b>	<b>\$ 31,469,125</b>

5900

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>REDEVELOPMENT AGENCY - HOUSING SET ASIDE Tax Allocation Bonds, Series 2006A (Taxable)</b>
DATE OF ISSUES:	December 14, 2006
AMOUNT OF ISSUE:	\$ 11,020,000
AMOUNT OUTSTANDING: (June 30, 2019)	\$ 8,340,000
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 2018-19	FY 2019-20	FY 2018-20
<b>REVENUE SOURCES</b>			
Tax Increment	\$ 677,751	\$ 674,984	\$ 1,352,736
Interest Earnings	40,544	44,000	84,544
<b>TOTAL:</b>	<b>\$ 718,295</b>	<b>\$ 718,984</b>	<b>\$ 1,437,280</b>
<b>EXPENDITURES</b>			
Professional Administrative Fees	\$ 4,000	\$ 3,900	\$ 7,900
Principal Reduction	265,000	280,000	545,000
Interest Expense	449,295	435,084	884,380
<b>TOTAL:</b>	<b>\$ 718,295</b>	<b>\$ 718,984</b>	<b>\$ 1,437,280</b>



## ➤ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL		INTEREST		TOTAL
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
<b>TOTAL</b>	<b>\$</b>	<b>8,340,000</b>	<b>\$</b>	<b>4,691,975</b>	<b>\$ 13,031,975</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY Taxable Housing Bonds</b>
DATE OF ISSUES:	February 10, 2016
AMOUNT OF ISSUE:	\$ 13,845,000
AMOUNT OUTSTANDING: (June 30, 2019)	\$ 11,475,000
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 2018-19	FY 2019-20	FY 2018-20
<b>REVENUE SOURCES</b>			
Tax Increment	\$ 1,312,369	\$ 1,308,244	\$ 2,620,612
Interest Earnings	-	5,000	5,000
<b>TOTAL:</b>	<b>\$ 1,312,369</b>	<b>\$ 1,313,244</b>	<b>\$ 2,625,612</b>
<b>EXPENDITURES</b>			
Professional Administrative Fees	\$ 2,950	\$ 5,900	\$ 8,850
Principal Reduction	860,000	880,000	1,740,000
Interest Expense	449,419	427,344	876,762
<b>TOTAL:</b>	<b>\$ 1,312,369</b>	<b>\$ 1,313,244</b>	<b>\$ 2,625,612</b>

## ➤ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
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
<b>TOTAL:</b>	<b>\$ 11,475,000</b>	<b>\$ 2,817,191</b>	<b>\$ 14,292,191</b>

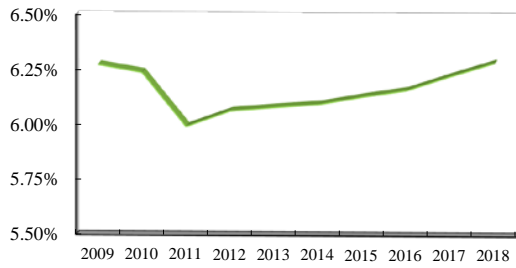


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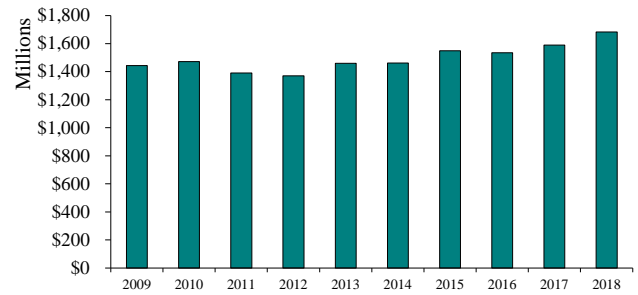
# CITY OF PITTSBURG

## Demographic and Economic Statistics

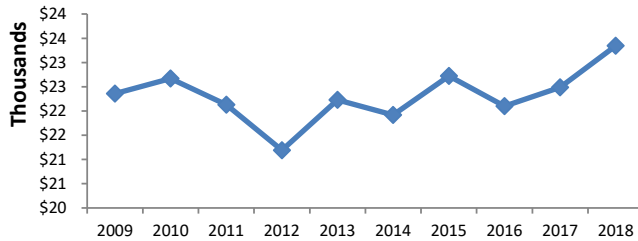
### Last Ten Fiscal Years



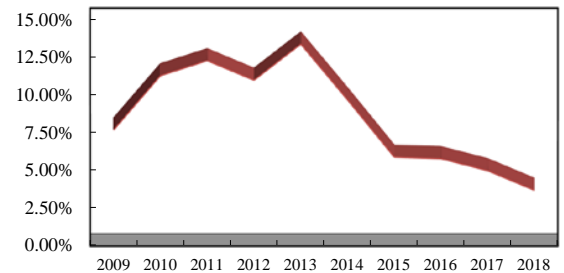
City Population as a % of County Population



■ Total \*\* Personal Income



◆ Per Capita Personal Income



■ Unemployment Rate (%)

Fiscal Year	City * Population	Total ** Personal Income	Per Capita Personal Income	Unemployment*** Rate (%)	Contra Costa * County Population	Pittsburg Population % of County
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%
2018	72,141	1,684,104,000	23,345	3.7%	1,147,439	6.29%

Source: \* www.americanfactfinder.com  
 \*\* from HdL Coren Report  
 \*\*\* www.homefacts.com

**CITY OF PITTSBURG**  
**Principal Employers**  
**Current Year and Nine Years Ago**

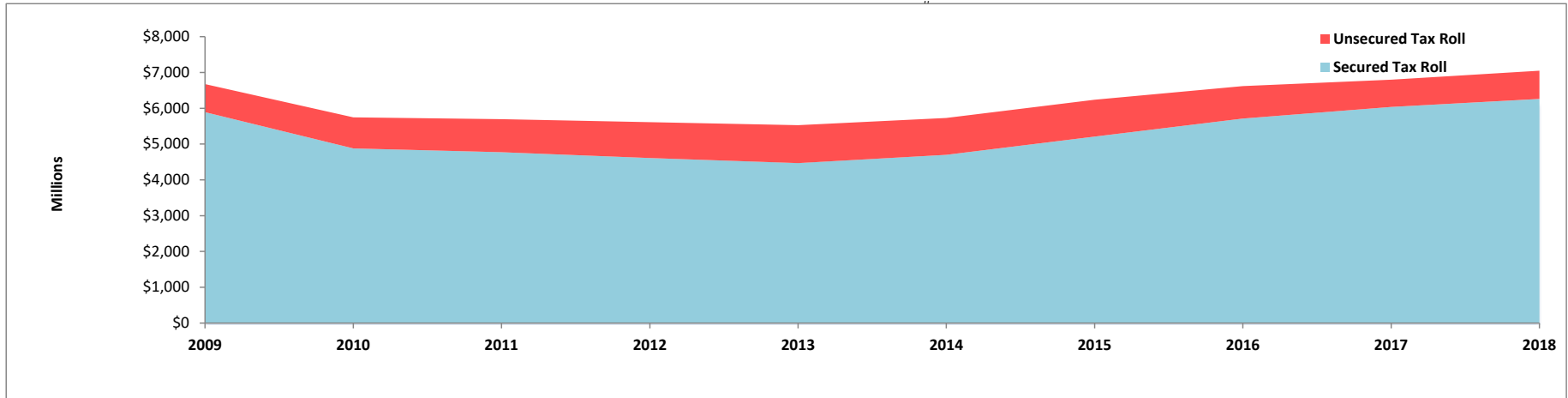
<u>Employer</u>	<u>2017-18 *</u>			<u>2008-09 **</u>	
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>
Pittsburg Unified School District	1,226	1	3.6%	965	1
USS - Posco Industries	621	2	1.8%	640	3
Los Medanos Community College	584	3	1.7%	900	2
Ramar Foods	363	4	1.1%	400	4
Dow Chemical Company	350	5	1.0%	268	5
Walmart	300	6	0.9%	220	7
City of Pittsburg	276	7	0.8%	220	8
Angelica Corporation (Laundry)	222	8	0.6%	220	9
WinCo Foods	151	9	0.4%	200	10
Target	100	10	0.3%	-	-
Mi Pueblo Market	-		-	250	6
Subtotal	<u>4,193</u>		<u>12.2%</u>	<u>4,283</u>	
Employees in the City of Pittsburg	<u>34,426</u>	***			

Source: \* Telephone Survey by Finance Staff

\*\*2008-09 data from CAFR

\*\*\* [www.americanfactfinder.com](http://www.americanfactfinder.com)

**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 ***	Total Direct Tax Rate ***
	Land	Improvements	Personal Property			HOPTR *	Others		
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
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
2018	1,912,263,271	4,316,648,943	30,152,799	789,812,811	7,048,877,824	55,968,158	206,618,682	6,786,290,984	0.15305

\* Homeowners' Property Tax Relief

\* 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.

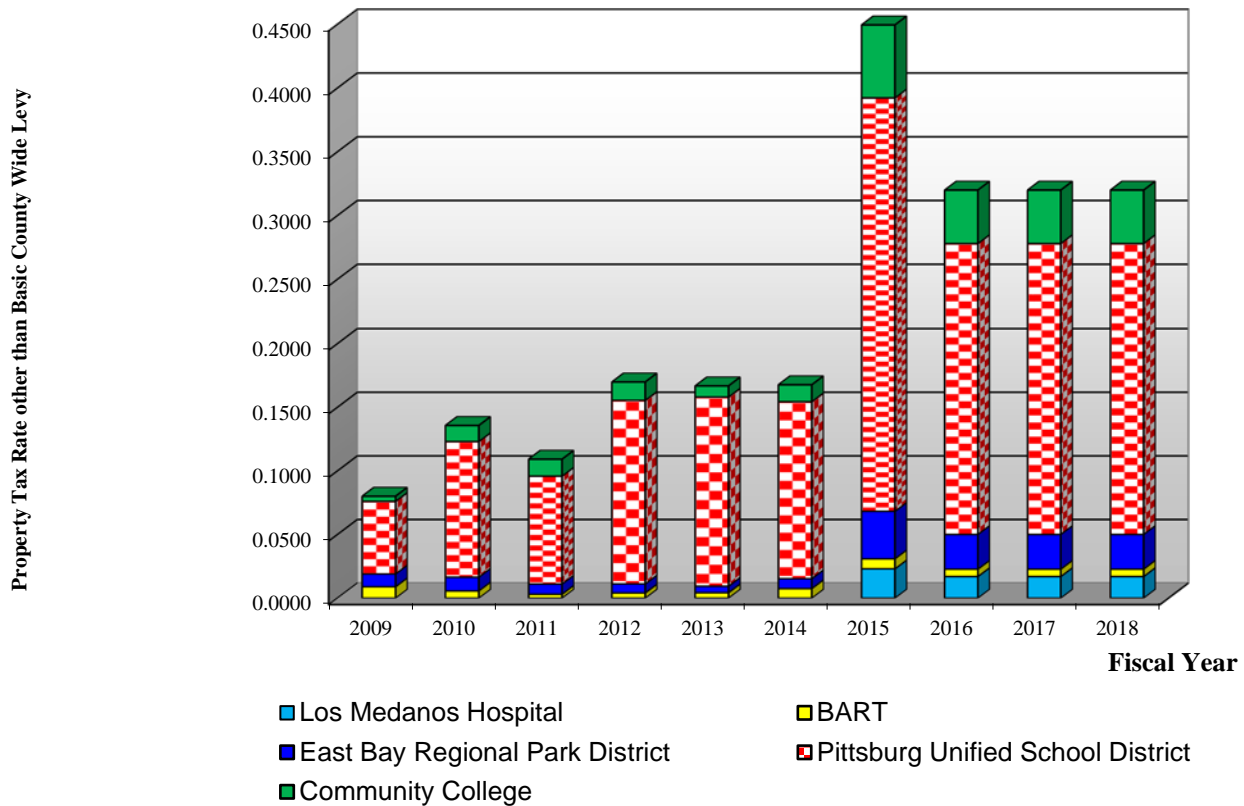
\*\* The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

\*\*\* 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
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	1.0000	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
2018	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

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

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

Taxpayer	2017-18			2008-09		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Dow Agrosiences LLC	\$ 300,682,295	1	4.30%	\$ -	-	0.00%
USS - Posco Industries	247,804,157	2	3.54%	406,816,764	1	6.29%
Calpine Corporation	211,039,100	3	3.02%	-	-	0.00%
Delta Energy Center	169,500,000	4	2.42%	-	-	0.00%
K2 Pure Solution	129,108,511	5	1.84%	-	-	-
Sierra Pacific Properties	115,906,602	6	1.66%	57,245,963	3	0.88%
KW Kirker Creek LLC	102,130,467	7	1.46%	30,000,000	7	0.46%
San Marco Properties LLC	79,198,012	8	1.13%	-	-	0.00%
Century Plaza Corporation	70,609,469	9	1.01%	40,278,162	4	0.62%
Douglas Products	58,458,042	10	0.84%	-	-	-
Dow Chemical Company	-	-	-	243,978,330	2	3.77%
GWF Power Systems LP	-	-	-	28,970,208	8	0.45%
Koch Carbon LLC	-	-	-	-	-	0.00%
West Coast Home Builders	-	-	-	30,265,656	5	0.47%
National Energy Constructors	-	-	-	30,234,985	6	0.47%
Ora Vineyard 162 LLC	-	-	-	25,249,000	9	0.39%
Tele-Yue Systems Inc.	-	-	-	23,367,231	10	0.36%
Subtotal	<u>\$ 1,484,436,655</u>		<u>21.21%</u>	<u>\$ 916,406,299</u>		<u>12.47%</u>

Total Net Assessed Valuation:

Fiscal Year 2017-18	\$6,998,950,294
Fiscal Year 2008-09	\$6,471,729,308

Source: HdL Coren & Cone



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## ➤ GLOSSARY OF BUDGET TERMS

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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 XIII B of the California Constitution, enacted by the passage of Proposition 4 at the November 6, 1979 general election, the growth in the level of certain appropriations from tax proceeds are generally limited to the level of the prior year's appropriation limit as adjusted for changes in cost of living and population. Other adjustments may be made for such reasons as the transfer of services from one government entity to another.

**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 Pittsburgh.
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 Pittsburgh.

**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 Comprehensive 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.

$$\text{Annual Depreciation} = \frac{\text{Cost less Salvage Value}}{\text{Number of Estimated Life}}$$

**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<sup>1</sup>. 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 surplus 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.)	

<sup>1</sup>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 covenants 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			
<p><b>General Obligation (GO) Bonds</b></p> <ul style="list-style-type: none"> <li>* Strong market acceptance</li> <li>* Significant structuring flexibility</li> <li>* Favorable interest rates</li> <li>* No debt service reserve fund requirement</li> <li>* No trustee required</li> <li>* Supermajority (2/3) voter approval required</li> <li>* No pledge of City's general fund</li> </ul>		<p><b>Revenue Bonds</b></p> <ul style="list-style-type: none"> <li>* Debt is secured by revenues of system users</li> <li>* Debt limits not applicable</li> <li>* Higher interest costs than GO's</li> <li>* Debt service reserve fund may be required</li> <li>* Trustee required</li> <li>* Voter approval usually not required</li> <li>* Debt Service Coverage covenants usually included</li> <li>* Limited revenues available to secure debt</li> </ul>	
<p><b>Assessment/Mello-Roos CFD Bonds</b></p> <ul style="list-style-type: none"> <li>* Voter approval required</li> <li>* Debt service reserve fund usually required</li> <li>* Debt is secured by assessments or special taxes on property</li> <li>* Complexity greater than GO's</li> <li>* Market concerns about defaults, if property owned by single developer</li> <li>* Limited revenues to secure debt</li> <li>* Higher interest costs due to higher risk (but debt service not payable by City directly)</li> </ul>		<p><b>Certificates of Participation (COPs)</b></p> <ul style="list-style-type: none"> <li>* Voter approval not required</li> <li>* Debt limits not applicable</li> <li>* Good market acceptance</li> <li>* Complexity greater than GO's</li> <li>* Risk of citizen opposition</li> <li>* Limited revenues to secure debt</li> <li>* Less secure than GO Bond</li> </ul>	

### 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:

<u>Moody's Investor's Service, Inc</u>	<u>S&amp;P Global Ratings</u>	<u>Fitch Investors Service, Inc</u>	<u>Definition</u>
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 Pittsburgh 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.

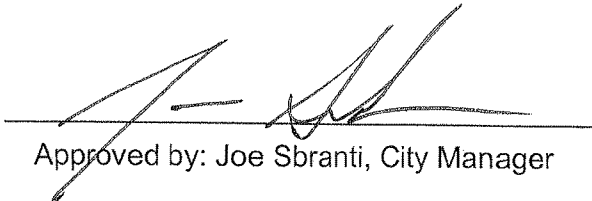
**Subordinate Lien Debt:** Debt whose terms require it to be repaid with pledged revenues net of the amount necessary to make debt service payments on senior lien debt.

**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

<b>Grant Title</b>		<b>Grant No./CFDA No.</b>	
<b>City of Pittsburg Grant Account Codes</b>		<b>City Council Resolution No.</b>	
<b>General Description of the Grant Scope of Work/Reporting Requirements</b>			
<b>Granting Agency</b>		<b>Agency Contact/Email Address</b>	
<b>Pass-through Agency</b>		<b>Pass-through No.</b>	
<b>Type of Grant (circle)</b>	<b>Federal</b>	<b>State</b>	<b>County</b>
<b>Method of Funding (circle)</b>	<b>Advance</b>	<b>Reimbursement</b>	
<b>Frequency of Funding (circle)</b>	<b>Monthly</b>	<b>Quarterly</b>	<b>Annually</b>
<b>Funding Period</b>	<b>Total Grant Amount (\$)</b>		<b>City Matching Funds (Amount &amp; Source)</b>
<b>Responsible Department</b>	<b>Department Contact</b>		<b>Phone No.</b>

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 Municipal )  
Code Relating to Fiscal Sustainability and )  
Reserve Funds )

ORDINANCE NO. 18-1455

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 and be restricted as per the City's policy:
  - A Reserve for Economic Uncertainty (20% of the 30% minimum funding level within the General Fund Reserve) – funds designated to mitigate periodic revenue shortfalls due to downturn in economic cycles, thereby avoiding the need for service-level reductions within the fiscal year, and
  - An Emergency Reserve (10% of the 30% minimum funding level within the General Fund Reserve) – funds designated to mitigate costs of unforeseeable emergencies and natural disasters.

The composure of the reserves shall consist of:

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.

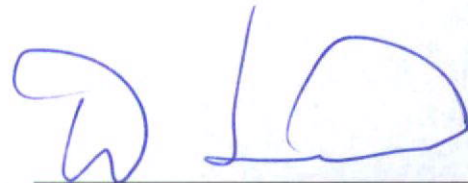
The foregoing ordinance was introduced at a meeting of the City Council of the City of Pittsburg held on September 17, 2018 and was adopted and ordered published at a meeting of the City Council held on October 1, 2018 by the following vote:

AYES: Banales, Craft, Evola, Killings

NOES: None

ABSTAINED: None

ABSENT: Longmire



Dwaine "Pete" Longmire, Mayor

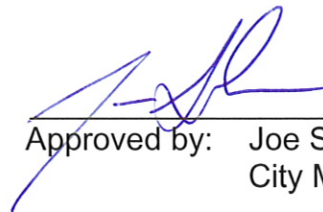
ATTEST:



Alice E. Evenson, City Clerk



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 (September 17, 2018)**

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### **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 enough 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 regard 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 needed for short-term liquidity 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, if 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 examine 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 nationally recognized statistical rating organization (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 bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by a state or by a department, board, agency or authority 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 NRSRO. 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 with short-term ratings of "A-1" or the equivalent or higher by a NRSRO. Long-term ratings, if any, must be "A" category or its equivalent or higher by a NRSRO. The entity that issues the commercial paper shall meet all 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 more than five hundred million dollars (\$500,000,000). (iii) Has debt other than

commercial paper, if any, that is rated in the “A” category or its equivalent or higher by a NRSRO

- (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 NRSRO.

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 with short-term ratings of “A-1” or its equivalent or higher by a NRSRO; or long-term obligations rated in a category of “A” or its equivalent or higher by a NRSRO. 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 NRSRO 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 NRSROs. 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 comply 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 NRSRO. 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 NRSRO and shall be issued by an institution rated in one of the three highest rating categories by a NRSRO. 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 NRSRO. 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 NRSROs.
- (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 (10 percent limit per fund).

### 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<sup>1</sup>

Investment Type	City Minimum Quality Parameters	Code Minimum Quality Parameters	City Maximum % of Portfolio	Code Maximum % of Portfolio	City Maximum Maturity	Code Maximum Maturity
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<b>Investment Type</b>	<b>City Minimum Quality Parameters</b>	<b>Code Minimum Quality Parameters</b>	<b>City Maximum % of Portfolio</b>	<b>Code Maximum % of Portfolio</b>	<b>City Maximum Maturity</b>	<b>Code Maximum Maturity</b>
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	A-1/P-1	None	40%/5% issuer <sup>2</sup>	40%/30% issuer	180 Days	180 Days
State and Local Obligations	"A-" rated obligation	None	30%/5% issuer <sup>2</sup>	None	5 years	5 years
Commercial Paper	"A-1" ST, "A" if LT ratings	"A-1" ST, "A" of LT ratings	25%/5% issuer <sup>2</sup>	25%	270 Days	270 Days
Negotiable Certificates of Deposits	"A-1" ST or "A" LT rated financial institutions	None	30%/5% issuer <sup>2</sup>	30%	5 Years	5 Years
Certificates of Deposit	"A" rated financial institutions	None	30%/5% issuer <sup>2</sup>	None	1 Year	None
Repurchase Agreements	"A" rated primary dealers	None	15%/5% issuer <sup>2</sup>	None	90 Days	1 Year
Medium-Term Notes	A	A	30%/5% issuer <sup>2</sup>	30%	5 Years	5 Years
Asset-backed Securities	"AA" security/"A" rated financial institutions	AA" security/"A" rated financial institutions	20%/5% issuer <sup>2</sup>	20%	5 Years	5 Years
Money Market <sup>3</sup> Funds	Multiple <sup>3</sup>	Multiple <sup>3</sup>	20%/10% per fund	20%	N/A	N/A
Local Agency Investment Fund	None	None	Up to LAIF statutory limit <sup>4</sup>	Up to LAIF statutory limit	N/A	N/A
CAMP <sup>5</sup>	None	None	None	None	N/A	N/A
Supranationals	"AA"	"AA"	30%/10% issuer	30%	5 Years	5 Years

**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, supranationals, money market funds, LAIF, and authorized pools, or unless otherwise authorized in this investment policy, to no more than 5 percent of the portfolio.
3. Must receive the highest rating by two of the three largest NRSROs 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.
4. There is a \$65 million cap for the City of Pittsburg funds, the LAIF maximum as of July 2018. LAIF limits may change from time to time.
5. CAMP is California Asset Management Program.

## **IX. DIVERSIFICATION AND RISK MANAGEMENT**

To reduce portfolio risk while attaining market average rates, the City's portfolio will be suitably diversified by type and institution. Except for U.S. Treasury securities, Federal Agency securities, supranationals, money market funds, LAIF, 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, unless otherwise specified in this investment policy.

The City may elect to sell a security prior to its maturity and record a capital gain or loss to manage the quality, liquidity or yield of the portfolio in response to market conditions or City's risk preferences.

The City further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The City, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The City will maintain a minimum of six months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements.
- The maximum percent of callable securities (does not include "make whole call" securities as defined in the Glossary) in the portfolio will be 20%.
- The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the City based on the City's investment objectives, constraints and risk tolerances. Maximum maturities may not exceed five years.

## **X. MAXIMUM MATURITY**

The City's cash management system is fully designed to accurately monitor and forecast revenues and expenditures thus enabling the City to invest funds 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 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, considering 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 follows investment policy, or the way the portfolio is not in compliance
  - Statement denoting ability of City to meet its expenditure requirements for the next six months, or provide enough 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.

**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.

**Make whole call:** A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

**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.  $[(\text{Total assets}) - (\text{Liabilities})] / (\text{Number of shares outstanding})$

**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), 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.

**Supranationals:** Multi-national organizations whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in member countries.

**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.  $(\text{Price Appreciation}) + (\text{Dividends paid}) + (\text{Capital gains}) = \text{Total Return}$

**Treasury Bills:** A noninterest 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 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 based on 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 returns 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 returns 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.



BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Amending the City's Purchasing Policy     )  
To Require Project Stabilization            )  
Agreement and Update Requirements        )

RESOLUTION NO. 18-13556

The City Council of the City of Pittsburgh DOES RESOLVE as follows:

WHEREAS, the City has adopted a Purchasing Policy for the informal and formal bidding of supplies, general services, professional services, and public works projects; and

WHEREAS, the City Council authorized execution of a Project Stabilization Agreement and directed a revision to the Purchasing Policy accordingly; and

WHEREAS, the City Council in 2018 established and filled the in-house City Attorney position and City Council seeks to set forth the purchasing authority for the City Attorney; and

WHEREAS, it is prudent to expressly set forth contracting statutory requirements and/or best practices that contracts must be in writing and set forth the total maximum compensation, contract splitting is prohibited, subsequent years' appropriations for funding multi-year contracts are subject to authorization by City Council, contracts of \$10,000 or more require review and signature by the City Attorney, and circumstances when staff may amend a contract to increase compensation.

NOW, THEREFORE, the City Council finds and determines as follows:

Section 1. All the recitals above are true and correct and incorporated herein.

Section 2. The City Council hereby adopts this Resolution and amends the City's Purchasing Policy as shown in Exhibit A to this Resolution.

Section 3. The City Clerk shall certify to the adoption of this Resolution.

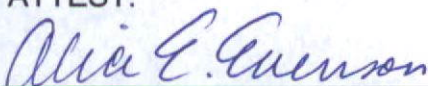
Section 4. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Pittsburgh at a regular meeting on the 5th day of November 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



**Exhibit A**

**CITY OF PITTSBURG  
PURCHASING POLICY**

**REVISED NOVEMBER 2018**

**TABLE OF CONTENTS**

<b>Section</b>	<b>Page</b>
1. Authority Provided .....	1
2. Purchasing Authority.....	1
3. Informal Bidding Permitted.....	2
4. Informal Bidding Procedure, not a Public Works Project.....	3
5. Informal Bidding Procedure, Public Works Project .....	3
6. Formal Bids.....	3
6.1 For Supplies, General Services, and Professional Services .....	3
6.2 For Public Works Projects.....	4
7. Exemptions .....	4
7.1 Emergency Purchasing .....	4
7.2 “Piggyback” Purchasing .....	4
7.3 Other .....	5
8. Local Preference.....	5
9. Minority and Women Owned Businesses .....	5
10. Recycled Products Preference .....	5

## **CITY OF PITTSBURG PURCHASING POLICY**

**1. Authority Provided**

In compliance with Pittsburg Municipal Code Chapter 2.85.010, this Purchasing Policy was adopted by City Council Resolution No. 18-13556.

**2. Purchasing Authority**

Except as authorized 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 Manager(s), Police Chief, Director of Finance, Human Resource Director, Public Works Director, Director of Community Services, Director of Community Development and Director of Records and Council Services.

Employees in the following positions are authorized to execute on behalf of the City agreements in the amounts as follows:

Position	Supplies	General Services	Professional Services	Public Works Projects
City Manager	\$75,000 or less	\$75,000 or less	\$75,000 or less	\$75,000 or less
City Attorney	\$10,000 or less	\$75,000 or less	\$75,000 or less	N/A
Executive Team Member	\$50,000 or less	\$50,000 or less	\$50,000 or less	\$50,000 or less

As authorized by Pittsburg Municipal Code Section 2.85.030, the City Manager may delegate his or her duties as chief purchasing officer to other city positions so long as such delegation is in writing and consistent with this Policy. By way of example, the City Manager may delegate purchasing authority of \$25,000 or less to the Planning Manager for professional services.

The City Attorney is authorized to purchase legal services, general services, and supplies for the City Attorney's Office.

All contracts must be in writing and set forth a total maximum compensation.

The contracting amounts set forth above are for one contract regardless of the duration of the contract. Contract splitting is prohibited. Contract splitting is dividing purchases into separate contracts, each below the amount of contracting authority, to avoid the requirement to obtain City Council approval or to competitive bidding.

For any multi-year contract, adequate funds must be available to fulfill the first fiscal year's obligation at the time of contract execution. Subsequent years' appropriations are subject to authorization by City Council unless allowed pursuant to state law and the terms of the contract.

Any contract for a duration of more than seven years must be approved by City Council regardless of the amount of compensation.

Any contract in an amount of \$10,000 or more must be reviewed and signed approving as to form by the City Attorney.

Purchasers may amend a contract that has been approved by City Council to increase compensation when 1) the City Council has approved a contingency amount and the increase is equal or less than the contingency amount, or 2) the amount of the increase is equal or less than the amount authorized for the purchaser as set forth above.

All contracts for outside legal counsel must be approved by the City Attorney.

**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 governed by 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** has the same meaning as set forth in California Labor Code Section 1720. It 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**

Informal bidding, as may be further defined through administrative procedures, is authorized 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**

The City Manager may issue administrative procedures setting forth requirements of informal bidding procedures for the purchase of supplies, general services, and professional services, consistent with state law and this Policy. Such procedures shall ensure uniformity of the City's purchasing practices.

#### **5. Informal Bidding Procedure, Public Works Projects**

As authorized by Pittsburg Municipal Code Chapter 2.86, a public works project of \$175,000 or less may be accomplished by informal bidding in compliance with Pittsburg Municipal Code Sections 2.86.030-060:

#### **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 City Manager may direct 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 City Manager may 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 and this Policy.

Note: Best value is the valuation of price in conjunction with quality of service.

## 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.

A public works project of more than \$1 million is subject to a Project Stabilization Agreement unless exempt, as set forth in Resolution No. 18-13456, until November 5, 2023.

## 7. **Exemptions from Bidding**

### 7.1 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.

### 7.2 "Piggyback" Purchasing

Purchases may be made through an agreement for supplies or services negotiated by another governmental agency if: (a) the 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 agreement is identified on the California Multiple Award Schedules ("CMAS") listing maintained by the State of California Department of General Services – Procurement Division.

### 7.3 Other

Based on unique facts or circumstances and a recommendation with justification from the affected department director, the City Manager after consultation with the City Attorney may waive one or more purchasing procedures if he/she determines the interests of the City are best served; provided, however, such waiver is not in violation of City Council policy or applicable law.

### 8. **Local Preference**

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.

### 9. **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.

### 10. **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.

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.

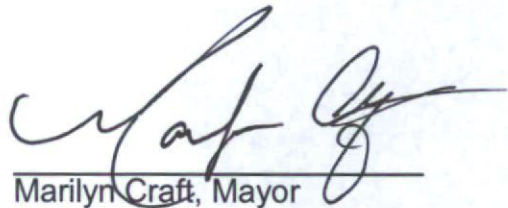
The City Clerk shall certify to the adoption of this Resolution.


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 6<sup>th</sup> 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 be 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 other items necessary for his or her department 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, 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 2019-20 for the City of   )  
Pittsburg and Appropriation of Funds    )  
for Fiscal Year 2019-20                    )

RESOLUTION NO. 19-13643

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 2019-20 to the City Council for its consideration; and

WHEREAS, the City prepares and adopts the Preliminary Operating Budget for Fiscal Year 2019-20 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 22, 2019 the City Council held a budget workshop for the purpose of reviewing the Preliminary Operating Budget for Fiscal Year 2019-20 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 2019-20 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 and Authorization

- 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 2019-20 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 2019-20.
- 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 2019-20.
- 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 2019-20.



- 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:

- 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. These changes cannot increase the department budget.


Section 2.        Effective Date

This resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting held on 17th day of June 2019, by the following vote:

AYES:	Craft, Killings, White, Banales
NOES:	None
ABSTAINED:	None
ABSENT:	Scales-Preston

  
\_\_\_\_\_  
Juan Antonio Banales, Mayor

ATTEST:  
  
\_\_\_\_\_  
Alice E. Evenson, City Clerk





City of Pittsburg  
65 Civic Avenue  
Pittsburg, California 94565

June 17, 2019

Honorable Mayor and Members of the City Council:

As your new City Manager, I greatly value the commitment to Team Pittsburg from the City Council, community, and entire organization in the budget process so that the budget reflects the City Council's community goals and priorities. It is with great pleasure that I present the Fiscal Year (FY) 2019-20 Annual Budget. This document includes the City's Operating and Capital Improvement budget for all activities and provides a comprehensive financial framework for the coming year.

The annual budget is the single most important policy that the City Council reviews and approves, as it represents the City's priorities for making resource investments, both for the upcoming year and the long-term future. As such, the budget process must include effective participation from the Mayor and City Council, our community, key stakeholders, and City staff. Working together, the team strives for progressive investment in our community's future, as well as in our organization and staff, so that the City of Pittsburg can operate efficiently and effectively.

Revenues for the City (excluding transfers) are projected to be \$171.9 million, of which 24.5 percent comprises the General Fund. The City's total expenditures (excluding transfers) are projected to be \$167.3 million, of which 27.3 percent is the General Fund, the City's main source of unrestricted funds. This proposed budget funds 290 full-time equivalent employees. Before the recent economic recession, the City budget had 308 full-time equivalent positions. This Budget follows 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 2019-20

	FY 2018-19 YE Estimate	FY 2019-20 Budget	Increase/ (Decrease)	Percentage Inc/(Dec)
Revenues	\$ 45,582,602	\$ 47,124,308	\$1,541,706	3.38%
Expenditures	<u>46,594,565</u>	<u>47,743,323</u>	<u>1,148,758</u>	2.47%
<i>Surplus (Deficit)</i>	<u>\$ (1,011,963)</u>	<u>\$ (619,015)</u>	<u>\$ 392,948</u>	<i>(38.83%)</i>
<b><i>Use of General Fund Balance</i></b>	<b>\$ 1,011,963</b>	<b>\$ 619,015</b>	<b>\$ (392,948)</b>	<b>(38.83%)</b>

Projected FY 2019-20 ending Budget Stabilization Fund Balance    \$ 2,295,285  
Projected FY 2019-20 ending General Fund Balance                    \$15,755,254

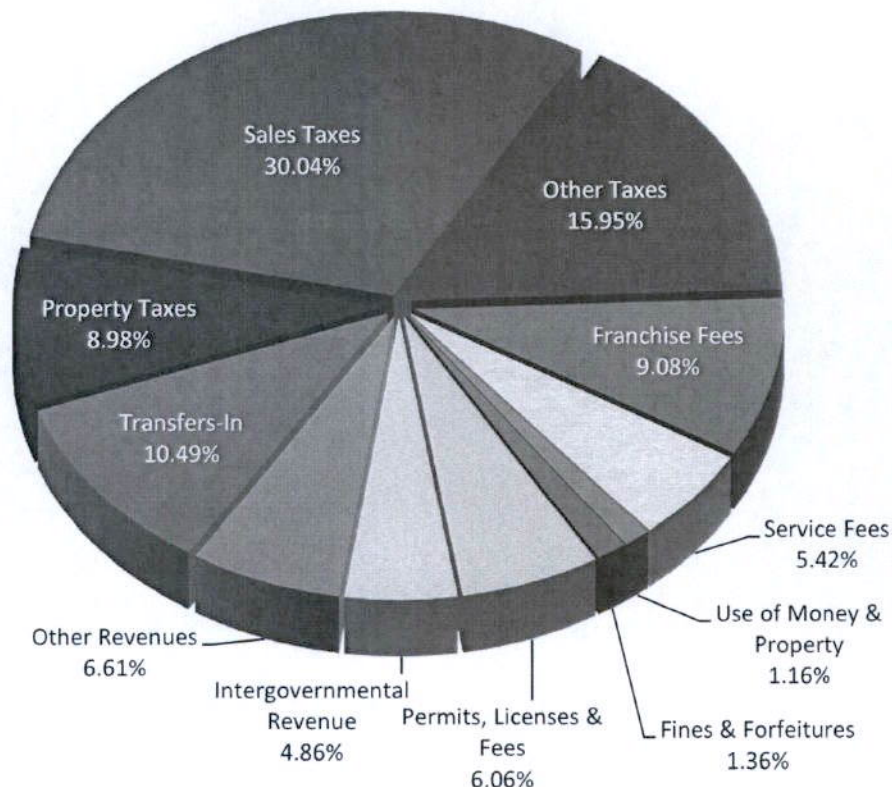




## Revenues

The City's revenue streams are influenced by overall economic conditions. Total General Fund revenue projections for FY 2019-20 are approximately \$1.2 million more than FY 2018-19 year-end estimates. The additions are due to an anticipated increase in permit fee revenue as a result of an ongoing fee rate study, 2.5 percent annual growth in sales tax and available residual distribution and City pass-through funding related to the City's former Redevelopment Agency. The General Fund major revenue sources include property and sales taxes, transfers, other taxes, and franchise taxes. Together the major sources comprise 74.54 percent of total General Fund revenues for FY 2019-20, as shown on the graph below. The remaining 25.46 percent includes revenues such as intergovernmental revenue, department fee revenues and interest earnings.

**General Fund Revenues by Source**



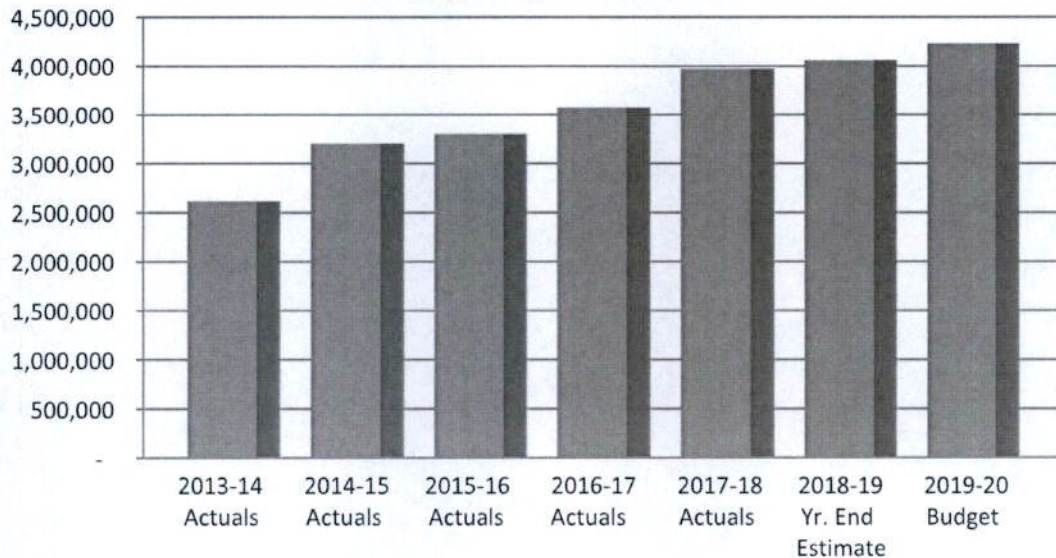
The City continues to see signs of improvement through increases in both property tax and sales tax revenues. Property Tax revenue projections increased approximately



City of Pittsburg  
65 Civic Avenue  
Pittsburg, California 94565

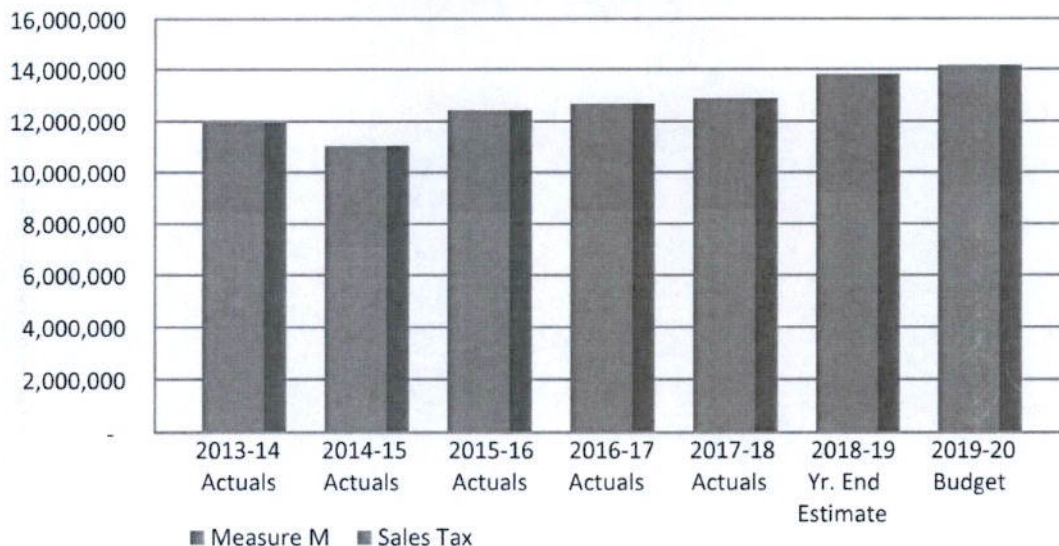
\$169,432 from year-end estimates, an estimated 4.17 percent increase due to additional single-family and commercial construction, as well as recovering property values.

### Property Taxes



FY 2019-20 Sales Tax revenue projections increased by \$348,058 over FY 2018-19 year-end estimates, a 2.5 percent increase. Sales taxes are projected to increase slightly mainly due to the Supreme Court Ruling in *South Dakota v. Wayfair*, where states may charge tax on purchases made from out-of-state sellers, even if the seller does not have a physical presence in the taxing state. City staff is also projecting increased sales tax

### Sales Taxes







City of Pittsburg  
65 Civic Avenue  
Pittsburg, California 94565

revenue generated from service stations in the City. Looking forward, the City is projecting Sales Tax revenue to increase at a modest rate of approximately two percent per year.

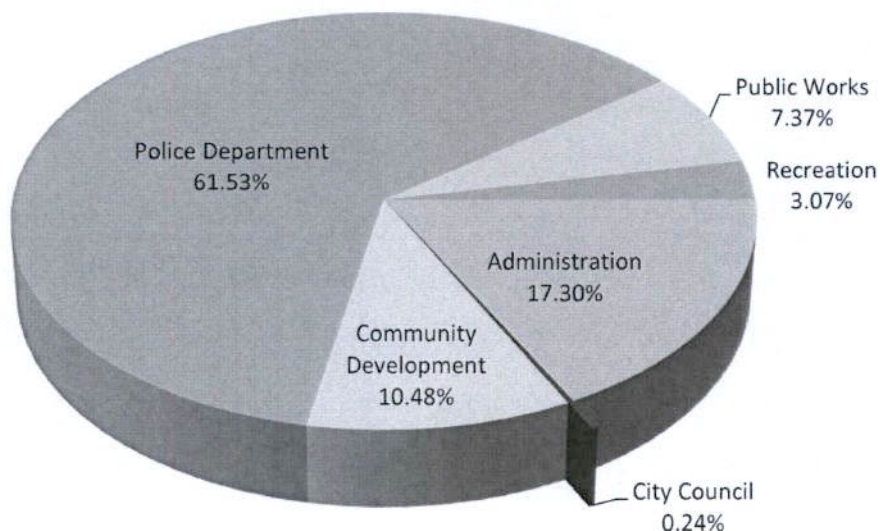
In June 2016, 81 percent of voters approved Measure M, extending the City's one-half percent sales tax through June 2035 to support public safety, senior activities, economic development, youth enrichment and the City's infrastructure.

### Expenditures

General Fund projected expenditures have increased by \$1.1 million in FY 2019-20 over FY 2018-19 year-end estimates. For the FY 2019-20 budget, departments were asked to keep controllable costs neutral to offset normal inflationary costs. This budget continues to see additional resources dedicated to fund the City's pension obligation, with higher contribution rates and additional funding requirements to cover the unfunded actuarial liabilities (UAL) and changes initiated by the California Public Employees' Retirement System (CalPERS) Board. The CalPERS rate increases resulted from changes to proactively fund the current UAL 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 and future projected budgets to minimize the impact.

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 come to expect while remaining fiscally prudent with the funds entrusted to the City.

## 2019-20 General Fund Expenditures by Department







City of Pittsburg  
65 Civic Avenue  
Pittsburg, California 94565

**Fiscal Sustainability Ordinance** – This is the seventh 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 2019-20 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 10 percent 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, a longer-range 20-year forecast is used to predict future fiscal measures that may be needed. This forecast incorporates anticipated revenues from development, assessed market value and economic projections, 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 applied 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 and 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.

At the direction of the City Council, the current operating budget contains the establishment of a Section 115 Trust Fund to accumulate funds that can only be used towards future pension costs in addition to paying the required CalPERS annual pension payments. For FY 2019-20 the City has budgeted \$294,215 to be deposited into the Trust.





City of Pittsburg  
65 Civic Avenue  
Pittsburg, California 94565

**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 \$4.5 million as of March 31, 2019 and a balance of \$4.1 million as of June 30, 2018. The proposed FY 2019-20 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 remain at some of the lowest levels in decades and continue to compare very well with crime rates in nearby cities.

#### VIOLENT CRIME COMPARISON BY CITY PER 1,000 RESIDENTS

CITY/YEAR	2017	2018
Walnut Creek	1.5	1.5
Pleasant Hill	2.0	1.8
Brentwood	2.6	2.4
Concord	3.6	3.7
Antioch	5.3	5.3
Pittsburg	4.9	5.8

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

#### PART I CRIME COMPARISON BY CITY PER 1,000 RESIDENTS

CITY/YEAR	2017	2018
Brentwood	31.2	23.7
Pittsburg	30.6	29.2
Walnut Creek	33.8	33.2
Concord	38.2	35.5
Antioch	39.6	35.5
Pleasant Hill	49.6	44.4

*Part I Crime includes: 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 and the City are both committed to maintaining the tradition of working together to build a stronger City. The City 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 encourage





City of Pittsburg  
65 Civic Avenue  
Pittsburg, California 94565

expansion from existing businesses and attract new businesses that improve the quality of life in Pittsburg.

The proposed FY 2019-20 Capital Projects budget is approximately \$5.9 million, as summarized in the chart below. A majority of the capital projects involve improvements to the City's water distribution and sewer systems, as well as street projects. 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	FY 19-20 Allocation
2019-20 Citywide Pavement Management	RMRA	-	\$895,000
2019-20 Street Maintenance	Gas Tax, RMRA	-	322,427
Patch Paving, Sealing & Striping	GF	-	500,000
2019-20 Citywide Traffic Calming	Measure J	-	50,000
Annual Citywide Fence/Soundwall/Streetlight Replacement and Installation	Measure J	\$100,000	100,000
Annual Citywide Striping and Signage	Gas Tax	50,000	50,000
2019-20 Traffic Signal Modification	RMRA	-	135,000
Water Treatment Plant Capital Repairs & Improvements	WOF	-	75,000
Automatic Water Meter Reading System	WOF	2,506,793	300,000
2021-22 Water Main Installation/Replacement	WOF	-	400,000
2021-22 Filter Media Replacement	WOF	100,000	100,000
2016-17 Sewer and Water Replacement and Rehabilitation Program	SOF, SFR, WOF, WFR, Wbond	11,627,500	1,300,000
Annual Park Sign Replacement	PDF	-	50,000
Annual Playground Replacement Project	PDF	80,000	80,000
Biennial Playfield Replacement	PDF	-	250,000
Annual Park Features Replacement Project	PDF	75,000	75,000
Park and Landscaping Improvements	PDF	-	200,000
Marina Infrastructure and Repair	ME	20,000	20,000
Repurpose Station E	IE	-	350,000
Duct Bank and Vault Replacements	IE	400,000	50,000
Waterfront Area Reliability	IE	-	500,000
Outage Recovery Project	IE	-	120,000
<b>Totals</b>		<b>\$ 14,959,293</b>	<b>\$ 5,922,427</b>





City of Pittsburg  
65 Civic Avenue  
Pittsburg, California 94565

## Conclusion

The FY 2019-20 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 City Council as the community moves forward.

I would like to thank the City Council for their guidance and support throughout the development of the 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 2019-20 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.

Garrett Evans  
City Manager





## Summary of Fund Condition

	Estimated Reserves June 30, 2019 <sup>1</sup>	Projected Revenues 2019-20	Transfers-In	Projected Expenditures 2019-20	Transfers-Out	Estimated Balance June 30, 2020
<b>General Fund</b>						
General Fund	16,374,269	42,180,285	4,944,023	45,598,434	2,144,889	15,755,254
<b>Subtotal, General Fund</b>	<b>\$ 16,374,269</b>	<b>\$ 42,180,285</b>	<b>\$ 4,944,023</b>	<b>\$ 45,598,434</b>	<b>\$ 2,144,889</b>	<b>\$ 15,755,254</b>
<b>Internal Service Funds</b>						
Building Maintenance	996,183	1,992,846	60,000	2,062,069	11,938	975,022
Fleet Maintenance	700,177	2,100,534	-	2,078,900	9,972	711,839
Fringe Benefits	814,782	2,214,000	-	2,211,163	-	817,619
Information Communication Services	1,238,620	1,280,371	-	1,381,240	-	1,137,751
Insurance	545,980	1,956,690	-	1,924,690	-	577,980
Other Post-Employment Benefits (OPEB) <sup>2</sup>	216,577	1,777,855	500,000	2,272,580	-	221,852
Pension Trust/Reserve Fund <sup>3</sup>	-	294,215	-	294,215	-	-
<b>Subtotal, Internal Service Funds</b>	<b>\$ 4,512,319</b>	<b>\$ 11,616,511</b>	<b>\$ 560,000</b>	<b>\$ 12,224,857</b>	<b>\$ 21,910</b>	<b>\$ 4,442,063</b>
<b>Enterprise Funds</b>						
Island Energy	2,995,148	6,265,000	-	6,894,381	28,792	2,336,975
Marina	841,496	2,144,852	-	2,171,890	16,994	797,464
Pittsburg Power	2,128,476	2,725,185	50,000	1,649,513	730,197	2,523,951
Sewer Utility	1,746,696	5,391,189	-	4,560,115	851,324	1,726,446
Waterfront Operations	568,954	1,850,912	-	1,310,676	13,343	1,095,847
Water Utility	13,424,146	23,018,198	814,279	21,981,674	394,462	14,880,487
<b>Subtotal, Enterprise Funds</b>	<b>\$ 21,704,916</b>	<b>\$ 41,395,336</b>	<b>\$ 864,279</b>	<b>\$ 38,568,249</b>	<b>\$ 2,035,112</b>	<b>\$ 23,361,170</b>
<b>Special Revenue Funds</b>						
Assets Seizure	20,598	15,740	-	15,000	-	21,338
Budget Stabilization	2,295,285	-	-	-	-	2,295,285
CA Energy Conservation Program	7	-	74,500	74,497	-	10
CalHome Program	123,090	1,500	-	-	-	124,590
California Theatre	52,432	279,307	175,000	466,747	-	39,992
Economic Development	253,289	373,727	150,000	315,291	51,264	410,461
Emergency Operations Center	869	-	55,000	34,700	20,000	1,169
Fire District CFD	545	6,288	-	2,125	-	4,708
Gas Tax	(211,086)	1,586,571	-	52,100	1,312,111	11,274
Gas Tax - Road Maint & Rehab (RMRA)	56,967	1,210,657	150,000	1,352,427	-	65,197
General Plan Update	2,821	-	160,000	160,000	-	2,821
GHAD Administration	83	-	521,860	517,787	4,073	83
Golf Course	43	-	13,250	13,250	-	43
Hillview Jr. High Athletic Field (Maintenance)	353,996	3,200	-	-	-	357,196
Housing Authority-Section 8	90,118	17,693,357	-	17,630,416	18,680	134,379
HUD Community Development Block Grant	116,150	919,673	-	536,190	358,312	141,321
Lighting and Landscape	30,371	3,051,400	1,238,111	4,183,570	109,753	26,559
Lighting and Landscaping Oak Hill	34,692	34,260	663	37,298	-	32,317
Marina Vista Field Replacement	303,928	4,200	-	-	-	308,128
Measure C Tax Fund	127,537	877,200	-	162,000	695,332	147,405
Miscellaneous Grants	-	142,934	-	-	141,034	1,900
Neighborhood Stabilization	45,103	680	-	-	-	45,783
Park Maintenance CFD 2007-1	85,769	127,186	-	86,907	702	125,346
Project Amenities Mgmt (CFD 2015-1)	32,579	26,172	-	3,800	-	54,951
Public Safety CFD 2005-1	72,386	517,521	-	10,100	560,000	19,807
Public, Education & Gov't Fees (PEG)	607,304	168,500	-	145,500	-	630,304
R/R Ave Specific Plan (e-BART) CFD 2014	23,658	20,068	-	-	-	43,726
San Marco CFD 2004-1	148,423	1,023,309	-	14,200	1,125,000	32,532
Small Cities Grant	36,358	-	180,399	-	-	216,757
Solid Waste	267,646	604,000	-	516,166	104,213	251,267
Southwest Pittsburg GHAD II	3,849,964	958,837	-	181,500	521,860	4,105,441
Storm Water Utility NPDES	535,106	1,134,824	100,000	1,245,008	63,918	461,004
Successor Agency Housing Fund	2,890,987	332,917	-	913,741	562	2,309,601
Vista Del Mar CFD 2005-2	39,802	350,812	-	800	380,000	9,814
<b>Subtotal, Special Revenue Funds</b>	<b>\$ 12,286,820</b>	<b>\$ 31,464,840</b>	<b>\$ 2,818,783</b>	<b>\$ 28,671,120</b>	<b>\$ 5,466,814</b>	<b>\$ 12,432,509</b>
<b>Capital Projects Funds</b>						
Bailey Road Maintenance	1,305,473	13,000	-	-	-	1,318,473
Capital Improvement	23,138	-	500,000	500,000	-	23,138
Community Capital Improvement	98,207	-	-	-	-	98,207
Inclusionary Housing	397,155	4,000	-	-	-	401,155

	Estimated Reserves June 30, 2019 <sup>1</sup>	Projected Revenues 2019-20	Transfers-In	Projected Expenditures 2019-20	Transfers-Out	Estimated Balance June 30, 2020
Infrastructure Repair & Replacement	15,268	5,000	-	-	-	20,268
Kirker Creek Drainage Fees	371,426	3,000	-	-	18,360	356,066
Park Dedication	105,185	951,955	-	716,104	-	341,036
RDA - Project Fund	44,779	-	-	-	-	44,779
Recycled Water Capital Maintenance	31,646	480	-	-	-	32,126
Regional Traffic Mitigation	10,197	8,000	-	-	-	18,197
Traffic Impact Fair Share	497,230	5,000	-	-	-	502,230
Traffic Mitigation	1,570,132	1,339,157	-	85,157	-	2,824,132
<b>Subtotal, Capital Projects Funds</b>	<b>\$ 4,469,836</b>	<b>\$ 2,329,592</b>	<b>\$ 500,000</b>	<b>\$ 1,301,261</b>	<b>\$ 18,360</b>	<b>\$ 5,979,807</b>
<b>Successor Agency to RDA Funds</b>						
Successor Agency to RDA-Tax Increment	595,217	247,987	368,648	913,377	51,420	247,055
Successor Agency Obligation Retirement Fund	-	33,719,155	-	-	33,719,155	-
<b>Subtotal, Successor Agency to RDA Funds</b>	<b>\$ 595,217</b>	<b>\$ 33,967,142</b>	<b>\$ 368,648</b>	<b>\$ 913,377</b>	<b>\$ 33,770,575</b>	<b>\$ 247,055</b>
<b>Debt Service Funds<sup>4</sup></b>						
Assessment Districts Fund	8,093,563	4,199,436	-	2,820,271	-	9,472,728
Pension Obligations	2,912,864	4,494,693	-	4,479,693	-	2,927,864
Successor Agency to RDA Bond Funds	40,758,375	224,600	31,378,871	31,237,745	30,000	41,094,101
Successor Agency to RDA – Hsg Bond Funds	2,664,696	49,000	2,053,056	2,032,228	-	2,734,524
<b>Subtotal, Debt Service Funds</b>	<b>\$ 54,429,498</b>	<b>\$ 8,967,729</b>	<b>\$ 33,431,927</b>	<b>\$ 40,569,937</b>	<b>\$ 30,000</b>	<b>\$ 56,229,217</b>
<b>Total, All Funds</b>	<b>\$ 114,372,875</b>	<b>\$ 171,921,435</b>	<b>\$ 43,487,660</b>	<b>\$ 167,847,235</b>	<b>\$ 43,487,660</b>	<b>\$ 118,447,075</b>

<sup>1</sup> Represents working capital and does not include fixed assets, inventory, long-term advances or loans

<sup>2</sup> Does not include CERBT trust funds held by CalPERS

<sup>3</sup> Pension trust funds are collected and disbursed to a trustee

<sup>4</sup> Debt service fund balances include debt service reserves held by a trustee

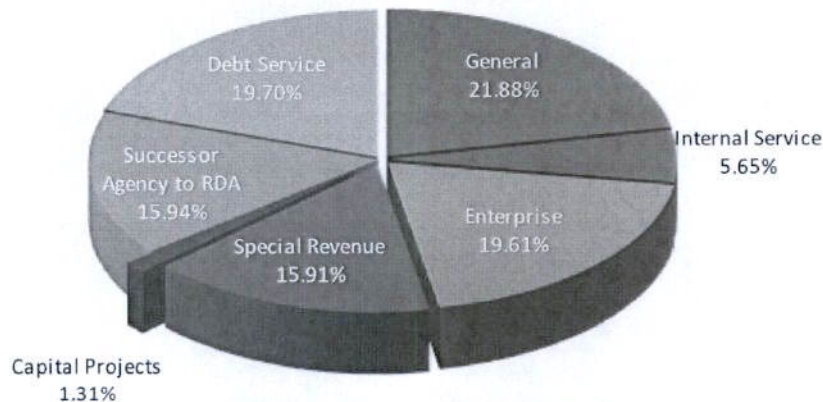


## Summary of Revenues and Expenditures – All Funds

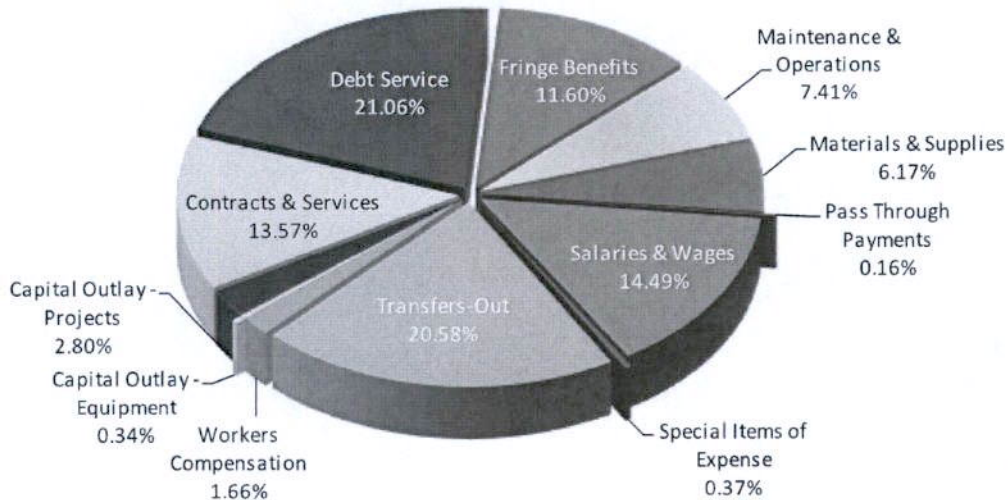
	2017-18 Actual	2018-19 Amended Budget	2019-20 Proposed Budget	Change from 2018-19	% Change
<b>Revenue</b>					
General Fund	48,051,876	45,380,742	47,124,308	1,743,566	3.84
Internal Service Funds	11,577,364	11,772,295	12,176,511	404,216	3.43
Enterprise Funds	40,972,959	52,539,835 <sup>1</sup>	42,244,865	(10,294,970)	-19.59
Special Revenue Funds	35,662,969	42,741,007 <sup>1</sup>	34,270,373	(8,470,634)	-19.82
Capital Projects Funds	711,531	7,677,068	2,829,592	(4,847,476)	-63.14
Successor Agency to RDA Funds	36,184,178	34,545,126	34,335,790	(209,336)	-0.61
Debt Service Funds	42,548,760	41,966,070	42,427,656	461,586	1.10
<b>Total, Revenues</b>	<b>\$ 215,709,637</b>	<b>\$ 236,622,143</b>	<b>\$ 215,409,095</b>	<b>\$ (21,213,048)</b>	<b>-8.96 %</b>
<b>Expenditure</b>					
Capital Outlay - Equipment	2,707,619	1,777,177 <sup>1</sup>	710,000	(1,067,177)	-60.05
Capital Outlay - Projects	10,964,898	43,307,826 <sup>1</sup>	5,922,427	(37,385,399)	-86.32
Contracts & Services	27,676,013	33,942,605 <sup>1</sup>	28,682,801	(5,259,804)	-15.50
Debt Service Funds	43,741,209	44,389,147	44,512,231	123,084	0.28
Fringe Benefits	19,948,981	22,332,719	24,514,725	2,182,006	9.77
Maintenance & Operations	13,347,745	15,046,683	15,654,681	607,998	4.04
Materials & Supplies	11,050,232	13,211,924	13,040,507	(171,417)	-1.30
Pass Through Payments	2,487,122	339,535	341,682	2,147	0.63
Salaries & Wages	26,876,901	30,478,734	30,633,156	154,422	0.51
Special Items of Expense	69,348	397,696	780,500	382,804	96.26
Transfers-Out	49,426,907	55,121,553	43,487,660	(11,633,893)	-21.11
Workers Compensation	3,275,477	3,600,466	3,054,525	(545,941)	-15.16
<b>Total, Expenditures</b>	<b>\$ 211,572,452</b>	<b>\$ 263,946,065</b>	<b>\$ 211,334,895</b>	<b>\$ (52,611,170)</b>	<b>-19.93 %</b>

(1) Includes \$2.5M freeway security network project funded by CalTrans and \$450K project funded by MIDD. These projects are cost-neutral to the City.

### 2019-20 Revenues by Fund Type



### 2019-20 Expenditures by Category



## Revenue Source by Category and Object

	2017-18 Actual	2018-19 Amended Budget	2019-20 Proposed Budget	Change from 2018-19	% Change
<b>General Fund</b>					
Fines & Forfeitures	580,801	705,433	639,075	(66,358)	-9.41
Franchise Fees	4,184,014	4,145,234	4,277,010	131,776	3.18
Intergovernmental Revenue	3,060,437	2,961,598	3,401,975	440,377	14.87
Other Revenues	2,341,706	2,107,523	1,994,812	(112,711)	-5.35
Other Taxes	7,356,935	7,426,333	7,515,000	88,667	1.19
Permits, Licenses & Fees	1,829,498	1,972,365	2,861,611	889,246	45.09
Property Taxes	3,972,712	4,052,195	4,230,000	177,805	4.39
Sales Taxes	12,869,325	13,809,560	14,160,918	351,358	2.54
Service Fees	2,475,783	2,673,510	2,555,093	(118,417)	-4.43
Transfers-In	8,737,205	5,040,545	4,944,023	(96,522)	-1.91
Use of Money & Property	643,460	486,446	544,791	58,345	11.99
<b>Subtotal, General Fund</b>	<b>\$ 48,051,876</b>	<b>\$ 45,380,742</b>	<b>\$ 47,124,308</b>	<b>\$ 1,743,566</b>	<b>3.84 %</b>
<b>Internal Service Funds</b>					
Other Revenues	6,061,574	6,432,934	6,318,619	(114,315)	-1.78
Service Fees	4,640,945	4,777,736	5,297,892	520,156	10.89
Transfers-In	874,845	561,625	560,000	(1,625)	-0.29
<b>Subtotal, Internal Service Funds</b>	<b>\$ 11,577,364</b>	<b>\$ 11,772,295</b>	<b>\$ 12,176,511</b>	<b>\$ 404,216</b>	<b>3.43 %</b>
<b>Enterprise Funds</b>					
Debt Service	24	-	-	-	-100.00
Fines & Forfeitures	10,536	16,121	-	(16,121)	-100.00
Franchise Fees	880,000	880,000	880,000	-	-
Intergovernmental Revenue	139,465	987,020	355,000	(632,020)	-64.03
Other Revenues	1,509,006	1,576,675	1,397,186	(179,489)	-11.38
Service Fees	34,358,981	35,841,928	36,311,831	469,903	1.31
Transfers-In	1,926,733	10,832,074	877,529	(9,954,545)	-91.90
Use of Money & Property	2,148,214	2,406,017	2,423,319	17,302	0.72
<b>Subtotal, Enterprise Funds</b>	<b>\$ 40,972,959</b>	<b>\$ 52,539,835</b>	<b>\$ 42,244,865</b>	<b>\$ (10,294,970)</b>	<b>-19.59 %</b>
<b>Special Revenue Funds</b>					
Fines & Forfeitures	24,409	-	15,000	15,000	-100.00
Franchise Fees	158,017	163,000	160,000	(3,000)	-1.84
Intergovernmental Revenue	18,536,951	23,977,381	18,220,792	(5,756,589)	-24.01
Other Revenues	2,899,797	4,034,789	1,326,049	(2,708,740)	-67.13
Other Taxes	2,635,755	3,571,691	3,690,674	118,983	3.33
Sales Taxes	133,474	130,441	133,581	3,140	2.41
Service Fees	113,287	205,666	263,259	57,593	28.00
Special Assessments	6,690,461	6,864,712	7,193,832	329,120	4.79
Transfers-In	3,866,374	3,408,341	2,805,533	(602,808)	-17.69
Use of Money & Property	604,444	384,986	461,653	76,667	19.91
<b>Subtotal, Special Revenue Funds</b>	<b>\$ 35,662,969</b>	<b>\$ 42,741,007</b>	<b>\$ 34,270,373</b>	<b>\$ (8,470,634)</b>	<b>-19.82 %</b>
<b>Capital Projects Funds</b>					
Intergovernmental Revenue	338,622	2,058,108	-	(2,058,108)	-100.00
Other Revenues	36,272	4,089,199	-	(4,089,199)	-100.00
Service Fees	218,223	146,416	2,284,112	2,137,696	1,460.02
Transfers-In	29,948	1,365,345	500,000	(865,345)	-63.38
Use of Money & Property	88,466	18,000	45,480	27,480	152.67
<b>Subtotal, Capital Projects Funds</b>	<b>\$ 711,531</b>	<b>\$ 7,677,068</b>	<b>\$ 2,829,592</b>	<b>\$ (4,847,476)</b>	<b>-63.14 %</b>
<b>Successor Agency to RDA Funds</b>					
Intergovernmental Revenue	574,056	-	-	-	-100.00
Other Revenues	2,412,744	212,380	498,235	285,855	134.60
Property Taxes	32,979,792	33,827,124	33,380,507	(446,617)	-1.32
Transfers-In	38,806	361,960	368,648	6,688	1.85
Use of Money & Property	178,780	143,662	88,400	(55,262)	-38.47
<b>Subtotal, Successor Agency to RDA Funds</b>	<b>\$ 36,184,178</b>	<b>\$ 34,545,126</b>	<b>\$ 34,335,790</b>	<b>\$ (209,336)</b>	<b>-0.61 %</b>
<b>Debt Service Funds</b>					
Debt Service	320,684	11,800	270,500	258,700	2,192.37
Service Fees	4,408,823	4,475,976	4,509,693	33,717	0.75
Special Assessments	3,831,900	3,884,944	4,137,748	252,804	6.51
Transfers-In	33,952,998	33,551,664	33,431,927	(119,737)	-0.36
Use of Money & Property	34,355	41,686	77,788	36,102	86.60
<b>Subtotal, Debt Service Funds</b>	<b>\$ 42,548,760</b>	<b>\$ 41,966,070</b>	<b>\$ 42,427,656</b>	<b>\$ 461,586</b>	<b>1.10 %</b>
<b>Total, All Funds</b>	<b>\$ 215,709,637</b>	<b>\$ 236,622,143</b>	<b>\$ 215,409,095</b>	<b>\$ (21,213,048)</b>	<b>-8.96 %</b>



## Summary of Expenditures by Program

	2017-18 Actual	2018-19 Amended Budget	2019-20 Proposed Budget	Change from 2018-19	% Change
<b>City Council</b>					
City Council	67,948	98,994	115,857	16,863	17.03
<b>Subtotal, City Council</b>	<b>\$ 67,948</b>	<b>\$ 98,994</b>	<b>\$ 115,857</b>	<b>\$ 16,863</b>	<b>17.03 %</b>
<b>Administration</b>					
City Manager	219,841	277,497	240,160	(37,337)	-13.45
City Clerk	392,137	458,607	416,656	(41,951)	-9.15
City Attorney	362,194	484,914	397,703	(87,211)	-17.98
Human Resources	947,461	1,184,354	1,250,512	66,158	5.59
Treasurer	6,331	6,286	6,286	-	-
Finance	2,824,727	3,110,445	3,081,258	(29,187)	-0.94
General Fund - Non Departmental	4,333,662	4,365,160	4,410,057	44,897	1.03
Emergency Operation Center	54,645	54,700	54,700	-	-
Information Technology	882,055	1,271,210	1,381,240	110,030	8.66
Employee Fringe Benefits	2,537,012	2,469,094	2,211,163	(257,931)	-10.45
Other Post-Employment Benefits (OPEB)	2,427,525	2,174,899	2,272,580	97,681	4.49
Pension Trust	-	394,215	294,215	(100,000)	-25.37
Insurance	1,191,221	1,657,729	1,924,690	266,961	16.10
Budget Stabilization	5,588,505	-	-	-	-100.00
<b>Subtotal, Administration</b>	<b>\$ 21,767,316</b>	<b>\$ 17,909,110</b>	<b>\$ 17,941,220</b>	<b>\$ 32,110</b>	<b>0.18 %</b>
<b>Police Department</b>					
Police Services	25,143,899	28,849,801 <sup>1</sup>	29,376,175	526,374	1.82
San Marco CFD	669,059	1,034,400 <sup>1</sup>	1,139,200	104,800	10.13
Vista Del Mar CFD	256,662	426,050 <sup>1</sup>	380,800	(45,250)	-10.62
Public Safety CFD	316,092	624,375 <sup>1</sup>	570,100	(54,275)	-8.69
Asset Forfeitures	11,940	-	15,000	15,000	-100.00
Police Grants	1,317,509	3,132,131 <sup>3</sup>	141,034	(2,991,097)	-95.50
<b>Subtotal, Police Department</b>	<b>\$ 27,715,161</b>	<b>\$ 34,066,757</b>	<b>\$ 31,622,309</b>	<b>\$ (2,444,448)</b>	<b>-7.18 %</b>
<b>Enterprise Services</b>					
Marina	1,797,859	2,603,213	2,188,884	(414,329)	-15.92
Golf Course	10,201	12,700	13,250	550	4.33
Fire District CFD	2,025	4,515	2,125	(2,390)	-52.93
R/R Ave e-BART CFD	47,717	-	-	-	-100.00
Environmental Affairs	803,776	884,545	840,376	(44,169)	-4.99
Housing Rehab Loans - CDBG	83,713	180,399	-	(180,399)	-100.00
CDBG Entitlements	666,076	1,003,873	894,502	(109,371)	-10.89
CalHome Program	1,115	45,000	-	(45,000)	-100.00
Waterfront Operations	1,407,132	3,131,868	1,324,019	(1,807,849)	-57.72
Economic Development	469,750	471,715	366,555	(105,160)	-22.29
<b>Subtotal Enterprise Services</b>	<b>\$ 5,289,364</b>	<b>\$ 8,337,828</b>	<b>\$ 5,629,711</b>	<b>\$ (2,708,117)</b>	<b>-0.32 %</b>
<b>Community Development</b>					
Planning Division	1,486,126	2,107,270	1,847,068	(260,202)	-12.35
Planning Grants	42,699	269,301	-	(269,301)	-100.00
Building Division	849,759	977,060	925,592	(51,468)	-5.27
Engineering Division	1,859,855	1,911,695	2,393,085	481,390	25.18
Gas Tax	1,726,929	5,021,996	2,716,638	(2,305,358)	-45.91
Measure J Tax	3,525,858	6,703,222	857,332	(5,845,890)	-87.21
NPDES	1,054,998	1,273,183	1,308,926	35,743	2.81
Southwest Pittsburg GHAD	489,181	851,526	703,360	(148,166)	-17.40
GHAD Administration	340,673	453,469	521,860	68,391	15.08
Pittsburg CIP	44,118	1,776,191	500,000	(1,276,191)	-71.85
Developer Fee Fund	1,843,941	8,644,722	819,621	(7,825,101)	-90.52
Community Capital Improvements	243,594	978,038	-	(978,038)	-100.00
Project Amenities Mgmt CFD	3,459	6,500	3,800	(2,700)	-41.54
Infrastructure Repair & Replacement	411,500	490,795	-	(490,795)	-100.00
<b>Subtotal Community Development</b>	<b>\$ 13,922,690</b>	<b>\$ 31,464,968</b>	<b>\$ 12,597,282</b>	<b>\$ (18,867,686)</b>	<b>-0.60 %</b>
<b>Public Works - Maintenance Services</b>					
Swim Center Maint.	140,621	153,842	170,489	16,647	10.82
Landscape	2,498,003	2,757,629	2,817,250	59,621	2.16
Landscape - Oak Hills Assessment	15,176	35,175	37,298	2,123	6.04
Park Maintenance CFD	68,667	75,017	87,609	12,592	16.79
Public Works Administration	89,359	96,421	101,914	5,493	5.70
Streets	2,375,063	2,579,867	3,063,387	483,520	18.74



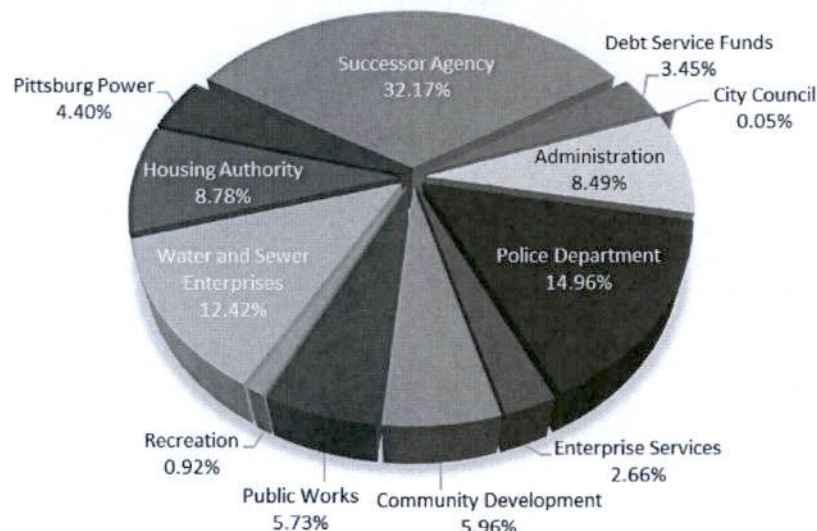
	2017-18 Actual	2018-19 Amended Budget	2019-20 Proposed Budget	Change from 2018-19	% Change
Street Lighting	865,349	843,169	923,512	80,343	9.53
Street Trees	552,456	486,386	491,414	5,028	1.03
Concrete	56,947	60,722	61,147	425	0.70
Fleet Maintenance	1,746,110	2,627,996	2,088,872	(539,124)	-20.51
Building Maintenance	1,720,058	1,888,440	2,074,007	185,567	9.83
Graffiti Removal Program	152,759	160,038	182,490	22,452	14.03
<b>Subtotal, Public Works - Maintenance Services</b>	<b>\$ 10,280,568</b>	<b>\$ 11,764,702</b>	<b>\$ 12,099,389</b>	<b>\$ 334,687</b>	<b>2.84 %</b>
<b>Recreation</b>					
Recreation Administration	169,964	186,262	318,117	131,855	70.79
Recreation Services	1,068,072	1,312,512	1,149,345	(163,167)	-12.43
Recreation Grants	14,268	14,010	-	(14,010)	-100.00
California Theatre	370,319	382,250	466,747	84,497	22.11
<b>Subtotal Recreation</b>	<b>\$ 1,622,623</b>	<b>\$ 1,895,034</b>	<b>\$ 1,934,209</b>	<b>\$ 9,175</b>	<b>0.02 %</b>
<b>Public Works - Water and Sewer</b>					
Water Operating	14,538,735	22,666,326	16,787,544	(5,878,782)	-25.94
Water CIP	809,480	1,371,105	875,000	(496,105)	-36.18
Water Facility Reserve Fee Funds	1,410,901	3,589,391	-	(3,589,391)	-100.00
Sewer Maintenance	3,089,810	2,962,612	3,308,010	345,398	11.66
Sewer CIP	3,012,544	18,353,999	1,300,000	(17,053,999)	-92.92
Sewer Facility Reserve Fee Funds	-	693,113	-	(693,113)	-100.00
Water Bond Debt Service	3,145,300	4,874,148	3,170,764	(1,703,384)	-34.95
Sewer Bond Debt Service	805,922	805,434	803,429	(2,005)	-0.25
<b>Subtotal, Public Works - Water &amp; Sewer</b>	<b>\$ 26,812,692</b>	<b>\$ 55,316,128</b>	<b>\$ 26,244,747</b>	<b>\$ (29,071,381)</b>	<b>-52.55 %</b>
<b>Housing Authority</b>					
Housing Authority - Section 8	16,887,948	17,452,375	17,649,096	196,721	1.13
Housing - Successor Agency	265,941	390,313	914,303	523,990	134.25
<b>Subtotal, Housing Authority</b>	<b>\$ 17,153,889</b>	<b>\$ 17,842,688</b>	<b>\$ 18,563,399</b>	<b>\$ 720,711</b>	<b>4.04 %</b>
<b>Pittsburg Power Company</b>					
Island Energy	5,357,950	6,133,082 <sup>3</sup>	5,903,173	(229,909)	-3.75
Pittsburg Power	2,434,808	2,916,477	2,329,710	(586,767)	-20.12
Power Company Capital Projects	404,960	992,546	1,070,000	77,454	7.80
<b>Subtotal, Pittsburg Power Company</b>	<b>\$ 8,197,718</b>	<b>\$ 10,042,105</b>	<b>\$ 9,302,883</b>	<b>\$ (739,222)</b>	<b>-7.36 %</b>
<b>Successor Agency to Former RDA</b>					
RDA General	33,749,812	33,863,624 <sup>2</sup>	33,770,575	(93,049)	-0.27
RDA Administration	2,568,847	432,961 <sup>2</sup>	913,377	480,416	110.96
RDA Capital Projects Fund	60,519	426,327	-	(426,327)	-100.00
RDA Tax Allocation Bonds	30,993,361	31,195,693 <sup>2</sup>	31,267,745	72,052	0.23
RDA Housing Bonds	2,037,302	2,030,665 <sup>2</sup>	2,032,228	1,563	0.08
<b>Subtotal, Successor Agency to Former RDA</b>	<b>\$ 69,409,841</b>	<b>\$ 67,949,270</b>	<b>\$ 67,983,925</b>	<b>\$ 34,655</b>	<b>0.05 %</b>
<b>Debt Service Funds</b>					
Pension Obligation Bond	4,310,948	4,425,976	4,479,693	53,717	1.21
Assessment Districts	5,021,694	2,832,505	2,820,271	(12,234)	-0.43
<b>Subtotal, Debt Service Funds</b>	<b>\$ 9,332,642</b>	<b>\$ 7,258,481</b>	<b>\$ 7,299,964</b>	<b>\$ 41,483</b>	<b>0.57 %</b>
<b>Total, Uses by Program</b>	<b>\$ 211,572,452</b>	<b>\$ 263,946,065</b>	<b>\$ 211,334,895</b>	<b>\$ (52,611,170)</b>	<b>-19.93 %</b>

(1) Includes transfers between Police funds in the amount of \$2,065,000, therefore uses appear to be overstated by \$2,065,000.

(2) Uses appear to be overstated by inclusion of transfers between Successor Agency funds to pay for debt obligations in the amount of \$33,770,575.

(3) Includes \$2.5M freeway security network project funded by CalTrans and \$450K project funded by MIDD. These projects are cost-neutral to the City.

## 2019-20 Expenditures by Program



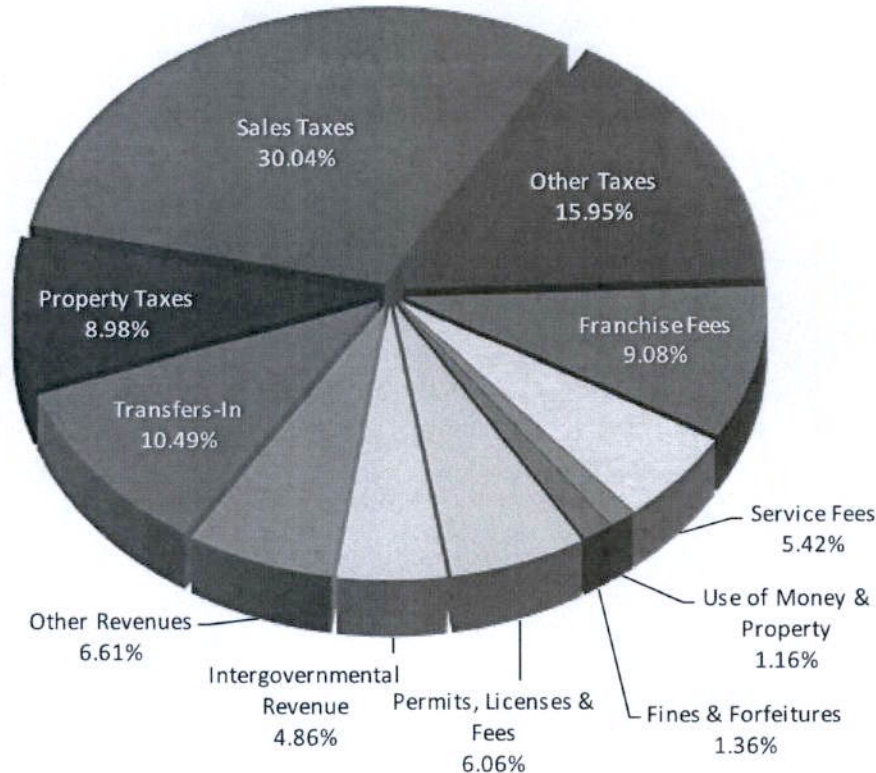


## General Fund Revenues

	2017-18 Actual	2018-19 Amended Budget	2019-20 Proposed Budget	Change from 2018-19	% Change
<b>Property Taxes</b>					
Homeowners Tax Relief	78,226	80,000	80,000	-	-
Prior Year Taxes	(24,813)	(30,000)	(30,000)	-	-
Secured Property Taxes	2,778,270	2,977,822	3,150,000	172,178	5.78
Supplemental Taxes	513,143	400,000	400,000	-	-
Unitary Taxes	320,272	315,000	320,000	5,000	1.59
Unsecured Property Taxes	307,614	309,373	310,000	627	0.20
<b>Subtotal, Property Taxes</b>	<b>\$ 3,972,712</b>	<b>\$ 4,052,195</b>	<b>\$ 4,230,000</b>	<b>\$ 177,805</b>	<b>4.39 %</b>
<b>Sales Taxes</b>					
Sales & Use Taxes	8,553,654	9,196,700	9,437,000	240,300	2.61
Sales Taxes - Increase	4,315,671	4,612,860	4,723,918	111,058	2.41
<b>Subtotal, Sales Taxes</b>	<b>\$ 12,869,325</b>	<b>\$ 13,809,560</b>	<b>\$ 14,160,918</b>	<b>\$ 351,358</b>	<b>2.54 %</b>
<b>Other Taxes</b>					
Business License Tax	520,751	530,000	550,000	20,000	3.77
Motor Vehicle Tax	4,825,687	5,141,333	5,230,000	88,667	1.72
Other Taxes	565,355	350,000	260,000	(90,000)	-25.71
Public Safety - Prop 172 Sales Tax	613,399	585,000	625,000	40,000	6.84
Transient Occupancy Taxes	831,743	820,000	850,000	30,000	3.66
<b>Subtotal, Other Taxes</b>	<b>\$ 7,356,935</b>	<b>\$ 7,426,333</b>	<b>\$ 7,515,000</b>	<b>\$ 88,667</b>	<b>1.19 %</b>
<b>Franchise Fees</b>					
Calpine	19,167	17,500	17,874	374	2.14
Comcast Broadband	688,929	687,000	670,000	(17,000)	-2.47
Franchise Fees - Other	101,178	95,000	95,000	-	-
PG&E	611,818	591,000	591,000	-	-
Pittsburg Disposal	1,830,714	1,795,000	1,902,000	107,000	5.96
RCTS	932,208	959,734	1,001,136	41,402	4.31
<b>Subtotal, Franchise Fees</b>	<b>\$ 4,184,014</b>	<b>\$ 4,145,234</b>	<b>\$ 4,277,010</b>	<b>\$ 131,776</b>	<b>3.18 %</b>
<b>Service Fees</b>					
Building Service Fees	242,559	239,540	259,540	20,000	8.35
Engineering Service Fees	4,216	19,380	4,471	(14,909)	-76.93
Other Reimbursements	501,388	400,000	345,000	(55,000)	-13.75
Other Service Fees	618,504	628,255	642,163	13,908	2.21
Planning Service Fees	66,509	338,302	218,750	(119,552)	-35.34
Police Service Fees	516,450	539,889	564,569	24,680	4.57
Public Works Service Fees	282,354	276,000	279,000	3,000	1.09
Recreation Entrance Fees	154,698	160,319	160,500	181	0.11
Recreation Service Fees	79,784	64,347	69,100	4,753	7.39
Recreation Sports Fees	9,321	7,478	12,000	4,522	60.47
<b>Subtotal, Service Fees</b>	<b>\$ 2,475,783</b>	<b>\$ 2,673,510</b>	<b>\$ 2,555,093</b>	<b>\$ (118,417)</b>	<b>-4.43 %</b>
<b>Use of Money &amp; Property</b>					
Investment Earnings	211,046	151,400	219,000	67,600	44.65
Rental Income	360,545	325,046	325,791	745	0.23
Sale of Property	71,869	10,000	-	(10,000)	-100.00
<b>Subtotal, Use of Money &amp; Property</b>	<b>\$ 643,460</b>	<b>\$ 486,446</b>	<b>\$ 544,791</b>	<b>\$ 58,345</b>	<b>11.99 %</b>
<b>Fines &amp; Forfeitures</b>					
Abandoned Vehicle Abatement	111,365	140,000	100,000	(40,000)	-28.57
Booking Fees	4,807	5,500	5,000	(500)	-9.09
Code Enforcement Fines	54,952	92,233	88,575	(3,658)	-3.97
Fines and forfeitures	822	1,000	2,500	1,500	150.00
Police Fines	145,726	107,500	130,000	22,500	20.93
Police Forfeitures	747	1,200	1,000	(200)	-16.67
POST Reimbursements	12,646	8,000	12,000	4,000	50.00
Vehicle Code Fines	249,736	350,000	300,000	(50,000)	-14.29
<b>Subtotal, Fines &amp; Forfeitures</b>	<b>\$ 580,801</b>	<b>\$ 705,433</b>	<b>\$ 639,075</b>	<b>\$ (66,358)</b>	<b>-9.41 %</b>
<b>Permits, Licenses &amp; Fees</b>					
Building Fees	126,613	128,918	281,700	152,782	118.51
Building Permits	739,641	888,925	1,464,250	575,325	64.72
Business License Fees	147,409	125,000	127,000	2,000	1.60
Code Enforcement Fee	10,556	10,000	-	(10,000)	-100.00
Engineering Fees	525,281	605,011	695,000	89,989	14.87
Other Fees	10,261	10,261	10,261	-	-

	2017-18 Actual	2018-19 Amended Budget	2019-20 Proposed Budget	Change from 2018-19	% Change
Other Permits	11,606	4,772	9,100	4,328	90.70
Planning & Zoning	245,256	182,778	238,100	55,322	30.27
Planning Service Fees	5,000	10,000	30,000	20,000	200.00
Police Fees	7,875	6,700	6,200	(500)	-7.46
<b>Subtotal, Permits, Licenses &amp; Fees</b>	<b>\$ 1,829,498</b>	<b>\$ 1,972,365</b>	<b>\$ 2,861,611</b>	<b>\$ 889,246</b>	<b>45.09 %</b>
<b>Intergovernmental Revenue</b>					
Grants	413,116	121,688	169,649	47,961	39.41
Intergovernmental revenues	172,134	345,309	533,972	188,663	54.64
Other Reimbursements	294,342	475,444	454,149	(21,295)	-4.48
RDA AB-1290/City Pass Through	741,134	400,000	590,000	190,000	47.50
School Resource Officer Reimbursement	360,672	505,000	535,705	30,705	6.08
State Mandated Costs	61,413	109,157	68,500	(40,657)	-37.25
Tipping Fee	1,017,626	1,005,000	1,050,000	45,000	4.48
<b>Subtotal, Intergovernmental Revenue</b>	<b>\$ 3,060,437</b>	<b>\$ 2,961,598</b>	<b>\$ 3,401,975</b>	<b>\$ 440,377</b>	<b>14.87 %</b>
<b>Other Revenues</b>					
Administrative Overhead	1,900,152	1,734,638	1,765,312	30,674	1.77
Donations	5,989	19,500	-	(19,500)	-100.00
Other	28,232	66,067	11,500	(54,567)	-82.59
Other Reimbursements	316,516	287,318	218,000	(69,318)	-24.13
<b>Other Revenues</b>	<b>90,817</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.00</b>
<b>Subtotal, Other Revenues</b>	<b>\$ 2,341,706</b>	<b>\$ 2,107,523</b>	<b>\$ 1,994,812</b>	<b>\$ (112,711)</b>	<b>-5.35 %</b>
<b>Transfers-In</b>					
Transfers-In	8,737,205	5,040,545	4,944,023	(96,522)	-1.91
<b>Subtotal, Transfers-In</b>	<b>\$ 8,737,205</b>	<b>\$ 5,040,545</b>	<b>\$ 4,944,023</b>	<b>\$ (96,522)</b>	<b>-1.91 %</b>
<b>Total, General Fund Revenues</b>	<b>\$ 48,051,876</b>	<b>\$ 45,380,742</b>	<b>\$ 47,124,308</b>	<b>\$ 1,743,566</b>	<b>3.84 %</b>

## General Fund Revenues by Source

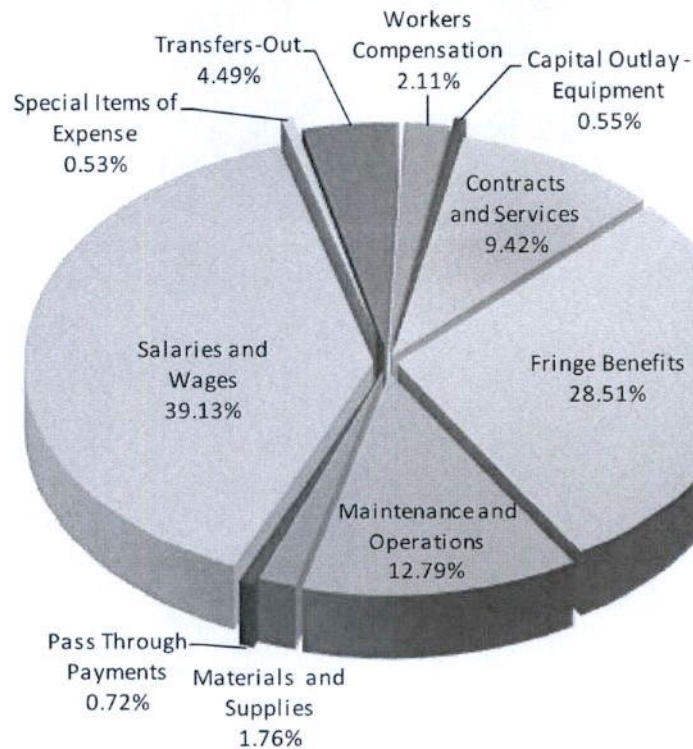




## General Fund Expenditures by Category

	2017-18 Actual	2018-19 Amended Budget	2019-20 Proposed Budget	Change from 2018-19	% Change
General Fund					
Capital Outlay - Equipment	621,087	406,347	262,000	(144,347)	-35.52
Capital Outlay - Projects	639,529	-	-	-	-100.00
Contracts & Services	4,671,760	4,996,357	4,496,563	(499,794)	-10.00
Fringe Benefits	10,701,421	12,621,585	13,609,471	987,886	7.83
Maintenance & Operations	4,655,273	5,422,958	6,104,835	681,877	12.57
Materials & Supplies	762,031	864,610	841,685	(22,925)	-2.65
Pass Through Payments	298,927	339,535	341,682	2,147	0.63
Salaries & Wages	16,243,992	18,627,427	18,682,432	55,005	0.30
Special Items of Expense	22,489	251,696	253,500	1,804	0.72
Transfers-Out	1,535,266	1,762,164	2,144,889	382,725	21.72
Workers Compensation	988,182	1,230,381	1,006,266	(224,115)	-18.22
<b>Total, General Fund Expenditures</b>	<b>\$ 41,139,957</b>	<b>\$ 46,523,060</b>	<b>\$ 47,743,323</b>	<b>\$ 1,220,263</b>	<b>2.62 %</b>

## 2019-20 General Fund Expenditures by Category





**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR  
65 Civic Avenue  
Pittsburg, CA 94565**

**TO:** Mayor and Council Members

**FROM:** Garrett Evans, City Manager

**SUBJECT:** Adoption of a City Council Resolution for Approval of the City of Pittsburg's Operating Budget for Fiscal Year 2019-20 and Appropriation of Funds for Fiscal Year 2019-20

**MEETING DATE:** June 17, 2019

**EXECUTIVE SUMMARY**

On April 22, 2019, a budget workshop meeting was held to review and receive public input and discussion regarding the Draft Operating Budget for Fiscal Year 2019-20. The Fiscal Year 2019-20 budget must be appropriated by July 1, 2019 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 2019-20 contains an overall estimated revenue stream of \$215,409,095 and overall appropriations of \$211,334,895. Included in the total appropriations budget are \$47.74 million for the General Fund, \$12.25 million for the Internal Service Funds, \$40.60 million for the Enterprise Funds, \$34.14 million for the Special Revenue Funds, \$41.92 million for the Debt and Project Funds and \$34.68 million for the Successor Agency to the Redevelopment Agency of the City of Pittsburg Funds.

**RECOMMENDATION**

The City Council approve the Operating Budget for Fiscal Year 2019-20 and adopt the budget for the City of Pittsburg for the Fiscal Year 2019-20.

**BACKGROUND**

The Preliminary Operating Budget for Fiscal Year 2019-20 for the City of Pittsburg was presented to the City Council at a Budget Workshop held on April 22, 2019. 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 2019-20 will be on the City's website before the June 17, 2019 City Council meeting and can be located by navigating to City Services/Finance/Budget and Other



Financial Documents/2019-20 Proposed Budget. A hard copy of the same document will be filed at the Contra Costa County Library, Pittsburg Branch.

The Fiscal Year 2019-20 City Manager Budget Message is set forth as attachment I. The City of Pittsburg Fiscal Year (FY) 2019-20 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 2019-20 General Fund Revenues and Expenditures are included in attachments VI and VII.

This is the eighth 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 2019-20 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 10 percent 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.

### **SUBCOMMITTEE FINDINGS**

On April 8 and April 15, 2019, the Finance Subcommittee met to review the Draft Operating Budget. A Public Budget Workshop was held on April 22, 2019. A Final Finance Subcommittee Meeting was held on May 20, 2019 to review the proposed budget. The Finance Subcommittee did not have any changes to the City's Fiscal Year 2019-20 Proposed Budget.

### **STAFF ANALYSIS**

Revenues for the City (excluding transfers) are projected to be \$171.9 million, of which 24.5 percent comprises the General Fund. The City's total expenditures (excluding transfers) are projected to be \$167.3 million, of which 27.3 percent is the General Fund, the City's main source of unrestricted funds. This proposed budget funds 290 full-time equivalent employees. Before the recent economic recession, the City budget had 308 full-time equivalent positions. This Budget follows 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 2019-20**

	<b>FY 2018-19 YE Estimate</b>	<b>FY 2019-20 Budget</b>	<b>Increase/ (Decrease)</b>	<b>Percentage Inc/(Dec)</b>
Revenues	\$ 45,582,602	\$ 47,124,308	\$1,541,706	3.38%
Expenditures	<u>46,594,565</u>	<u>47,743,323</u>	<u>1,148,758</u>	2.47%
<i>Surplus (Deficit)</i>	<u>\$ (1,011,963)</u>	<u>\$ (619,015)</u>	<u>\$ 392,948</u>	<i>(38.83%)</i>
<b><i>Use of General Fund Balance</i></b>	<b>\$ 1,011,963</b>	<b>\$ 619,015</b>	<b>\$ (392,948)</b>	<b>(38.83%)</b>

Projected FY 2019-20 ending Budget Stabilization Fund Balance      \$ 2,295,285  
 Projected FY 2019-20 ending General Fund Balance                      \$15,755,254



## Revenues

The City's revenue streams are influenced by overall economic conditions. Total General Fund revenue projections for FY 2019-20 are approximately \$1.2 million more than FY 2018-19 year-end estimates. The additions are due to an anticipated increase in permit fee revenue as a result of an ongoing fee rate study, 2.5 percent annual growth in sales tax and available residual distribution and City pass-through funding related to the City's former Redevelopment Agency. The General Fund major revenue sources include property and sales taxes, transfers, other taxes, and franchise taxes. Together the major sources comprise 74.54 percent of total General Fund revenues for FY 2019-20, as shown on the graph below. The remaining 25.46 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 \$169,432 from year-end estimates, an estimated 4.17 percent increase due to additional single-family and commercial construction, as well as recovering property values.

FY 2019-20 Sales Tax revenue projections increased by \$348,058 over FY 2018-19 year-end estimates, a 2.5 percent increase. Sales taxes are projected to increase slightly mainly due to the Supreme Court Ruling in *South Dakota v. Wayfair*, where states may charge tax on purchases made from out-of-state sellers, even if the seller does not have a physical presence in the taxing state. City staff is also projecting increased sales tax revenue generated from service stations in the City. 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 percent of voters approved Measure M, extending the City's one-half percent sales tax through June 2035 to support public safety, senior activities, economic development, youth enrichment and the City's infrastructure.

## Expenditures

General Fund projected expenditures have increased by \$1.1 million in FY 2019-20 over FY 2018-19 year-end estimates. For the FY 2019-20 budget, departments were asked to keep controllable costs neutral to offset normal inflationary costs. This budget continues to see additional resources dedicated to fund the City's pension obligation, with higher contribution rates and additional funding requirements to cover the unfunded actuarial liabilities (UAL) and changes initiated by the California Public Employees' Retirement System (CalPERS) Board. The CalPERS rate increases resulted from changes to proactively fund the current UAL 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 and future projected budgets to minimize the impact.

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 come to expect while remaining fiscally prudent with the funds entrusted to the City.

## ATTACHMENTS:

Resolution

Attachment I: Fiscal Year 2019-20 City Manager Budget Message

Attachment II: Summary of Fund Conditions for FY 2019-20

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 GOVERNING BOARD OF THE HOUSING AUTHORITY

In the Matter of:

Approval of the Budget for Fiscal )  
Year 2019-20 for the City of Pittsburgh )  
Housing Authority and Appropriation )  
of Funds for Fiscal Year 2019-20 )

RESOLUTION NO. 19-326

The Housing Authority of the City of Pittsburgh DOES RESOLVE as follows:

WHEREAS, the Executive Director has prepared, transmitted and presented the one-year Preliminary Operating Budget Plan for Fiscal Year 2019-20 to the Housing Authority Board for its consideration; and

WHEREAS, a Housing Authority Budget is prepared 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 22, 2019 the Housing Authority Board held a budget workshop for the purpose of reviewing and discussing the Pittsburgh Housing Authority budget for the Fiscal Year 2019-20 and recommend estimated revenues of \$17,693,357 and expenditures of \$17,649,096.

NOW, THEREFORE, the Housing Authority Board finds and determines as follows:

Section 1. Findings and Authorization

- 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 2019-20 is hereby approved as set forth in a copy of said budget summary on file with the Housing Authority and which by this reference is incorporated herein and authorizes the preparation of the final Budget Review document for Fiscal Year 2019-20.
- C. Those funds are hereby and shall be appropriated in the estimated revenue of \$17,693,357 and expenditures of \$17,649,096.
- D. That the Finance Director or his/her designee is hereby authorized to approve payment of goods and services received by the Housing Authority in accordance with the Housing Authority's approved budget, programs and policies.
- E. That the Housing Authority Board authorizes changes to be made to the annual budget as follows:



Items Requiring Board 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 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 Executive Director. These changes cannot increase the department budget.

Section 2.      Effective Date

This Resolution shall become effective immediately upon adoption.

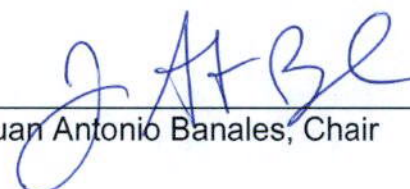
PASSED AND ADOPTED by The Housing Authority Board at a regular meeting held on the 17th day of June 2019, by the following vote:

AYES:                      Craft, Floyd, Killings, White, Banales

NOES:                     None

ABSTAINED:            None

ABSENT:                 Herring, Scales-Preston

  
\_\_\_\_\_  
Juan Antonio Banales, Chair

ATTEST:

  
\_\_\_\_\_  
Alice E. Evenson, Agency Secretary



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR**  
**65 Civic Avenue**  
**Pittsburg, CA 94565**

**TO:** Chair and Agency Members

**FROM:** Garrett Evans, Executive Director

**SUBJECT:** Adoption of a Housing Authority Resolution for Approval of the Operating Budget Plan for Fiscal Year 2019-20 for the City of Pittsburg Housing Authority and Appropriation of Funds for Fiscal Year 2019-20

**MEETING DATE:** June 17, 2019

**EXECUTIVE SUMMARY**

On April 22, 2019, a budget workshop meeting was held to review and receive public input regarding the Preliminary Operating Budget for Fiscal Year 2019-20. The budget must be appropriated for Fiscal Year 2019-20 by July 1, 2019 to provide on-going financing for the City of Pittsburg Housing Authority activities during the next fiscal year.

**FISCAL IMPACT**

The Pittsburg Housing Authority budget for Fiscal Year 2019-20 estimates revenues of \$17,693,357 and expenditures of \$17,649,096.

**RECOMMENDATION**

Housing Authority approves the Operating Budget for Fiscal Year 2019-20 and adopt the budget for the City of Pittsburg Housing Authority, for the Fiscal Year 2019-20.

**BACKGROUND**

The Preliminary Operating Budget for Fiscal Year 2019-20 for the City of Pittsburg, including the Pittsburg Housing Authority, was presented to the City Council at a budget workshop meeting held on April 22, 2019.

**SUBCOMMITTEE FINDINGS**

The City of Pittsburg Preliminary Operating Budget for the Fiscal Year 2019-20 was presented to the Finance Committee on May 20, 2019. The Finance Committee did not have any changes related to the Housing Authority budget.



## **STAFF ANALYSIS**

A complete copy of the detailed Preliminary Operating Budget document for Fiscal Year 2019-20 will be placed on the City's website before the June 17, 2019 City Council meeting and can be located by navigating to City Services/Finance/Budget and Other Financial Documents/2019-20 Proposed Budget. A hard copy of the same document will also be filed at the Contra Costa County Library, Pittsburg Branch.

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 Housing Authority of the City of Pittsburg's ("HACP") fund balance decreased dramatically over the past couple of years to less than one month of operating expenses. Currently, HACP has received the HUD's Calendar Year 2019 Renewal Funding annual increment. In April 2017, HACP received notification from HUD that it is in a shortfall position and continues the status through fiscal year 2018-19. The shortfall status means HACP might not have enough funding to support the current leasing level through December 2019. HACP 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, HACP will be eligible and has applied for set aside funding from HUD to offset the shortfall.

The Fiscal Year 2019-20 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 80% of eligibility to the Fiscal Year 2018-19 funding.

HACP continues to be challenged to maintain the level of service with significant increases in costs from the rising rental market coupled with lower earned administrative fees. HACP's plan is to closely balance units leased with a healthy dose of administrative revenue and attempt to cover all the costs. However, the Housing Authority of the City of Pittsburg 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. HACP anticipates using existing reserves to supplement the shortfall through Fiscal Year 2019-20. However, by Fiscal Year 2021-22, HACP 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  
Reviewed by: Brad Farmer, Director of Finance



BEFORE THE GOVERNING BOARD OF THE PITTSBURG POWER COMPANY

In the Matter of:

Approval of the Budget for Fiscal Year )  
2019-20 for the Pittsburg Power Company )  
and Appropriation of Funds for Fiscal )  
Year 2019-20 )

RESOLUTION NO. 19-377

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 2019-20 to the Governing Board for its consideration; and

WHEREAS, staff 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 Governing Board held a budget workshop meeting on April 22, 2019 for the purpose of reviewing and discussing the Preliminary Operating Budget for Fiscal Year 2019-20, and for providing opportunities for public input and discussion on said Preliminary Pittsburg Power Company Budget; and

WHEREAS, the Governing Board, having fully reviewed the Preliminary Pittsburg Power Company Budget for Fiscal Year 2019-20 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 2019-20 is hereby approved as set forth in a copy of said budget summary on file with Pittsburg Power Company at City Hall and which by this reference is incorporated herein and authorizes the preparation of the final Budget Review document for Fiscal Year 2019-20.
- C. Those funds are hereby and shall be appropriated in the estimated revenue amount of \$2,775,185 and a spending plan of \$2,379,710 for the Pittsburg Power Fund. In addition, the budget recommends estimated revenues in the amount of \$6,265,000 and a spending plan of \$6,923,173 for the Island Energy Fund for Fiscal Year 2019-20.

- 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 Pittsburg Power Company approved budgets, programs and policies.
- E. That the Governing Board of the Pittsburg Power Company of the City of Pittsburg authorizes changes to be made to the annual budget as follows:

Items Requiring Governing Board/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 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.

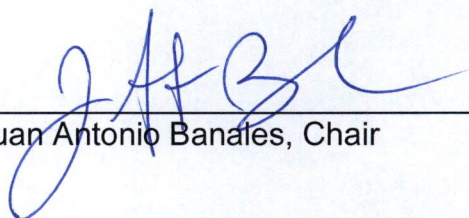
Items Delegated to Department Heads:

- 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 Executive Director. These changes cannot increase the department budget.

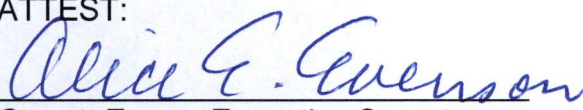
Section 2. Authorization

PASSED AND ADOPTED by the Pittsburg Power Company Board of Directors at a regular meeting held on the 17th day of June 2019, by the following vote:

AYES: Killings, White, Banales  
NOES: None  
ABSTAINED: None  
ABSENT: Craft [Recused], Scales-Preston

  
\_\_\_\_\_  
Juan Antonio Banales, Chair

ATTEST:

  
for Alice E. Evenson  
Garrett Evans, Executive Secretary



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR  
65 Civic Avenue  
Pittsburg, CA 94565**

**TO:** Chair and Agency Members

**FROM:** Garrett Evans, Executive Director

**SUBJECT:** Adoption of a Pittsburg Power Company Resolution for Approval of the Budget for Fiscal Year 2019-20 for the Pittsburg Power Company and Appropriation of Funds for Fiscal Year 2019-20

**MEETING DATE:** June 17, 2019

**EXECUTIVE SUMMARY**

On April 22, 2019 a budget workshop meeting was held to review the Preliminary Operating Budget for Fiscal Year 2019-20 including the proposed Pittsburg Power Company Budget. The budget must be appropriated for Fiscal Year 2019-20 before July 1, 2019 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 2019-20 estimates revenues in the amount of \$2,775,185 and a spending plan of \$2,379,710 for the Pittsburg Power Fund. In addition, the budget estimates revenues in the amount of \$6,265,000 and a spending plan of \$6,923,173 for the Island Energy Fund.

**RECOMMENDATION**

PPC Board approve the Operating Budget Plan for Fiscal Year 2019-20 and adopt the budget for the Pittsburg Power Company for the Fiscal Year 2019-20.

**BACKGROUND**

The Preliminary Operating Budget for Fiscal Year 2019-20 for the City of Pittsburg, including the Pittsburg Power Company, was presented to the City Council at a budget workshop meeting held on April 22, 2019.

## **SUBCOMMITTEE FINDINGS**

The City of Pittsburg Preliminary Operating Budget Plan for the Fiscal Year 2019-20 was presented to the Finance Subcommittee on May 20, 2019. The Finance Subcommittee did not have any changes to the Pittsburg Power FY 2019-20 budget.

## **STAFF ANALYSIS**

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 2019-20 will be placed on the City's website before the June 17, 2019 City Council meeting and can be located by navigating to City Services / Finance / Budget and Other Financial Documents/2019-20 Proposed Budget. A hard copy of the same document will also be filed at the Contra Costa County Library, Pittsburg Branch.

The Pittsburg Power Company will see an increase in fund balance of \$395,475. Island Energy will experience a decrease in fund balance according to the 2019-20 budget of \$658,173. The expenses are due to increased capital costs that will be covered by fund balance and maintain at least 30% reserves.

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 2019-20 for the Southwest )  
Pittsburg Geologic Hazard Abatement )  
District II (GHAD II) and Appropriation )  
of Funds for Fiscal Year 2019-20 )

RESOLUTION NO. 19-065

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 2019-20 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 17, 2019 for the purpose of reviewing and discussing the Southwest Pittsburg GHAD II budget for the Fiscal Year 2019-20 and recommend estimated revenues in the amount of \$958,837 and a spending plan of \$703,360.

NOW, THEREFORE, Southwest Pittsburg GHAD II Board of Directors finds and determines as follows:

Section 1. Findings and Authorization

- 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 2019-20 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 2019-20.
- C. Those funds are hereby and shall be appropriated in the estimated revenue amount of \$958,837 and a spending plan of \$703,360.
- 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 Pittsburgh 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.        Effective Date

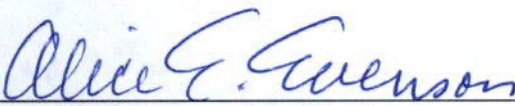
This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by the Southwest Pittsburgh GHAD II Board of Directors at a regular meeting held on the 17th day of June 2019, by the following vote:

AYES:	Craft, Killings, White, Banales
NOES:	None
ABSTAINED:	None
ABSENT:	Scales-Preston

  
\_\_\_\_\_  
Juan Antonio Banales, Chair

ATTEST:

  
\_\_\_\_\_  
Alice E. Evenson, City Clerk





**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR  
65 Civic Avenue  
Pittsburg, CA 94565**

**TO:** Chair and Agency Members

**FROM:** Garrett Evans, Executive Director

**SUBJECT:** Adoption of a GHAD II Resolution for Approval of the Budget for Fiscal Year 2019-20 for the Southwest Pittsburg Geologic Hazard Abatement District II (GHAD II) and Appropriation of Funds for Fiscal Year 2019-20

**MEETING DATE:** June 17, 2019

**EXECUTIVE SUMMARY**

On April 22, 2019 a budget workshop meeting was held to review the Preliminary Operating Budget for Fiscal Year 2019-20 including the GHAD II budget. The Fiscal Year 2019-20 budget must be appropriated before July 1, 2019 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 2019-20 estimates revenues in the amount of \$958,837 and a spending plan of \$703,360.

**RECOMMENDATION**

GHAD II Board approve the Operating Budget for Fiscal Year 2019-20 and adopt the budget for the Southwest GHAD II, for the Fiscal Year 2019-20.

**BACKGROUND**

The Preliminary Operating Budget for Fiscal Year 2019-20 for the City of Pittsburg, including the Southwest GHAD II, was presented at a budget workshop meeting held on April 22, 2019.

**SUBCOMMITTEE FINDINGS**

The City of Pittsburg Preliminary Operating Budget Plan for the Fiscal Year 2019-20 was presented to the Finance Subcommittee on May 20, 2019. The Subcommittee members did not express any changes related to the GHAD II budget.

## **STAFF ANALYSIS**

A complete copy of the detailed Preliminary Operating Budget document for Fiscal Year 2019-20 will be placed on the City of Pittsburg's website before the June 17, 2019 City Council/GHAD Board meeting and can be located by navigating to City Services / Finance / Budget and Other Financial Documents/2019-20 Proposed Budget. A hard copy of the same document will also be filed at the Contra Costa County Library, Pittsburg Branch.

The Southwest GHAD II will see an increase in fund balance of \$255,477. The fund balance exceeds the required 30% reserve amount.

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 )  
2019-20 in Accordance with California )  
Constitution Article XIII (B) )

RESOLUTION NO. 19-13646

The Pittsburg City Council DOES RESOLVE as follows:

WHEREAS, Article XIII(B) of the California Constitution, which was added by Proposition 4, establishing 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-eight million, six hundred eighteen thousand, six hundred five dollars (\$168,618,605); 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 2019-20 Appropriations Limit of the City of Pittsburg is established at \$168,618,605 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 17th of June 2019, by the following vote:

AYES: Craft, Killings, White, Banales

NOES: None

ABSTAINED: None

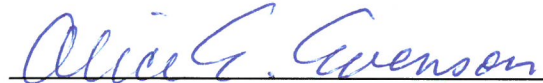
ABSENT: Scales-Preston



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Juan Antonio Banales, Mayor

ATTEST:



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Alice E. Evenson, City Clerk

City of Pittsburg Fiscal Year 2019-20  
Gann Appropriations Limit Calculations

	<u>City Population Change</u>	<u>County Population Change</u>
Population Change as of January 1, 2019	1.0074 <sup>(1)</sup>	1.007 <sup>(1)</sup>
	<u>Per Capita Change</u>	<u>Consumer Price Index CPI of Contra Costa County</u>
Cost of Living FY 2019-20	1.0385 <sup>(1)</sup>	1.036 <sup>(2)</sup>
FY 19-20 Gann Limit Growth Factor 1 + Larger of County and City Population		<u>1.0074</u>
1 + Larger of Per Capita Change and 12-Month Change in CPI for County	x	<u>1.0385</u>
INCREASE in City's Appropriations Limit for FY 2019-20		<u><u>1.046185</u></u>
FY 2018-19 Appropriations Limit		\$ 161,174,749 <sup>(3)</sup>
Growth Factor	x	<u>1.046185</u>
<b>FY 2019-20 APPROPRIATIONS LIMIT</b>		<u><u>\$ 168,618,605</u></u>

NOTE:

(1) California Department of Finance Letter Dated May, 2019

(2) Bureau of Labor Statistics CPI, 2017 Avg Change - SF Area (includes Contra Costa County)

(3) FY2018-19 General Fund Appropriations Limit



May 2019

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, 2019, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2019-20. 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 2019-20 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.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, 2019.

**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.

KEELY BOSLER  
Director  
By:

Vivek Viswanathan  
Chief Deputy Director

Attachment

- 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 2019-20 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2019-20	3.85

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2019-20 appropriation limit.

**2019-20:**

Per Capita Cost of Living Change = 3.85 percent  
Population Change = 0.47 percent

Per Capita Cost of Living converted to a ratio:  $\frac{3.85 + 100}{100} = 1.0385$

Population converted to a ratio:  $\frac{0.47 + 100}{100} = 1.0047$

Calculation of factor for FY 2019-20:  $1.0385 \times 1.0047 = 1.0434$

Fiscal Year 2019-20

**Attachment B**  
**Annual Percent Change in Population Minus Exclusions\***  
**January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019**

County City	<u>Percent Change</u>	<u>-- Population Minus Exclusions --</u>		<u>Total Population</u>
	2018-2019	1-1-18	1-1-19	1-1-2019
<b>Contra Costa</b>				
Antioch	0.56	113,266	113,901	113,901
Brentwood	2.45	62,140	63,662	63,662
Clayton	0.19	11,631	11,653	11,653
Concord	0.31	129,493	129,889	129,889
Danville	0.37	45,103	45,270	45,270
El Cerrito	1.06	25,192	25,459	25,459
Hercules	1.00	25,964	26,224	26,224
Lafayette	0.96	26,077	26,327	26,327
Martinez	0.22	38,406	38,480	38,480
Moraga	0.31	16,886	16,939	16,939
Oakley	1.98	40,949	41,759	41,759
Orinda	0.74	19,331	19,475	19,475
Pinole	0.21	19,458	19,498	19,498
Pittsburg	0.74	72,006	72,541	72,541
Pleasant Hill	0.25	34,969	35,055	35,055
Richmond	0.28	110,128	110,436	110,436
San Pablo	0.25	31,737	31,817	31,817
San Ramon	0.94	83,179	83,957	83,957
Walnut Creek	0.90	69,498	70,121	70,121
Unincorporated	0.55	172,382	173,322	173,406
<b>County Total</b>	<b>0.70</b>	<b>1,147,795</b>	<b>1,155,795</b>	<b>1,155,879</b>

\*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2019-20

**Attachment C**  
**Annual Percent Change in Population Minus Exclusions\***  
**January 1, 2018 to January 1, 2019**

County	Percent Change	-- Population Minus Exclusions --	
	2018-19	1-1-18	1-1-19
<b>Alameda</b>			
Incorporated	0.81	1,504,492	1,516,635
County Total	0.75	1,653,678	1,666,095
<b>Alpine</b>			
Incorporated	0.00	0	0
County Total	0.09	1,161	1,162
<b>Amador</b>			
Incorporated	1.40	12,384	12,557
County Total	1.24	33,839	34,259
<b>Butte</b>			
Incorporated	1.08	146,190	147,764
County Total	-0.63	227,896	226,466
<b>Calaveras</b>			
Incorporated	0.37	3,826	3,840
County Total	-0.10	45,060	45,016
<b>Colusa</b>			
Incorporated	0.53	11,720	11,782
County Total	0.24	22,063	22,117
<b>Contra Costa</b>			
Incorporated	0.72	975,413	982,473
County Total	0.70	1,147,795	1,155,795
<b>Del Norte</b>			
Incorporated	0.56	4,249	4,273
County Total	0.91	24,542	24,765
<b>El Dorado</b>			
Incorporated	1.33	33,275	33,717
County Total	1.19	189,491	191,745

\*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**

**TO:** Mayor and Council Members

**FROM:** Garrett Evans, City Manager

**SUBJECT:** Adopt Resolution Establishing the Appropriations Limit for the 2019-20 Fiscal Year in Accordance with Proposition III and Article XIII (B)

**MEETING DATE:** June 17, 2019

**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 2019-20 Appropriations Limit is \$168,618,605 and will exceed the General Fund estimated spending plan of \$47,743,323.

**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 2019-20 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 FY2019-20 is \$168,618,605.

### **SUBCOMMITTEE FINDINGS**

This item not presented to a subcommittee.

### **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 2019-20 is \$47,743,323 against the calculated limit of \$168,618,605

Appropriations subject to the limit for fiscal year 2018-19 totaled \$44,647,834 against the Adopted Limit of \$161,174,749 for that same year.

### **ATTACHMENTS:**

Resolution

California Department of Finance Letter dated May 2019

Gann Calculations

Report Prepared By: Laura Mendez, Finance Manager - Reporting

Brad Farmer, Director of Finance