Adopted Annual Budget
Fiscal Year 2017-18

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

On the Cover:
Pittsburg Marina
Courtesy of Tracy DePiero

➢ ACKNOWLEDGEMENTS

City Council

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

Other Elected Officials

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

City Attorney

Ruthann G. Ziegler, Esquire, City Attorney

Management Staff

Joe Sbranti, City Manager
Garrett Evans, Assistant City Manager
Alice E. Evenson, Director of Records and Council Services
Brad Farmer, Director of Finance
Brian Addington, Chief of Police
Don Buchanan, Director of Parks and Recreation
Fritz McKinley, Director of Community Development and Public Works
Hilario Mata, Assistant Director of Public Works

➢ ACKNOWLEDGEMENTS

Prepared by the Finance Department:

Brad Farmer, Director of Finance
Diane Agar, Finance Division Manager, Accounting & Budget
Karen Chang, Finance Division Manager, Reporting
Margaret Padua, Finance Division Manager, Revenue and Collections
Krista Nuxoll, Financial Analyst
Glescher Pinder, Accounting Technician
Rhonda Caldwell, Administrative Assistant

Special Thanks to City Department Staff:

Jill Hecht, City Manager's Office
Ron Nevels, Engineering
Joyce Lowe, Police Department

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, 2016. 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..... 38
- Enterprise Funds..... 39
- Special Revenue Funds..... 42
- Fiduciary Funds..... 49

General Fund 7-Year Balancing Plan and 20-Year Forecast..... 50

Housing Authority 7-Year Balancing Plan and Forecast..... 56

BUDGET SUMMARY TABLES

Summary of Fund Condition – Table 1..... 59

Summary or Revenue and Expenditures All Funds – Table 2..... 61

Revenue Source by Category and Object – Table 3..... 62

Summary of Expenditures by Program – Table 4..... 63

Expenditures by Fund Type – Table 5..... 65

General Fund Revenues and Expenditures – Table 6..... 69

General Fund Revenues – Table 7..... 70

General Fund Expenditures by Category – Table 8..... 72

➢ TABLE OF CONTENTS

POSITION SUMMARY SCHEDULES

FY 2016/17 Funded Positions..... 73

FY 2016/17 Full Time Personnel Allocations..... 74

Changes from FY 2015/16 Authorized Positions..... 77

DETAILED PROGRAM BUDGETS

Administration..... 79

City Council..... 93

Community Development..... 97

Enterprise Services..... 107

Housing Authority..... 125

Pittsburg Power Company..... 131

Police..... 137

Public Works – Maintenance Services..... 143

Public Works - Water and Sewer Systems Enterprises..... 153

Recreation and Parks..... 161

Successor Agency to Former RDA..... 169

Debt Service (Not Associated with Specific Departments)..... 174

CAPITAL OUTLAY

Capital Outlay – Projects..... 175

Capital Outlay – Equipment..... 187

FINANCIAL POLICIES

Financial Policies and Procedures..... 189

➢ TABLE OF CONTENTS

DEBT SERVICE

Debt Service Overview..... 193

Debt Service Schedules..... 194

STATISTICAL DATA

Demographic & Economic Statistics..... 233

Principal Employers..... 234

Assessed and Estimated Value of Taxable Property..... 235

Property Tax Rates..... 236

Principal Property Tax Payers..... 237

Operating Indicators by Function/Program..... 238

APPENDICES

Glossary of Budget Terms..... 239

Capital Assets Policy..... 246

Debt Policy..... 257

Grant Management Policy..... 270

Fiscal Sustainability Policy..... 276

Interfund Transfer Policy..... 281

Investment Policy..... 284

Purchasing Policies..... 306

City of Pittsburg Operating Budget Resolution No. 17-xxxxx..... 314

City of Pittsburg Housing Authority Operating Budget Resolution No. 17-xxx..... 335

Pittsburg Power Company Operating Budget Resolution No. 17-xxx..... 339

Southwest Pittsburg Geologic Hazard Abatement District II (GHAD II) Operating Budget Resolution No. 17-xxx..... 343

Gann Appropriation Limit Resolution No. 17-xxxxx..... 347

City of Pittsburg
65 Civic Avenue
Pittsburg, California 94565

June 19, 2017

Honorable Mayor and Members of the City Council:

I am pleased to submit the Fiscal Year 2017-18 Annual Budget for the City of Pittsburg (City), which provides a comprehensive financial framework for the coming year. The budget presented in this document represents the City's commitment to serve both the residents and business community, and long-term financial stability throughout the City. Over this past year bond ratings of the City have increased multiple times as a result of the fiscally responsible approach the City has taken with our finances and financial projections. Revenues for the City (excluding transfers) are projected to be $154.2 million, of which 23.3 percent comprises the General Fund. The City's total expenditures are projected (excluding Transfers and Capital) to be $147.2 million, of which 26.3 percent is the General Fund, the City's main source of unrestricted funds. This proposed budget funds 268 full-time equivalent employees, an increase of one full-time public safety position over FY 2016-17 approved staffing levels. Before the recent economic recession, the City budget had 308 full-time equivalent positions. This Budget was prepared to meet the requirements of the Fiscal Sustainability Ordinance which requires a minimum reserve by the end of FY 2017-18.

Overview of the General Fund Proposed Operating Budget for FY 2017-18

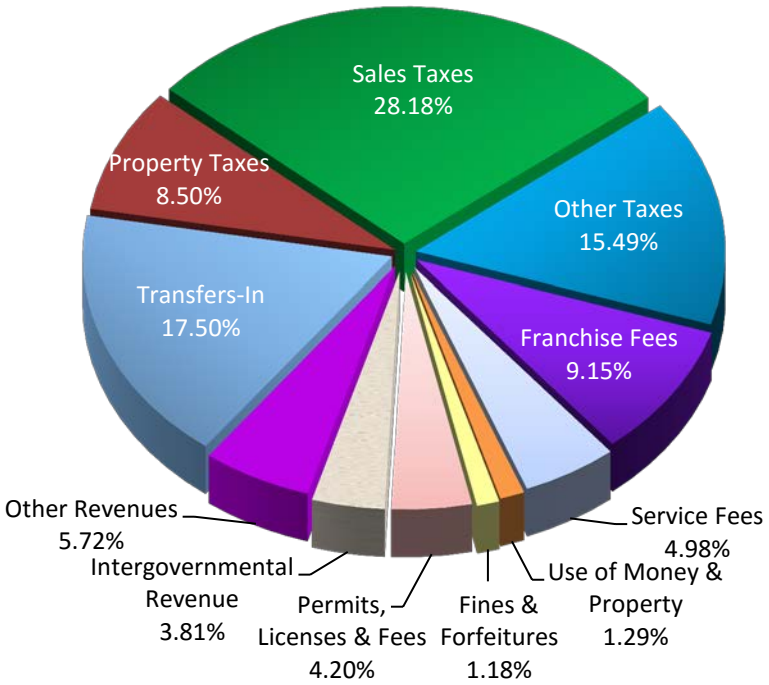
	16/17 YE Est	17/18 Budget	Difference	Percent Difference
Revenues	40,647,399	39,136,440	(1,510,959)	(3.72%)
Expenditures	42,181,845	40,462,069	(1,719,776)	(4.08%)
Surplus (Deficit)	(1,534,446)	(1,325,629)	208,817	(13.61%)
Use of GF Fund Balance and Budget Stabilization Fund	1,534,446	1,325,629	(208,817)	

Revenues

The City's revenue streams are influenced by overall economic conditions. Total General Fund revenue projections for FY 2017-18 are approximately $1.5 million less than FY 2016-17. The reductions are due to a one-time realignment of $1.3 million in Water revenues along with water related operations costs being moved from the General Fund to the Water Operating Fund and lower AB1290 Successor Agency pass-through payments for FY 2017-18. The FY 2016-17 AB1290 revenues were a result of the Successor Agency's bond refinancing. The General Fund major revenue sources include property and sales taxes, transfers and vehicle taxes, and franchise taxes. Together the major sources comprise 70 percent of total General Fund revenues for FY 2017-18, as shown on the graph below. The remaining 26 percent includes

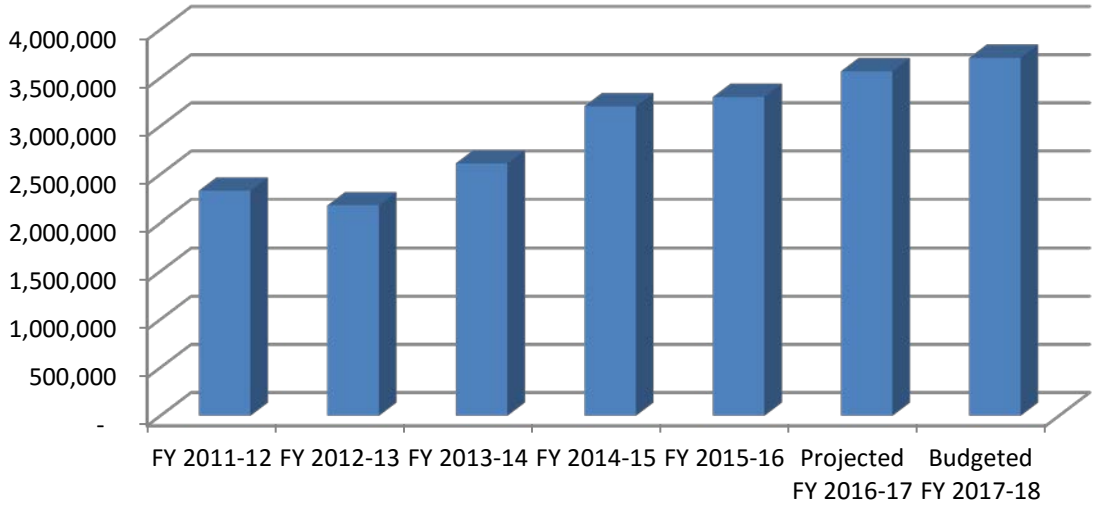
revenues such as departmental revenues, cost reimbursements from other funds and interest revenues.

General Fund Revenues by Source



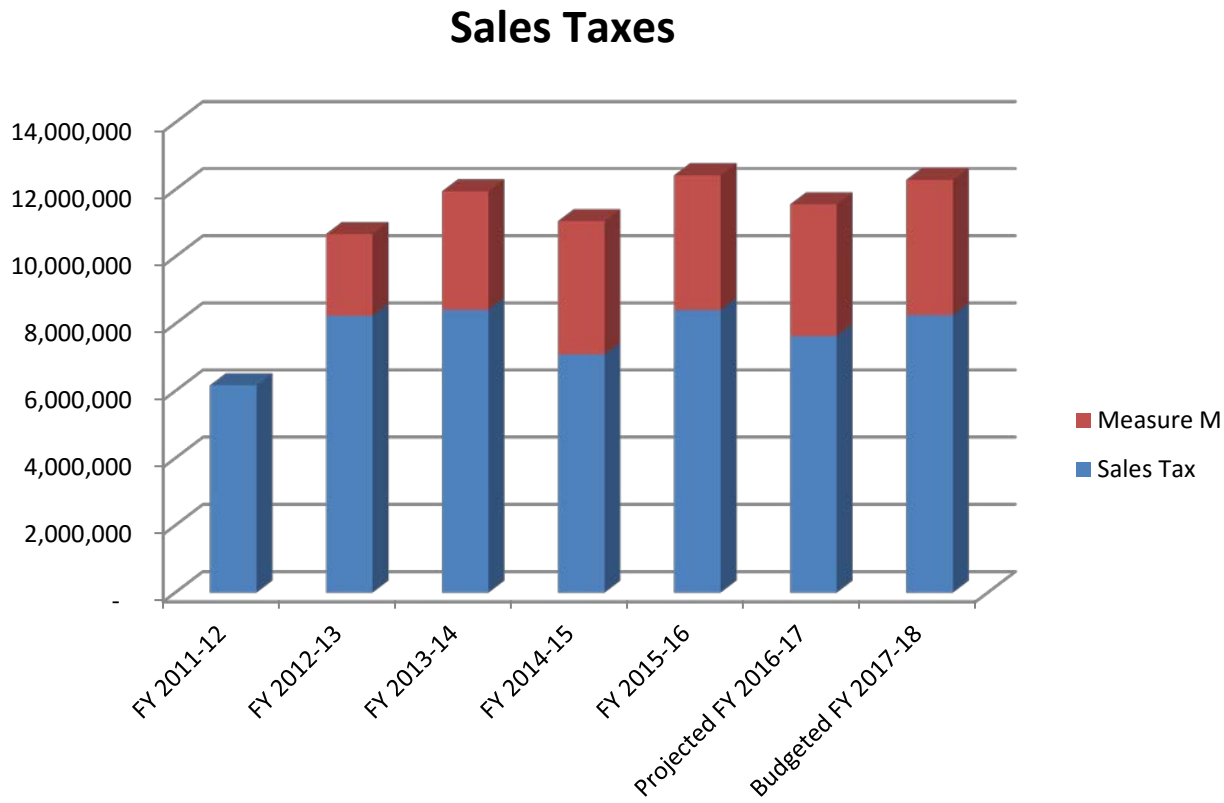
The City continues to see signs of improvement through increases in both property tax and sales tax revenues. Property tax revenue projections increased approximately $138,000 from year-end estimates; a 3.9 percent estimated increase due to additional single-family and commercial construction, as well as recovering property values.

Property Taxes



FY 2017-18 Sales Tax revenue projections grew by $625,000 over FY 2016-17 year-end estimates, an 8.2 percent increase. Sales tax revenue continues to show modest growth and the addition of a new auto dealership accounts for most of the projected increase. Looking forward, the City is projecting Sales Tax revenue to increase approximately two percent per year as the economy continues to recover.

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

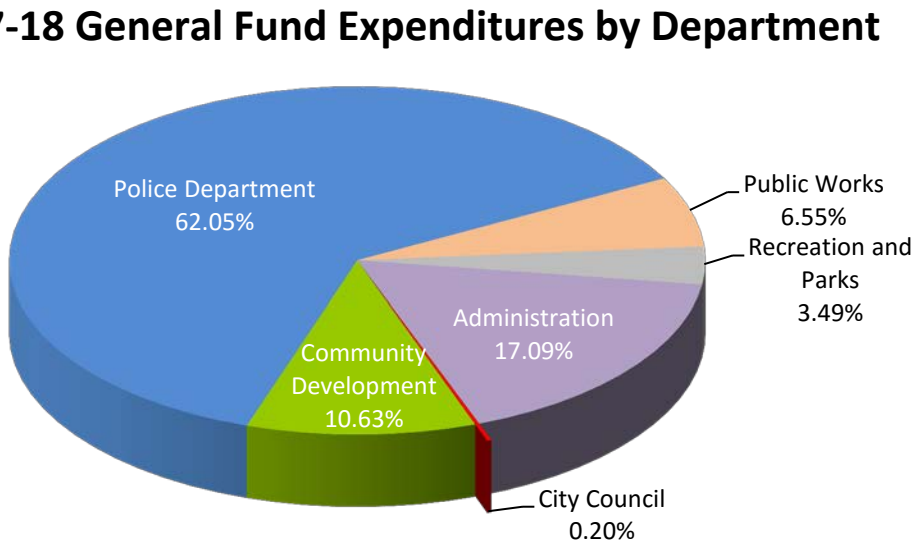


Expenditures

General Fund projected expenditures have decreased by $1.7 million in FY 2017-18 over FY 2016-17. $1.3 million of the decrease was due to a realignment of Water related costs being moved to the Water Operating Fund. In the current budget, all departments were requested to reduce costs where possible to offset normal inflationary costs and increases in providing health care and retirement benefit costs. Additionally, Pittsburg as well as many cities and counties throughout the State are now required to fund the public retirement system CalPERS with higher than anticipated contribution rates. The rate increase resulted from CalPERS changing its policy to proactively fund the unfunded actuarial liabilities of all members over the next 15 years as well as reduced the projected rate of earnings from 7.5 percent to 7 percent over the next four years. In response to these changes, the City redirected program costs to other funds

and away from the General Fund where possible and made necessary adjustments to the current budget and future projected budgets to prepare for the years to come.

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



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

The current City budget is in the final year of the 7-year General Fund Balancing Plan (Plan) that originally started in FY 2011-12. The Plan assumes relatively conservative revenue projections and expenditure assumptions, with the underlining goal of obtaining a structurally balanced budget in FY 2018-19. Since the inception of the Plan, actual revenues and expenses have been favorable most years. These favorable years have resulted in the use of approximately $2.7 million from the Budget Stabilization Fund to balance the General Fund through FY 16-17, an amount significantly less than the $7 million originally projected to be needed to balance those budgets.

Fiscal Sustainability Ordinance – This is the fifth 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 2017-18 is projected to be just over $2.0 million, representing five percent of General Fund operating expenditures required by the Ordinance. Budget Stabilization Fund balance in excess of five percent requirement will be transferred back to the General Fund Balance during the upcoming fiscal year. The City

Council recently adopted a change to the Fiscal Sustainability Ordinance allowing up to ten percent (10%) of the required minimum 30 percent General Fund reserve level to be held in real estate. Staff is currently estimating that $1.33 million of the Budget Stabilization Fund will be utilized in FY 2017-18 to balance the budget.

20-year General Fund Forecast – In addition to the annual budget and the 7-year General Fund balancing plan, the City uses a long-range 20-year forecast. This forecast incorporates anticipated revenues from development, assessed market value and economic recovery, as well as a systematically structured expenditure plan to cover current costs and post retirement liabilities (Contra Costa County Employees' Retirement Association (CCCERA), Pension, and Other Post-Employment Benefits (OPEB).

CCCERA – In 2001, the City terminated participation in the Contra Costa County Employees Retirement Association (CCCERA) and converted to the CalPERS retirement system. The termination agreement with CCCERA required the City to cover unfunded pension liabilities for former employees receiving a pension from CCCERA. In FY 2013-14, the City reduced its CCCERA unfunded liability by $5.8 million by self-funding and borrowing $3.8 million from the City's Water Fund balance. This loan was fully repaid in FY 2016-17.

Pension - One of the benefits offered to City employees is participation in the CalPERS pension program. Following significant losses during the recession and lower than projected returns on assets held for the past several years, CalPERS changed the assumptions it applies to the funding requirements of the program. These assumptions changed the term of recovery from 30 years to 15 years and lowered the discount rate (projected annual earnings rate) from 7.5 percent to 7.0 percent over the next four 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.

OPEB Liabilities – In December 2013, the City established an agreement with the California Public Employees' Retirement System (CalPERS) to set aside funds and deposit into the California Employer's Retiree Benefit Trust (CERBT) fund to accumulate and distribute assets for the exclusive benefit of retirees and their beneficiaries. Plan assets are irrevocable and may not be used for any purpose other than funding post-retirement healthcare. The City continues to deposit funds with CERBT each year to reduce its unfunded OPEB liability. The City's

CERBT account had a balance of $3.0 million as of March 31, 2017 and a projected balance of $3.4 million as of June 30, 2017. The proposed FY 2016-17 Budget contains a contribution of $484,845 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 focus on achieving the City's 7-Year General Fund Balancing Plan and long-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 increases in both Violent and Part I Crimes, however, overall crime rates remain at some of the lowest levels in decades and continues to compare very well with nearby cities.

VIOLENT CRIME COMPARISON BY CITY PER 1,000 RESIDENTS

CITY/YEAR	2015	2016
Walnut Creek	1.4	1.1
Brentwood	1.9	2.2
Pleasant Hill	2.6	2.6
Concord	3.9	3.5
Pittsburg	3.3	4.5
Antioch	7.1	6.7

PART I CRIME COMPARISON BY CITY PER 1,000 RESIDENTS

CITY/YEAR	2015	2016
Walnut Creek	39.5	31.2
Brentwood	24.8	31.6
Pittsburg	39.4	33.8
Concord	54.1	37.4
Antioch	43.6	39.7
Pleasant Hill	55.4	47.0

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

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

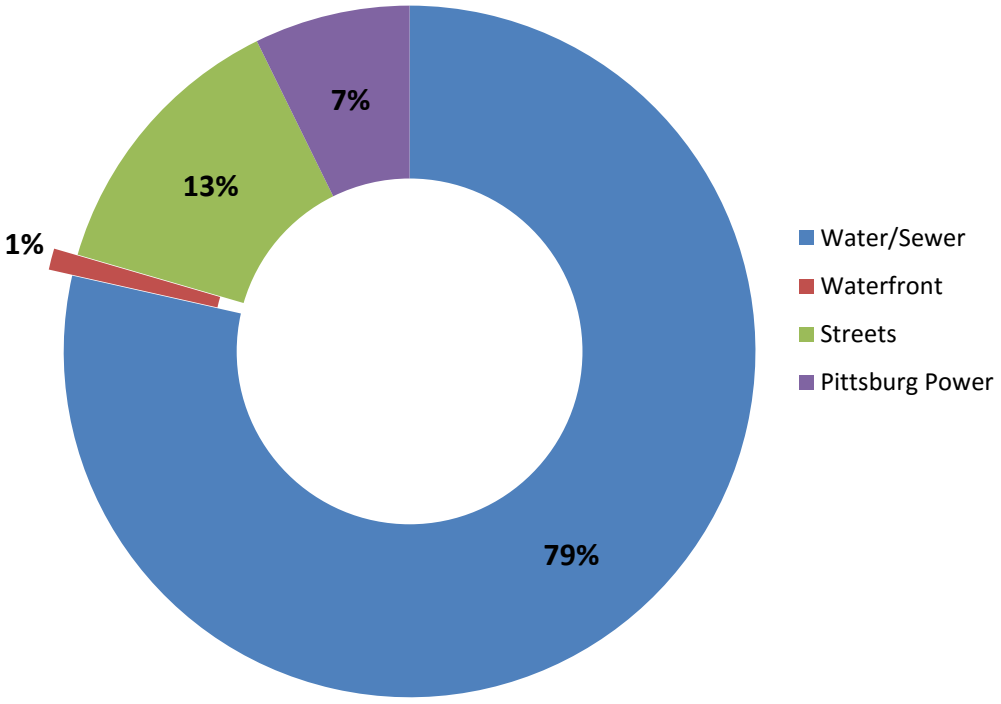
Development – Pittsburg is a great place to live and work, filled with many talented people with a diversity of interests. The business community works hard and City government is committed to maintaining that tradition. The Council and staff work with businesses and developers to ensure the community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

The proposed Capital Projects budget for FY 2017-18 is approximately $4.78 million, as summarized on the chart below. A majority of the capital projects involve improvements to the City's water distribution and sewer systems. Funds for infrastructure projects come from water

and sewer operation funds, developer fees, grants and regional fees for storm drainage and fuel taxes.

Project Name	Funding Source	Prior Allocations	New Allocation FY 2016/17
2017/18 Traffic Calming Project	Gas Tax	-	$100,000
BART Station Parking Strategy and Signage	Gas Tax	-	100,000
2017/18 Citywide Pavement Management Project	Gas Tax	-	300,000
2017/18 Traffic Signal Modification Project	Gas Tax	-	135,000
2017/18 Water Treatment Plant Capital Repairs and Improvements	WOF	-	75,000
Automatic Water Meter Reading System	WOF	$1,956,793	250,000
2017/18 Water Treatment Plant Filter Media Replacements (1 & 2)	WOF	-	150,000
2014/15 Sewer/Water Replacement/Rehabilitation Program	WOF/SOF/WFR	6,700,000	3,300,000
2017/18 Cable Replacement	IE	-	250,000
Substation DD4 Switchgear Upgrade	IE	-	100,000
Riverview Basin Maintenance Dredging	WO	-	20,000
Totals		**$8,656,793**	**$4,780,000**

Summary of Capital Projects by Category



BART – **(Bay Area Rapid Transit)** Construction of the $463 million extension of the BART system from the Pittsburg-Bay Point station to Hillcrest Avenue in Antioch is nearing completion and is projected to open in the spring of 2018. The extension will use diesel trains to transport passengers to and from eastern Contra Costa County and main BART system. The City is currently constructing a passenger drop-off and pick-up area at the northeast corner of Railroad and California Avenues.

Conclusion

The FY 2017-18 Annual Budget reflects the short and long-term financial capacity of the City. It balances a variety of wants against needs, while reflecting the goals, strategic direction and plans prioritized by the Council as the community moves forward.

I would like to thank the City Council for their guidance and support throughout the development of this proposed budget. In addition, I would like to thank the Finance Department Budget staff and staff in all other City Departments that contributed to the Fiscal Year 2017-18 budget. I would like to give special thanks to Brad Farmer, Finance Director and to Diane Agar, Finance Accounting and Budget Manager for their work and expertise throughout this year's budget process.

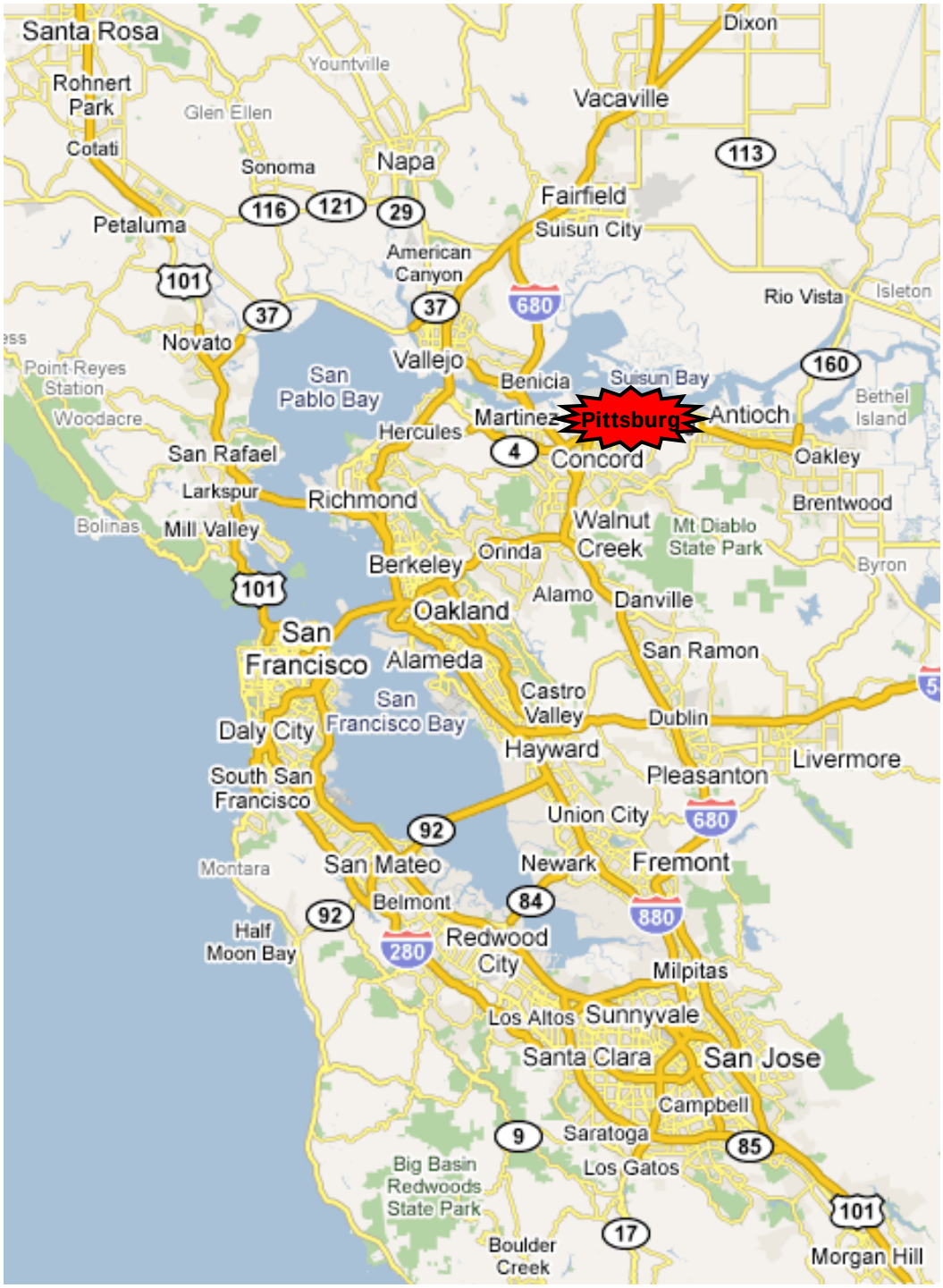
Joe Sbranti
City Manager

➢ MISSION STATEMENT

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

Our Continuing Values:

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


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

➢ CITY OF PITTSBURG – OUR HISTORY

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

[1800's]

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

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

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

[1900 – 1929]

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

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

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

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

1920's – Pittsburg High School opens

1927 – USS Steel purchased Columbia Geneva Steel Company

Railroad Avenue at East Sixth – 1930's

[1930 – 1960's]

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

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

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

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

[1970's – 1990's]

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

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

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

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

[2000 – 2010]

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

2003 – Pittsburg's Centennial Celebration

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

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

Railroad Avenue at East Sixth

[2011 – Present]

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

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

2015 – Construction of Pittsburg Center BART Station begins in median of State Route 4. Extension of BART from Pittsburg/Bay Point to Antioch is anticipated to open Winter 2017/18.

From a struggling settlement to an industrial center, Pittsburg has grown into a pleasant community of 25 landscaped parks, recreational facilities, shopping centers, housing, and planned business and commercial development. New homes, renovated older homes, new businesses and a revitalized historic district are all signs of even better times ahead. Additionally, Pittsburg's local government has expanded the parks system, improved roads, increased commerce and employment and expanded the City's Marina and waterfront recreation facilities.

Source: Pittsburg Chamber of Commerce

Historical Photo Courtesy of Southport Land & Commercial Co.

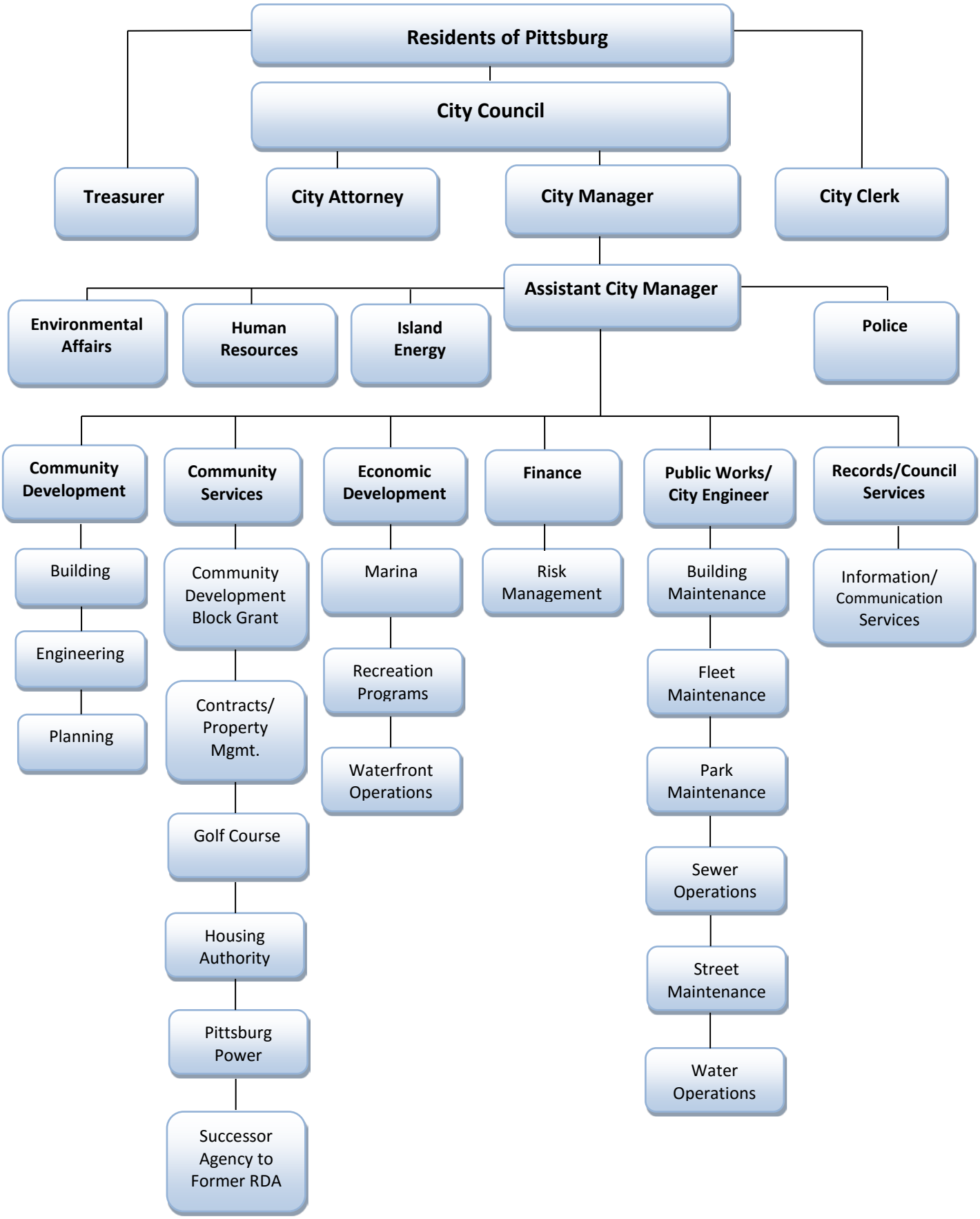
➢ LONG TERM/SHORT TERM GOALS

LONG TERM GOALS	SHORT TERM GOALS	IMPLEMENTATION THROUGH DEPARTMENTS AND PROGRAMS
Goal 1 Achieve and Maintain a Structurally Balanced Budget	Cost recovery agreements, sustainable revenues to pay ongoing expense, budgets consistent with Fiscal Sustainability Ordinance, update 7 year General Fund balancing plan and 20 year forecast, issue investment advisory RFP, maintain or improve City's credit rating, reduce pension UAL, seek grant funds, bldg. permit surcharge for General Plan updates, new trust land lease, revenue generating projects/programs, volunteer assistance, LED conversion, dispose of SA properties, conduct Landlord workshops to increase participation, maximize utilization of vouchers	Finance, Engineering, Planning, Island Energy, Pittsburg Power Company, Waterfront, Environmental Affairs, City Attorney, Public Works, Successor Agency, Housing Authority, Parks and Recreation
Goal 2 Prioritize Public Safety	Continue progress on crime rate reduction and mail theft, continue specialized enforcement, continue to expand crime-free housing program, interdepartmental code enforcement to reduce blight, launch interdepartmental street safety campaign, enhance sex offender registration program, increase homeless outreach, assist District Attorney's office with establishing a Focus Deterrence or Ceasefire Program, enhance workflow of current report writing and RMS systems, finalize financing mechanism to assist Fire District	Police, Environmental Affairs, City Attorney
Goal 3 Improve Public Facilities and Infrastructure	Continue cooperative efforts with other agencies and City departments regarding project construction and completion, work with other agencies and City departments to improve traffic operations and maximize traffic safety, continue development of James Donlan extension, convert existing traffic loops at signal intersections to video detection systems, work with developers to incorporate public spaces in new developments, improve public use facilities and infrastructure at City parks and Marina, dredge Marina, replace sidewalks and install curb ramps, prune old growth park and street trees	Engineering, Planning, Waterfront, Marina, Public Works, CDBG, Parks and Recreation

➢ LONG TERM/SHORT TERM GOALS

LONG TERM GOALS	SHORT TERM GOALS	IMPLEMENTATION THROUGH DEPARTMENTS AND PROGRAMS
Goal 4 Continue Economic Development, Diversified Housing and Facilitate Growth and Retention of Existing Businesses	Evaluate effectiveness of local preference policy for purchases, targeted outreach to large employers, seek non-traditional financing, find solutions for blighted properties and underutilized land, become a resource for small businesses in collaboration with outside agencies, continue development inspections and reviews, issue solar energy system permits, evaluate brownfields for development, develop fiber optic build-out plan, facilitate higher density mixed-use development, administer Housing Rehab and 1st Time Homebuyer programs, work with agencies to address homelessness, fund job training	Engineering, Building, Planning, Economic Development, Waterfront, Environmental Affairs, CDBG, Successor Agency
Goal 5 Increase Efficiency of City Operations and Services	Draft policy on City logo use, continue implementation of updated software systems, citywide training, regulation development, recruit and retain quality staff, review/revise outdated personnel rules, cross training, expand GIS, add online plan submittal for photovoltaic, expand EOC preparedness, meet ADA closed-caption requirements, start high school broadcasting program, update regulations, policies and procedures, complete audit of water treatment and delivery system, manage 30 leases and loans, provide additional payment options, reduce traffic delays, create ombudsman approach to new businesses, evaluate usage of staff and contractors, evaluate sewer and storm drain pipes, continue installation of auto meter reading systems	City Clerk, Engineering, Building, Planning, Economic Development, Environmental Affairs, City Attorney, Water, Sewer, Successor Agency, Housing Authority, Human Resources, Parks and Recreation, Finance
Goal 6 Improve the Quality of Life for Pittsburg Residents	Increase retail in Southwest hills, prepare for 2040 General Plan update, continue Code Enforcement efforts, develop Polystyrene ordinance, launch Civic Pride Day, continue youth, family, recreational and community programs, acquire property for community center, update City as to legal developments, continue home ownership opportunities	Planning, Economic Development, Waterfront, City Attorney, Environmental Affairs, CDBG, Housing Authority, Parks and Recreation

➢ CITY GOVERNMENT ORGANIZATION



➢ BUDGET PROCESS AND BASIS OF BUDGETING

BUDGET PROCESS

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

Mid Year Budget Review

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

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

Preparing accurate General Fund revenue and expenditure forecasts is an important part of the budget process. The update of the 7-year balancing plan and 20-year forecast of the General Fund begins during the mid-year budget review. The forecast is revised as necessary based on different budgeting scenarios and as more accurate revenue and expenditure data is available during the budget preparation process. The update and revisions occur again once year-end financial statements have been prepared.

Revenue Estimates

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

Budget Preparation

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

then presented to Senior Management and the City Manager for review and approval. Recommendations and revisions from review sessions are incorporated into the proposed operating budget. The Finance Subcommittee reviews, makes revisions as necessary, and recommends the proposed operating budget.

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

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

5-Year Capital Improvement Program

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

Budget Amendments

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

Items Requiring Council/Agency Action

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

Items Delegated to the City Manager/Executive Director

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

Items Delegated to Department Heads

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

BASIS OF BUDGETING

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

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

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

➢ FY 2017/18 Budget Development Calendar

Jan 2017

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				

Feb 2017

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				

Mar 2017

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	

Apr 2017

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						

May 2017

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			

Jun 2017

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	

1/2	Winter Break - City Offices Closed
1/16	City Holiday - Martin Luther King Jr. Day - City Offices Closed
1/17	Distribution of Mid-Year Reports for Dept. Year-End Estimates
1/24	Department Year End Estimates Due to Finance
1/26	Oversight Board - Successor Agency to Former RDA Review and approval of Proposed 2017/18 Operating Budget
1/25 - 1/31	Finance Staff Review and Reporting of Year-End Estimates
2/2	City Manager Review and Approval of Year-End Estimates
2/3	7-Year General Fund Balancing Plan and 20 Yr Projections Update
2/6	Finance Subcommittee Meeting - Mid Year Budget Review
2/13	City Holiday - Lincoln's Birthday - City Offices Closed
2/16	Budget Kickoff Meeting/Distribution of Budget Packets
2/20	City Holiday - Washington's Birthday - City Offices Closed
2/21 - 2/27	Individual Departments Budget - Budget Team Meetings
2/28	2nd Finance Subcommittee Meeting - Mid Year Budget Review
3/6	Goal Setting Workshop - Council
3/6	FY 2016/17 Mid Year Budget Review to City Council
3/13	Staff Operating Budgets due to Finance
3/14 - 3/21	Finance Staff Analysis and Preparation of Draft Budget
3/16	7-Year General Fund Balancing Plan and 20 Yr Projections Update
3/22 - 3/30	Senior Management and City Manager Begin Review of Budget
3/28	Department Narratives due to Finance
3/31	City Holiday - Cesar Chavez Day - City Offices Closed
4/1 - 4/4	City Manager's Review - Operating Budget & 20 Yr Plan
4/11	Finance Committee 1st Review - Operating Budget & 20 Yr Plan
4/17	Public Workshop Proposed FY 2017/18 Operating Budget
4/25	Measure P/M Oversight Committee Review Proposed Budget and discuss prior year uses of funds
4/27	Update General Fund 7 Yr Balancing Plan & 20 Yr Projections
5/11	Finance Committee 2nd Review - Operating Budget & 20 Yr Plan
5/11	Measure P/M Oversight Committee 2nd Meeting
5/15	Public Workshop - Proposed FY 2017/18 Operating Budget
5/10 - 6/8	Budget Staff's Compilation of Proposed Budget Document
5/29	City Holiday - Memorial Day - City Offices Closed
6/5	Measure P/M Presentation to City Council
6/9	Distribution of Proposed Budgets to Council & Senior Mgrs.
6/19	Adoption of Gann Spending Limit
6/19	Public Hearing and Adoption of the FY 2017/18 Budget
6/23	Final Adopted Budget Posted to City Website
8/7	2017/18 Capital Improvement Program to Council
9/7	Update General Fund 7 Yr Balancing Plan & 20 Yr Projections
9/14	End of FY 2016/17 Reports to CM (Actual Expenses/Revenues)
9/22	Proposed Finance Committee Meeting - Year End Reporting

Jul 2017

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					

Aug 2017

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		

Sep 2017

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

Oct 2017

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				

Nov 2017

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		

Dec 2017

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						

➢ BUDGETARY FUND STRUCTURE

Governmental Funds

General Fund

Special Revenue Funds

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

Fiduciary Funds

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

Enterprise Funds

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

Internal Service Funds

- Information and Communication Systems
- Fleet Maintenance
- Building Maintenance
- Fringe Benefits
- Other Post-Employment Benefits (OPEB)
- Liability Insurance

➢ MAJOR REVENUE SOURCES – GENERAL FUND

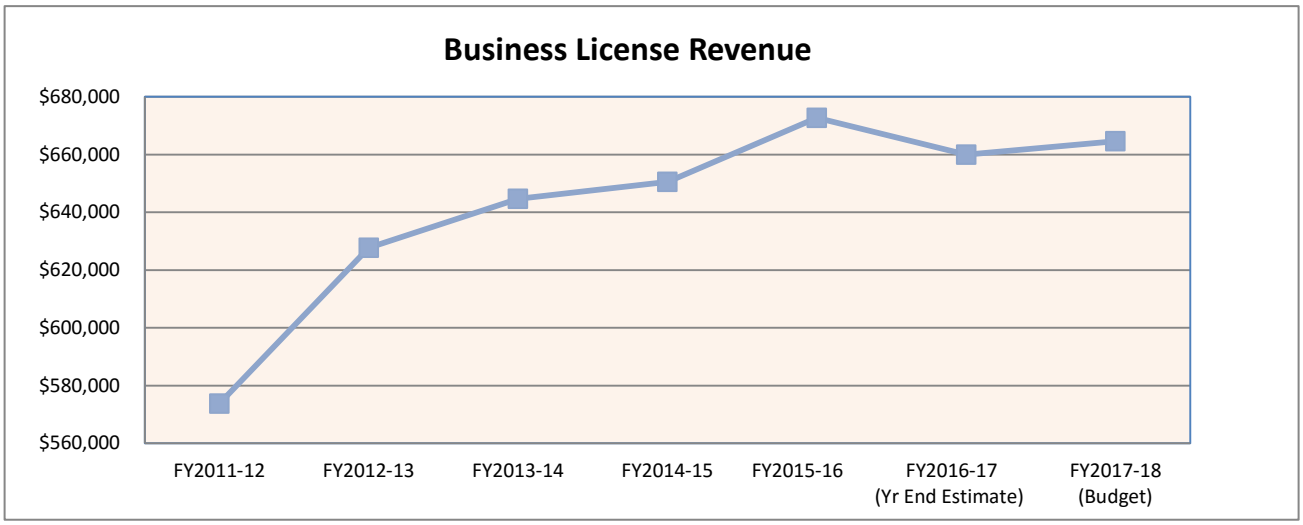
The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this fund are property taxes, sales taxes, unrestricted revenues from the state (e.g., motor vehicle-in-lieu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

Administrative Recoveries

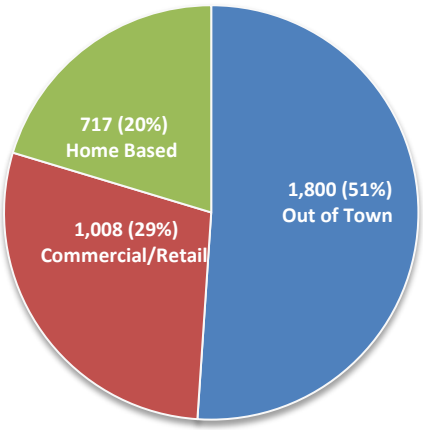
Administrative recoveries are from the Water and Sewer enterprises, the Lighting/Landscape Assessment District, the City of Pittsburg Housing Authority and other non-General Fund sources that reimburse the General Fund for administrative costs.

Business License Tax

This is an annual tax on local businesses, based upon either gross receipts (under progressive tax rates) or flat fees, depending on the type of business. Generally, retail businesses, service providers, and contractors pay based on gross receipts, while professionals (e.g., accountants, lawyers, dentists) pay under a flat fee. The rates are established by City Ordinance. The City currently has 3,525 active business licenses of which 1,725 are businesses located within the City and 1,800 businesses are located outside of the City. As a result of aggressive recovery and discovery efforts by city staff, business license tax revenue dramatically increased by 13 percent ($574,000 to $650,000) from FY2011-12 through FY2014-15. Revenue increased to $673,000 in FY2015-16 as city staff performed recurring audits to validate reported gross receipts on businesses. We estimate FY2016-17 at $660,000 and slightly increase to $664,000 in FY2017-18.



Business License Breakdown By Business Type



County Tipping Fees – Keller Canyon Mitigation

The Keller Canyon Mitigation Fund (Fund) was approved in 1994 as an Amendment to the Keller Canyon Landfill Land Use Permit. A Tipping Fee of $3.00 per ton is divided between Contra Costa County ($1.75 per ton) and the City ($1.25 per ton). The Keller Canyon Landfill processes approximately 745,000 tons of taxable solid waste annually. City staff estimates revenues to remain consistent with prior year at $980,000 in FY2017-18.

Development Service Fees

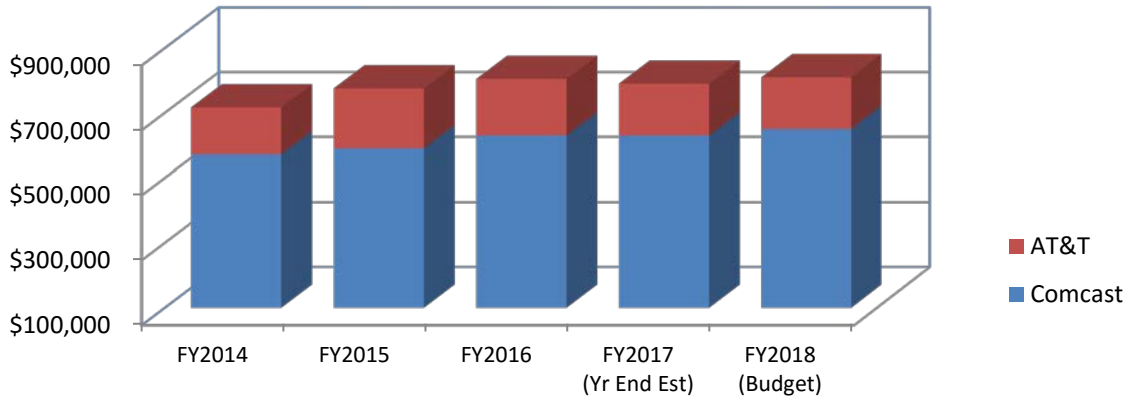
These revenues, which consist of design review charges, plan check services and building permits from the Engineering, Planning and Building Departments are directly dependent upon the level of residential and commercial construction taking place in the community. These fees are generally collected during 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.

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 franchise fees on gross receipts from Comcast Cable and AT&T U-Verse. Based on FY2016-17 actual gross receipts reported for the last three quarters, staff estimates gross receipts to increase slightly due to the anticipated growth in the

community bringing calculated franchise fees of $810,000 (of which $650,000 is from Comcast and $160,000 from AT&T) in FY2017-18.

Cable Franchise Fees



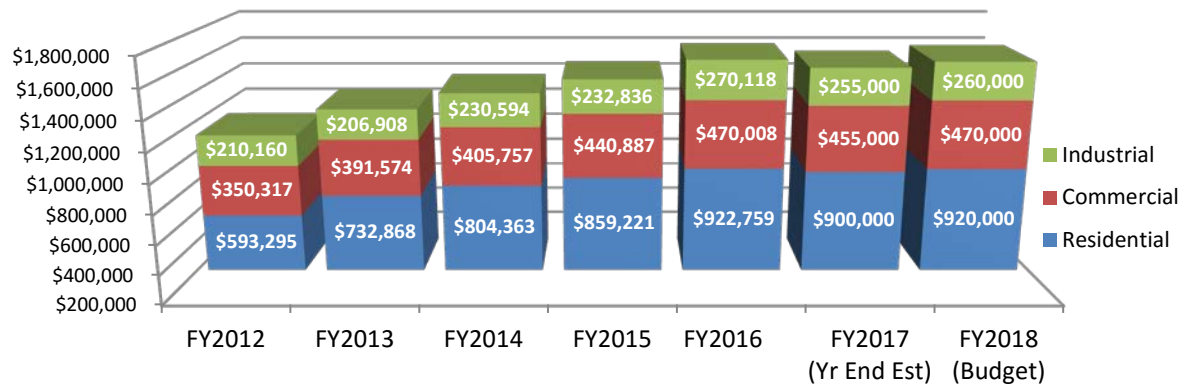
Franchise Fee from the Recycling Center & Transfer Station (RCTS)

Contra Costa Waste Service, Inc., the operator of the RCTS pays a Franchise Fee for the general benefit and to support City services. The estimated Franchise Fee for FY2017-18 is $929,952 based on prior year's results with an estimated annual CPI inflation factor of 2.7 percent. In addition, the Solid Waste Recycling and Inspection Fee ($1.50 per ton plus CPI, presently $1.78 per ton effective on the fourth quarter of 2017) on all solid waste received at the RCTS is collected as a dedicated funding source for City's mandated Solid Waste Management Programs, the Local Enforcement Agency, litter abatement mandates, and other solid waste/sustainable related operations and activities. With anticipated tonnage of approximately 293,000 tons based upon the recent three quarters reported, solid waste recycling and inspection fees are projected to be $525,000 for FY2017-18.

Franchise Fees on Refuse and Recycling

Pittsburg Disposal Service pays a Residential, Commercial, and Industrial Franchise Fee of 12 percent based on gross receipts. The Franchise Fee is evaluated every five years based on countywide averages to determine a fee increase. Based upon

Refuse and Recycling Franchise Fees



previously adopted rate increases by Pittsburg Disposal Service between the years of 2012-2014 as well as the increase growth of new developments and businesses within the City, their gross receipts have increased. As a result, the City's refuse and recycling franchise fees have increased an average of 4 percent for the past 3 years, with anticipated similar increase in FY2017-18 to $1.6 million in revenues.

Community Benefit and Service Fee

The Community Benefit and Services Fee which began in 2011, has generated approximately $2.7 million over the five year period. The Community Benefit and City Services Fee for FY2017-18 is $580,000 with an estimated annual CPI inflation factor of 2.7 percent. For these various fees to the City, Pittsburg Disposal Service has the exclusive right to collect refuse and recycling from all sectors in the community.

Franchise Fees on Utilities

This Franchise Fee is paid by Pacific Gas & Electric Company for the purpose of using City right-of-ways 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 5.0 percent and the Gas Franchise is 1.0 percent. In addition, the City is paid a Surcharge on electricity and natural gas to replace Franchise Fees lost due to deregulation. Although demand is lower reflecting a 9% decrease in FY2016-17, California Public Utilities Commission (CPUC) recent approval to increase utility rates will increase Pacific Gas & Electric Company reported gross income. City staff estimates the City's portion to be 11% higher from prior year to $571,000 in FY2017-18.

Investment Earnings

The City utilizes a strict cash management program to ensure that all available funds are invested to earn the maximum yield consistent with safety and liquidity. Investment income is subject to extreme fluctuation making it difficult to analyze and predict trends. The continued persistence of historically low interest rates has greatly reduced the City's ability to earn a strong investment return. Based on the recent interest rates earned on our investments, staff estimates FY2017-18 to be $150,000.

Motor Vehicle In-Lieu Fees (VLF)

State residents pay a fee to the State each year that is computed as a percent of the depreciated value of their motor vehicles. Each city and county in California receives a portion of the total motor vehicle license fee collected through the State based on the assessed valuation growth or decline within a community. As of Fiscal Year 2010-11, this source of revenue was shifted to fund State Law Enforcement Grants. Cities and counties are only entitled to funding when total revenues exceed $14 million. The City

received $30,381 in FY2016-17, however these revenues are not guaranteed, therefore, no estimate in included in the FY2017-18 budget.

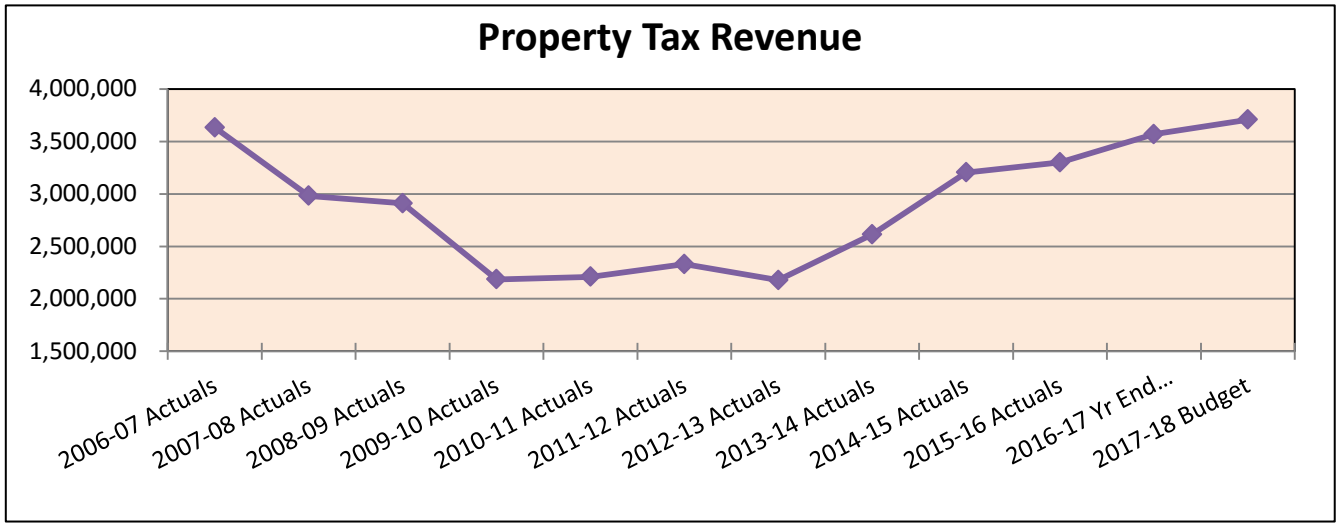
Police Fines/Fees

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

Property Tax

Homes, businesses, and other taxable real and personal property are subject to a property tax rate of one percent of the assessed value. Assessed values are based on the 1975 property values with subsequent increases limited to two percent or CPI (Consumer Price Index), whichever is lower. However, when there is a transfer of property ownership, or when a new property is constructed, it is appraised at the current market value. The City of Pittsburg's tax rate, excluding the Pittsburg Successor Agency to the former Redevelopment Agency's project area, is approximately 16% of the property tax rate on secured, unsecured and unitary taxes that homeowners pay to the County. For every $100 paid, the City receives approximately $16.00. However, over 70 percent of the City is within the Successor Agency to the former Redevelopment Agency project area, therefore the County has calculated that the City receives less than five percent of the net one percent base tax rate for the total City.

The City's property taxes were severely reduced in the past due to the State's need to finance its own budget. Pittsburg property taxes shifted downward as a result of the



passage of Educational Relief Augmentation Fund (ERAF) and AB 860. In recent years, we have seen a slight rise in property tax revenues attributable to increased property values as housing demand has picked up within the City, as well as the addition of several single-family and multi-family developments. With recent property values increasing, the number of adjustments and/or appeals of the Property Assessment Value (AV) are expected to decrease.

Based on the Property Assessment Value (AV) report from the County, Staff estimates property taxes to increase by three percent to $3.7 million in FY2017-18.

HISTORICAL GROSS ASSESSMENT VALUATION

Fiscal Year	Land	Improvements	Personal Prop	Gross	Prior Year Variance
FY2000-01	719,493,211	2,316,291,798	96,055,194	**$ 3,131,840,203**	
FY2001-02	762,338,829	3,065,067,577	104,985,233	**$ 3,932,391,639**	*25.6%*
FY2002-03	863,942,493	3,404,046,164	123,237,922	**$ 4,391,226,579**	*11.7%*
FY2003-04	1,065,703,737	3,737,733,209	120,569,117	**$ 4,924,006,063**	*12.1%*
FY2004-05	1,232,755,118	3,794,398,115	107,600,340	**$ 5,134,753,573**	*4.3%*
FY2005-06	1,435,121,959	4,078,052,994	101,971,604	**$ 5,615,146,557**	*9.4%*
FY2006-07	1,763,752,092	4,571,066,917	118,060,203	**$ 6,452,879,212**	*14.9%*
FY2007-08	2,090,812,424	4,586,882,253	120,147,498	**$ 6,797,842,175**	*5.3%*
FY2008-09	1,900,179,131	4,641,377,192	134,495,806	**$ 6,676,052,129**	*-1.8%*
FY2009-10	1,368,193,784	4,249,265,527	130,709,789	**$ 5,748,169,100**	*-13.9%*
FY2010-11	1,291,970,726	4,261,648,442	139,832,660	**$ 5,693,451,828**	*-1.0%*
FY2011-12	1,212,412,953	4,256,357,435	141,090,919	**$ 5,609,861,307**	*-1.5%*
FY2012-13	1,165,223,630	4,223,853,661	137,267,135	**$ 5,526,344,426**	*-1.5%*
FY2013-14	1,255,042,127	4,347,436,227	128,832,623	**$ 5,731,310,977**	*3.7%*
FY2014-15	1,442,385,836	4,664,153,180	133,949,553	**$ 6,240,488,569**	*8.9%*
FY2015-16	1,605,095,513	4,888,258,096	125,511,128	**$ 6,618,864,737**	*6.1%*
FY2016-17	1,742,190,654	4,930,330,068	127,586,933	**$ 6,800,107,655**	*2.7%*

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. Staff anticipates revenues of $300,000 for FY2017-18.

Recreation Program Fees

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

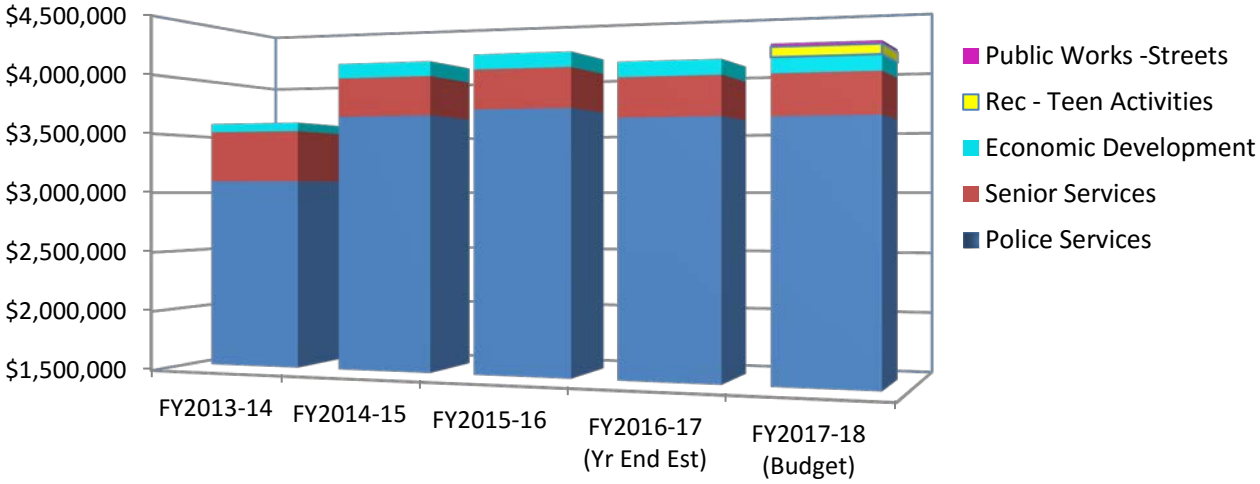
Sales Tax (Local Bradley Burns)

Sales tax is levied on goods and services at the point-of-sale. The Sales tax rate in Pittsburg is nine percent, of which the City receives one percent. This coming year with the addition of a new auto dealership and with continued local construction, revenues from sales taxes are projected to increase from $7.6 million in FY 2016-17 to $8.3 million in FY 2017-18.

Measure P/M – Temporary District Sales Tax Increase

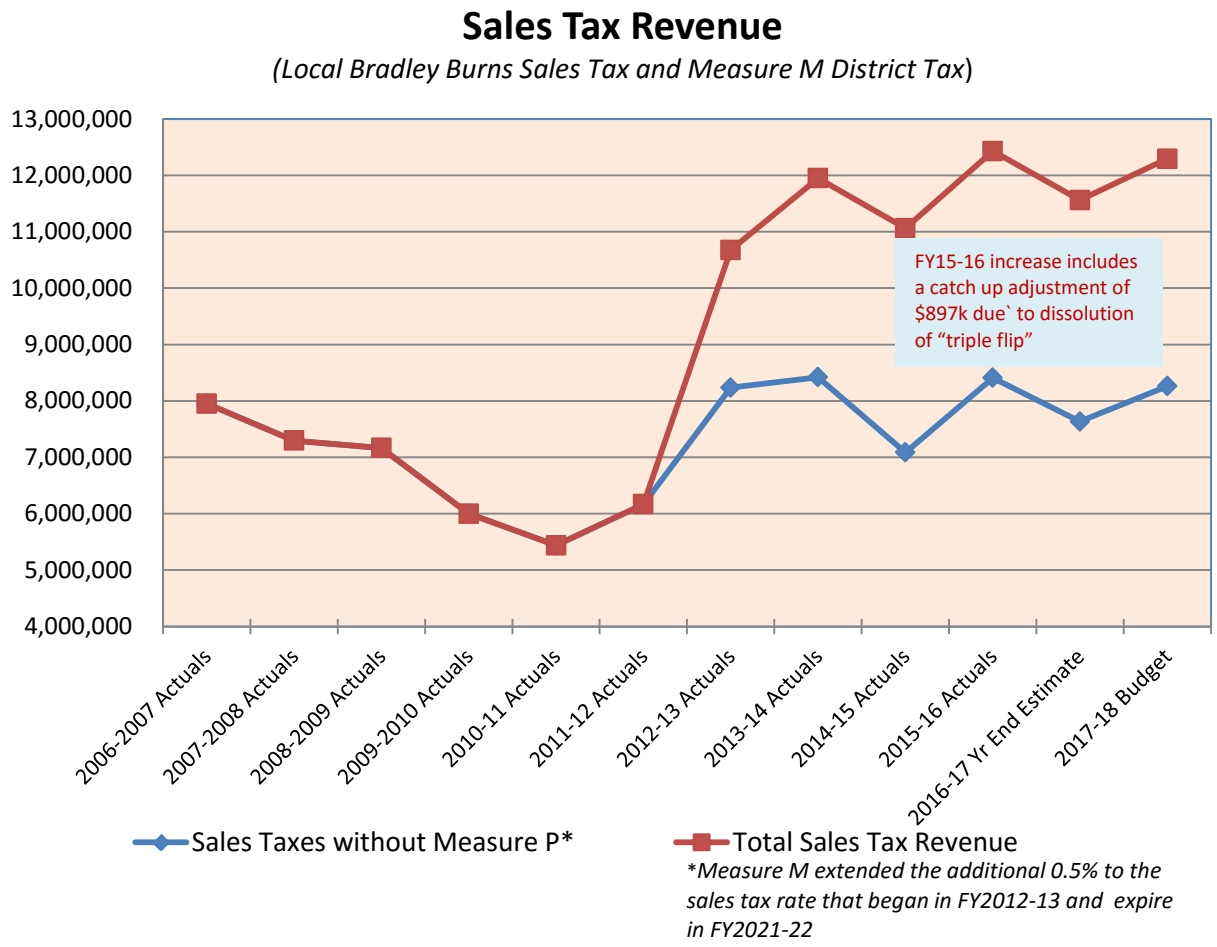
In June 2012, the voters approved Measure P creating a limited one-half percent sales and use tax to preserve essential services throughout the City including public safety, the Senior Center and support for job programs. Measure P originally was to reduce to one-quarter percent in FY2017-18 and expire in FY2022-23. In June 2016, the voters were asked to extend the temporary sales tax until June of 2035 when Measure M was placed on the ballot. Voters approved Measure M with 81.31% of the vote. Measure M will continue to support public safety, the Senior Center, jobs programs and other City services. Additionally, funds will support road repair, youth services and services for victims of domestic violence within the City. Both Measure P and its successor Measure M require a Citizens Oversight Committee to report on the revenues and

Measure M District Sales Tax



expenditures of the measures. Staff estimates revenues for Measure P to be just over $4 million in FY 2016-17, with an increase to just over $4.1 million in FY 2017-18 for Measure M funding.

Total revenues from both the Sales Tax and Measures P and M are projected to be approximately $12.7 million for FY 2017-18.



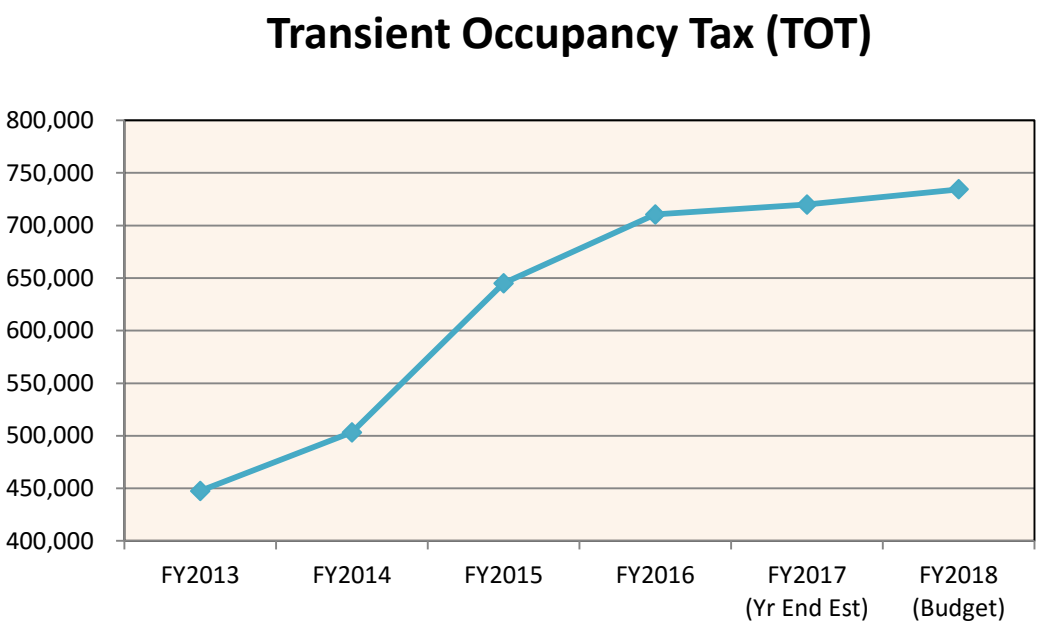
Transfer-In from other Funds

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 (4) hotels. This current rate was

increased from eight percent to ten percent effective January 2012. TOT revenues saw major increases during the Highway 4 construction project between FY2012-13 and FY2015-16, when a new mid-sized hotel opened in Pittsburg. The hotels in town have



continued to maintain a high occupancy rate after the construction project due to the demand in our region for temporary lodging. Staff estimates modest increases from approximately $720,000 in FY2016-17 to just over $734,000 FY2017-18.

➢ MAJOR REVENUE SOURCES – INTERNAL SERVICE FUNDS

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

Building Maintenance Fund

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

Fleet Maintenance Fund

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

Other Post-Employment Benefits (OPEB) Fund

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

Fringe Benefit Fund

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

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 the number of employees and claims received.

Information and Communications Fund

Centrally budgeted for the operation, maintenance and replacement of the Citywide network infrastructure, telephone, computer equipment and other hardware and software needs. User charges are applied to the other departments to provide the revenues to support this function.

➢ MAJOR REVENUE SOURCES – ENTERPRISE FUNDS

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

Marina Fund

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

Pittsburg Power and Island Energy Funds

The Pittsburg Power Company (PPC) is a municipal utility formed under the California Constitution. The PPC does business in the City of Pittsburg and as Island Energy on Mare Island located in Vallejo, California. The 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 FY2017-18 is $5.6 million of which $4.7 million is revenue from the electric operation.

Sewer Operating Fund

The City maintains the collection system that transports sewage to the treatment plant at Delta Diablo Sanitation District. The City charges water customers a fee to cover the cost to operate and maintain the system. The monthly sewer charge for a residential family is a flat fee. The non-single family and non-residential fees are based on a flat fee multiplied by their water consumption. The City's sewer fees have remained the same since March 2014. The annual operation of the Sewer Fund generates approximately $5.0 million in gross revenue and $2.4 million in operating expenses. Excess annual revenues over operating expenses are utilized to maintain and update the infrastructure of the system through capital projects.

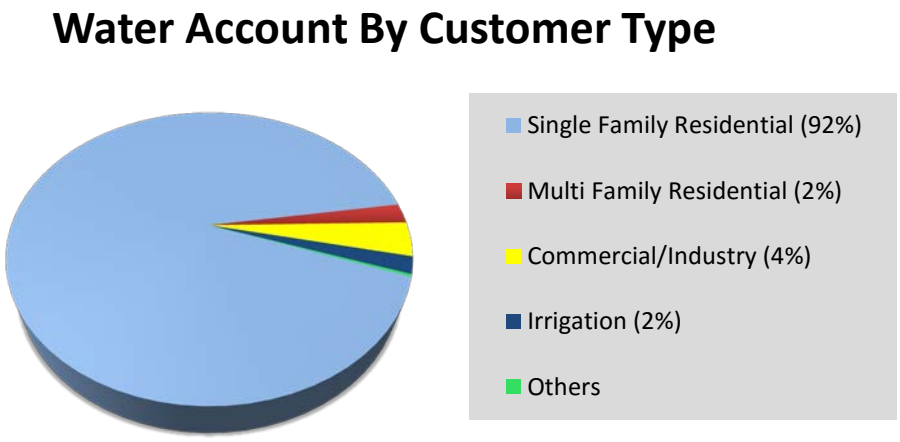
Waterfront Operations Fund

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 to remain at $1.4 million in FY2017-18.

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 18,542 customers of which 92 percent (17,054) of these accounts are for residential locations. The annual operation of the Water Fund generates approximately $19.5 million in gross revenue and $16.6 million in operating expenses.



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 the following water and sewer facility reserve charges that are maintained in separate fund accounts.

Water Facility Reserve Charge Funds:

- Water Facility Reserve – Water Treatment Plant Expansion
- Water Facility Reserve – Water Distribution
- Water Facility Reserve – Zone I/II Reservoir
- Water Facility Reserve – SE 20" Transmission Line
- Water Facility Reserve – SW Hills CIP (Phase I & II)
- Water Facility Reserve – SW Hills Phase III Pipe
- Water Facility Reserve – SW Hills Phase III Pump
- Water Facility Reserve – Water Treatment Plant Sludge Handling
- Water Facility Reserve – Zone 1 Reservoir
- Water Facility Reserve – Zone 2 Reservoir

Sewer Facility Reserve *Charge* Funds:

- Sewer Facility Reserve Fees – Buy-In Fees for Collection System Expansion
- Sewer Facility Reserve Fees – Pipe

The City anticipates completion of 283 new developments in FY2017-18. City staff estimates collection of development facility reserves fees of $1.4 million for water connections fees and $256,000 for sewer line fees.

➢ MAJOR REVENUE SOURCES – SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The City has several special revenue funds: Citywide Lighting and Landscape District, Oak Hills Lighting and Landscape District, National Pollutant Discharge Elimination System (NPDES) Storm Water, Geological Hazard Abatement District (GHAD), Community Development Block Grant (CDBG), San Marco Community Facilities District (CFD) 2004-01, Vista del Mar CFD 2005-2, Public Safety CFD 2005-1, Park Maintenance CFD 2007-1, Gas Tax, Measure C, 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 fund was established by the City Council on October 18, 2004 for the purpose of covering General Fund budget shortfalls or other future unexpected contingencies. Year-end General Fund surpluses as well as one-time revenues and projected recurring revenues that exceed eight percent (8 percent) or more from previous fiscal years are deposited into the fund.

Economic Development Fund

On August 3, 1999 the Pittsburg Power Company sold its 60 percent share of a proposed power plant to Calpine for $15.6 million dollars. Six million dollars of the proceeds from that sale was set aside to be used for economic development activities in the City. It was determined that this reserve for economic development would have more flexibility and fewer restrictions if the $6 million was transferred from the Pittsburg Power Company to the City's General Fund. This transfer took place during Fiscal Year 1999-00.

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. In addition, Economic Development had other funding sources coming from the Business Improvement District Tax (BID) collected on business license applications; the appropriated 3 percent of the City's Measure M (Pittsburg Preservation of Citywide Services Temporary Funding Transactions and Use Tax); and from rental income. The operating revenue which includes a $150,000 transfer from the Pittsburg Power Company is estimated at $459,862 in FY2017-18

Gas Tax Fund

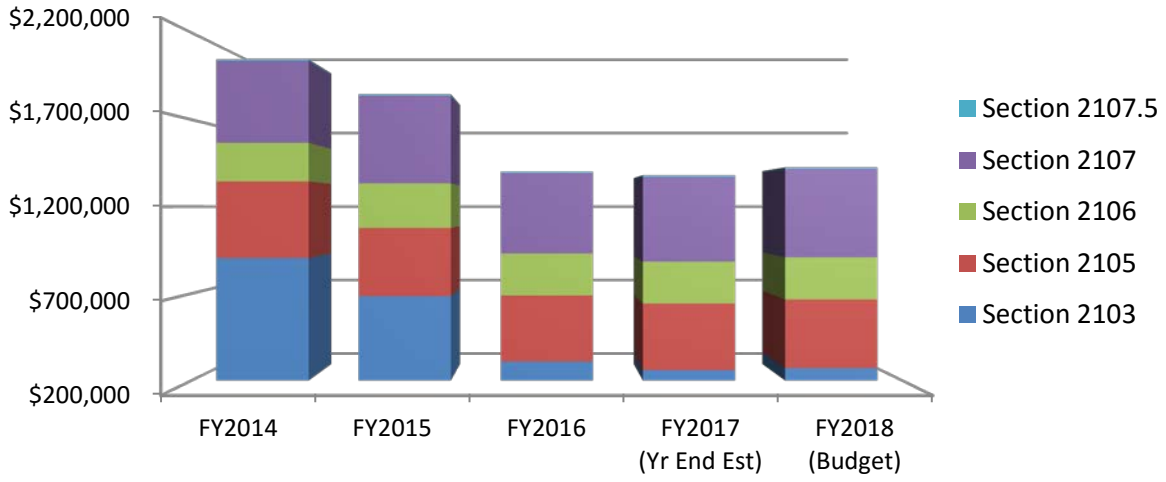
This Gas Tax fund is used to account for the receipt and disbursement of State and Federal gas taxes and grant monies to be used for the maintenance, repair, and design of streets. State gas tax funds are distributed to cities based on population from gas taxes collected at the point of sale. The use of gas tax funds is restricted to street expenditures by State and Federal legislation.

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. In February of each year, the State Board of Equalization (BOE) adjusts the variable fuel tax rate effective the following July 1.

Effective Date	Variable Rate	Excise Rate
7/1/2010	$0.173	$0.353
7/1/2011	$0.177	$0.357
7/1/2012	$0.180	$0.360
7/1/2013	$0.215	$0.395
7/1/2014	$0.180	$0.360
7/1/2015	$0.120	$0.300
71/2016	$0.098	$0.278
7/1/2017	$0.117	$0.297

**(Per Gallon)*

For FY2017-18, the BOE increased the rate by 1.9 cents per gallon, from 27.8 cents per gallon to 29.7 cents per gallon. This increase, along with current projections, is expected to increase gas tax revenues by three percent or approximately $1,425,269 in FY2017-18.



This budget does not include revenue estimates for the recently enacted Road Maintenance and Rehabilitation Account (RMRA) under the Road Repair and Accountability Act of 2017 (SB 1 Beall). Announced on March 29, 2017, the Act will increase 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 becomes effective in January 1, 2018 and July 1, 2020. Since this is a new source of revenue, subject to legal challenges and only preliminary estimates, the City has chosen to wait until actual revenues are received from the state.

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.

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

The assessments collected are estimated to be $2,880,000 in FY2017-18. This amount reflects the increase approved by voters in June 2007 of $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.

Measure J Fund

In 1988, the Contra Costa County voters approved a one-half cent sales tax called Measure C for the purpose of funding transportation projects within the County. The imposition of the sales tax expired 03/31/2009 and was replaced with Measure J. This measure allocates sales tax to cities within the County based on population and road mileage. These funds may be used only for transportation and transit related projects. Staff estimates allocations from the county to be approximately $725,000 in FY2016-17 and $747,000 during FY2017-18.

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. This special assessment is estimated to be $930,345 for FY2017-18.

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

Park Dedication Fee Fund

The City collects Park Dedication Fees 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.

Park Maintenance Community Facility District (CFD 2007-1)

The Park Maintenance CFD 2007-1 is dedicated to enhancing the quality of life for the citizens and visitors of the District and provides a level of grounds care and customer service that promotes a positive community image. There are a total of 1,179 parcels in the district. In FY2017-18 revenues are estimated to be $69,915 with maximum special tax rate per residential unit of $59.30.

Public, Education & Government Fees (PEG)

The California Public Utility Commission (CPUC) administers certain provisions of the state franchises under the Digital Infrastructure and Video Competition Act (DIVCA). Some areas of DIVCA are administered by the City, specifically, the collection of franchise fee, PEG issuance, and enforcement of customer service standards. Each state franchise holder shall remit to the City a fee to support PEG channel facilities in the amount of one percent of the gross revenues of the state franchise holder. Revenues collected shall be only expended for the purpose of supporting PEG channel facilities. The City receives one percent on gross receipts from Comcast Cable and AT&T U-Verse. Staff estimates revenue to be approximately $160,000 in FY2017-18.

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 are a total of 534 residential and no-residential parcels. Staff estimates revenues to be $414,564 for FY2017-18, with maximum special tax rates per residential unit of $612.84 and $1,225.67 per acre for non-residential.

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 for the purpose of providing funding for Police services. There are a total of 961 units (284 units = 1 parcel) in the district. Staff estimates revenue to be $842,655 during FY2017-18, with maximum special tax rate of $612.84 per unit.

Solid Waste Fund

Under the Recycling Center and Transfer Stations (RCTS) operating agreement with the Contra Costa Waste Service, Inc., the City receives a Recycling and Inspection Fee of a flat rate ($1.78/ton effective October 2016) 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 anticipated tonnage of approximately 293,000 tons based from the recent three quarters reported, Staff expects solid waste recycling and inspection fees of $525,000 for FY2017-18.

Southwest Pittsburg GHAD II

On February 20, 2001 the City Council created the Southwest Pittsburg Geological Hazard Abatement District II (GHAD) as a separate legal entity from the City to provide maintenance of slopes in the open space areas of Southwest Pittsburg. Funding for the GHAD is provided through assessment fees levied on the property taxes of the homes built in the hillside areas. Of the approximately 2,401 parcels included in the district, most are single-family units under two acres in Oak Hills and San Marco and are assessed $242.82 per year. Detached single-family unit parcels located in the Vista Del Mar subdivision are assessed $419.62 per year. This fund centralizes the accounting for the revenues and expenses associated with GHAD as required by law. Staff estimates revenue to come in at $763,504 in FY2016-17 and $811,000 in FY2017-18.

Traffic Mitigation Fee Fund

The City collects Transportation Mitigation Fees from developers of properties and deposits these monies in this separate special revenue fund for the purpose of funding the City's Traffic Mitigation capital projects.

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 are a total of 509 residential parcels. Staff estimates revenue in the amount of $311,936 for FY2017-18 with a maximum special tax rate per residential unit of $612.84.

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

On March 3, 2014, the City Council adopted the formation of the Railroad Avenue Specific Plan Area CFD 2014-1. This is a one-time special tax to finance the construction of a Bay Area Rapid Transit (BART) station at the intersection of Railroad

Avenue and Highway 4. This levy will also include the acquisition and development of certain public facilities in and for the City which includes roadway widening and construction of pedestrian and bicycle pathways, public transportation improvements, bicycle facilities and public parking, construction of a plaza and streetscape as well as installation of public art.

The estimated cost for the BART station is $14.5 million, and the estimated cost for the streetscape and transportation improvements is $10.0 million. The special levy tax rate ranges from $660/unit to $2,000/unit based on tax zone for residential properties and $0.49/square foot to a maximum of $1.50/square foot based on tax zone for non-residential properties. Effective July 1, 2014 and each July thereafter, these rates shall be increased by 2% annually. Based on the 97 residential developments to be completed, staff estimates revenue to be $124,306 in FY2017-18.

➢ MAJOR REVENUE SOURCES – FIDUCIARY FUNDS

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

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

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

In 2004, the City Council established a Budget Stabilization Fund (BSF) to assist with the balancing of City's Funds, but primarily the City's General Fund in the event revenues decline or the City experiences unexpected and/or uncontrollable cost escalations due to changes in the economy. When the BSF was established, Council ensured funding by requiring one-time General Fund monies be deposited into the BSF. Again, in 2012, Council made modifications affecting the BSF by implementing Financial Sustainability Ordinance (FSO) # 12-1363. The requirements of the FSO are that the City's General, Infrastructure Repair and Replacement, Internal Service and Enterprise Funds be structurally balanced and maintain minimum reserve balances by FY 18-19. Despite the slow recovery from the great recession, the City has and is continuing to work toward meeting the obligation of the FSO by balancing these Funds without the assistance of the BSF by FY 2018-19. By the end of FY 17-18, the BSF is projected to be just over $2 million or 5% and be in compliance with the FSO.

FY 2017-18 will be the seventh year of the General Fund 7-Year Balancing Plan and a 20-Year Forecast. The 7-Year General Fund Balancing Plan has been a great tool for Management and Council to develop current fiscal year budgets while establishing longer-range forecasts that incorporate anticipated fluctuations of revenues and expenditures over the next 20 years. For example, staff anticipates growth in FY 2017-18 of Property Tax and Sales Tax revenues due to continued residential and commercial development and the recent passage of Measure M (June 2016), which extends the temporary Sales and Use tax until June 2035. Additionally, the City will continue to realize the long-term savings associated with the City's continued effort to prefund its CCCERA, Pension Obligation and OPEB liabilities.

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

Revenue Assumptions	**Expenditure Assumptions**
• Annual Increase in Operating Revenues of 2% • Administrative recoveries grow by 1% annually • Increases in Housing, Commercial and Industrial revenues starting in FY 18-19 • Measure P Sales Tax Revenue scheduled to decrease October 2017 and end in September 2022 has been replaced by Measure M extending the Tax to June 2035 • RDA pass-through started in FY 15-16 • Transfers-In for Utility Billing reduced $1.3 million in FY 2017-18	• Salary increases for 16-17 & 17-18 are per the current MOUs • Salary increases shown in pink 1% from FY 18-19 to 29-30, then 2% thereafter • Salary Savings - 3% vacancy rate with additional Public Safety CFD savings • OPEB Liability – reset to $200,000/year in FY 17-18 • Other Expenses – average increase of 2% annually • Water Fund loan paid in FY 16-17 • Costs for Utility Billings reduced $1.3 million in FY 2017-18

City of Pittsburg				
20-year General Fund Forecast				
	YE Estimate FY 2016-17	**FY 2017-18**	**FY 2018-19**	**FY 2019-20**
Annual Revenues				
Taxes - Property, Sales, TOT, Franchise, Vehicle and Other	25,691,838	26,746,712	27,314,613	27,899,992
Fees, Intergovernmantal, Fines and Interest Earnings	5,436,897	5,337,456	5,392,420	5,448,231
Transfers-in from Other City Funds to fund administration and other General Fund services (except Budget Stabilization Fund)	4,535,316	2,956,055	2,956,055	2,956,055
Adminstrative and Other Revenues	3,600,997	3,347,593	3,373,543	3,399,716
RDA Pass-through Payments	1,185,351	381,623	436,935	536,214
Total Annual Revenues	40,450,399	38,769,440	39,473,566	40,240,208
Potential New Revenues				
DOJ Grant - 3 Year Project	125,000	125,000	-	-
ABC Revenue - from Fund 299	72,000	72,000	72,000	-
Public-Private Partnership Grant for PD officer	-	170,000	-	-
Increased Revenues from Commercial and Industrial	-	-	330,743	525,937
Increased Property Taxes from Housing Development Projects	-	-	112,647	112,647
Total Potential New Revenues	197,000	367,000	515,390	638,584
Total Revenues	40,647,399	39,136,440	39,988,956	40,878,791
Annual Expenses				
Salaries - Non-sworn	5,853,142	6,221,635	6,221,635	6,221,635
Salaries - Sworn	8,839,275	8,846,538	8,722,935	8,722,935
Salaries - Part-time combined	722,206	685,440	685,440	685,440
Salaries - Overtime combined	1,134,637	993,011	993,011	993,011
Salaries - Step Increases & Other Adjustments combined	-	150,000	448,000	633,500
Pension - Non-sworn - current cost	937,688	528,509	566,000	597,000
Pension - Non-sworn UAL Catch Up	-	411,687	633,420	754,400
Pension - Sworn - current cost	2,353,666	1,612,145	1,687,889	1,791,177
Pension - Sworn UAL Catch Up	-	928,274	1,221,838	1,543,233
Health Care (combined)	2,751,481	2,657,189	2,869,764	3,099,345
FICA & Medicare (combined)	657,143	655,505	675,170	695,425
Expected Salary Savings at 3% Vacancy Rate/Attrition Savings	(309,731)	(874,007)	(826,052)	(837,651)
CCCERA Liability, Water Fund Loan and Pension Bonds	4,271,595	2,790,440	2,826,621	2,863,775
Contractual and Professional Services	3,507,472	3,235,918	3,300,636	3,366,649
Building Maintenance and Reserves	1,358,797	1,449,839	1,478,036	1,506,796
Retiree Health	1,035,313	1,215,782	1,300,887	1,391,949
Information Systems	1,018,615	790,214	806,018	822,139
OPEB Liability Reduction	200,000	200,000	200,000	200,000
Other Expenses	7,850,546	7,963,950	7,315,029	7,239,547
Total Annual Expenses	42,181,845	40,462,069	41,126,279	42,290,306
Proposed Adjustments				
New Revenues or (Reductions) Not Yet Identified	-	-	-	-
New Revenues or (Reductions) Not Yet Identified	-	-	-	-
Total Proposed Adjustments	-	-	-	-
Total Annual Expense + Proposed Adjustments	42,181,845	40,462,069	41,126,279	42,290,306
Surplus/(Deficit) (Revenues - Expenditures)	(1,534,446)	(1,325,629)	(1,137,323)	(1,411,515)
Available Balance of Budget Stablization Fund	6,713,303	2,012,674	2,075,351	2,138,837
BSF as a Percentage of Operating Expenses	16.10%	5.04%	5.03%	5.02%
6th and 7th year of 7-Year General Fund Balancing Plan				
Indicates significant change				
Fiscal Sustainabilty Ordinance requires a minimum of $2 million or 5% of operating expense				

City of Pittsburg				
20-year General Fund Forecast				
	FY 2020-21	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**
Annual Revenues				
Taxes - Property, Sales, TOT, Franchise, Vehicle and Other	28,501,952	29,126,262	29,710,038	30,306,111
Fees, Intergovernmantal, Fines and Interest Earnings	5,504,909	5,562,473	5,620,942	5,680,336
Transfers-in from Other City Funds to fund administration and other General Fund services (except Budget Stabilization Fund)	2,956,055	2,956,055	2,956,055	2,956,055
Adminstrative and Other Revenues	3,426,112	3,452,734	3,479,584	3,506,665
RDA Pass-through Payments	383,859	391,536	399,367	407,354
Total Annual Revenues	40,772,887	41,489,059	42,165,986	42,856,520
Potential New Revenues				
DOJ Grant - 3 Year Project	-	-	-	-
ABC Revenue - from Fund 299	-	-	-	-
Public-Private Partnership Grant for PD officer	-	-	-	-
Increased Revenues from Commercial and Industrial	778,063	886,262	1,045,187	646,091
Increased Property Taxes from Housing Development Projects	112,647	112,647	187,745	201,488
Total Potential New Revenues	890,710	998,909	1,232,932	847,579
Total Revenues	41,663,597	42,487,968	43,398,918	43,704,099
Annual Expenses				
Salaries - Non-sworn	6,221,635	6,221,635	6,221,635	6,221,635
Salaries - Sworn	8,722,935	8,722,935	8,722,935	8,722,935
Salaries - Part-time combined	685,440	685,440	685,440	685,440
Salaries - Overtime combined	993,011	993,011	993,011	993,011
Salaries - Step Increases & Other Adjustments combined	679,050	681,651	684,304	687,010
Pension - Non-sworn - current cost	659,000	659,000	659,000	659,000
Pension - Non-sworn UAL Catch Up	861,580	998,200	1,114,120	1,203,820
Pension - Sworn - current cost	1,939,222	1,939,222	1,939,222	1,939,222
Pension - Sworn UAL Catch Up	1,843,082	2,141,135	2,396,096	2,396,096
Health Care (combined)	3,347,293	3,615,076	3,904,282	4,216,625
FICA & Medicare (combined)	716,288	737,777	759,910	782,707
Expected Salary Savings at 3% Vacancy Rate/Attrition Savings	(802,093)	(810,849)	(820,269)	(680,404)
CCCERA Liability, Water Fund Loan and Pension Bonds	2,899,035	2,935,701	3,014,381	3,053,265
Contractual and Professional Services	3,433,982	3,502,662	3,572,715	3,644,169
Building Maintenance and Reserves	1,536,132	1,566,055	1,596,576	1,627,708
Retiree Health	1,489,385	1,593,642	1,705,197	1,824,561
Information Systems	838,581	855,353	872,460	889,909
OPEB Liability Reduction	200,000	200,000	200,000	200,000
Other Expenses	7,157,648	6,941,750	6,855,668	6,661,555
Total Annual Expenses	43,421,207	44,179,396	45,076,684	45,728,264
Proposed Adjustments				
New Revenues or (Reductions) Not Yet Identified	(1,970,000)	(1,970,000)	(1,970,000)	(1,900,000)
New Revenues or (Reductions) Not Yet Identified	-	-	-	(375,000)
Total Proposed Adjustments	(1,970,000)	(1,970,000)	(1,970,000)	(2,275,000)
Total Annual Expense + Proposed Adjustments	41,451,207	42,209,396	43,106,684	43,453,264
Surplus/(Deficit) (Revenues - Expenditures)	212,390	278,571	292,234	250,835
Available Balance of Budget Stablization Fund	2,201,227	2,279,798	2,347,032	2,372,867
BSF as a Percentage of Operating Expenses	5.01%	5.05%	5.07%	5.03%
6th and 7th year of 7-Year General Fund Balancing Plan				
Indicates significant change				
Fiscal Sustainabilty Ordinance requires a minimum of $2 million or 5% of operating expense				

City of Pittsburg				
20-year General Fund Forecast				
	FY 2024-25	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**
Annual Revenues				
Taxes - Property, Sales, TOT, Franchise, Vehicle and Other	30,914,746	31,536,216	32,170,802	32,818,789
Fees, Intergovernmantal, Fines and Interest Earnings	5,740,677	5,801,985	5,864,283	5,927,593
Transfers-in from Other City Funds to fund administration and other General Fund services (except Budget Stabilization Fund)	2,956,055	2,956,055	2,956,055	2,956,055
Adminstrative and Other Revenues	3,533,977	3,561,524	3,589,307	3,617,329
RDA Pass-through Payments	415,501	423,811	432,287	440,933
Total Annual Revenues	43,560,955	44,279,591	45,012,735	45,760,699
Potential New Revenues				
DOJ Grant - 3 Year Project	-	-	-	-
ABC Revenue - from Fund 299	-	-	-	-
Public-Private Partnership Grant for PD officer	-	-	-	-
Increased Revenues from Commercial and Industrial	732,412	755,461	778,970	802,949
Increased Property Taxes from Housing Development Projects	239,525	161,461	75,098	38,300
Total Potential New Revenues	971,938	916,922	854,068	841,249
Total Revenues	44,532,893	45,196,513	45,866,803	46,601,948
Annual Expenses				
Salaries - Non-sworn	6,221,635	6,221,635	6,221,635	6,221,635
Salaries - Sworn	8,722,935	8,722,935	8,722,935	8,722,935
Salaries - Part-time combined	685,440	685,440	685,440	685,440
Salaries - Overtime combined	993,011	993,011	993,011	993,011
Salaries - Step Increases & Other Adjustments combined	689,770	692,586	695,457	698,387
Pension - Non-sworn - current cost	659,000	659,000	659,000	659,000
Pension - Non-sworn UAL Catch Up	1,273,280	1,273,280	1,273,280	1,273,280
Pension - Sworn - current cost	1,939,222	1,939,222	1,939,222	1,939,222
Pension - Sworn UAL Catch Up	2,601,681	2,601,681	2,601,681	2,601,681
Health Care (combined)	4,553,955	4,918,271	5,311,733	5,736,672
FICA & Medicare (combined)	806,188	830,374	855,285	880,944
Expected Salary Savings at 3% Vacancy Rate/Attrition Savings	(691,311)	(703,051)	(715,688)	(729,294)
CCCERA Liability, Water Fund Loan and Pension Bonds	3,093,037	3,133,598	2,970,275	3,007,969
Contractual and Professional Services	3,717,053	3,791,394	3,867,222	3,944,566
Building Maintenance and Reserves	1,659,462	1,691,851	1,724,888	1,758,586
Retiree Health	1,952,280	2,088,940	2,235,166	2,391,627
Information Systems	907,707	925,862	944,379	963,266
OPEB Liability Reduction	200,000	200,000	200,000	200,000
Other Expenses	6,523,799	6,414,098	6,359,900	6,111,967
Total Annual Expenses	46,508,145	47,080,128	47,544,821	48,060,894
Proposed Adjustments				
New Revenues or (Reductions) Not Yet Identified	(1,900,000)	(1,900,000)	(1,750,000)	(1,650,000)
New Revenues or (Reductions) Not Yet Identified	(350,000)	(200,000)	(125,000)	(125,000)
Total Proposed Adjustments	(2,250,000)	(2,100,000)	(1,875,000)	(1,775,000)
Total Annual Expense + Proposed Adjustments	44,258,145	44,980,128	45,669,821	46,285,894
Surplus/(Deficit) (Revenues - Expenditures)	274,748	216,385	196,982	316,054
Available Balance of Budget Stablization Fund	2,422,615	2,464,000	2,510,982	2,552,036
BSF as a Percentage of Operating Expenses	5.02%	5.01%	5.03%	5.01%
6th and 7th year of 7-Year General Fund Balancing Plan				
Indicates significant change				
Fiscal Sustainabilty Ordinance requires a minimum of $2 million or 5% of operating expense				

City of Pittsburg				
20-year General Fund Forecast				
	FY 2028-29	**FY 2029-30**	**FY 2030-31**	**FY 2031-32**
Annual Revenues				
Taxes - Property, Sales, TOT, Franchise, Vehicle and Other	33,480,468	34,156,138	41,403,898	42,441,331
Fees, Intergovernmantal, Fines and Interest Earnings	5,991,938	6,057,342	6,123,829	6,191,424
Transfers-in from Other City Funds to fund administration and other General Fund services (except Budget Stabilization Fund)	2,956,055	2,956,055	2,956,055	2,956,055
Adminstrative and Other Revenues	3,645,592	3,674,098	3,702,850	3,731,848
RDA Pass-through Payments	449,752	458,747	-	-
Total Annual Revenues	46,523,805	47,302,379	54,186,632	55,320,658
Potential New Revenues				
DOJ Grant - 3 Year Project	-	-	-	-
ABC Revenue - from Fund 299	-	-	-	-
Public-Private Partnership Grant for PD officer	-	-	-	-
Increased Revenues from Commercial and Industrial	827,408	1,021,356	1,050,184	1,076,140
Increased Property Taxes from Housing Development Projects	-	-	-	-
Total Potential New Revenues	827,408	1,021,356	1,050,184	1,076,140
Total Revenues	47,351,213	48,323,736	55,236,815	56,396,797
Annual Expenses				
Salaries - Non-sworn	6,221,635	6,221,635	6,221,635	6,221,635
Salaries - Sworn	8,722,935	8,722,935	8,722,935	8,722,935
Salaries - Part-time combined	685,440	685,440	685,440	685,440
Salaries - Overtime combined	993,011	993,011	993,011	993,011
Salaries - Step Increases & Other Adjustments combined	701,374	704,422	707,530	710,701
Pension - Non-sworn - current cost	659,000	659,000	659,000	659,000
Pension - Non-sworn UAL Catch Up	1,273,280	1,273,280	1,273,280	1,273,280
Pension - Sworn - current cost	1,939,222	1,939,222	1,939,222	1,939,222
Pension - Sworn UAL Catch Up	2,601,681	2,601,681	2,601,681	2,601,681
Health Care (combined)	6,195,605	6,691,254	7,226,554	7,804,679
FICA & Medicare (combined)	907,372	934,593	962,631	991,510
Expected Salary Savings at 3% Vacancy Rate/Attrition Savings	(743,944)	(759,722)	(776,715)	(795,020)
CCCERA Liability, Water Fund Loan and Pension Bonds	3,043,654	3,084,030	3,125,495	3,157,602
Contractual and Professional Services	4,023,457	4,103,926	4,186,005	4,269,725
Building Maintenance and Reserves	1,792,958	1,828,017	1,863,777	1,900,253
Retiree Health	2,559,041	2,738,174	2,929,846	3,134,935
Information Systems	982,532	1,002,182	1,022,226	1,042,671
OPEB Liability Reduction	200,000	200,000	200,000	200,000
Other Expenses	6,036,861	5,955,036	5,866,113	5,769,694
Total Annual Expenses	48,795,115	49,578,116	50,409,666	51,282,953
Proposed Adjustments				
New Revenues or (Reductions) Not Yet Identified	(1,600,000)	(1,550,000)	-	-
New Revenues or (Reductions) Not Yet Identified	(75,000)	-	-	-
Total Proposed Adjustments	(1,675,000)	(1,550,000)	-	-
Total Annual Expense + Proposed Adjustments	47,120,115	48,028,116	50,409,666	51,282,953
Surplus/(Deficit) (Revenues - Expenditures)	231,098	295,619	4,827,149	5,113,845
Available Balance of Budget Stablization Fund	2,608,134	2,703,754	2,780,903	2,844,748
BSF as a Percentage of Operating Expenses	5.02%	5.10%	5.13%	5.13%
6th and 7th year of 7-Year General Fund Balancing Plan				
Indicates significant change				
Fiscal Sustainabilty Ordinance requires a minimum of $2 million or 5% of operating expense				

City of Pittsburg				
20-year General Fund Forecast				
	FY 2032-33	**FY 2033-34**	**FY 2034-35**	**FY 2035-36**
Annual Revenues				
Taxes - Property, Sales, TOT, Franchise, Vehicle and Other	43,509,452	44,609,345	45,742,134	46,908,993
Fees, Intergovernmantal, Fines and Interest Earnings	6,260,153	6,330,042	6,401,119	6,473,411
Transfers-in from Other City Funds to fund administration and other General Fund services (except Budget Stabilization Fund)	2,956,055	2,956,055	2,956,055	2,956,055
Adminstrative and Other Revenues	3,761,097	3,790,598	3,820,353	3,850,365
RDA Pass-through Payments	-	-	-	-
Total Annual Revenues	56,486,757	57,686,040	58,919,661	60,188,824
Potential New Revenues				
DOJ Grant - 3 Year Project	-	-	-	-
ABC Revenue - from Fund 299	-	-	-	-
Public-Private Partnership Grant for PD officer	-	-	-	-
Increased Revenues from Commercial and Industrial	1,102,615	1,129,620	1,187,164	1,185,260
Increased Property Taxes from Housing Development Projects	-	-	-	-
Total Potential New Revenues	1,102,615	1,129,620	1,187,164	1,185,260
Total Revenues	57,589,372	58,815,659	60,106,826	61,374,084
Annual Expenses				
Salaries - Non-sworn	6,221,635	6,221,635	6,221,635	6,221,635
Salaries - Sworn	8,722,935	8,722,935	8,722,935	8,722,935
Salaries - Part-time combined	685,440	685,440	685,440	685,440
Salaries - Overtime combined	993,011	993,011	993,011	993,011
Salaries - Step Increases & Other Adjustments combined	713,935	717,234	720,598	724,030
Pension - Non-sworn - current cost	659,000	659,000	659,000	659,000
Pension - Non-sworn UAL Catch Up	1,273,280	1,273,280	1,273,280	1,273,280
Pension - Sworn - current cost	1,939,222	1,939,222	1,939,222	1,939,222
Pension - Sworn UAL Catch Up	2,601,681	2,601,681	2,601,681	2,601,681
Health Care (combined)	8,429,053	9,103,377	9,831,647	10,618,179
FICA & Medicare (combined)	1,021,255	1,051,893	1,083,450	1,115,953
Expected Salary Savings at 3% Vacancy Rate/Attrition Savings	(814,741)	(835,989)	(858,885)	(883,559)
CCCERA Liability, Water Fund Loan and Pension Bonds	3,162,881	2,808,664	2,850,595	-
Contractual and Professional Services	4,355,120	4,442,222	4,531,066	4,621,688
Building Maintenance and Reserves	1,937,458	1,975,407	2,014,115	2,053,597
Retiree Health	3,354,381	3,589,188	3,840,431	4,109,261
Information Systems	1,063,524	1,084,794	1,106,490	1,128,620
OPEB Liability Reduction	200,000	200,000	200,000	200,000
Other Expenses	5,665,360	5,552,671	5,320,657	5,020,404
Total Annual Expenses	52,184,429	52,785,665	53,736,369	51,804,378
Proposed Adjustments				
New Revenues or (Reductions) Not Yet Identified	-	-	-	-
New Revenues or (Reductions) Not Yet Identified	-	-	-	-
Total Proposed Adjustments	-	-	-	-
Total Annual Expense + Proposed Adjustments	52,184,429	52,785,665	53,736,369	51,804,378
Surplus/(Deficit) (Revenues - Expenditures)	5,404,943	6,029,994	6,370,457	9,569,707
Available Balance of Budget Stablization Fund	2,899,690	2,929,684	3,000,141	2,919,848
BSF as a Percentage of Operating Expenses	5.11%	5.07%	5.08%	5.07%
6th and 7th year of 7-Year General Fund Balancing Plan				
Indicates significant change				
Fiscal Sustainabilty Ordinance requires a minimum of $2 million or 5% of operating expense				

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

In January 2012, the Department of Housing and Urban Development (HUD) implemented a new cash management policy aimed at reducing the amount of excess Net Restricted Assets ("NRA") or fund balance retained by individual public housing authorities since 2005. As a result of this policy, Pittsburg's Housing Authority's ("PHA") fund balance decreased dramatically over the past couple of years to less than one month of operating expenses. Currently, PHA has not received the HUD's Calendar Year 2017 Renewal Funding annual increment yet. In April 2017, PHA received notification from HUD that our PHA is in a shortfall position. The shortfall status means PHA might not have enough funding to support the current leasing level through December 2017. PHA 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, PHA will be eligible to apply for set aside funding from HUD to offset the shortfall. According to HUD's latest Forecast, PHA has approximately $723,000 fund balance available as of May 31, 2017 to supplement PHA's funding.

The FY 2017-18 budget revenue projections are based on estimates derived from the number of units leased. Additional provision has 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 77% of eligibility to the FY 2016-17 funding. As a result, we estimate utilizing $86,895 in reserves to balance the Housing Authority's FY 2017-18 budget.

It continues to be a challenge for the Housing Authority to maintain the level of service with significant increase in cost at rental market and lower earned administrative fees. The Housing Authority's plan is to strike a balance between units lease and with a healthy dose of administrative revenue, cover the cost. However, the Housing Authority may still anticipate a net loss in program revenue should HUD's funding level not keep up with the increased cost and make future reductions to the current administrative fee proration.

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

We 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 2017-18 through 2022-23 1%

Estimated Available Ending Fund Balance @ 6/30/17 164,334

Expenditure Assumptions

Annual Increase in Operating Expenditures

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

Section 8 HCV and VASH program 7 year Forecast

Model:	YE Estimate FY 16-17	Proposed Budget FY 17-18	Projected FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Annual Revenue							
Program Revenue from HUD	**$ 13,749,560**	**$ 13,960,692**	**$ 14,100,299**	**$ 14,241,302**	**$ 14,383,715**	**$ 14,527,552**	**$ 14,672,828**
Operating Expenses							
Program Expenses	**(13,604,635)**	**(13,998,796)**	**(14,138,784)**	**(14,280,172)**	**(14,422,974)**	**(14,567,203)**	**(14,712,875)**
Net Operating Income / (Loss)	**$ 144,925**	**$ (38,104)**	**$ (38,485)**	**$ (38,870)**	**$ (39,259)**	**$ (39,651)**	**$ (40,048)**
Administrative Revenue							
Administrative Overhead from HUD	1,081,793	1,258,082	1,270,700	1,283,400	1,296,200	1,309,200	1,322,300
Other Svcs fee(incl. Port In & Unreported Income)	3,000	3,244	3,276	3,309	3,342	3,376	3,409
Interest Income	500	-	-	-	-	-	-
Rental Income	61,514	100,796	101,804	102,822	103,850	104,889	105,938
Total Admin. Revenue	**$ 1,146,807**	**$ 1,362,122**	**$ 1,375,780**	**$ 1,389,531**	**$ 1,403,393**	**$ 1,417,464**	**$ 1,431,647**
Annual Expenses							
Salaries and Benefits	(725,408)	(874,731)	(845,353)	(870,714)	(888,128)	(905,890)	(924,008)
Retirement	(180,959)	(143,793)	(148,107)	(152,550)	(155,601)	(158,713)	(161,887)
Pension Bonds & CCCERA Loan Payment	(48,573)	(16,928)	(17,605)	(18,309)	(19,042)	(19,803)	(20,596)
Admin. O/H for Port Out	(90,000)	(83,523)	(84,358)	(85,202)	(86,054)	(86,914)	(87,784)
Rental Property Expenses	(8,920)	(11,142)	(11,253)	(11,366)	(11,480)	(11,594)	(11,710)
Other Admin. Exps	(296,328)	(280,796)	(287,291)	(293,998)	(300,925)	(308,081)	(315,475)
Total Admin. Expenses	**$ (1,350,188)**	**$ (1,410,913)**	**$ (1,393,967)**	**$ (1,432,138)**	**$ (1,461,229)**	**$ (1,490,997)**	**$(1,521,460)**
Sub-total Surplus / (Deficit) Admin.	(203,381)	(48,791)	(18,187)	(42,607)	(57,837)	(73,532)	(89,813)
Total Surplus / (Deficit) (Revenues - Expenditures)	**(58,456)**	**(86,895)**	**(56,672)**	**(81,477)**	**(97,095)**	**(113,184)**	**(129,860)**
Available Beginning Fund Balance	$222,790	$164,334	$77,439	$20,767	$(60,710)	$(157,805)	$(270,989)
Use of Fund Balance	(58,456)	(86,895)	(56,672)	20,767	(60,710)	(157,805)	(270,989)
Net Surplus / (Deficit)	-	-	-	-	-	-	
Available Ending Fund Balance	$ 164,334	$ 77,439	$ 20,767	$ (60,710)	$ (157,805)	$ (270,989)	$ (400,849)

This Page Intentionally Left Blank

Summary of Fund Condition

Table 1

	[1]Estimated Reserves June 30, 2017	Projected Revenues 2017-18	Transfers-In	Projected Expenditures 2017-18	Transfers-Out	Estimated Balance June 30, 2018
General Fund						
General Fund	9,610,024	35,983,385	7,631,441	38,926,803	1,535,266	12,762,781
Subtotal, General Fund	$ 9,610,024	$ 35,983,385	$ 7,631,441	$ 38,926,803	$ 1,535,266	$ 12,762,781
Internal Service Funds						
Building Maintenance	581,007	1,744,590	60,000	1,706,449	10,864	668,284
Fleet Maintenance	686,178	2,266,514	-	2,279,418	9,096	664,178
Fringe Benefits	563,246	2,292,208	130,000	2,289,801	-	695,653
Information Communication Services	436,428	1,206,284	-	1,203,352	1,516	437,844
Insurance	473,634	1,188,562	-	1,192,798	-	469,398
Other Post-Employment Benefits (OPEB)[2]	181,880	2,016,800	484,845	2,501,645	130,000	51,880
Subtotal, Internal Service Funds	$ 2,922,373	$ 10,714,958	$ 674,845	$ 11,173,463	$ 151,476	$ 2,987,237
Enterprise Funds						
Island Energy	1,861,914	5,594,761	-	5,112,365	26,023	2,318,287
Marina	757,199	1,938,825	-	2,059,202	15,286	621,536
Pittsburg Power	2,425,528	2,516,428	50,000	1,094,531	1,139,548	2,757,877
Sewer Utility	3,384,797	5,335,520	1,000,000	6,541,442	793,501	2,385,374
Water Front Operations	635,834	1,465,430	-	1,381,204	8,717	711,343
Water Utility	9,154,550	21,009,497	1,028,153	19,902,699	1,638,417	9,651,084
Subtotal, Enterprise Funds	$ 18,219,822	$ 37,860,461	$ 2,078,153	$ 36,091,443	$ 3,621,492	$ 18,445,501
Special Revenue Funds						
Assets Seizure	27,375	-	-	-	-	27,375
Budget Stabilization	6,449,882	-	-	-	4,478,386	1,971,496
CA Energy Conservation Program	8,410	-	74,500	74,498	-	8,412
CalHome Program	119,087	-	-	-	-	119,087
California Theatre	23,110	181,350	250,000	450,032	-	4,428
COPS Hiring Recovery	-	125,000	-	-	125,000	-
Economic Development	69,049	309,862	150,000	460,505	51,137	17,269
Emergency Operations Center	-	-	55,000	35,000	20,000	-
Fire District CFD	(8,015)	-	-	-	-	(8,015)
Gas Tax	(31,557)	1,894,547	-	635,000	1,116,985	111,005
General Plan Update	62,247	-	100,000	-	-	162,247
GHAD Administration	-	-	446,478	441,804	4,674	-
Golf Course	16,972	3,000	5,000	11,112	-	13,860
Hilliview Jr. High Athletic Field Replacement	225,138	50,000	-	-	-	275,138
Housing Authority-Section 8	182,594	15,322,814	-	15,392,781	16,928	95,699
HUD Community Development Block Grant	173,745	934,244	-	791,114	149,510	167,365
Lighting and Landscape	-	2,896,520	1,202,616	3,984,785	109,594	4,757
Lighting and Landscaping Oak Hills	16,621	33,959	-	32,406	-	18,174
Marina Vista Field Replacement	250,344	28,000	-	-	-	278,344
Measure J Tax Fund	(32,117)	746,800	-	-	672,409	42,274
Miscellaneous Grants	-	72,000	-	-	72,000	-
Neighborhood Stabilization	43,988	-	-	-	-	43,988
Park Maintenance CFD 2007-1	84,079	98,965	-	83,418	910	98,716
Project Amenities Mgmt (CFD 2016-1)	6,561	8,788	-	5,400	-	9,949
Public Safety CFD 2005-1	104,707	414,589	-	365,493	3,259	150,544
Public, Education & Gov't Fees (PEG)	371,485	162,500	-	191,000	-	342,985
R/R Ave Specific Plan (e-BART) CFD 2014	25,937	124,306	-	-	-	150,243
San Marco CFD 2004-1	2,614	842,675	-	733,064	7,403	104,822
Small Cities Grant	3,282	-	-	-	-	3,282
Solid Waste	178,831	526,950	-	542,967	103,790	59,024
Southwest Pittsburg GHAD II	3,283,564	852,980	-	199,243	446,478	3,490,823
Storm Water Utility NPDES	160,540	931,395	100,000	963,332	58,737	169,866
Successor Agency Housing Fund	1,034,575	265,236	-	277,585	632	1,021,594
Vista Del Mar CFD 2005-2	22,000	311,966		304,789	4,320	24,857
Subtotal, Special Revenue Funds	$ 12,875,048	$ 27,138,446	$ 2,383,594	$ 25,975,328	$ 7,442,152	$ 8,979,608
Capital Projects Funds						
Bailey Road Maintenance	982,000	120,000	-	-	-	1,102,000
Capital Improvement	9,262	-	-	-	-	9,262
Community Capital Improvement	86,122	-	-	-	-	86,122
Inclusionary Housing	387,492	-	-	-	-	387,492
Infrastructure Repair & Replacement	928	-	-	-	-	928

	[1]Estimated Reserves June 30, 2017	Projected Revenues 2017-18	Transfers-In	Projected Expenditures 2017-18	Transfers-Out	Estimated Balance June 30, 2018
Kirker Creek Drainage Fees	396,915	-	-	-	17,647	379,268
Park Dedication	1,300,506	-	-	58,731	-	1,241,775
RDA - Project Fund	116,395	-	-	-	-	116,395
Recycled Water Capital Maintenance	30,867	-	-	-	-	30,867
Regional Traffic Mitigation	4,963	-	-	-	-	4,963
Traffic Impact Fair Share	485,107	-	-	-	-	485,107
Traffic Mitigation	2,073,718	-	-	82,742	-	1,990,976
Subtotal, Capital Projects Funds	$ 5,874,275	$ 120,000	$ -	$ 141,473	$ 17,647	$ 5,835,155
Successor Agency to RDA Funds						
Successor Agency to RDA-Tax Increment	1,342,730	344,288	75,000	998,157	-	763,861
Successor Agency Obligation Retirement Fund	-	33,641,674	-	-	33,641,675	(1)
Subtotal, Successor Agency to RDA Funds	$ 1,342,730	$ 33,985,962	$ 75,000	$ 998,157	$ 33,641,675	$ 763,860
Debt Service Funds[3]						
Assessment Districts Funds	8,088,598	3,901,316	-	2,809,695	-	9,180,218
Pension Obligations	2,747,656	4,370,267	-	4,370,018	-	2,747,905
RDA – Debt Service and Bond Funds[4]	39,279,507	105,055	31,600,846	30,951,326	75,000	39,959,082
RDA – Housing Debt Service and Bond Funds[4]	2,511,358	40,000	2,040,829	2,037,103	-	2,555,084
Subtotal, Debt Service Funds	$ 52,627,119	$ 8,416,638	$ 33,641,675	$ 40,168,142	$ 75,000	$ 54,442,290
Total, All Funds	$ 103,471,391	$ 154,219,850	$ 46,484,708	$ 153,474,809	$ 46,484,708	$ 104,216,432

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

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

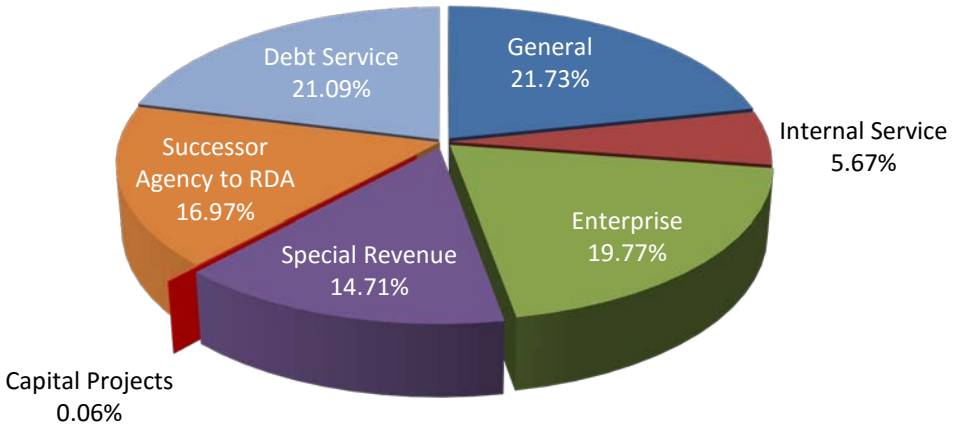
[3] Debt Service fund balances include debt service reserves held by trustee.

[4] Debt Service reserve levels have dropped significantly during bond refunding in 2016 due to reserve requirement changes.

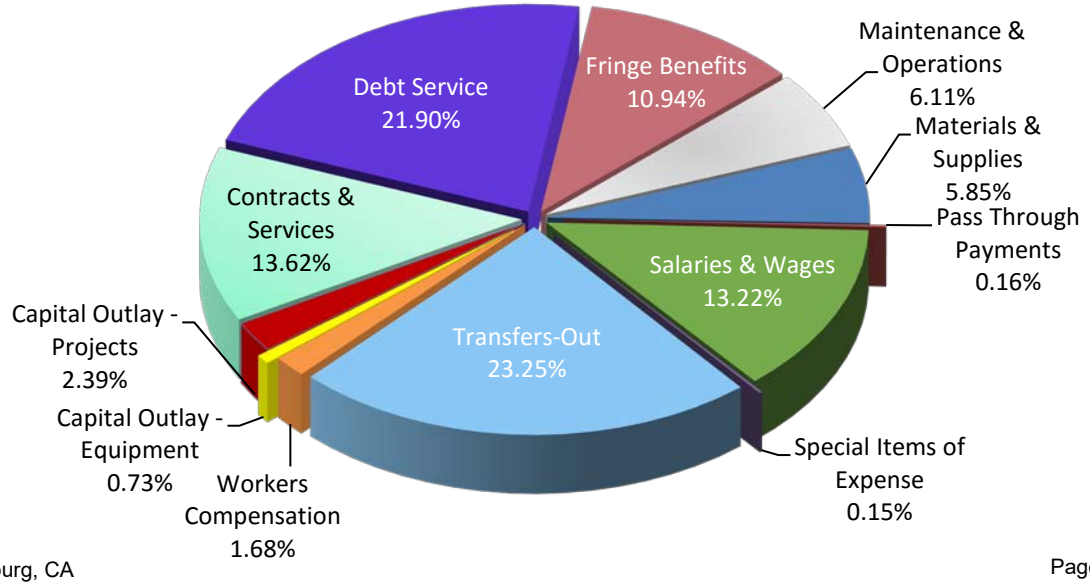
Summary of Revenues and Expenditures – All Funds
Table 2

	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
Revenue					
General Fund	39,806,050	41,696,189	43,614,826	1,918,637	4.60
Internal Service Funds	8,678,060	10,488,114	11,389,803	901,689	8.60
Enterprise Funds	43,284,570	83,355,194	39,662,104	(43,685,090)	-52.41
Special Revenue Funds	27,577,379	32,059,622	29,522,040	(2,545,582)	-7.94
Capital Projects Funds	2,091,874	3,518,820	120,000	(3,398,820)	-96.59
Successor Agency to RDA Funds	47,220,980	33,043,068	34,060,962	1,017,894	3.08
Debt Service Funds	268,688,512	41,313,509	42,334,823	1,021,314	2.47
Total, Revenues	$ 437,347,425	$ 245,474,516	$ 200,704,558	$ (44,769,958)	-18.24 %
Expenditure					
Capital Outlay - Equipment	1,884,387	3,844,109	1,451,460	(2,392,649)	-62.24
Capital Outlay - Projects	8,950,561	41,770,209	4,780,000	(36,990,209)	-88.56
Contracts & Services	24,496,489	28,987,118	27,240,447	(1,746,671)	-6.03
Debt Service Funds	49,919,992	80,653,690	43,800,601	(36,853,089)	-45.69
Fringe Benefits	19,428,835	20,959,827	21,871,930	912,103	4.35
Maintenance & Operations	10,855,848	12,506,481	12,211,337	(295,144)	-2.36
Materials & Supplies	10,791,421	12,166,146	11,696,459	(469,687)	-3.86
Pass Through Payments	3,229,461	317,846	322,151	4,305	1.35
Salaries & Wages	24,973,748	26,864,274	26,437,171	(427,103)	-1.59
Special Items of Expense	110,607	507,163	295,000	(212,163)	-41.83
Transfers-Out	267,530,768	55,394,076	46,484,708	(8,909,368)	-16.08
Workers Compensation	1,622,997	2,640,567	3,368,253	727,686	27.56
Total, Expenditures	$ 423,795,114	$ 286,611,506	$ 199,959,517	$ (86,651,989)	-30.23 %

2017-18 Revenues by Fund Type



2017-18 Expenditures by Category



Revenue Source by Category and Object – All Funds

Table 3

	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
General Fund					
Fines & Forfeitures	699,584	529,558	516,500	(13,058)	-2.47
Franchise Fees	3,926,546	3,891,992	3,990,870	98,878	2.54
Intergovernmental Revenue	1,812,091	2,569,905	1,659,676	(910,229)	-35.42
Other Revenues	2,350,931	2,423,469	2,493,549	70,080	2.89
Other Taxes	6,540,617	6,644,316	6,756,881	112,565	1.69
Permits, Licenses & Fees	1,992,755	1,811,704	1,830,040	18,336	1.01
Property Taxes	3,300,778	3,569,000	3,707,495	138,495	3.88
Sales Taxes	12,428,089	11,560,400	12,291,467	731,067	6.32
Service Fees	2,489,351	2,136,704	2,173,787	37,083	1.74
Transfers-In	3,596,469	6,165,411	7,631,441	1,466,030	23.78
Use of Money & Property	668,839	393,730	563,120	169,390	43.02
Subtotal, General Fund	$ 39,806,050	$ 41,696,189	$ 43,614,826	$ 1,918,637	4.60 %
Internal Service Funds					
Other Revenues	4,405,371	5,408,084	6,079,043	670,959	12.41
Service Fees	3,748,727	4,325,849	4,635,915	310,066	7.17
Transfers-In	523,962	754,181	674,845	(79,336)	-10.52
Subtotal, Internal Service Funds	$ 8,678,060	$ 10,488,114	$ 11,389,803	$ 901,689	8.60 %
Enterprise Funds					
Debt Service	20,121	34,896,264	50	(34,896,214)	-100.00
Fines & Forfeitures	-	-	-	-	-100.00
Franchise Fees	580,000	580,000	880,000	300,000	51.72
Intergovernmental Revenue	3,103,219	283,569	-	(283,569)	-100.00
Other Revenues	2,326,744	2,617,308	1,213,059	(1,401,249)	-53.54
Service Fees	31,758,263	32,639,874	33,809,670	1,169,796	3.58
Transfers-In	3,041,251	10,297,487	1,807,643	(8,547,772)	-82.50
Use of Money & Property	2,310,602	1,977,764	1,951,682	(26,082)	-1.32
Subtotal, Enterprise Funds	$ 43,284,570	$ 83,355,194	$ 39,670,104	$ (43,685,090)	-52.41 %
Special Revenue Funds					
Fines & Forfeitures	16,999	163	1,000	837	513.50
Franchise Fees	161,242	157,000	160,000	3,000	1.91
Intergovernmental Revenue	13,795,469	17,179,021	16,085,614	(1,093,407)	-6.36
Other Revenues	1,893,359	1,526,609	1,533,444	3,835	0.25
Other Taxes	2,243,306	2,187,500	2,282,019	94,519	4.32
Sales Taxes	124,303	124,200	124,662	462	0.37
Service Fees	291,016	97,726	109,094	11,368	11.63
Special Assessments	5,499,004	5,924,374	6,447,468	523,094	8.83
Transfers-In	3,171,389	4,503,914	2,383,594	(2,062,392)	-46.44
Use of Money & Property	525,662	422,043	395,145	(26,898)	-6.37
Subtotal, Special Revenue Funds	$ 27,577,379	$ 32,059,622	$ 29,514,040	$ (2,545,582)	-7.94 %
Capital Projects Funds					
Intergovernmental Revenue	180,808	2,569,120	120,000	(2,449,120)	-95.33
Other Revenues	157,499	166,199	-	(166,199)	-100.00
Service Fees	1,114,401	9,816	-	(9,816)	-100.00
Transfers-In	458,080	771,585	-	(771,585)	-100.00
Use of Money & Property	181,086	2,100	-	(2,100)	-100.00
Subtotal, Capital Projects Funds	$ 2,091,874	$ 3,518,820	$ 120,000	$ (3,398,820)	-96.59 %
Successor Agency to RDA Funds					
Other Revenues	3,536,945	215,155	193,220	(21,935)	-10.19
Property Taxes	43,371,250	32,345,988	33,641,674	1,295,686	4.01
Transfers-In	130,149	300,000	75,000	(225,000)	-75.00
Use of Money & Property	182,636	181,925	151,068	(30,857)	-16.96
Subtotal, Successor Agency to RDA Funds	$ 47,220,980	$ 33,043,068	$ 34,060,962	$ 1,017,894	3.08 %
Debt Service Funds					
Debt Service	3,444,957	76,487	90,067	13,580	17.75
Service Fees	4,882,794	4,929,654	4,445,017	(484,637)	-9.83
Special Assessments	3,683,774	3,695,216	3,878,584	183,368	4.96
Transfers-In	256,609,468	32,601,498	33,912,185	1,310,687	4.02
Use of Money & Property	67,519	10,654	8,970	(1,684)	-15.81
Subtotal, Debt Service Funds	$ 268,688,512	$ 41,313,509	$ 42,334,823	$ 1,021,314	2.47 %
Total, All Funds	$ 437,347,425	$ 245,474,516	$ 200,704,558	$ (44,769,958)	-18.24 %

Summary of Expenditures by Program – All Funds

Table 4

	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
City Council					
City Council	70,517	96,883	79,048	(17,835)	-18.41
Subtotal, City Council	$ 70,517	$ 96,883	$ 79,048	$ (17,835)	-18.41 %
Administration					
City Manager	272,379	263,662	206,128	(57,534)	-21.82
City Clerk	423,817	467,930	452,794	(15,136)	-3.23
City Attorney	321,834	474,784	480,313	5,529	1.16
Human Resources	870,738	1,001,821	999,393	(2,428)	-0.24
Treasurer	7,679	6,536	6,536	-	-
Finance	2,711,763	2,949,170	3,095,380	146,210	4.96
General Fund - Non Departmental	4,430,047	3,902,824	3,103,767	(799,057)	-20.47
Emergency Operation Center	-	-	55,000	55,000	-100.00
Information Technology	954,815	1,856,654	1,204,868	(651,786)	-35.11
Employee Fringe Benefits	1,511,656	1,862,844	2,289,801	426,957	22.92
Other Post-Employment Benefits (OPEB)	1,929,128	2,093,413	2,631,645	538,232	25.71
Insurance	997,493	1,248,759	1,192,798	(55,961)	-4.48
Budget Stabilization	33,500	1,413,623	4,478,386	3,064,763	216.80
Subtotal, Administration	$ 14,464,849	$ 17,542,020	$ 20,196,809	$ 2,654,789	15.13 %
Police Department					
Police Services	22,848,402	24,595,732	25,106,625	510,893	2.08
San Marco CFD	738,702	739,297	740,467	1,170	0.16
Vista Del Mar CFD	189,038	370,982	309,109	(61,873)	-16.68
Public Safety CFD	261,030	306,821	368,752	61,931	20.18
Asset Forfeitures	22,073	-	-	-	-100.00
Police Grants	492,245	816,500	197,000	(619,500)	-75.87
Subtotal, Police Department	$ 24,551,490	$ 26,829,332	$ 26,721,953	$ (107,379)	-0.40 %
Enterprise Services					
Marina	1,808,617	2,289,972	2,074,488	(215,484)	-9.41
Golf Course	143,356	61,528	11,112	(50,416)	-81.94
Fire District CFD	-	-	-	-	-100.00
R/R Ave e-BART CFD	21,260	3,476,846	-	(3,476,846)	-100.00
Environmental Affairs	804,956	934,591	912,255	(22,336)	-2.39
Housing Rehab Loans - CDBG	97,594	-	-	-	-100.00
CDBG Entitlements	728,765	719,414	940,624	221,210	30.75
Waterfront Operations	850,549	1,286,442	1,389,921	103,479	8.04
Economic Development	560,529	636,003	511,642	(124,361)	-19.55
Subtotal, Enterprise Services	$ 5,015,626	$ 9,404,796	$ 5,840,042	$ (3,564,754)	-0.38 %
Community Development					
Planning Division	1,101,711	1,235,816	1,272,572	36,756	2.97
Building Division	981,680	1,130,231	1,066,122	(64,109)	-5.67
Engineering Division	2,009,259	2,127,448	1,962,665	(164,783)	-7.75
Gas Tax	2,325,724	2,958,213	1,751,985	(1,206,228)	-40.78
Measure J Tax	2,450,034	4,870,697	672,409	(4,198,288)	-86.19
NPDES	947,568	1,101,489	1,022,069	(79,420)	-7.21
Southwest Pittsburg GHAD	633,833	726,680	[(1)]645,721	(80,959)	-11.14
GHAD Administration	-	-	[(1)]446,478	446,478	-100.00
Pittsburg CIP	233,953	1,012,295	-	(1,012,295)	-100.00
Developer Fee Fund	1,097,322	5,664,271	159,120	(5,505,151)	-97.19
Community Capital Improvements	162,426	1,408,796	-	(1,408,796)	-100.00
Project Amenities Mgmt CFD	11,733	-	5,400	5,400	-100.00
Infrastructure Repair & Replacement	161,818	1,072,912	-	(1,072,912)	-100.00
Subtotal, Community Development	$ 12,117,061	$ 23,308,848	$ 9,004,541	$ 14,304,307)	-0.61 %
Public Works - Maintenance Services					
Public Works Administration	66,518	103,636	98,702	(4,934)	-4.76
Streets	2,013,466	2,323,672	2,388,517	64,845	2.79
Street Lighting	824,482	780,591	804,366	23,775	3.05
Street Trees	414,390	524,474	652,063	127,589	24.33
Concrete	84,393	101,031	77,330	(23,701)	-23.46
Fleet Maintenance	1,588,560	2,178,016	2,288,514	110,498	5.07
Building Maintenance	1,405,271	2,354,827	1,717,313	(637,514)	-27.07
Graffiti Removal Program	142,574	146,054	161,841	15,787	10.81
Subtotal, Public Works - Maintenance Services	$ 6,539,654	$ 8,512,301	$ 8,188,646	$ (323,655)	-3.80 %

	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
Recreation and Parks					
Recreation & Parks Administration	135,703	125,021	187,317	62,296	49.83
Recreation Services	876,891	998,040	1,067,214	69,174	6.93
Parks & Recreation - Swim Center Maint.	120,267	126,816	157,120	30,304	23.90
Parks & Recreation - Landscape	2,637,283	2,827,036	2,560,620	(266,416)	-9.42
Landscape - Oak Hills Assessment	25,310	32,406	32,406	-	-
Park Maintenance CFD	56,620	81,129	84,328	3,199	3.94
Recreation Grants Police Department	8,832	18,097	-	(18,097)	-100.00
California Theatre	352,710	402,130	450,032	47,902	11.91
Subtotal, Recreation and Parks	$ 4,213,616	$ 4,610,675	$ 4,539,037	$ (71,638)	-1.55 %
Public Works - Water and Sewer Enterprises					
Water Operating	15,010,727	21,005,866	15,758,769	(5,247,097)	-24.98
Water CIP	4,365,809	7,391,714	475,000	(6,916,714)	-93.57
Water Facility Reserve Fee Funds	2,819,875	11,968,483	1,020,510	(10,947,973)	-91.47
Sewer Maintenance	2,629,288	3,193,495	3,228,675	35,180	1.10
Sewer CIP	117,657	9,799,170	3,300,000	(6,499,170)	-66.32
Sewer Facility Reserve Fee Funds	-	133,113	-	(133,113)	-100.00
Water Bond Debt Service	3,788,166	42,894,393	2,856,852	(40,037,541)	-93.34
Sewer Bond Debt Service	805,464	816,771	806,268	(10,503)	-1.29
Subtotal, Public Works - Water & Sewer Enterprises	$ 29,536,986	$ 97,203,005	$ 27,446,074	$ (69,756,931)	-71.76 %
Housing Authority					
Housing Authority - Section 8	13,280,708	15,007,763	15,409,709	401,946	2.68
City Housing	275,577	729,510	278,217	(451,293)	-61.86
Subtotal, Housing Authority	$ 13,556,285	$ 15,737,273	$ 15,687,926	$ (49,347)	-0.31 %
Pittsburg Power Company					
Island Energy	4,521,023	6,029,731	4,788,388	(1,241,343)	-20.59
Pittsburg Power	2,482,916	2,292,329	2,234,079	(58,250)	-2.54
Power Company Capital Projects	581,967	1,104,190	350,000	(754,190)	-68.30
Subtotal, Pittsburg Power Company	$ 7,585,906	$ 9,426,250	$ 7,372,467	$ (2,053,783)	-21.79 %
Successor Agency to Former RDA					
RDA General	43,548,627	32,345,988	[(2)]33,641,675	1,295,687	4.01
RDA Administration	3,312,325	395,888	998,157	602,269	152.13
RDA Capital Projects Fund	50,178	528,536	-	(528,536)	-100.00
RDA Tax Allocation Bonds	236,307,520	30,845,747	[(2)]31,026,326	180,579	0.59
RDA Housing Bonds	15,848,807	2,169,099	[(2)]2,037,103	(131,996)	-6.09
Subtotal, Successor Agency to Former RDA	$ 299,067,457	$ 66,285,258	$ 67,703,261	$ 1,418,003	2.14 %
Debt Service Funds					
Pension Obligation Bond	4,746,907	4,854,654	4,370,018	(484,636)	-9.98
Assessment Districts	2,328,760	2,800,211	2,809,695	9,484	0.34
Subtotal, Debt Service Funds	$ 7,075,667	$ 7,654,865	$ 7,179,713	$ (475,152)	-6.21 %
Total, Uses by Program	$ 423,795,114	$ 286,611,506	$ 199,959,517	$ (86,651,989)	-30.23 %

(1) Includes transfers between funds for the administration of the GHAD program in the amount of $446,478, therefore uses appear to be overstated by $446,478

(2) Includes transfers between funds in the Successor Agency program budget to pay for debt obligation in the amount of $33,641,675, therefore uses appear to be overstated by $33,641,675

Expenditure by Fund Type - All Funds

Table 5

	General	Internal Service	Enterprise	Special Revenue
City Council				
City Council	79,048	-	-	-
Subtotal, City Council	$ 79,048	$ -	$ -	$ -
Administration				
City Manager	206,128	-	-	-
City Clerk	452,794	-	-	-
City Attorney	480,313	-	-	-
Human Resources	999,393	-	-	-
Treasurer	6,536	-	-	-
Finance	1,665,395	-	1,429,985	-
General Fund - Non Departmental	3,103,767	-	-	-
Emergency Operation Center	-	-	-	55,000
Information Technology	-	1,204,868	-	-
Employee Fringe Benefits	-	2,289,801	-	-
Other Post-Employment Benefits (OPEB)	-	2,631,645	-	-
Insurance	-	1,192,798	-	-
Budget Stabilization	-	-	-	4,478,386
Subtotal, Administration	$ 6,914,326	$ 7,319,112	$ 1,429,985	$ 4,533,386
Police Department				
Police Services	25,106,625	-	-	-
San Marco CFD	-	-	-	740,467
Vista Del Mar CFD	-	-	-	309,109
Public Safety CFD	-	-	-	368,752
Asset Forfeitures	-	-	-	-
Police Grants	-	-	-	197,000
Subtotal, Police Department	$ 25,106,625	$ -	$ -	$ 1,615,328
Enterprise Services				
Marina	-	-	2,074,488	-
Golf Course	-	-	-	11,112
Fire District CFD	-	-	-	-
R/R Ave e-BART CFD	-	-	-	-
Environmental Affairs	-	-	-	912,255
Housing Rehab Loans - CDBG	-	-	-	-
CDBG Entitlements	-	-	-	940,624
Waterfront Operations	-	-	1,389,921	-
Economic Development	-	-	-	511,642
Subtotal, Enterprise Services	$ -	$ -	$ 3,464,409	$ 2,375,633
Community Development				
Planning Division	1,272,572	-	-	-
Building Division	1,066,122	-	-	-
Engineering Division	1,962,665	-	-	-
Gas Tax	-	-	-	1,751,985
Measure J Tax	-	-	-	672,409
NPDES	-	-	-	1,022,069
Southwest Pittsburg GHAD (1)	-	-	-	645,721
GHAD Administration (1)	-	-	-	446,478
Pittsburg CIP	-	-	-	-
Developer Fee Fund	-	-	-	-
Community Capital Improvements	-	-	-	-
Project Amenities Mgmt CFD	-	-	-	5,400
Infrastructure Repair & Replacement	-	-	-	-
Subtotal, Community Development	$ 4,301,359	$ -	$ -	$ 4,544,062
Public Works - Maintenance Services				
Public Works Administration	98,702	-	-	-
Streets	2,388,517	-	-	-
Street Lighting	-	-	-	804,366

(1) Includes transfer between GHAD funds to cover Administration, therefore uses appear to be overstated by $446,478

Expenditure by Fund Type - All Funds

Table 5

	Capital Projects	Debt Service	Successor Agency	Total
City Council				
City Council	-	-	-	79,048
Subtotal, City Council	$ -	$ -	$ -	$ 79,048
Administration				
City Manager	-	-	-	206,128
City Clerk	-	-	-	452,794
City Attorney	-	-	-	480,313
Human Resources	-	-	-	999,393
Treasurer	-	-	-	6,536
Finance	-	-	-	3,095,380
General Fund - Non Departmental	-	-	-	3,103,767
Emergency Operation Center	-	-	-	55,000
Information Technology	-	-	-	1,204,868
Employee Fringe Benefits	-	-	-	2,289,801
Other Post-Employment Benefits (OPEB)	-	-	-	2,631,645
Insurance	-	-	-	1,192,798
Budget Stabilization	-	-	-	4,478,386
Subtotal, Administration	$ -	$ -	$ -	$ 20,196,809
Police Department				
Police Services	-	-	-	25,106,625
San Marco CFD	-	-	-	740,467
Vista Del Mar CFD	-	-	-	309,109
Public Safety CFD	-	-	-	368,752
Asset Forfeitures	-	-	-	-
Police Grants	-	-	-	197,000
Subtotal, Police Department	$ -	$ -	$ -	$ 26,721,953
Enterprise Services				
Marina	-	-	-	2,074,488
Golf Course	-	-	-	11,112
Fire District CFD	-	-	-	-
R/R Ave e-BART CFD	-	-	-	-
Environmental Affairs	-	-	-	912,255
Housing Rehab Loans - CDBG	-	-	-	-
CDBG Entitlements	-	-	-	940,624
Waterfront Operations	-	-	-	1,389,921
Economic Development	-	-	-	511,642
Subtotal, Enterprise Services	$ -	$ -	$ -	$ 5,840,042
Community Development				
Planning Division	-	-	-	1,272,572
Building Division	-	-	-	1,066,122
Engineering Division	-	-	-	1,962,665
Gas Tax	-	-	-	1,751,985
Measure J Tax	-	-	-	672,409
NPDES	-	-	-	1,022,069
Southwest Pittsburg GHAD [1]	-	-	-	645,721
GHAD Administration [1]	-	-	-	446,478
Pittsburg CIP	-	-	-	-
Developer Fee Fund	159,120	-	-	159,120
Community Capital Improvements	-	-	-	-
Project Amenities Mgmt CFD	-	-	-	5,400
Infrastructure Repair & Replacement	-	-	-	-
Subtotal, Community Development	$ 159,120	$ -	$ -	$ 9,004,541
Public Works - Maintenance Services				
Public Works Administration	-	-	-	98,702
Streets	-	-	-	2,388,517
Street Lighting	-	-	-	804,366

Expenditure by Fund Type - All Funds

Table 5

	General	Internal Service	Enterprise	Special Revenue
Street Trees	-	-	-	652,063
Concrete	-	-	-	77,330
Fleet Maintenance	-	2,288,514	-	-
Building Maintenance	-	1,717,313	-	-
Graffiti Removal Program	161,841	-	-	-
Subtotal, Public Works Maintenance Services	$ 2,649,060	$ 4,005,827	$ -	$ 1,533,759
Recreation and Parks				
Recreation & Parks Administration	187,317	-	-	-
Recreation Services	1,067,214	-	-	-
Parks & Recreation - Swim Center Maint.	157,120	-	-	-
Parks & Recreation - Landscape	-	-	-	2,560,620
Landscape - Oak Hills Assessment	-	-	-	32,406
Park Maintenance CFD	-	-	-	84,328
Recreation Grants	-	-	-	-
California Theatre	-	-	-	450,032
Subtotal, Recreation and Parks	$ 1,411,651	$ -	$ -	$ 3,127,386
Water and Sewer Enterprises				
Water Operating	-	-	15,758,769	-
Water CIP	-	-	475,000	-
Water Facility Reserve Fee Funds	-	-	1,020,510	-
Sewer Maintenance	-	-	3,228,675	-
Sewer CIP	-	-	3,300,000	-
Sewer Facility Reserve Fee Funds	-	-	-	-
Water Bond Debt Service	-	-	2,856,852	-
Sewer Bond Debt Service	-	-	806,268	-
Subtotal, Water and Sewer Enterprises	$ -	$ -	$ 27,446,074	$ -
Housing Authority				
Housing Authority - Section 8	-	-	-	15,409,709
City Housing	-	-	-	278,217
Subtotal, Housing Authority	$ -	$ -	$ -	$ 15,687,926
Pittsburg Power Company				
Island Energy	-	-	4,788,388	-
Pittsburg Power	-	-	2,234,079	-
Power Company Capital Projects	-	-	350,000	-
Subtotal, Housing Authority	$ -	$ -	$ 7,372,467	$ -
Successor Agency to Former RDA				
RDA General [Z]	-	-	-	-
RDA Administration	-	-	-	-
RDA Capital Projects Fund	-	-	-	-
RDA Tax Allocation Bonds [Z]	-	-	-	-
RDA Housing Bonds [Z]	-	-	-	-
Subtotal, Successor Agency to Former RDA	$ -	$ -	$ -	$ -
Debt Service Funds				
Pension Obligation Bond	-	-	-	-
Assessment Districts	-	-	-	-
Subtotal, Debt Service Funds	$ -	$ -	$ -	$ -
Total, Expenditures	$ 40,462,069	$ 11,324,939	$ 39,712,935	$ 33,417,480

Expenditure by Fund Type - All Funds

Table 5

	Capital Projects	Debt Service	Successor Agency	Total
Street Trees	-	-	-	652,063
Concrete	-	-	-	77,330
Fleet Maintenance	-	-	-	2,288,514
Building Maintenance	-	-	-	1,717,313
Graffiti Removal Program	-	-	-	161,841
Subtotal, Public Works Maintenance Services	$ -	$ -	$ -	$ 8,188,646
Recreation and Parks				
Recreation & Parks Administration	-	-	-	187,317
Recreation Services	-	-	-	1,067,214
Parks & Recreation - Swim Center Maint.	-	-	-	157,120
Parks & Recreation - Landscape	-	-	-	2,560,620
Landscape - Oak Hills Assessment	-	-	-	32,406
Park Maintenance CFD	-	-	-	84,328
Recreation Grants	-	-	-	-
California Theatre	-	-	-	450,032
Subtotal, Recreation and Parks	$ -	$ -	$ -	$ 4,539,037
Water and Sewer Enterprises				
Water Operating	-	-	-	15,758,769
Water CIP	-	-	-	475,000
Water Facility Reserve Fee Funds	-	-	-	1,020,510
Sewer Maintenance	-	-	-	3,228,675
Sewer CIP	-	-	-	3,300,000
Sewer Facility Reserve Fee Funds	-	-	-	-
Water Bond Debt Service	-	-	-	2,856,852
Sewer Bond Debt Service	-	-	-	806,268
Subtotal, Water and Sewer Enterprises	$ -	$ -	$ -	$ 27,446,074
Housing Authority				
Housing Authority - Section 8	-	-	-	15,409,709
City Housing	-	-	-	278,217
Subtotal, Housing Authority	$ -	$ -	$ -	$ 15,687,926
Pittsburg Power Company				
Island Energy	-	-	-	4,788,388
Pittsburg Power	-	-	-	2,234,079
Power Company Capital Projects	-	-	-	350,000
Subtotal, Housing Authority	$ -	$ -	$ -	$ 7,372,467
Successor Agency to Former RDA				
RDA General (2)	-	-	33,641,675	33,641,675
RDA Administration	-	-	998,157	998,157
RDA Capital Projects Fund	-	-	-	-
RDA Tax Allocation Bonds (2)	-	31,026,326	-	31,026,326
RDA Housing Bonds (2)	-	2,037,103	-	2,037,103
Subtotal, Successor Agency to Former RDA	$ -	$ 33,063,429	$ 34,639,832	$ 67,703,261
Debt Service Funds				
Pension Obligation Bond	-	4,370,018	-	4,370,018
Assessment Districts	-	2,809,695	-	2,809,695
Subtotal, Debt Service Funds	$ -	$ 7,179,713	$ -	$ 7,179,713
Total, Expenditures	$ 159,120	$ 40,243,142	$ 34,639,832	$ 199,959,517

(2) Includes transfers between funds in the Successor Agency program budget to pay for debt obligation in the amount of $33,641,675; therefore uses appear to be overstated by $33,641,675

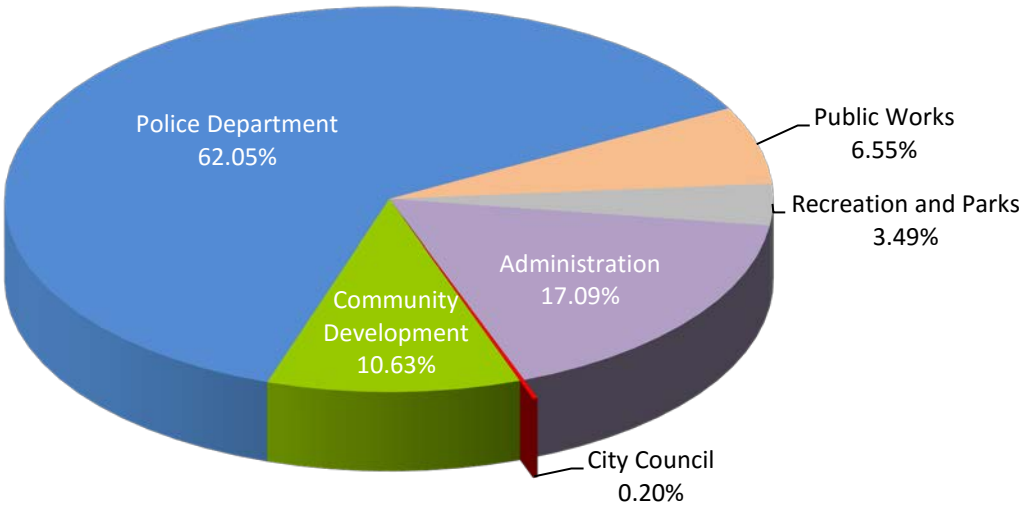
General Fund Revenues and Expenditures
Table 6

	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
General Fund Reserves [1]	$ 9,755,847	$ 9,610,024	$ 12,762,781	$ 3,152,757	32.8%
Revenues					
Fines & Forfeitures	699,584	529,558	516,500	(13,058)	-2.47
Franchise Fees	3,926,546	3,891,992	3,990,870	98,878	2.54
Intergovernmental Revenue	1,812,091	2,569,905	1,659,676	(910,229)	-35.42
Other Revenues	2,350,931	2,423,469	2,493,549	70,080	2.89
Other Taxes	6,540,617	6,644,316	6,756,881	112,565	1.69
Permits, Licenses & Fees	1,992,755	1,811,704	1,830,040	18,336	1.01
Property Taxes	3,300,778	3,569,000	3,707,495	138,495	3.88
Sales Taxes	12,428,089	11,560,400	12,291,467	731,067	6.32
Service Fees	2,489,351	2,136,704	2,173,787	37,083	1.74
Transfers-In	3,596,469	6,165,411	7,631,441	1,466,030	23.78
Use of Money & Property	668,839	393,730	563,120	169,390	43.02
Total, General Fund Revenues	$ 39,806,050	$ 41,696,189	$ 43,614,826	$ 1,918,637	4.60 %
Expenditures					
Administration	9,038,257	9,061,727	6,914,326	(2,147,401)	-23.70
City Council	70,517	96,883	79,048	(17,835)	-18.41
Community Development	4,092,650	4,493,495	4,301,359	(192,136)	-4.28
Police Department	22,848,402	24,595,732	25,106,625	510,893	2.08
Public Works	2,222,558	2,573,362	2,649,060	75,698	2.94
Recreation and Parks	1,132,861	1,249,877	1,411,651	161,774	12.94
Total, General Fund Expenditures	$ 39,405,245	$ 42,071,076	$ 40,462,069	$ (1,609,007)	-3.82 %

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

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

2017-18 General Fund Expenditures by Department

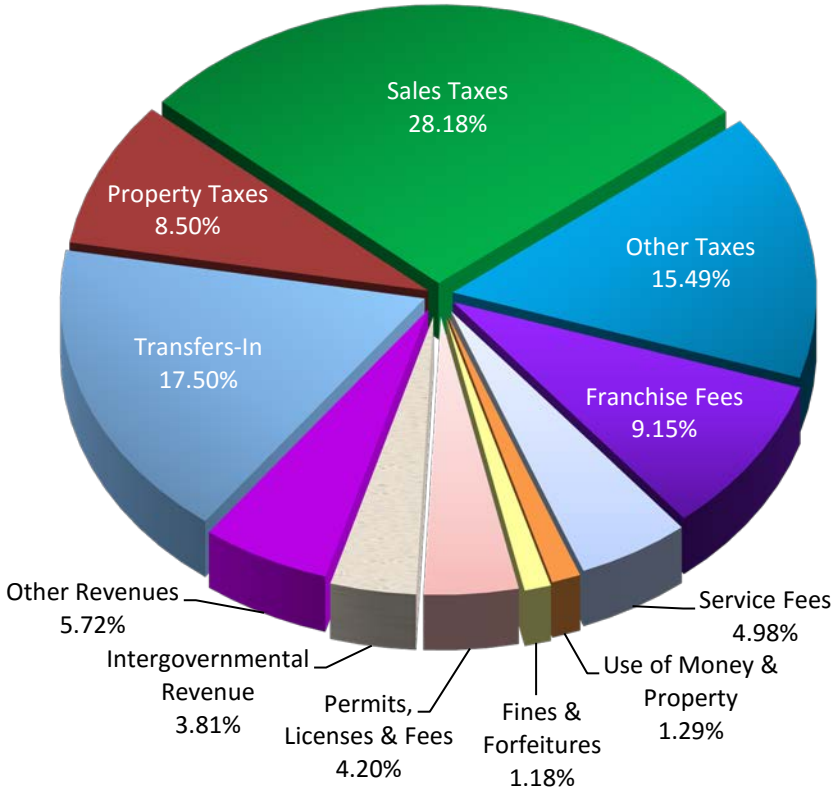


General Fund Revenues
Table 7

	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
Property Taxes					
Homeowners Tax Relief	81,680	85,000	85,000	-	-
Prior Year Taxes	(40,581)	(30,000)	(30,000)	-	-
Secured Property Taxes	2,437,111	2,744,000	2,850,467	106,467	3.88
Supplemental Taxes	244,347	180,000	200,000	20,000	11.11
Unitary Taxes	262,447	280,000	280,000	-	-
Unsecured Property Taxes	315,774	310,000	322,028	12,028	3.88
Subtotal, Property Taxes	$ 3,300,778	$ 3,569,000	$ 3,707,495	$ 138,495	3.88 %
Sales Taxes					
Sales & Use Taxes	7,180,633	7,635,239	8,260,708	625,469	8.19
Sales & Use Taxes - Backfill	1,228,326	-	-	-	-100.00
Sales Taxes - Increase	4,019,130	3,925,161	4,030,759	105,598	2.69
Subtotal, Sales Taxes	$ 12,428,089	$ 11,560,400	$ 12,291,467	$ 731,067	6.32 %
Other Taxes					
Business License Tax	526,328	520,000	525,000	5,000	0.96
Motor Vehicle Tax	4,422,099	4,544,316	4,612,481	68,165	1.50
Other Taxes	321,200	280,000	300,000	20,000	7.14
Public Safety - Prop 172 Sales Tax	560,489	580,000	585,000	5,000	0.86
Transient Occupancy Taxes	710,501	720,000	734,400	14,400	2.00
Subtotal, Other Taxes	$ 6,540,617	$ 6,644,316	$ 6,756,881	$ 112,565	1.69 %
Franchise Fees					
Calpine	15,323	16,000	16,000	-	-
Comcast Broadband	629,678	630,000	650,000	20,000	3.17
Franchise Fees - Other	175,839	160,000	173,918	13,918	8.70
PG&E	564,027	571,000	571,000	-	-
Pittsburg Disposal	1,662,886	1,610,000	1,650,000	40,000	2.48
RCTS	878,793	904,992	929,952	24,960	2.76
Subtotal, Franchise Fees	$ 3,926,546	$ 3,891,992	$ 3,990,870	$ 98,878	2.54 %
Service Fees					
Building Service Fees	294,035	274,850	278,640	3,790	1.38
Engineering Service Fees	5,355	603	510	(93)	-15.42
Other Reimbursements	623,333	265,000	275,000	10,000	3.77
Other Service Fees	566,234	604,215	597,713	(6,502)	-1.08
Planning Service Fees	5,733	24,350	30,100	5,750	23.61
Police Service Fees	473,376	493,586	509,224	15,638	3.17
Public Works Service Fees	273,603	253,000	251,000	(2,000)	-0.79
Recreation Entrance Fees	142,040	128,000	138,000	10,000	7.81
Recreation Service Fees	88,846	76,100	78,600	2,500	3.29
Recreation Sports Fees	16,796	17,000	15,000	(2,000)	-11.76
Subtotal, Service Fees	$ 2,489,351	$ 2,136,704	$ 2,173,787	$ 37,083	1.74 %
Use of Money & Property					
Investment Earnings	360,279	95,000	245,000	150,000	157.89
Rental Income	308,560	298,730	318,120	19,390	6.49
Subtotal, Use of Money & Property	$ 668,839	$ 393,730	$ 563,120	$ 169,390	43.02 %
Fines & Forfeitures					
Abandoned Vehicle Abatement	123,790	145,000	145,000	-	-
Booking Fees	8,139	9,600	8,000	(1,600)	-16.67
Code Enforcement Fines	146,640	86,126	55,300	(30,826)	-35.79
Fines and forfeitures	-	-	1,000	1,000	-100.00
Police Fines	200,895	156,332	138,200	(18,132)	-11.60
Police Forfeitures	10,903	1,500	2,000	500	33.33
POST Reimbursements	18,680	10,000	5,000	(5,000)	-50.00
Traffic Fines	187,160	120,000	160,000	40,000	33.33
Vehicle Code Fines	3,377	1,000	2,000	1,000	100.00
Subtotal, Fines & Forfeitures	$ 699,584	$ 529,558	$ 516,500	$ (13,058)	-2.47 %
Permits, Licenses & Fees					
Building Fees	217,549	163,300	208,240	44,940	27.52
Building Permits	957,589	874,000	908,400	34,400	3.94
Business License Fees	152,407	139,800	145,500	5,700	4.08
Engineering Fees	507,613	528,693	439,464	(89,229)	-16.88
Other Fees	10,471	10,261	10,261	-	-

	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
Other Permits	3,730	3,150	3,575	425	13.49
Planning & Zoning	128,582	82,400	107,600	25,200	30.58
Police Fees	14,814	10,100	7,000	(3,100)	-30.69
Subtotal, Permits, Licenses & Fees	$ 1,992,755	$ 1,811,704	$ 1,830,040	$ 18,336	1.01 %
Intergovernmental Revenue					
Grants	118,305	164,554	136,000	(28,554)	-17.35
Other Reimbursements	130,500	230,000	130,500	(99,500)	-43.26
RDA AB-1290/City Pass Through	496,684	1,185,351	381,623	(803,728)	-67.81
State Mandated Costs	95,181	40,000	31,553	(8,447)	-21.12
Tipping Fee	971,421	950,000	980,000	30,000	3.16
Subtotal, Intergovernmental Revenue	$ 1,812,091	$ 2,569,905	$ 1,659,676	$ (910,229)	-35.42 %
Other Revenues					
Administrative Overhead	1,828,444	1,745,164	1,842,489	97,325	5.58
Donations	7,539	10,200	260	(9,940)	-97.45
Grants	-	-	170,000	170,000	-100.00
Loan Repayments	-	160,000	65,000	(95,000)	-59.38
Other	13,831	(41,076)	8,000	49,076	-119.48
Other Reimbursements	160,895	171,212	61,000	(110,212)	-64.37
Other Revenues	(6,578)	31,169	-	(31,169)	-100.00
School Resource Officer Reimbursement	346,800	346,800	346,800	-	-
Subtotal, Other Revenues	$ 2,350,931	$ 2,423,469	$ 2,493,549	$ 70,080	2.89 %
Transfers-In					
Transfers-In	3,596,469	6,165,411	7,631,441	1,466,030	23.78
Subtotal, Transfers-In	$ 3,596,469	$ 6,165,411	$ 7,631,441	$ 1,466,030	23.78 %
Total, General Fund Revenues	$ 39,806,050	$ 41,696,189	$ 43,614,826	$ 1,918,637	4.60 %

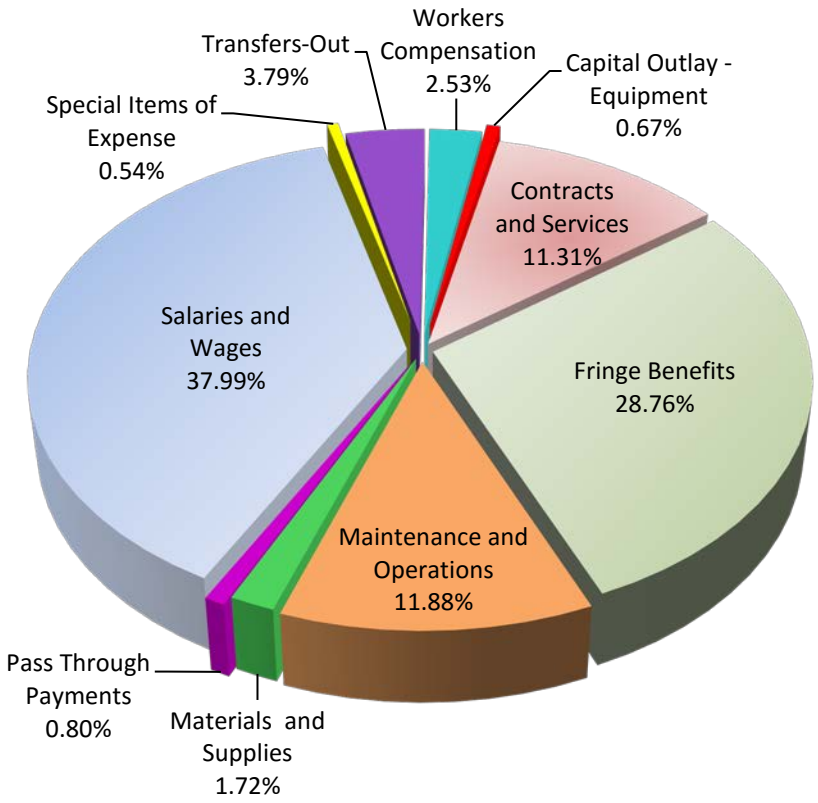
General Fund Revenues by Source



General Fund Expenditures by Category
Table 8

	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
Capital Outlay - Equipment	185,896	221,370	270,000	48,630	21.97
Contracts & Services	5,369,251	5,794,693	4,577,204	(1,217,489)	-21.01
Fringe Benefits	11,151,482	12,000,684	11,637,620	(363,064)	-3.03
Maintenance & Operations	4,399,694	4,823,862	4,807,394	(16,468)	-0.34
Materials & Supplies	812,646	823,081	696,761	(126,320)	-15.35
Pass Through Payments	298,830	317,846	322,151	4,305	1.35
Salaries & Wages	15,378,647	15,774,341	15,372,617	(401,724)	-2.55
Special Items of Expense	77,609	128,731	220,000	91,269	70.90
Transfers-Out	1,239,754	1,318,847	1,535,266	516,419	16.41
Workers Compensation	491,436	867,621	1,023,056	155,435	17.92
Total, General Fund Expenditures	$ 39,405,245	$ 42,071,076	$ 40,462,069	$ (1,609,007)	-3.82 %

2017-18 General Fund Expenditures by Category



FY 2017-2018 FUNDED POSITIONS

FY 2017-2018 Adopted Base	Title of Position	Salary		
1.00	City Manager	Contract		
1.00	Assistant City Manager	14,033	-	17,908
1.00	Chief of Police	13,789	-	17,431
1.00	Director of Public Works / City Engineer	12,968	-	15,764
1.00	Director of Community Development	12,000	-	15,168
1.00	Director of Community Services	12,000	-	15,168
1.00	Director of Finance	12,000	-	15,168
1.00	Director of Human Resources	12,000	-	15,168
2.00	Police Captain	11,685	-	14,912
1.00	Director of Recreation & Maintenance Services	10,903	-	13,252
1.00	Power Company Manager	10,903	-	13,252
1.00	Assistant Director of Public Works	10,662	-	12,960
1.00	Chief Building Official	10,662	-	12,960
5.00	Police Lieutenant	10,186	-	13,000
1.00	Assistant Director of Economic Development & Recreation	10,184	-	12,378
1.00	Environmental Affairs Manager	9,783	-	11,891
1.00	Planning Manager	9,783	-	11,891
1.00	Director of Records & Council Services	9,782	-	11,890
1.00	Water Plant Superintendent	9,230	-	11,220
1.00	Public Works Superintendent	8,790	-	10,685
4.00	Sr. Civil Engineer	8,702	-	10,578
3.00	Finance Division Manager	8,557	-	10,401
1.00	Housing Manager	8,557	-	10,401
1.00	Utility Supervisor	8,338	-	10,136
1.00	Water Plant Supervisor	8,338	-	10,136
10.00	Police Sergeant	7,986	-	10,191
1.00	Senior Planner	7,930	-	9,638
1.00	Harbormaster	7,868	-	9,563
1.00	Senior Financial Analyst	7,810	-	9,492
1.00	Water Instrument / Maintenance Technician II	7,762	-	9,434
1.00	Sr. Human Resources Analyst	7,437	-	9,039
4.00	Civil Engineer II	7,161	-	8,705
1.00	Water Quality Analyst II	7,107	-	8,638
1.00	Sr. Combination Building Inspector	6,979	-	8,483
1.00	Associate Planner	6,849	-	8,325
1.00	Financial Analyst	6,746	-	8,199
5.00	Water Plant Operator	6,734	-	8,186
1.00	Water Maintenance Mechanic I	6,705	-	8,150
4.00	Utility Technician I	6,470	-	7,866
2.00	Administrative Analyst II	6,425	-	7,809
1.00	Crime Analyst	6,425	-	7,809
2.00	Recreation Supervisor	6,289	-	7,644
1.00	Equipment Shop Supervisor	6,287	-	7,642
6.00	Public Works Supervisor	6,287	-	7,642
1.00	Police Records Manager	6,276	-	7,629

FY 2017-2018 FUNDED POSITIONS

FY 2017-2018 Adopted Base	Title of Position	Salary		
1.00	Utility Billing Supervisor	6,276	-	7,629
1.00	Combination Building Inspector	6,211	-	7,549
65.00	Police Officer	6,197	-	8,305
2.00	Civil Engineer I	6,185	-	7,518
2.00	Engineering Technician II	6,004	-	7,297
1.00	Environmental Health Specialist	5,946	-	7,227
1.00	Executive Assistant	5,728	-	6,962
3.00	Electrician	5,725	-	6,959
3.00	Accountant I	5,370	-	6,528
1.00	Deputy City Clerk	5,324	-	6,472
1.00	Executive Secretary to the Chief of Police	5,324	-	6,472
2.00	Human Resources Specialist	5,324	-	6,472
1.00	Payroll Specialist	5,324	-	6,472
1.00	Lead Marina Services Worker	5,293	-	6,434
6.00	Maintenance Lead Worker	5,293	-	6,434
1.00	Business License Coordinator	5,238	-	6,367
2.00	Equipment Mechanic	5,057	-	6,148
2.00	Permit Technician	5,003	-	6,082
1.00	Planning Technician	5,003	-	6,082
1.00	Lead Police Records Clerk	4,976	-	6,048
9.00	Community Services Specialist	4,937	-	6,001
1.00	Recreation Coordinator	4,814	-	5,852
6.00	Accounting Technician	4,744	-	5,767
4.00	Housing Specialist	4,665	-	5,670
16.00	Maintenance Worker II	4,572	-	5,558
2.00	Utility Lineworker	4,572	-	5,558
6.00	Police Records Clerk (Part 2 of 2)	4,297	-	5,224
7.00	Administrative Assistant (Part 2 of 2)	4,092	-	4,975
15.00	Maintenance Worker I	3,950	-	4,802
3.00	Marina Maintenance Worker	3,950	-	4,802
2.00	Sweeper Operator	3,950	-	4,802
2.00	Police Records Clerk (Part 1 of 2)	3,712	-	4,513
4.00	Account Clerk (Part 1 of 2)	3,542	-	4,305
2.00	Administrative Assistant (Part 1 of 2)	3,534	-	4,297
7.00	Maintenance Assistant	3,211	-	3,904
3.00	Office Assistant	3,211	-	3,904
268.00	**City Wide Total**			

FY 2017 - 2018 FULL TIME PERSONNEL ALLOCATIONS

Department/Division	FY 2015-2016 Amended Base	FY 2016-2017 Amended Base	FY 2017-2018 Adopted Base
Administration			
City Manager	0.85	0.85	0.80
City Clerk	2.25	2.25	2.20
Human Resources	4.00	4.00	4.00
Finance/Accounting	10.30	10.15	9.46
Finance/Utility Billing	7.45	7.35	8.04
Information/Communication Systems	0.60	0.60	0.00
Community Development			
Planning	4.33	4.48	4.43
Building - Code Enforcement	5.78	5.78	5.73
Engineering	11.98	11.48	11.48
NPDES Administration & Outreach	1.31	1.21	1.21
Southwest Pittsburg GHAD II	1.25	1.85	1.60
Local Traffic Mitigation Fee Fund	0.10	0.10	0.10
Enterprise Services			
Solid Waste	1.73	1.50	1.50
Economic Development	0.40	0.45	0.45
CDBG Entitlements	0.70	0.45	0.55
Waterfront Operations	2.80	3.45	3.75
Marina	6.05	6.05	6.05
Police Department			
Police - Admin & Support Services	2.00	3.00	3.00
Police - Operations Bureau	69.50	60.57	62.50
Police - Investigations	12.50	18.30	17.30
Police - Support Services	12.80	15.00	15.00
Police - Family Justice Center	0.00	0.20	0.20
San Marco Police CFD 2004-1	3.04	2.93	2.98
Vista Del Mar CFD 2005-2	0.85	1.71	1.39
Public Safety Service CFD 2005	1.11	1.29	1.63
Recreation & Parks			
Recreation - Admin	0.00	0.00	0.75
Recreation - Sports	1.15	1.15	1.15
Recreation - Senior Center	2.00	2.00	2.00
Citywide Landscape	9.89	9.64	9.64
Park Maintenance CFD 2007-1	0.36	0.36	0.36

FY 2017 - 2018 FULL TIME PERSONNEL ALLOCATIONS

Department/Division	FY 2015-2016 Amended Base	FY 2016-2017 Amended Base	FY 2017-2018 Adopted Base
Public Works - Maintenance Services			
Graffiti Removal Program	1.15	1.15	1.15
Public Works/Streets	11.80	11.70	11.95
Citywide Street Lighting	1.30	1.30	1.30
Citywide Street Trees	1.70	2.70	2.70
Citywide Concrete Program	0.25	0.25	0.25
NPDES - Maintenance/Trash & Illicit Discharge	1.90	2.90	2.75
Fleet Maintenance	3.60	3.60	3.45
Building Maintenance	4.30	4.30	4.15
Public Works - Water and Sewer Enterprises			
Water Operating	30.05	31.15	32.10
Sewer Maintenance	9.55	9.65	8.90
Housing Authority			
Housing Authority - Section 8	7.40	6.70	6.65
Housing - Successor Agency	0.27	0.25	0.20
Pittsburg Power Company			
Island Energy	10.30	10.30	10.35
Pittsburg Power	2.25	1.80	1.75
Successor Agency to Former Redevelopment Agency			
Successor Agency Administration	1.10	1.10	1.10
Citywide Totals:	**264.00**	**267.00**	**268.00**

CHANGES TO FY 2016-17 ADOPTED BUDGET BASE POSITIONS

Additions:	***Department***
Civil Engineer	Comm. Development
Crime Analyst	Police
Direct of Human Resources	Human Resources
Maintenance Assistant	Public Works
Office Assistant x 2	Engineering / Recreation
Police Sergeant	Police
Water Plant Operator	Public Works
Water Plant Superintendant	Water Plant

Reclassifications:

Tree Trimmer to Maintenance Worker	Public Works

Unfunded:

Accounting Technician	Finance
Administrative Analyst	Comm. Development
Administrative Assistant	Recreation
Engineering Technician	Comm. Development
Human Resources Manager	Human Resources
Police Officer	Police
Water Plant Apprentice Operator	Public Works

CHANGES FOR FY 2017-18 BUDGET BASE POSITIONS

Additions:	***Department***
Assistant Director of Economic Development and Recreation	Power
Director of Community Development	Community Development
Director of Community Services	RDA - Successor Agency
Director of Public Works / City Engineer	Public Works
Police Officer	Police
Public Works Supervisor	Public Works
Recreation Coordinator	Recreation

Unfunded:

Assistant to the City Manager	City Manager's Office
Development Manager	RDA - Successor Agency
Director of Community Development / City Engineer	Community Development
Director of Water Utilities	Public Works
Maintenance Lead Worker	Public Works
Senior Administrative Analyst	Power

This Page Intentionally Left Blank

➢ ADMINISTRATION

CITY MANAGER'S OFFICE

CITY TREASURER

CITY CLERK/RECORDS/COUNCIL SERVICES

CITY ATTORNEY

HUMAN RESOURCES

FINANCE

INFORMATION & COMMUNICATION SERVICES

➢ ADMINISTRATION – CITY MANAGER

Overview

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

Service Levels

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

➢ADMINISTRATION - TREASURER

Overview

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.

Nancy Parent
City Treasurer

Service Levels

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

➢ADMINISTRATION - CITY CLERK/RECORDS AND COUNCIL SERVICES

Overview

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

Alice Evenson
Pittsburg City Clerk

Service Levels

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

Goals

Citywide Goal 5 – Increase Efficiency of City Operations and Services

✓ Continue overseeing implementation of updated agenda management and electronic document management systems

- ✓ Coordinate advertisement of openings on the City's Commissions, schedule and coordinate Commission applicants for interviews with the City Council for the June 2017 vacancies. (4 vacancies on Planning Commission and 4 vacancies on CAC)
- ✓ Review staff responsibilities for social media contacts
- ✓ Coordinate with City Attorney's office to provide AB1234 Ethics, AB1825 Harassment Training, and Form 700 training for Council Members, Commissioners and staff; and Public Records Request training for staff.
- ✓ 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 and administer provisions of the City's Conflict of Interest Code for over 70 filers (due by April 1, 2017).
- ✓ Lead a team of appropriate staff to draft a policy regarding use of the City Logo and Seal

Accomplishments

- ✓ Continued upgrade of equipment in council chamber with new and additional screens for viewing, adding ADA hearing amplification devices, upgrading presentation computer
- ✓ Coordinated administration of Special Election June 7, 2016 with extension of Measure P and General Election of November 8, 2016. Also participated in the County's Vote N Go remote ballot box trial and coordinated early voting sites for both elections, both of which were well received and very successful. (Pittsburg had the 9th highest amount of remote ballots cast.)
- ✓ The City Clerk and IT staff have been actively negotiating with our current Agenda and Records Management provider to begin implementation of upgraded software and migration of electronic data to a more efficient and technologically up to date program

- ✓ Coordinated with City Attorney's office to provide AB1234 Ethics and Form 700 training for Council Members, Commissioners and staff (as well as Public Records Request training for staff)
- ✓ Reviewed, updated, and adopted the City Council Policy and Procedures Handbook
- ✓ Six Commission vacancies were filled

➢ADMINISTRATION – CITY ATTORNEY

Overview

The City Attorney is under contract to provide legal services to the City Council and staff as directed on legal matters relating to Pittsburg. The City Attorney represents the City in certain litigation and non-litigation matters.

Service Levels

- Provides broad range of services for a fixed retainer
- Attends all regular City Council meetings and special meetings if attendance is requested
- Attends Department Head meetings in addition to being onsite at City Hall at least two days a week

Goals

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

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

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

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

✓ Finalize financing mechanism to assist Fire District

Citywide Goal 5 – Increase Efficiency of City Operations and Services

✓ Continue working with staff to update regulations regarding demolition or repair of damaged and other blighted structures

✓ Conduct training for City's elected and appointed officials, including AB 1234 and AB 1661 training

✓ Develop procedures to assure compliance by project applicants with all conditions of development approval

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

✓ Keep City informed as to legal developments as to recreational and medical marijuana, e-cigarettes and related issues

➢ADMINISTRATION – HUMAN RESOURCES

Overview

The Human Resources Division is responsible for administering the City's personnel system, training, employee benefits, employee relations, equal employment opportunity programs, and workers compensation programs.

Service Levels

- Maintain all department personnel 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 workers' compensation program
- 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

✓ Amend the CalPERS retirement contract to allow for pension cost sharing as negotiated and agreed upon with the miscellaneous bargaining units

- ✓ Resume a Joint Labor-Management Committee to review health benefits program options and make recommendations on program design
- ✓ Conduct contract negotiations with both sworn and miscellaneous bargaining units
- ✓ Review and update Personnel Rules and recommend appropriate amendments to the City Council for adoption

- ✓ Continue to promote the City as an attractive employer to secure highly qualified applicants for vacancies
- ✓ Institute an in-house training curriculum that will provide pathways for employees to gain competencies and skills in the areas of supervision, customer service, technical and employee development

Accomplishments

- ✓ Successfully conducted 21 recruitments and filled 35 positions to meet operational needs of the City
- ✓ Offered employees training and events in health, safety, employment relations, and workers' compensation to increase awareness, promote health and wellness, and minimize employee injuries and reduce City liabilities
- ✓ Reviewed and updated departmental practices and conducted training with other departments on Personnel Action Form

➢ADMINISTRATION – FINANCE

Overview

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

Service Levels

- Provide administration, accounting, fiscal management, and support services to the City
- Manage Citywide budget development
- Provide payroll servicing for the City
- Administer the financial provisions of all debt, bond, tax sharing and other contractual agreements
- Provide billing services and effective collection of business license taxes, assessment district taxes, sewer and water charges, and miscellaneous revenues
- Maintain up-to-date accounting and finance policy and procedure manuals
- Maintain a high level of professionalism and integrity in all of the City's financial practices and procedures
- Monitor and report the City's fiscal condition semi-annually
- Administer the City's risk management programs

Goals

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

- ✓ Recommend budgets consistent with the City's Fiscal Sustainability Ordinance
- ✓ Prepare budgets using only sustainable revenues to pay operational expenses
- ✓ Update the City's 7-Year General Fund Balancing Plan and 20-Year Forecast
- ✓ Maintain or improve the City's credit rating
- ✓ Continue to pre-fund OPEB as is fiscally feasible
- ✓ Develop and issue RFP for investment advisory services

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Review and update the City's purchasing policy to ensure compliance with existing and new regulations
- ✓ Provide additional payment options for residents and businesses when paying for City services and fees

Accomplishments

- ✓ Successfully refinanced the 2008 Water Revenue Bonds, reducing risks and costs associated with the Swap and ongoing LOC renewals, thereby increasing the bond rating from AA2 to AA3
- ✓ Increased City's Overall Credit Rating
- ✓ Received awards for both the City's Comprehensive Annual Financial Report (CAFR) and Annual Budget
- ✓ Issued an RFP and negotiated a new contract for replacement of City copiers
- ✓ Developed and issued an RFP for banking services
- ✓ Provided online Business License process to public for renewals of licenses and out-of-town applications
- ✓ Implemented Tyler Notify, allowing us to send customized messages to our customers via phone, email, text or social media in a secure, audited environment regarding shut-off notices, leak warnings, statements and announcements

➢ ADMINISTRATION – INFORMATION/COMMUNICATIONS SYSTEMS

Overview

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

Service Levels

- Maintain the Citywide Network System in a reliable and consistent manner
- Provide hardware support to sustain the City's information technology systems including servers, network devices, specialized appliances, etc.
- Provide equipment support for personal computers, laptops and all other associated peripheral equipment
- Provide software support to sustain the City's local and wide area networks including electronic mail, remote access to City computers at offsite locations, Internet access, mobile access to City information technology systems and the City website
- Provide operational support for the City's VoIP telephony system. Maintain and manage the various application systems being used by the City in a reliable and consistent manner

Accomplishments

- ✓ 100 old desktops were replaced with new HP desktops on the City's network
- ✓ Internet gateway of the City network was enhanced from 10 to 50 Mbps fiber
- ✓ Voice circuits used by our VoIP phone system were moved to fiber circuits
- ✓ Connectivity between City Hall and remote locations was upgraded to fiber circuits
- ✓ Storage capacity for the Police Department's Video Surveillance System was enhanced from 165 to 300 TB

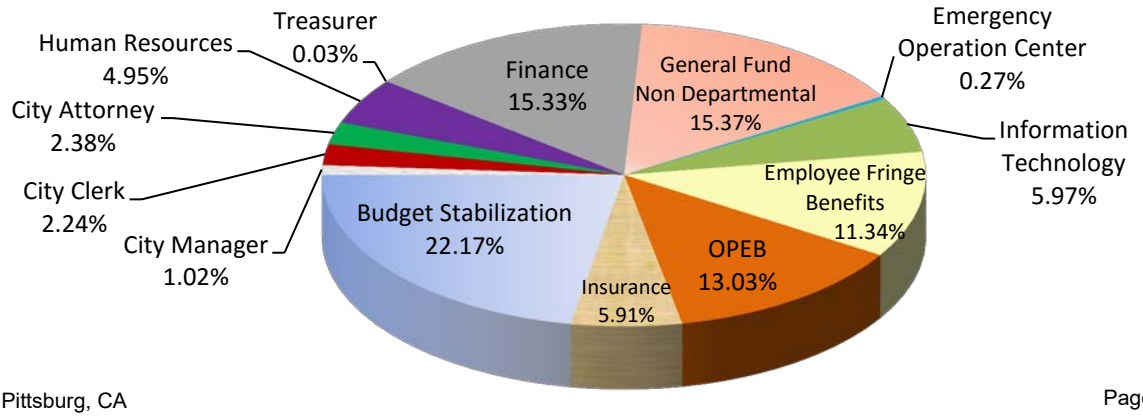
FY 2017 - 2018 FULL TIME PERSONNEL ALLOCATIONS
Administration

Department/Division	FY 2015-2016 Amended Base	FY 2016-2017 Amended Base	FY 2017-2018 Adopted Base
City Manager	0.85	0.85	0.80
City Clerk	2.25	2.25	2.20
Human Resources	4.00	4.00	4.00
Finance/Accounting	10.30	10.15	9.46
Finance/Utility Billing	7.45	7.35	8.04
Information/Communication Systems	0.60	0.60	0.00
TOTAL:	**25.45**	**25.20**	**24.50**

Detailed Program Budget
Administration

	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
AUTHORIZED POSITIONS					
Total Authorized	25.45	25.20	24.50	(0.70)	-2.78%
SOURCES OF REVENUE					
General Fund	11,014,715	11,696,336	12,949,548	1,253,212	10.71
Enterprise Funds	-	-	768,993	768,993	-
Internal Service Funds	5,451,605	6,552,515	7,318,699	766,184	11.69
Special Revenue Funds	5,000	5,000	55,000	50,000	1,000.00
Transfer-In to General Fund Reserves	-	-	3,152,757	3,152,757	-
(Addition To)/Reduction in Fund Balance	(2,006,471)	(711,831)	(895,431)	(183,600)	25.79
TOTAL SOURCES OF REVENUE*	**$ 14,464,849**	**$ 17,542,020**	**$ 23,349,566**	**$ 5,807,546**	**33.11 %**
**Total Sources of Revenue for FY2017-18 will exceed Total Uses by $3,152,757 due to a one-time transfer from Budget Stabilization Fund to increase reserves to 30% of Operating expenses required by the Fiscal Sustainability Ordinance.*					
USES – OPERATING EXPENDITURES					
Salaries & Wages	1,806,957	1,273,628	1,164,087	(109,541)	-8.60
Maintenance & Operations	1,720,445	1,847,114	1,847,383	269	0.01
Workers Compensation	884,703	1,419,176	1,779,456	360,280	25.39
Materials & Supplies	320,768	208,408	202,227	(6,181)	-2.97
Pass Through Payments	298,830	317,846	322,151	4,305	1.35
Contracts & Services	4,413,249	5,223,482	4,230,698	(992,784)	-19.01
Fringe Benefits	3,497,011	3,685,566	4,214,639	529,073	14.36
TOTAL USES - OPERATING EXPENDITURES	$ 12,941,963	$ 13,975,220	$ 13,760,641	$ (214,579)	-1.54 %
USES – OTHER EXPENDITURES					
Special Items of Expense	72,616	117,150	266,000	148,850	127.06
TOTAL USES - OTHER EXPENDITURES	$ 72,616	$ 117,150	$ 266,000	$ 148,850	127.06 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	89,451	242,700	105,000	(137,700)	-56.74
TOTAL USES - CAPITAL EXPENDITURES	$ 89,451	$ 242,700	$ 105,000	$ (137,700)	-56.74 %
USES – TRANSFERS-OUT					
Transfers-Out	1,360,819	3,206,950	6,065,168	2,858,218	89.13
TOTAL USES - TRANSFERS-OUT	$ 1,360,819	$ 3,206,950	$ 6,065,168	$ 2,858,218	89.13 %
TOTAL USES	**$ 14,464,849**	**$ 17,542,020**	**$ 20,196,809**	**$ 2,654,789**	**15.13 %**
USES BY PROGRAM RECAP					
City Manager	272,379	263,662	206,128	(57,534)	-21.82
City Clerk	423,817	467,930	452,794	(15,136)	-3.23
City Attorney	321,834	474,784	480,313	5,529	1.16
Human Resources	870,738	1,001,821	999,393	(2,428)	-0.24
Treasurer	7,679	6,536	6,536	-	-
Finance	2,711,763	2,949,170	3,095,380	146,210	4.96
General Fund - Non Departmental	4,430,047	3,902,824	3,103,767	(799,057)	-20.47
Emergency Operation Center	-	-	55,000	55,000	-100.00
Information Technology	954,815	1,856,654	1,204,868	(651,786)	-35.11
Employee Fringe Benefits	1,511,656	1,862,844	2,289,801	426,957	22.92
Other Post-Employment Benefits (OPEB)	1,929,128	2,093,413	2,631,645	538,232	25.71
Insurance	997,493	1,248,759	1,192,798	(55,961)	-4.48
Budget Stabilization	33,500	1,413,623	4,478,386	3,064,763	216.80
TOTAL USES BY PROGRAM RECAP	**$ 14,464,849**	**$ 17,542,020**	**$ 20,196,809**	**$ 2,654,789**	**15.13 %**

Administration - Uses by Division



This Page Intentionally Left Blank

➢ CITY COUNCIL

MAYOR CRAFT

VICE MAYOR LONGMIRE

COUNCIL MEMBER EVOLA

COUNCIL MEMBER BANALES

COUNCIL MEMBER KILLINGS

➢CITY COUNCIL

Overview

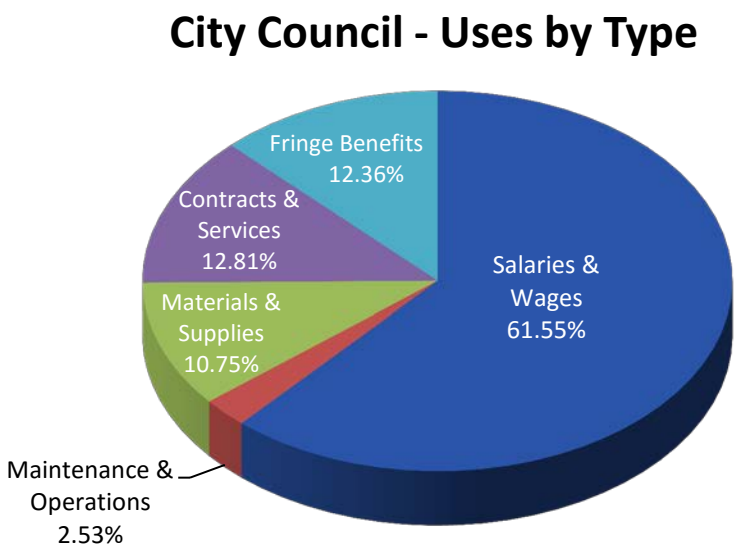
The City of Pittsburg operates under a council manager form of government and derives its authority from both the California constitution and laws enacted by the state legislature. All legislative power is held by the publicly elected, five member City Council, which consists of the Mayor and four Council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

Service Levels

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

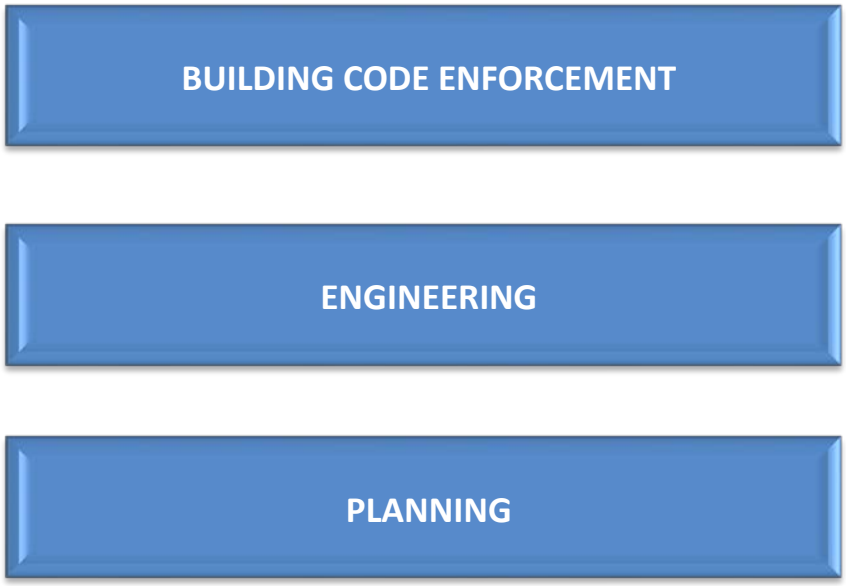
Detailed Program Budget
City Council

	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
AUTHORIZED POSITIONS					
Total Authorized	-	-	-	-	-
SOURCES OF REVENUE					
(Addition To)/Reduction In Fund Balance	70,517	96,883	79,048	(17,835)	-0.18
TOTAL SOURCES OF REVENUE	**$ 70,517**	**$ 96,883**	**$ 79,048**	**$ (17,835)**	**-0.18%**
USES - OPERATING EXPENDITURES					
Salaries & Wages	48,683	50,922	48,654	(2,268)	-4.45
Maintenance & Operations	-	1,450	2,000	550	37.93
Materials & Supplies	2,719	17,000	8,500	(8,500)	-50.00
Contracts & Services	9,570	17,525	10,125	(7,400)	-42.23
Fringe Benefits	9,545	9,986	9,769	(217)	-2.17
TOTAL USES - OPERATING EXPENDITURES	$ 70,517	$ 96,883	$ 79,048	$ (17,835)	-18.41 %
TOTAL USES	**$ 70,517**	**$ 96,883**	**$ 79,048**	**$ (17,835)**	**-18.41 %**
USES BY PROGRAM RECAP					
City Council	70,517	96,883	79,048	(17,835)	-18.41
TOTAL USES BY PROGRAM RECAP	**$ 70,517**	**$ 96,883**	**$ 79,048**	**$ (17,835)**	**-18.41 %**



This Page Intentionally Left Blank

➢ COMMUNITY DEVELOPMENT



➢ COMMUNITY DEVELOPMENT – BUILDING CODE ENFORCEMENT

Overview

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

Service Levels

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

Goals

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

- ✓ Complete plan reviews and inspections for major development projects, including Waterstone, Stoneman Apartments, and commercial development
- ✓ Continue to inspect residential development for compliance with applicable codes (average 250 to 300 new housing starts per year)
- ✓ Issue solar energy system permits (average 300 to 400 per year)

- ✓ Continue to provide Housing Quality Inspections in support of Pittsburg Housing Authority

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Increase efficiency for issuance of photovoltaic (solar) permits by adding a portal for online plan submittal and plan check, improving service delivery to homeowners and contractors
- ✓ Complete implementation of Rental Inspection Software (RIS) system and online payments for Residential Rental Inspection program

Accomplishments

- ✓ Issued permits and provided inspection of 250 new single family homes and over 1,000 additional residential and commercial projects
- ✓ Expanded service to customers by adding ability to pay fees and register rental properties online
- ✓ Provided in excess of 1,000 Housing Authority inspections

➢ COMMUNITY DEVELOPMENT - ENGINEERING

Overview

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

Service Levels

- Manage the design and construction of City projects
- Assure that development projects (residential and commercial) meet City requirements
- Manage traffic related issues and improvements such as signals
- 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 NPDES 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 Grants to fund Complete Streets accommodating all forms of transportation (bicycle, pedestrian, transit, vehicles) and infrastructure improvements

✓ Advance current projects that are supported by $3.4 million in grants for traffic safety, water and bicycle/pedestrian trails

Citywide Goal 3 – Improve Public Facilities and Infrastructure

✓ Complete construction of capital projects scheduled during FY 2017-18

✓ Continue liaison with BART for construction of Pittsburg Center BART Station

✓ Develop annual update to the City's Five Year Capital Improvement Program

- ✓ Work with Caltrans, MTC, Contra Costa Transportation Authority to improve traffic operations on State Route 4 within city limits
- ✓ Continue development of James Donlon Boulevard Extension
- ✓ Partner with Pittsburg Unified School District, police and other City departments to maximize traffic safety and circulation at schools
- ✓ Communication with Delta Diablo and other utility districts to coordinate infrastructure projects

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

- ✓ Evaluate effectiveness of local contracting policy

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Reduce traffic delays on city streets
- ✓ Increase cost-efficiency and staff utilization, including the use of in-house staff for infrastructure project design when appropriate
- ✓ Expand the City's Geographic Information System (GIS) as a resource across City departments and for the public where appropriate

Accomplishments

- ✓ Installed approximately 2,500 linear feet of sidewalk on north side of Buchanan Road from Highlands Elementary to east of McDermott Drive
- ✓ Completed Underground and Aboveground Storage Tank Removal and Installation
- ✓ Installed new Traffic Signal at Oak Hills Drive and West Leland Road
- ✓ Completed renovation of Ambrose Aquatic Center in partnership with Ambrose Recreation and Park District and Contra Costa County

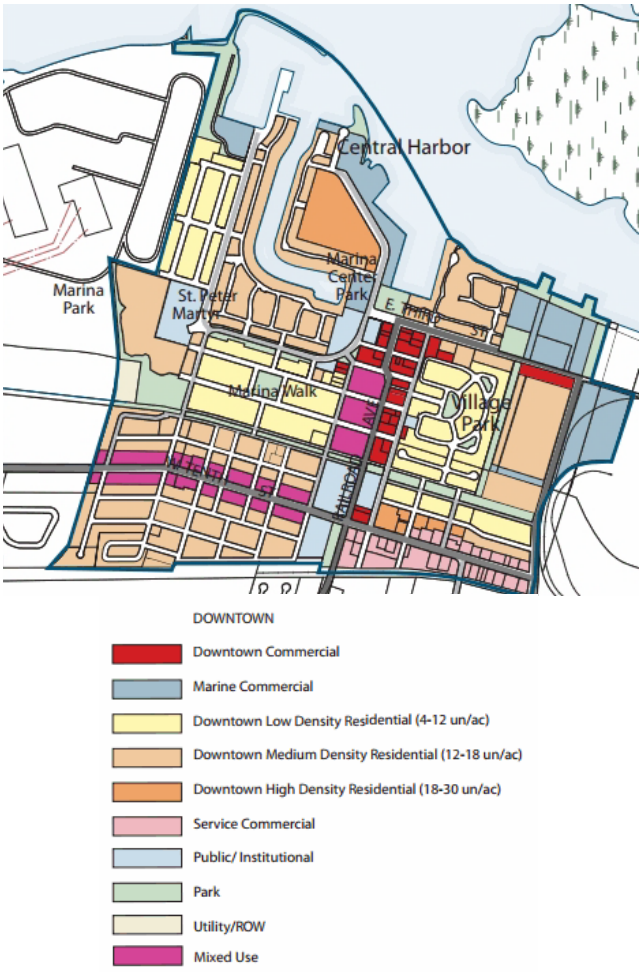
Renovation of Ambrose Aquatic Center

- ✓ Completed Phase IA of Water Treatment Plant Sludge Handling Facility
- ✓ Replaced Rossmoor Well (water)
- ✓ Installed Southeast Hills Waterline along Buchanan Road

➢ COMMUNITY DEVELOPMENT – PLANNING

Overview

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



Service Levels

- Provides inter-departmental coordination for processing applications for private development within city limits, through the Planning Commission and City Council
- Provides oversight and direction in implementation and maintenance of the City's General Plan, Zoning Ordinance and other planning-related documents
- Serves as a resource for coordination and preparation of CEQA documents for both public and private developments within the City
- Serves as staff support to the Planning Commission and Historic Resources Commission, ensuring timely processing and distribution of public notices, agendas, staff reports, minutes and resolutions
- Represents the City and participates in regional planning activities, such as the East Contra Costa County Habitat Conservation Plan, meetings of the Contra

Costa County Planning Directors, meetings with staff of Local Agency Formation Commission (LAFCO) and Bay Point Municipal Advisory Commission, as needed

- Receives and responds to complaints of Zoning and Sign ordinance violations, and assists in enforcement of other municipal code provisions
- Accepts, processes, analyzes and evaluates planning applications for conformance with the City of Pittsburg General Plan, Zoning Ordinance, CEQA, Subdivision Ordinance, Sign Ordinance and other state, federal and local planning regulations
- Provides feedback to other, surrounding jurisdictions regarding planning applications that have potential to impact the Pittsburg community

Goals

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

- ✓ Continue and improve cost recovery on large-scale development projects
- ✓ Develop a building permit surcharge, fee or similar program to help fund future General Plan updates

Citywide Goal 3 – Improve Public Facilities and Infrastructure

- ✓ Continue work with Engineering Division to provide environmental and design review of capital projects
- ✓ Work with developers to incorporate public spaces as appropriate in new developments in Railroad Avenue Specific Plan area

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

- ✓ Work with Chamber of Commerce, Economic Development staff to identify zoning changes that promote small business growth and attraction with special emphasis on the downtown core
- ✓ Facilitate higher density mixed use development within Railroad Avenue Specific Plan area and downtown to increase access to transit, jobs, shopping and recreation

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Develop a suite of checklists to reduce the number of incomplete planning application submittals
- ✓ Continue to provide current and expanded data to Engineering Division to increase public information accessible through City's GIS, website

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

- ✓ Work with Economic Development staff to increase retail in the southwest hills area of the City
- ✓ Begin project scoping for the 2040 General Plan Comprehensive Update, a multi-year process due in 2020
- ✓ Strive for land use and urban designs that beautify neighborhoods, reduce opportunities for crime and promote economic development
- ✓ Continue working with Code Enforcement to address code violations and reduce blight

Accomplishments

- ✓ Adopted two ordinances prohibiting all business activities related to both medical and recreational marijuana
- ✓ Adopted new zoning regulations for smoke shops and smoking lounges
- ✓ Updated the Wireless Telecommunications Ordinance to include provisions for facilities in the public right-of-way
- ✓ Updated the procedures for large family daycare homes to streamline permitting and ensure consistency with State law
- ✓ Completed entitlements for the Pittsburg Center BART Station Multi-Modal project
- ✓ Completed annual reviews of three development agreements

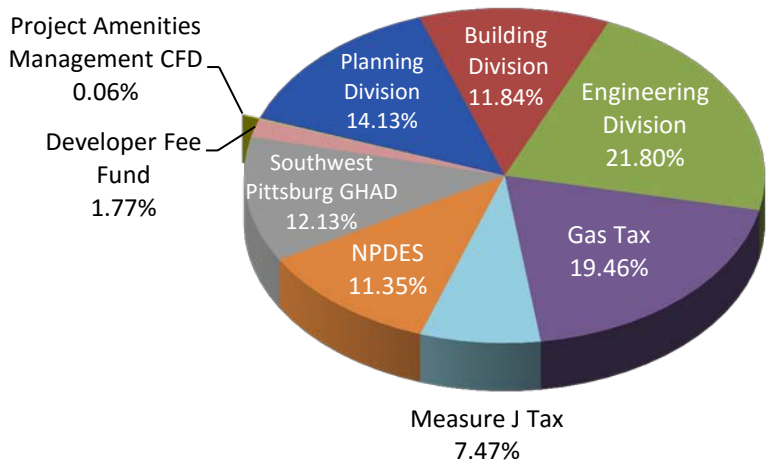
FY 2017 - 2018 FULL TIME PERSONNEL ALLOCATIONS
Community Development

Department/Division	FY 2015-2016 Amended Base	FY 2016-2017 Amended Base	FY 2017-2018 Adopted Base
Planning	4.33	4.48	4.43
Building - Code Enforcement	5.78	5.78	5.73
Engineering	11.98	11.48	11.48
NPDES Administration & Outreach	1.31	1.21	1.21
Southwest Pittsburg GHAD II	1.25	1.85	1.60
Local Traffic Mitigation Fee Fund	0.10	0.10	0.10
TOTAL:	**24.75**	**24.90**	**24.55**

Detailed Program Budget
Community Development

	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
AUTHORIZED POSITIONS					
Total Authorized	24.75	24.90	24.55	(0.35)	-1.41%
SOURCES OF REVENUE					
General Fund	3,263,730	2,726,608	2,792,595	65,987	2.42
Capital Projects Funds	2,010,831	2,990,284	120,000	(2,870,284)	-95.99
Special Revenue Funds	5,896,181	8,539,214	5,080,988	(3,458,226)	-40.50
(Addition To)/Reduction In Fund Balance	946,319	9,052,742	1,010,958	(8,041,784)	-88.83
TOTAL SOURCES OF REVENUE	**$ 12,117,061**	**$ 23,308,848**	**$ 9,004,541**	**$ (14,304,307)**	**-61.37 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	2,411,227	2,903,469	2,338,459	(565,010)	-19.46
Maintenance & Operations	680,868	1,261,541	608,877	(652,664)	-51.74
Workers Compensation	79,020	135,728	177,588	41,860	30.84
Materials & Supplies	104,570	81,830	112,195	30,365	37.11
Contracts & Services	864,090	1,170,231	721,263	(448,968)	-38.37
Fringe Benefits	1,883,103	2,090,793	1,994,229	(96,564)	-4.62
TOTAL USES - OPERATING EXPENDITURES	$ 6,022,878	$ 7,643,592	$ 5,952,611	$ (1,690,981)	-22.12 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	55,187	17,000	-	(17,000)	-100.00
Capital Outlay - Projects	2,851,257	10,552,703	635,000	(9,917,703)	-93.98
TOTAL USES - CAPITAL EXPENDITURES	$ 2,906,444	$ 10,569,703	$ 635,000	$ (9,934,703)	-93.99 %
USES - TRANSFERS-OUT					
Transfers-Out	3,187,739	5,095,553	2,416,930	(2,678,623)	-52.57
TOTAL USES - TRANSFERS-OUT	$ 3,187,739	$ 5,095,553	$ 2,416,930	$ (2,678,623)	-52.57 %
TOTAL USES	**$ 12,117,061**	**$ 23,308,848**	**$ 9,004,541**	**$ (14,304,307)**	**-61.37 %**
USES BY PROGRAM RECAP					
Planning Division	1,101,711	1,235,816	1,272,572	36,756	2.97
Building Division	981,680	1,130,231	1,066,122	(64,109)	-5.67
Engineering Division	2,009,259	2,127,448	1,962,665	(164,783)	-7.75
Gas Tax	2,325,724	2,958,213	1,751,985	(1,206,228)	-40.78
Measure J Tax	2,450,034	4,870,697	672,409	(4,198,288)	-86.19
NPDES	947,568	1,101,489	1,022,069	(79,420)	-7.21
Southwest Pittsburg GHAD	633,833	726,680	1,092,199	365,519	50.30
Pittsburg CIP	233,953	1,012,295	-	(1,012,295)	-100.00
Developer Fee Fund	1,097,322	5,664,271	159,120	(5,505,151)	-97.19
Community Capital Improvements	162,426	1,408,796	-	(1,408,796)	-100.00
Project Amenities Mgmt CFD	11,733	-	5,400	5,400	-100.00
Infrastructure Repair & Replacement	161,818	1,072,912	-	(1,072,912)	-100.00
TOTAL USES BY PROGRAM RECAP	**$ 12,117,061**	**$ 23,308,848**	**$ 9,004,541**	**$ (14,304,307)**	**-61.37 %**

Community Development - Uses by Division



➢ ENTERPRISE SERVICES

COMMUNITY DEVELOPMENT BLOCK GRANT

ECONOMIC DEVELOPMENT

ENVIRONMENTAL AFFAIRS

GOLF COURSE

MARINA

WATERFRONT DEVELOPMENT

➢ENTERPRISE SERVICES – COMMUNITY DEVELOPMENT BLOCK GRANT

Overview

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

For FY2017-18, the City is estimating to receive $568,331 from HUD. Along with $65,913 in program income and $300,000 of unallocated funds from prior years, the total CDBG funding for FY 17-18 is $934,244.

Pittsburg Public Library Solar Project – 80 Power Avenue

Service Levels

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

Goals

Citywide Goal 3 – Improve Public Facilities and Infrastructure

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

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

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

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

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

Accomplishments

- ✓ Funded job training and placement programs and provided assistance to support micro-enterprises that resulted in job creation or business growth, with at least 23 residents benefitting from these services
- ✓ Funded the replacement of 895 linear feet of sidewalk in targeted areas
- ✓ Funded code enforcement efforts to address the decline in targeted neighborhoods
- ✓ Allocated funds to a variety of supportive services that has served at least 1,500 residents which included assistance for victims of abuse, legal counseling for the seniors and programs for at risk youth

- ✓ Allocated funds to the housing rehabilitation program to provide low-interest loans to three income qualified Pittsburg homeowners for the purpose of improving their property and preserving the affordable housing stock in the community

➢ ENTERPRISE SERVICES – ECONOMIC DEVELOPMENT

Overview

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

Service Levels

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

Goals

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

- ✓ Retain and improve large sales tax providers with targeted outreach
- ✓ Retention of large employers with targeted efforts
- ✓ Conduct shopping center meetings and one-on-one business meetings to emphasize business retention
- ✓ Work with property owners to find solutions for blighted properties

- ✓ Create citywide promotional campaign centered on business, recreation and lifestyle
- ✓ Seek out companies that provide non-traditional business financing
- ✓ Become a resource for small businesses providing free training and seminars in collaboration with Chamber of Commerce, Small Business Development Center, and Workforce Development Board

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Work with other City departments to create an ombudsman approach to new businesses, and identify processes that can improve to promote business growth and attraction

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

- ✓ Work with Planning staff to increase retail in the southwest hills area of the City

Accomplishments

- ✓ Launched www.ThinkPittsburg.com; an all-inclusive website which markets properties, highlights the assets of our city such as Old Town and Marina District, as well as provides up to date demographic, statistical, and comparative information to aide in business and site selector attraction.
- ✓ Launched our "Think Pittsburg" promotional video that has been shown at various trade shows, on social media, and on our website with over 1,200 views.
- ✓ Executed new leases for Waterfront Grill & Café (PACF) and The Tred Shed (City)

- ✓ Through our “Wellness Check” program for large businesses, identified a need to support a major employer during an International Trade case. Worked directly with the business and spoke on behalf of the business, community and reg ion regarding the effects of their ruling in Washington DC
- ✓ Through our “Business Walk” program in collaboration with the Pittsburg Chamber of Commerce held face-to-face meetings with over 50 existing small and mid-sized Pittsburg businesses
- ✓ Accompanied a Sister City student delegation to Shimonoseki, Japan for a cultural exchange
- ✓ Added the Off the Grid Food Truck Market to Friday night’s in Old Town bringing over 5,000 people on opening night.

➢ ENTERPRISE SERVICES – ENVIRONMENTAL AFFAIRS

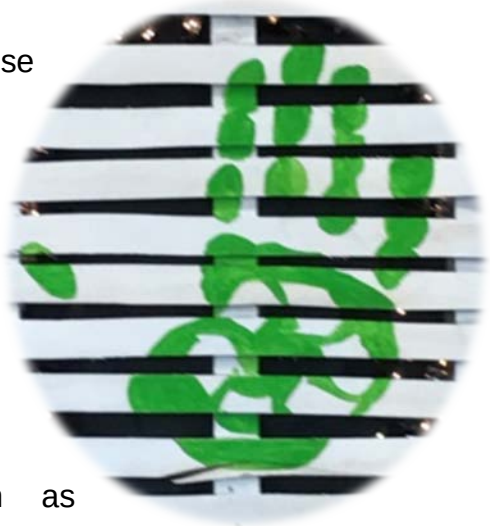
Overview

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

Service Levels

Solid Waste/Recycling/Local Enforcement Agency:

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



- Implement mandated state programs such as commercial recycling and organic (green/wood/food) recycling
- Provide recycling programs to schools, businesses and government offices
- School Outreach: Challenge of the Classes – Pittsburg High School, Recycling and Pollution Prevention – Jr. High Schools

- Conduct required monthly/quarterly inspections of solid waste facilities (transfer stations, landfills, chipping and grinding operations, composting operations)
- Investigate and provide enforcement on illegal dumping activities
- Solid Waste Facility permitting, review, implementations associated with CEQA review requirements

Stormwater Outreach, Education, and Compliance:

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

Sustainability / Climate Change Energy Efficiency:

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

Cable and Wireless Communications:

- Oversee the City's Cable / Public Education and Government and Wireless Franchises
- Manage the Memorandum of Understanding (MOU) with Contra Costa Television (CCTV) and the City's Public Education and Government (PEG) programming on Delta TV - Channel 24
- Promote production of programing for Delta TV with show sponsorship, government programing, sports broadcasting, and youth education

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

Environmental & Other Programs:

- Supporting Idle Free Program throughout Pittsburg Unified School District
- Oversight of air monitoring station
- Federal Communication Commission licensing
- Neighborhood Improvement Team meetings

Goals

Citywide Goal 1 - Achieve and Maintain a Structurally Balanced Budget

- ✓ Complete LED Lighting Conversion to reduce costs at 26 City Parks and the Marina

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

- ✓ Launch a Street Safety campaign in coordination with local schools and other city departments to improve safety for pedestrians, cyclists and vehicles

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

- ✓ Develop a build-out plan of fiber optic in commercial and industrial areas of the City

Citywide Goal 5 - Increase Efficiency of City Operations and Services

- ✓ Expand Emergency Operations Center (EOC) preparedness, update Emergency Operations, Hazard Mitigation plans as required
- ✓ Using Public, Education and Government funds, meet ADA Closed Caption requirements for broadcasts from City Park Field and events, and support Pittsburg H.S. Broadcasting job training

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

- ✓ Develop Polystyrene Ordinance for City Council consideration
- ✓ In partnership with local schools, launch citywide litter project – Civic Pride Day

Accomplishments

- ✓ Providing series of landscaping classes to residents and commercial landscapers utilizing the half-acre demonstration garden at City Hall called Living Green Gardens promoting integrated pest management, water conservation, drought tolerant plants and Bay Friendly Certification standards
- ✓ Completed City's Emergency Operations Center (EOC) Hazard Mitigation Plan and EOC training
- ✓ Completed Memorandum of Understanding (MOU) with Contra Costa Television (CCTV) and promotion of Delta TV
- ✓ Completed wireless franchise with T-Mobile
- ✓ Implemented Idle Free program within Pittsburg Unified School District
- ✓ Complete installation of equipment to broadcast City Council meetings and minor league baseball from City Park ballfield
- ✓ Completed the installation of a couple more parks from high pressure sodium to LED (light emitting diode)
- ✓ Completed conversion of all PG&E owned lights from high pressure sodium to LED (light emitting diode)

➢ ENTERPRISE SERVICES – GOLF COURSE

Overview

Delta View Golf Course (Golf Course) is a municipally owned golf course. The 18-hole championship course is tucked in the foothills of the City. The original nine opened in 1947 and the latter nine opened in 1991. The 6,317 yd. course consists of rolling hills, mature eucalyptus trees lining the fairways, and spectacular Delta views with Mt. Diablo in the background. The facility also has a wonderful all grass driving range on site. The Golf Course is leased to Delta View Golf Club, LLC (Operator) through October 31, 2025. The Operator manages the day to day operations and maintains the Golf Course.

The City may, from time to time, commence with infrastructure projects that impact the Golf Course such as course improvements, waterline or storage tank projects, and restaurant/banquet facility upgrades.

Service Levels

- The Golf Course also includes a restaurant and banquet facility available for social gatherings and tournaments.

Goals

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

✓ Provide the Pittsburg community access to recreational opportunities for a reasonable fee

➢ ENTERPRISE SERVICES - MARINA

Overview

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

Service Levels

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

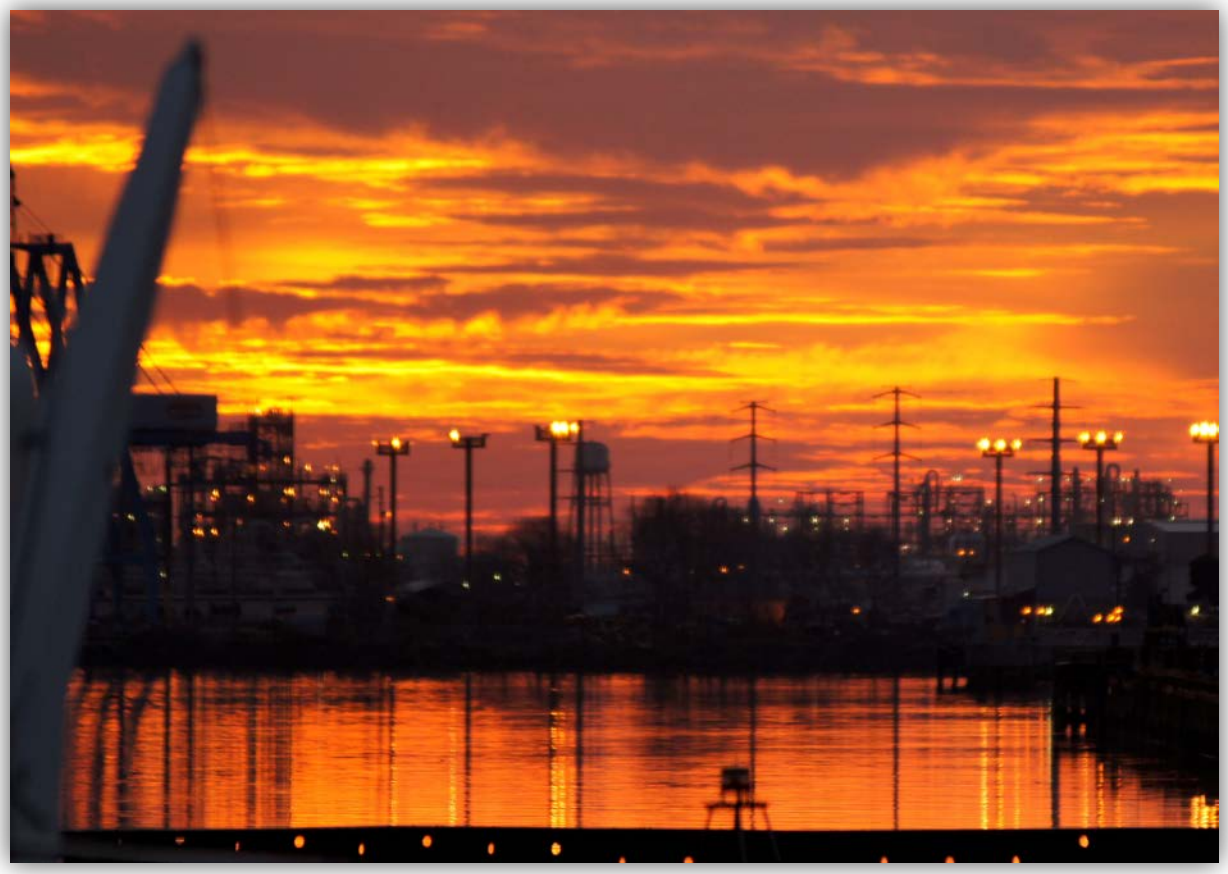
Goals

Citywide Goal 3 – Improve Public Facilities and Infrastructure

- ✓ Dredge the Marina in 2018
- ✓ Improve aging infrastructure at Marina
- ✓ Explore increased revenue through watercraft rentals and increased public amenities

Accomplishments

- ✓ Production of Marina marketing brochure highlighting amenities, activities, and the downtown businesses
- ✓ Updated gas pump technology to include a $0.10 charge for credit card use, as seen at all other marinas throughout the region
- ✓ Attracted a membership boat rental club to the Marina. The club's boats occupy four berths at the Marina and are available for use by any club members nationwide



➢ ENTERPRISE SERVICES – WATERFRONT DEVELOPMENT

Overview

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

Service Levels

- Manage existing Trust Lands leases, negotiate expired Trust Lands leases, and identify un-leased areas for which leases are required
- Implement the 2017 Trust Lands Use Plan, draft 5-year Trust Lands Utilization Reports Plans, and submit annual Statements of Revenues and Expenditures as required by SB551 to guide the development of the City's Waterfront

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

- Solicit new development and tenants that will benefit maritime and local commerce and create jobs
- 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
- Manage federal, state, and local permits related to marina dredging and similar operations
- Maintain clear lines of communication with the California State Lands Commission and other federal, state, and local permitting agencies

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

Goals

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

✓ Execute new recreational Trust Lands leases

✓ Continue to seek out grant funding opportunities

Citywide Goal 3 – Improve Public Facilities and Infrastructure

✓ Improve public use facilities at the Marina

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

✓ Collaborate with waterfront property owners and tenants to activate underutilized land

✓ Evaluate existing brownfields for potential development

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

✓ Continue to seek out recreational waterfront activities and opportunities

Accomplishments

- ✓ Held the First Friday's Art & Wine event series, an upscale event showcasing local art, music and wines from throughout the region at the Pittsburg Marina Opening of The Kite Bar Kitesurfing Center and Coffee Shop at Plaza Marina
- ✓ Hosted the 3rd Annual Delta Board Meeting Kiteboard Event at Riverview Park
- ✓ Worked with the State Lands Commission to develop and approve the City of Pittsburg 2017 Trust Lands Use Plan
- ✓ Hosted the Summer 2017 Watersports Activities Program Kickoff Party inviting the public to try out the upcoming summer activity offerings at the waterfront
- ✓ Developed, advertised, and launched the first Summer Watersports Activities Program which offers kayak, stand-up paddle board, yoga and kiteboarding lessons, tours, and classes as well as kayak and stand-up paddle board equipment rentals from Plaza Marina

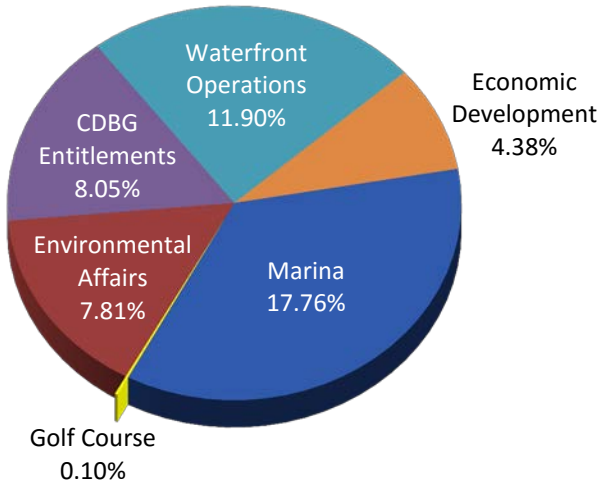
FY 2017 - 2018 FULL TIME PERSONNEL ALLOCATIONS
Enterprise Services

Department/Division	FY 2015-2016 Amended Base	FY 2016-2017 Amended Base	FY 2017-2018 Adopted Base
Solid Waste	1.73	1.50	1.50
Economic Development	0.40	0.45	0.45
CDBG Entitlements	0.70	0.45	0.55
Waterfront Operations	2.80	3.45	3.75
Marina	6.05	6.05	6.05
TOTAL:	**11.68**	**11.90**	**12.30**

Detailed Program Budget
Enterprise Services

	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
AUTHORIZED POSITIONS					
Total Authorized	11.68	11.90	12.30	0.40	3.36%
SOURCES OF REVENUE					
Enterprise Funds	3,518,459	3,659,604	3,412,255	(247,349)	-6.76
Special Revenue Funds	2,180,321	1,897,743	2,282,362	384,619	20.27
(Addition To)/Reduction in Fund Balance	(683,154)	3,847,449	145,425	(3,702,024)	-96.22
TOTAL SOURCES OF REVENUE	**$ 5,015,626**	**$ 9,404,796**	**$ 5,840,042**	**$ (3,564,754)**	**37.90 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	1,004,520	1,035,980	1,097,004	61,024	5.89
Maintenance & Operations	577,347	635,351	619,224	(16,127)	-2.54
Workers Compensation	32,810	47,043	68,190	21,147	44.95
Materials & Supplies	531,781	947,411	771,846	(175,565)	-18.53
Contracts & Services	1,662,526	2,090,284	2,000,064	(90,220)	-4.32
Fringe Benefits	723,378	705,327	791,274	85,947	12.19
TOTAL USES - OPERATING EXPENDITURES	$ 4,532,362	$ 5,461,396	$ 5,347,602	$ (113,794)	-2.08 %
USES - OTHER EXPENDITURES					
Special Items of Expense	32,091	40,000	24,000	(16,000)	-40.00
TOTAL USES - OTHER EXPENDITURES	$ 32,091	$ 40,000	$ 24,000	$ (16,000)	-40.00 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	113,761	78,900	120,000	41,100	52.09
Capital Outlay - Projects	65,298	3,482,192	20,000	(3,462,192)	-99.43
TOTAL USES - CAPITAL EXPENDITURES	$ 179,059	$ 3,561,092	$ 140,000	$ (3,421,092)	-96.07 %
USES - TRANSFERS-OUT					
Transfers-Out	272,114	342,308	328,440	(13,868)	-4.05
TOTAL USES - TRANSFERS-OUT	$ 272,114	$ 342,308	$ 328,440	$ (13,868)	-4.05 %
TOTAL USES	**$ 5,015,626**	**$ 9,404,796**	**$ 5,840,042**	**$ (3,564,754)**	**-37.90 %**
USES BY PROGRAM RECAP					
Marina	1,808,617	2,289,972	2,074,488	(215,484)	-9.41
Golf Course	143,356	61,528	11,112	(50,416)	-81.94
Fire District CFD	-	-	-	-	-100.00
R/R Ave e-BART CFD	21,260	3,476,846	-	(3,476,846)	-100.00
Environmental Affairs	804,956	934,591	912,255	(22,336)	-2.39
Housing Rehab Loans - CDBG	97,594	-	-	-	-100.00
CDBG Entitlements	728,765	719,414	940,624	221,210	30.75
Waterfront Operations	850,549	1,286,442	1,389,921	103,479	8.04
Economic Development	560,529	636,003	511,642	(124,361)	-19.55
TOTAL USES BY PROGRAM RECAP	**$ 5,015,626**	**$ 9,404,796**	**$ 5,840,042**	**$ (3,564,754)**	**-37.90 %**

Enterprise Services - Uses by Division



➢ HOUSING AUTHORITY

HOUSING AUTHORITY – SECTION 8

HOUSING – SUCCESSOR AGENCY

➢ HOUSING AUTHORITY

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 federal government. Funding is provided by the U. S. 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"), 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 over 1,000 households, which includes previously homeless Veterans with Housing Choice Vouchers in the Section 8 program.

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 Section 8 program which includes assistance for Veterans under the Veterans Affairs Supportive Housing (VASH) program and continue to collaborate with the VA Department to fully utilize leasing under this program;
- Respond to landlords and clients on issues, concern and/or complaints as they relate to our program services including HUD, group advocates and legal aid.

Goals

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

- ✓ Maximize utilization of vouchers based on annual budget authority
- ✓ Conduct annual Landlord Workshops to solicit participation in the program

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Maintain position as a top housing agency by retaining the High Performer status through the end of next fiscal year
- ✓ Cross train in key positions
- ✓ Enter into annual maintenance agreements for maintaining Housing Authority properties.

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

- ✓ Continue to offer homeownership opportunities to families under the first time homeownership programs sponsored by local financial institutions;
- ✓ Continue to foster close relationships with local non-profits, to assist families in need

Accomplishments

- ✓ Received a Certificate of Recognition from HUD for being a high-performing housing authority for the ninth year in a row
- ✓ Streamlined operations as some manual procedures have been replaced with automation
- ✓ Successfully obtained increased subsidies for the program to protect families from future reductions in funding.
- ✓ Homeownership participation increased, with two additional families becoming homeowners
- ✓ The Landlord Workshop resulted in the increase of three additional rental units participating in the program

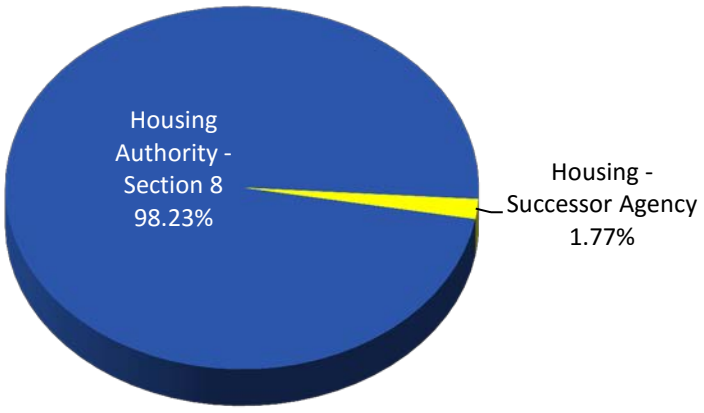
FY 2017 - 2018 FULL TIME PERSONNEL ALLOCATIONS
Housing Authority

Department/Division	FY 2015-2016 Amended Base	FY 2016-2017 Amended Base	FY 2017-2018 Adopted Base
Housing Authority - Section 8	7.40	6.70	6.65
Housing - Successor Agency	0.27	0.25	0.20
TOTAL:	**7.67**	**6.95**	**6.85**

Detailed Program Budget
Housing Authority

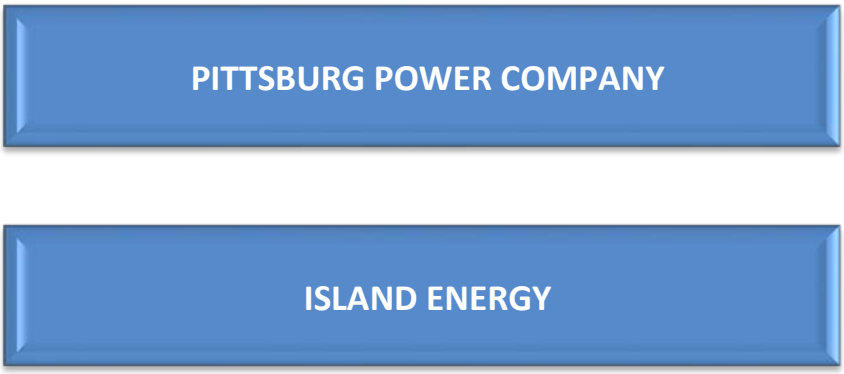
	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
AUTHORIZED POSITIONS					
Total Authorized	7.67	6.95	6.85	(0.10)	-1.44%
SOURCES OF REVENUE					
Special Revenue Funds	13,336,856	15,545,740	15,588,050	42,310	0.27
(Addition To)/Reduction in Fund Balance	219,429	191,533	99,876	(91,657)	-47.85%
TOTAL SOURCES OF REVENUE	**$ 13,556,285**	**$ 15,737,273**	**$ 15,687,926**	**$ (49,347)**	**-0.31 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	456,696	493,454	545,774	52,320	10.60
Maintenance & Operations	281,991	340,985	282,423	(58,562)	-17.17
Workers Compensation	15,049	21,791	34,335	12,544	57.57
Materials & Supplies	22,641	24,742	19,000	(5,742)	-23.21
Contracts & Services	12,345,644	14,046,704	14,314,873	268,169	1.91
Fringe Benefits	422,550	449,567	473,961	24,394	5.43
TOTAL USES - OPERATING EXPENDITURES	$ 13,544,571	$ 15,377,243	$ 15,670,366	$ 293,123	1.91 %
USES - OTHER EXPENDITURES					
Special Items of Expense	-	308,432	-	(308,432)	-100.00
TOTAL USES - OTHER EXPENDITURES	$ -	$ 308,432	$ -	$ (308,432)	-100.00 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Projects	-	33,298	-	(33,298)	-100.00
TOTAL USES - CAPITAL EXPENDITURES	$ -	$ 33,298	$ -	$ (33,298)	-100.00 %
USES - TRANSFERS-OUT					
Transfers-Out	11,714	18,300	17,560	(740)	-4.04
TOTAL USES - TRANSFERS-OUT	$ 11,714	$ 18,300	$ 17,560	$ (740)	-4.04 %
TOTAL USES	**$ 13,556,285**	**$ 15,737,273**	**$ 15,687,926**	**$ (49,347)**	**-0.31 %**
USES BY PROGRAM RECAP					
Housing Authority - Section 8	13,280,708	15,007,763	15,409,709	401,946	2.68
Housing – Successor Agency	275,577	729,510	278,217	(451,293)	-61.86
TOTAL USES BY PROGRAM RECAP	**$ 13,556,285**	**$ 15,737,273**	**$ 15,687,926**	**$ (49,347)**	**-0.31 %**

Housing Authority - Uses by Division



This Page Intentionally Left Blank

➢ PITTSBURG POWER COMPANY



➢ PITTSBURG POWER COMPANY

Overview

The Pittsburg Power Company (PPC) is a municipal utility formed under the California Constitution. PPC does business in the City of Pittsburg and as Island Energy on Mare Island located in Vallejo, California. PPC develops revenue streams for the City of Pittsburg while retaining existing businesses and attracting new business. PPC has partnered with private enterprise to develop over $2 billion of industrial projects in Pittsburg since its creation in 1996.

Currently, PPC is in a number of local projects that are in the developmental stage. In addition, PPC staff is evaluating renewable energy projects to lower City of Pittsburg's annual electricity costs.

Service Levels

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

Goals

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

✓ Identify revenue opportunities for energy-related projects for sales and use tax, property tax and community benefit programs

Accomplishments

✓ Completed two cohorts for the Future Build Program in FY 16-17

✓ Provided funding for community programs including STS Academy, Farmers Market, Car Shows, Blue Festivals and California Theatre

✓ Supported research of two large prospective energy projects to be located in Pittsburg

➢ PITTSBURG POWER COMPANY – ISLAND ENERGY

Overview

Shortly 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 Navy base and part of the City of Vallejo.

Service Levels

- Provide responsive customer service and reliable utility services at competitive prices to customers throughout the service area

Goals

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

- ✓ Complete Phase 2 of the Island Energy Cable Replacement Project and related system improvements
- ✓ Evaluate new billing and metering systems and implement if cost-effective
- ✓ Support new customer growth at Island Energy to continue revenue growth

Accomplishments

- ✓ Over two miles of replacement electric cable installed in first phase of cable replacement project
- ✓ Completed mapping of Island Energy electric and gas distribution systems
- ✓ Fully complied with state mandated Renewable Portfolio Standards (RPS) requirements for second compliance period
- ✓ Reliability of electrical distribution system dramatically improved
- ✓ RFP for new metering and billing systems issued awaiting Board approval of staff vendor recommendations

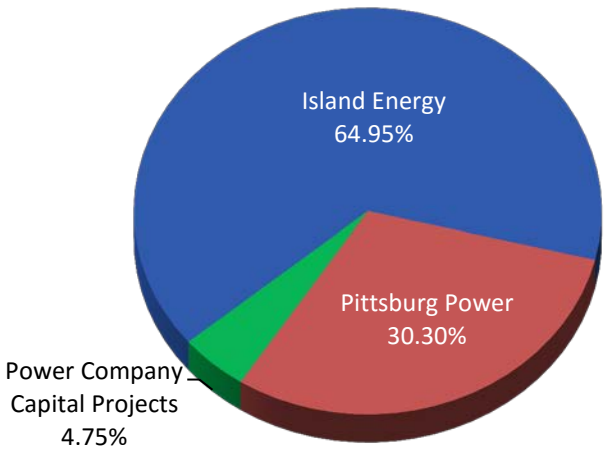
FY 2017 - 2018 FULL TIME PERSONNEL ALLOCATIONS
Pittsburg Power Company

Department/Division	FY 2015-2016 Amended Base	FY 2016-2017 Amended Base	FY 2017-2018 Adopted Base
Island Energy	10.30	10.30	10.35
Pittsburg Power	2.25	1.80	1.75
TOTAL:	**12.55**	**12.10**	**12.10**

Detailed Program Budget
Pittsburg Power Company

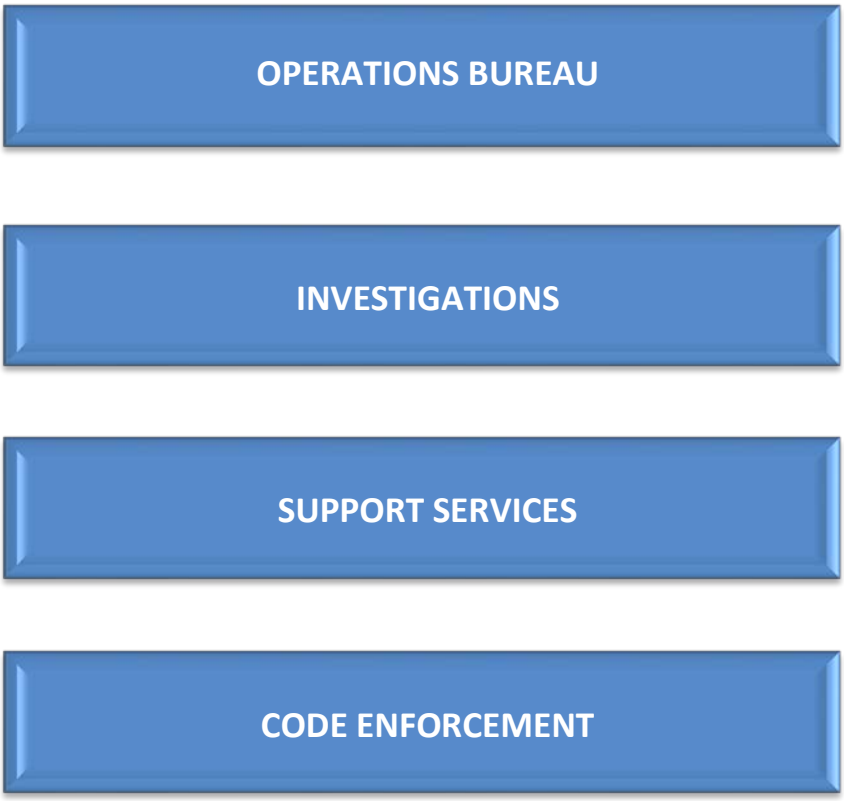
	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
AUTHORIZED POSITIONS					
Total Authorized	12.55	12.10	12.10	-	-
SOURCES OF REVENUE					
Enterprise Funds	7,449,011	8,184,670	8,161,189	(23,481)	-0.29
(Addition To)/Reduction in Fund Balance	136,895	1,241,580	(788,722)	(2,030,302)	-163.53%
TOTAL SOURCES OF REVENUE	**$ 7,585,906**	**$ 9,426,250**	**$ 7,372,467**	**$ (2,053,783)**	**-21.79 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	1,261,140	1,325,084	1,378,793	53,709	4.05
Maintenance & Operations	572,182	708,051	571,002	(137,049)	-19.36
Workers Compensation	40,455	56,677	85,080	28,403	50.11
Materials & Supplies	1,980,120	2,037,425	1,704,002	(333,423)	-16.36
Contracts & Services	1,103,411	1,890,246	1,164,559	(725,687)	-38.39
Fringe Benefits	772,772	805,940	872,460	66,520	8.25
TOTAL USES - OPERATING EXPENDITURES	$ 5,730,080	$ 6,823,423	$ 5,775,896	$ (1,047,527)	-15.35 %
USES - OTHER EXPENDITURES					
Special Items of Expense	907	5,000	1,000	(4,000)	-80.00
TOTAL USES - OTHER EXPENDITURES	$ 907	$ 5,000	$ 1,000	$ (4,000)	-80.00 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	606,422	1,397,936	80,000	(1,317,936)	-94.28
Capital Outlay - Projects	509,374	344,778	350,000	5,222	1.51
TOTAL USES - CAPITAL EXPENDITURES	$ 1,115,796	$ 1,742,714	$ 430,000	$ (1,312,714)	-75.33 %
USES - TRANSFERS-OUT					
Transfers-Out	739,123	855,113	1,165,571	310,458	36.31
TOTAL USES - TRANSFERS-OUT	$ 739,123	$ 855,113	$ 1,165,571	$ 310,458	36.31 %
TOTAL USES	**$ 7,585,906**	**$ 9,426,250**	**$ 7,372,467**	**$ (2,053,783)**	**-21.79 %**
USES BY PROGRAM RECAP					
Island Energy	4,521,023	6,029,731	4,788,388	(1,241,343)	-20.59
Pittsburg Power	2,482,916	2,292,329	2,234,079	(58,250)	-2.54
Power Company Capital Projects	581,967	1,104,190	350,000	(754,190)	-68.30
TOTAL USES BY PROGRAM RECAP	**$ 7,585,906**	**$ 9,426,250**	**$ 7,372,467**	**$ (2,053,783)**	**-21.79 %**

Pittsburg Power Company - Uses by Division



This Page Intentionally Left Blank

➢ POLICE DEPARTMENT



➢ POLICE DEPARTMENT

Overview

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

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

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

Service Levels

Operations Bureau:

- Serve in the critical capacity of first responder for approximately 90,000 calls-for-service annually
- Identify and develop solutions to community problems utilizing an array of government and community resources
- 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
- Provide proactive enforcement of the State's DUI laws, including patrol saturation and sobriety checkpoints, to ensure the highest level of roadway safety

- 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, 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

- ✓ Continue efforts to expand the Crime-Free Housing Program for local apartment complexes
- ✓ Continue progress on reducing crime rates
- ✓ Continue specialized enforcement to prevent acts of violence and reduce gang activity

- ✓ Continue interdepartmental code enforcement effort to reduce blight throughout the City

- ✓ Enhance sex offender registration program to enhance compliance with offender registration and notification
- ✓ Increase homeless outreach efforts
- ✓ Assist the District Attorney's Office with establishing a Focus Deterrence, or Ceasefire Program in Central and Eastern Contra Costa County
- ✓ Enhance the workflow of our current report writing and Record Management Systems
- ✓ Enhance/Expand the Department's Professional Standards Unit
- ✓ Focused effort on reducing mail theft
- ✓ Focused effort on reducing auto vs. pedestrian traffic collisions

Accomplishments

- ✓ Camera installation along Highway 4 to prevent violent crime
- ✓ Expanded social media to facilitate the dissemination of news and community events
- ✓ Continued assignment of two full-time police officers to Homeless Outreach and Mental Health Outreach
- ✓ Continued partnership with Police Activities League (PAL) to include 3-on-3 youth basketball tournament and SAT high school study sessions

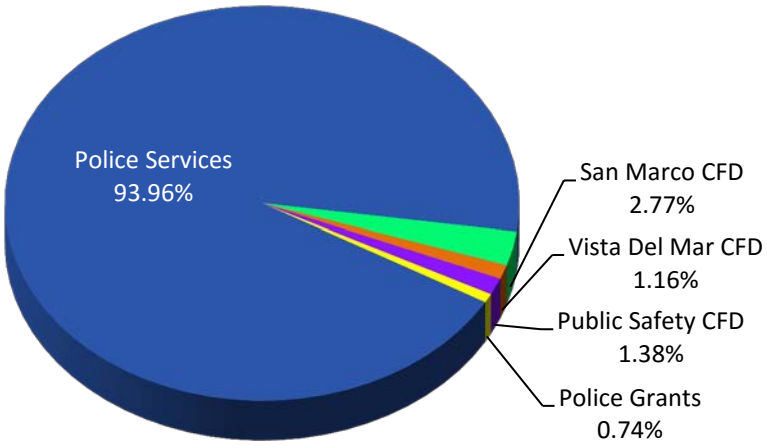
FY 2017 - 2018 FULL TIME PERSONNEL ALLOCATIONS
Police Department

Department/Division	FY 2015-2016 Amended Base	FY 2016-2017 Amended Base	FY 2017-2018 Adopted Base
Police - Admin & Support Services	2.00	3.00	3.00
Police - Operations Bureau	69.50	60.57	62.50
Police - Investigations	12.50	18.30	17.30
Police - Support Services	12.80	15.00	15.00
Police - Family Justice Center	0.00	0.20	0.20
San Marco Police CFD 2004-1	3.04	2.93	2.98
Vista Del Mar CFD 2005-2	0.85	1.71	1.39
Public Safety Service CFD 2005	1.11	1.29	1.63
TOTAL:	**101.80**	**103.00**	**104.00**

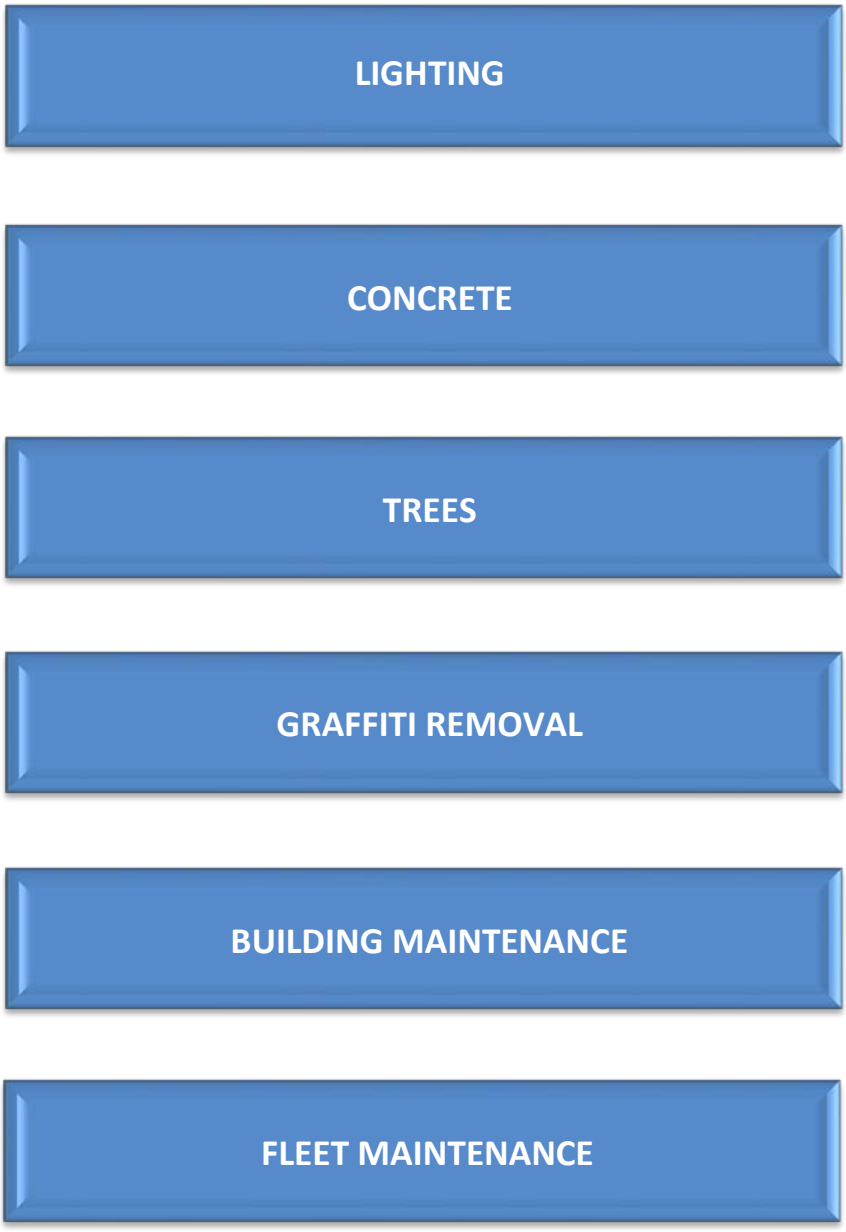
Detailed Program Budget
Police Department

	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
AUTHORIZED POSITIONS					
Total Authorized	101.80	103.00	104.00	1.00	0.97%
SOURCES OF REVENUE					
General Fund	22,848,402	24,595,732	25,106,625	510,893	0.58
Special Revenue Funds	1,620,267	1,491,254	1,766,230	274,976	18.44
(Addition To)/Reduction in Fund Balance	82,821	742,346	(150,902)	(893,248)	-2.22
TOTAL SOURCES OF REVENUE	**$ 24,551,490**	**$ 26,829,332**	**$ 26,721,953**	**$ (107,379)**	**-0.40 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	11,394,307	12,333,378	12,247,801	(85,577)	-0.69
Maintenance & Operations	1,911,068	2,040,796	2,199,985	159,189	7.80
Workers Compensation	358,382	628,675	746,397	117,722	18.73
Materials & Supplies	301,441	276,744	241,630	(35,114)	-12.69
Contracts & Services	2,300,555	2,277,337	2,326,590	49,253	2.16
Fringe Benefits	7,789,068	8,417,601	8,477,568	59,967	0.71
TOTAL USES - OPERATING EXPENDITURES	$ 24,054,821	$ 25,974,531	$ 26,239,971	$ 265,440	1.02 %
USES - OTHER EXPENDITURES					
Special Items of Expense	-	32,581	-	(32,581)	-100.00
TOTAL USES - OTHER EXPENDITURES	$ -	$ 32,581	$ -	$ (32,581)	-100.00 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	360,854	612,092	270,000	(342,092)	-55.89
TOTAL USES - CAPITAL EXPENDITURES	$ 360,854	$ 612,092	$ 270,000	$ (342,092)	-55.89 %
USES - TRANSFERS-OUT					
Transfers-Out	135,815	210,128	211,982	1,854	0.88
TOTAL USES - TRANSFERS-OUT	$ 135,815	$ 210,128	$ 211,982	$ 1,854	0.88 %
TOTAL USES	**$ 24,551,490**	**$ 26,829,332**	**$ 26,721,953**	**$ (107,379)**	**-0.40 %**
USES BY PROGRAM RECAP					
Police Services	22,848,402	24,595,732	25,106,625	510,893	2.08
San Marco CFD	738,702	739,297	740,467	1,170	0.16
Vista Del Mar CFD	189,038	370,982	309,109	(61,873)	-16.68
Public Safety CFD	261,030	306,821	368,752	61,931	20.18
Asset Forfeitures	22,073	-	-	-	-100.00
Police Grants	492,245	816,500	197,000	(619,500)	-75.87
TOTAL USES BY PROGRAM RECAP	**$ 24,551,490**	**$ 26,829,332**	**$ 26,721,953**	**$ (107,379)**	**-0.40 %**

Police Department - Uses by Division



➢ PUBLIC WORKS – MAINTENANCE SERVICES



➢ PUBLIC WORKS - MAINTENANCE SERVICES

Overview

The Public Works Department is responsible for the operation and/or maintenance of City facilities and infrastructure. The Public Works Maintenance Services Department maintains within the limits of respective budgets all City streets, storm drains, 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, traffic signals, and storm drain facilities

Citywide Street Lighting:

- Perform Citywide monthly nighttime street light inspections including inspections of City owned parking lots and facilities to identify inoperative or malfunctioning lights
- Replace City owned light poles damaged by vehicular accidents
- Prepare and forward to PG&E a list of non-operable PG&E maintained streetlights requiring repair, and monitor these streetlights for compliance
- Construct and install a limited number of new streetlight poles in areas that do not have efficient lighting in order to resolve customer complaints pertaining to City rights-of-way, parking lots and streets including the use of solar powered street lights to reduce electrical power consumption and operating costs

- Repair underground electrical conductors and replace conductors stolen by thieves taking the wire for scrap/recycling value

Concrete:

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

Street Trees:

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

Graffiti Removal:

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

Goals

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

- ✓ Continue LED retrofit of lighted street signs and existing light poles
- ✓ Remove/replace street trees that damage sidewalks, streets and medians to increase safety, reduce repairs

Citywide Goal 3 – Improve Public Facilities and Infrastructure

- ✓ Convert existing traffic loops at traffic signal intersections to video detection system to increase reliability

Accomplishments

- ✓ Installed and tested video camera systems at 6 various locations of the 62 signalized intersections reducing in-ground pavement and maintenance issues, thereby increasing safety with more reliable equipment/video recording and providing useful data for traffic and the police department
- ✓ Staff continued to upgrade/retrofit all buildings and most park lighting to LED's to reduce energy costs and increase safety. Specifically the Corporation yard and Buchanan Park
- ✓ Worked with the Police Department and Caltrans to install traffic cameras on Highway 4 to help combat crime on the freeway
- ✓ Continued successful graffiti abatement program and responding within 24 hours on weekdays

➢ PUBLIC WORKS – BUILDING MAINTENANCE

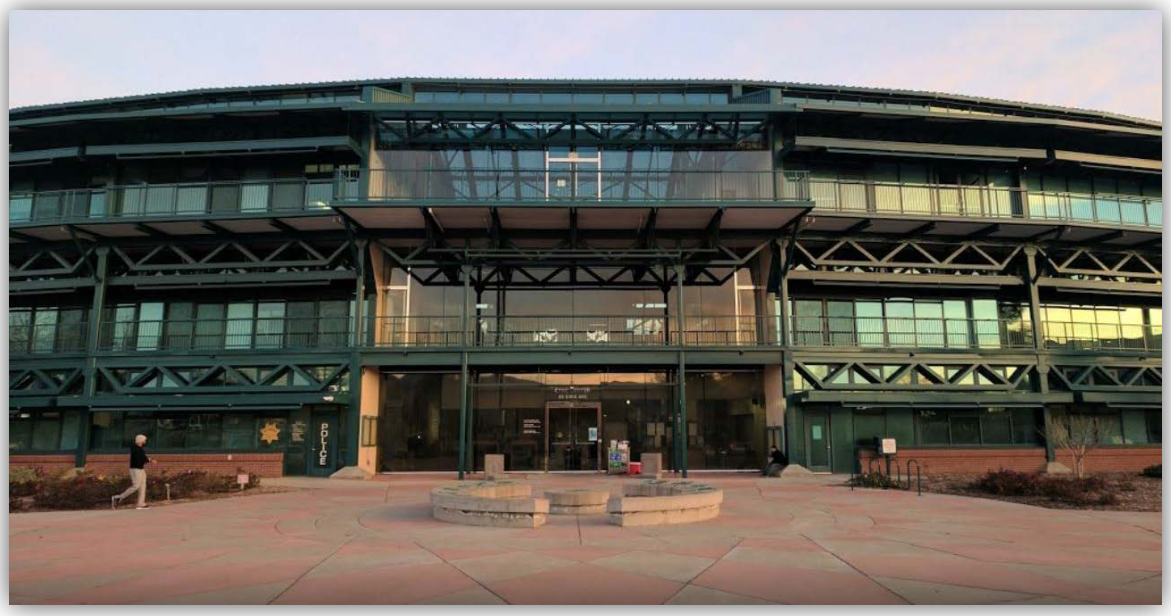
Overview

Building Maintenance maintains and/or oversees maintenance and service contracts for all or part of 23 City 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, the 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, the Civic Center lobby area and Council Chambers for various events, plumbing repair and maintenance, vector control (i.e., pigeon waste removal), minor painting and roof repairs
- Assist other departments with respective property management, projects, and building maintenance needs

Goals

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

- ✓ Continue LED retrofit of buildings and other energy reducing improvements to reduce costs of City buildings

Accomplishments

- ✓ Completed the City Hall Chiller Replacement Project reducing energy consumption and better control of system cooling

➢ PUBLIC WORKS – FLEET MAINTENANCE

Overview

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

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

Service Levels

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

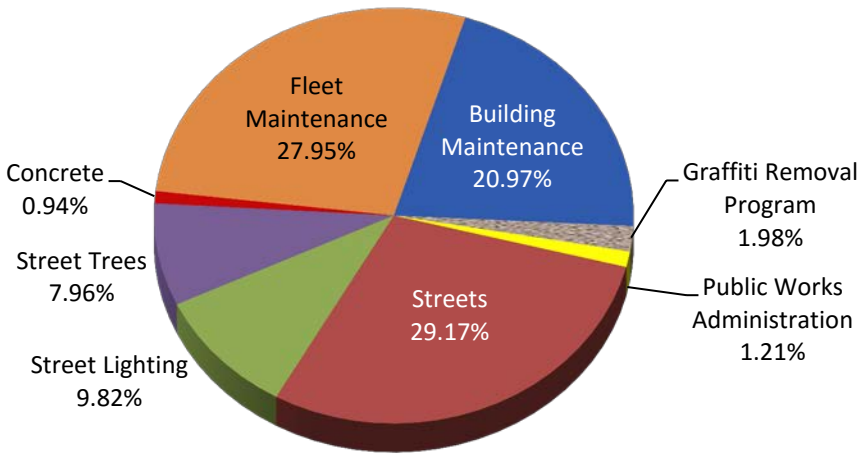
FY 2017 - 2018 FULL TIME PERSONNEL ALLOCATIONS
Public Works - Maintenance Services

Department/Division	FY 2015-2016 Amended Base	FY 2016-2017 Amended Base	FY 2017-2018 Adopted Base
Graffiti Removal Program	1.15	1.15	1.15
Public Works/Streets	11.80	11.70	11.95
Citywide Street Lighting	1.30	1.30	1.30
Citywide Street Trees	1.70	2.70	2.70
Citywide Concrete Program	0.25	0.25	0.25
NPDES - Storm Drain Clean-Up	1.90	2.90	2.75
Fleet Maintenance	3.60	3.60	3.45
Building Maintenance	4.30	4.30	4.15
TOTAL:	**26.00**	**27.90**	**27.70**

Detailed Program Budget
Public Works – Maintenance Services

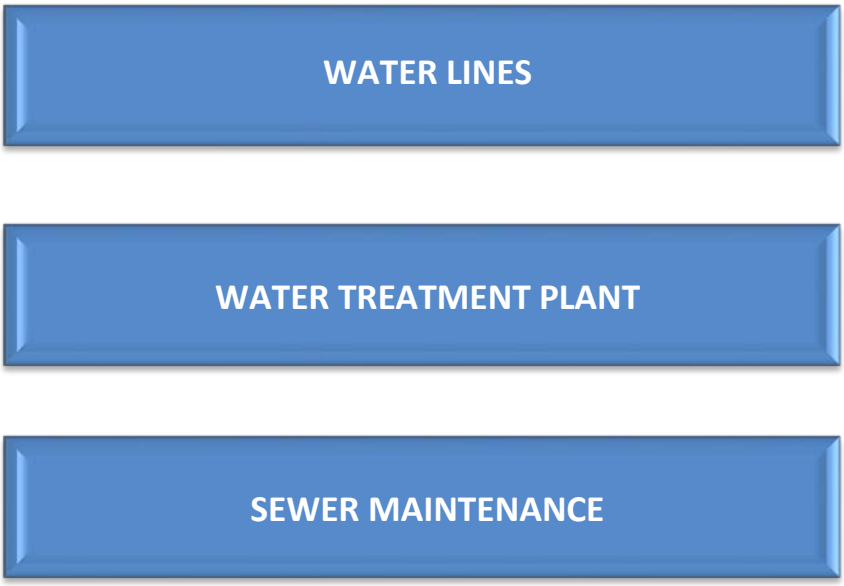
	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
AUTHORIZED POSITIONS					
Total Authorized	26.00	27.90	27.70	(0.20)	-0.72%
SOURCES OF REVENUE					
General Fund	1,773,715	1,797,105	1,823,016	25,911	1.44
Internal Service Funds	3,226,455	3,935,599	4,071,104	135,505	3.44
Special Revenue Funds	3,982,615	3,992,778	4,084,136	91,358	2.29
(Addition To)/Reduction in Fund Balance	(2,443,131)	(1,213,181)	(1,789,610)	(576,429)	47.52%
TOTAL SOURCES OF REVENUE	**$ 6,539,654**	**$ 8,512,301**	**$ 8,188,646**	**$ (323,655)**	**-3.80 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	1,646,648	1,915,992	1,995,777	79,785	4.16
Maintenance & Operations	1,651,129	1,836,923	1,965,980	129,057	7.03
Workers Compensation	53,357	91,648	123,976	32,328	35.27
Materials & Supplies	959,219	1,077,931	1,043,550	(34,381)	-3.19
Contracts & Services	595,045	884,814	731,312	(153,502)	-17.35
Fringe Benefits	1,328,132	1,479,270	1,412,037	(67,233)	-4.55
TOTAL USES - OPERATING EXPENDITURES	$ 6,233,530	$ 7,286,578	$ 7,272,632	$ (13,946)	-0.19 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	186,269	1,130,265	786,460	(343,805)	-30.42
TOTAL USES - CAPITAL EXPENDITURES	$ 186,269	$ 1,130,265	$ 786,460	$ (343,805)	-30.42 %
USES - TRANSFERS-OUT					
Transfers-Out	119,855	95,458	129,554	34,096	35.72
TOTAL USES - TRANSFERS-OUT	$ 119,855	$ 95,458	$ 129,554	$ 34,096	35.72 %
TOTAL USES	**$ 6,539,654**	**$ 8,512,301**	**$ 8,188,646**	**$ (323,655)**	**-3.80 %**
USES BY PROGRAM RECAP					
Public Works Administration	66,518	103,636	98,702	(4,934)	-4.76
Streets	2,013,466	2,323,672	2,388,517	64,845	2.79
Street Lighting	824,482	780,591	804,366	23,775	3.05
Street Trees	414,390	524,474	652,063	127,589	24.33
Concrete	84,393	101,031	77,330	(23,701)	-23.46
Fleet Maintenance	1,588,560	2,178,016	2,288,514	110,498	5.07
Building Maintenance	1,405,271	2,354,827	1,717,313	(637,514)	-27.07
Graffiti Removal Program	142,574	146,054	161,841	15,787	10.81
TOTAL USES BY PROGRAM RECAP	**$ 6,539,654**	**$ 8,512,301**	**$ 8,188,646**	**$ (323,655)**	**-3.80 %**

Public Works Maintenance Services
Uses by Division



This Page Intentionally Left Blank

➢ PUBLIC WORKS – WATER AND SEWER SYSTEM ENTERPRISES



➢ PUBLIC WORKS – WATER AND SEWER SYSTEM ENTERPRISES – WATER

Overview

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

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

Service Levels

Water Lines:

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

Water Treatment Plant:

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

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

Goals

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

- ✓ Evaluate additional cost saving potential at Water Treatment Plant

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Continue with Year 6 of program to install Automatic Meter Reading System
- ✓ Continue construction of Water Treatment Plant modifications to improve water taste and treatment capabilities
- ✓ Complete full audit of City's water treatment and delivery system

- ✓ Evaluate and implement conversion of PW lead position to Supervisor to meet demand of increased technology and regulatory demand of Water Division

Accomplishments

- ✓ Rebuilding two large pumps at water treatment plant for higher efficiencies
- ✓ Completed 5th year of installation of conversion to Automatic Meter Reading System to improve accuracy and efficiency of meter reading. Over 9,800 (54%) meters, out of 18,200, have been converted to AMR
- ✓ Completed construction of larger well as a replacement for Rossmoor Well
- ✓ Near completion of second phase Water Treatment Plant modifications to improve water taste and treatment capabilities

➢ PUBLIC WORKS – WATER AND SEWER SYSTEM ENTERPRISES – SEWER

Overview

Sewer Maintenance is responsible for the maintenance and repair of 174 miles of sewer mains, two sewer lift stations and 17,000 sewer laterals (80 miles) within the City of Pittsburg rights-of-way.

Service Levels

- Provide cleaning for 154 miles of sewer mains and manholes in the sewer system by rotating through four maintenance zones each year as part of a comprehensive Preventative Maintenance Program (PMP). Routine work includes root cutting and video inspections of main lines and laterals. New CCTV truck should help pinpoint problems and chronic areas providing crews with information to make maintenance more efficient

- Provide preventative cleaning for 20 miles of problem sewer lines that have been identified with chronic or regularly reoccurring problems. Chronic sewer line problems result in increased operating costs, but this added maintenance on weekly, monthly or quarterly basis is intended to prevent overflows until these lines can be replaced as part of a Capital Improvement Program project
- The City has responsibility for repairs and/or replacement for sewer laterals within the City's right-of-way (lower laterals). City staff responds to lateral blockages and conducts video inspections and schedules repair or replacement if problem is in the lower lateral

Goals

Citywide Goal 1 – Achieve and Maintain Structurally Balanced Budget

- ✓ Evaluate cost savings opportunities in the Sewer Division

Citywide Goal 5- Increase efficiency of City Operations and Services

- ✓ Use new CCTV truck to evaluate 25,000 linear feet of sewer and storm drain pipe to help increase efficiency of our Preventative Maintenance Program

Accomplishments

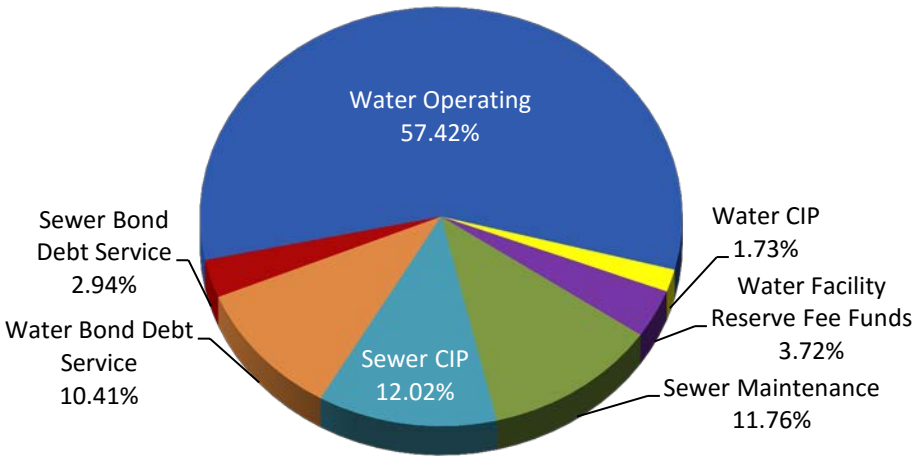
- ✓ Repaired 24 lower sewer laterals
- ✓ Root-foamed 16,400 feet of problem sewer line to reduce potential for sewer back-up
- ✓ Evaluated 3.1 miles of sewer lines with CCTV truck to identify mainline problems

FY 2017 - 2018 FULL TIME PERSONNEL ALLOCATIONS
Public Works - Water and Sewer Systems Enterprises

Department/Division	FY 2015-2016 Amended Base	FY 2016-2017 Amended Base	FY 2017-2018 Adopted Base
Water Operating	30.05	31.15	32.10
Sewer Maintenance	9.55	9.65	8.90
TOTAL:	**39.60**	**40.80**	**41.00**

	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
AUTHORIZED POSITIONS					
Total Authorized	39.60	40.80	42.00	1.20	2.94%
SOURCES OF REVENUE					
Capital Projects Funds	30,867	-	-	-	-100.00
Debt Service	454,072	260,792	276,510	15,718	6.03
Enterprise Funds	32,317,100	71,510,920	27,327,667	(44,183,253)	-61.79
(Addition To)/Reduction in Fund Balance	(3,265,053)	25,431,293	(158,103)	(25,589,396)	100.62
TOTAL SOURCES OF REVENUE	**$ 29,536,986**	**$ 97,203,005**	**$ 27,446,074**	**$ (69,756,931)**	**-71.76 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	3,270,031	3,621,364	3,860,082	238,718	6.59
Maintenance & Operations	2,328,919	2,578,037	2,931,404	353,367	13.71
Workers Compensation	104,723	148,708	237,014	88,306	59.38
Materials & Supplies	6,251,727	7,178,566	7,288,700	110,134	1.53
Contracts & Services	549,643	717,298	411,564	(305,734)	-42.62
Fringe Benefits	2,206,218	2,461,869	2,757,272	295,403	12.00
TOTAL USES - OPERATING EXPENDITURES	$ 14,711,261	$ 16,705,842	$ 17,486,036	$ 780,194	4.67 %
USES - OTHER EXPENDITURES					
Special Items of Expense	-	-	-	-	-100.00
Debt Service	3,807,001	40,628,793	3,663,120	(36,965,673)	-90.98
TOTAL USES - OTHER EXPENDITURES	$ 3,807,001	$ 40,628,793	$ 3,663,120	$ (36,965,673)	-90.98 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	472,269	353,716	90,000	(263,716)	-74.56
Capital Outlay - Projects	5,481,858	26,904,639	3,775,000	(23,129,639)	-85.97
TOTAL USES - CAPITAL EXPENDITURES	$ 5,954,127	$ 27,258,355	$ 3,865,000	$ (23,393,355)	-85.82 %
USES - TRANSFERS-OUT					
Transfers-Out	5,064,597	12,610,015	2,431,918	(10,178,097)	-80.71
TOTAL USES - TRANSFERS-OUT	$ 5,064,597	$ 12,610,015	$ 2,431,918	$ (10,178,097)	-80.71 %
TOTAL USES	**$ 29,536,986**	**$ 97,203,005**	**$ 27,446,074**	**$ (69,756,931)**	**-71.76 %**
USES BY PROGRAM RECAP					
Water Operating	15,010,727	21,005,866	15,758,769	(5,247,097)	-24.98
Water CIP	4,365,809	7,391,714	475,000	(6,916,714)	-93.57
Water Facility Reserve Fee Funds	2,819,875	11,968,483	1,020,510	(10,947,973)	-91.47
Sewer Maintenance	2,629,288	3,193,495	3,228,675	35,180	1.10
Sewer CIP	117,657	9,799,170	3,300,000	(6,499,170)	-66.32
Sewer Facility Reserve Fee Funds	-	133,113	-	(133,113)	-100.00
Water Bond Debt Service	3,788,166	42,894,393	2,856,852	(40,037,541)	-93.34
Sewer Bond Debt Service	805,464	816,771	806,268	(10,503)	-1.29
TOTAL USES BY PROGRAM RECAP	**$ 29,536,986**	**$ 97,203,005**	**$ 27,446,074**	**$ (69,756,931)**	**-71.76 %**

Water and Sewer Enterprises - Uses by Division



This Page Intentionally Left Blank

➢ RECREATION AND PARKS

AQUATICS

CITYWIDE LANDSCAPE

SENIOR CENTER

SMALL WORLD PARK

SWIM CENTER MAINTENANCE

CALIFORNIA THEATRE

➢ RECREATION AND PARKS

Overview

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

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

The Landscape Division is dedicated to enhancing the quality of life for the citizens and visitors of our community by providing a level of grounds care and customer service that promotes a positive community image. The Landscape Division strives to present a park system that is well maintained, comfortable, safe, and encourages our citizenry to spend quality leisure time therein.

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 event

Citywide Landscape:

- Responsible for the grounds care of municipal landscaping that includes:

  Parks – 149.2 acres
  Medians – 66.12 acres
  Right-of-Ways – 16.5 acres
  Facilities – 12.8 acres

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

Swim Center Maintenance:

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

Senior Center:

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

Goals

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

- ✓ Continue park improvement projects with assistance of volunteer organizations and non-profits such as FutureBuild and Boy Scouts of America
- ✓ Continue to seek Federal, State, County and private foundation grants to support recreation programs.
- ✓ Continue to seek additional sources of supplemental labor and continue current sources to compliment City's landscape maintenance efforts
- ✓ Increase revenues through facility rentals and programming

Citywide Goal 3 – Improve Public Facilities and Infrastructure

- ✓ Use Park Dedication Funds and grants, continue to upgrade park infrastructure, particularly playgrounds in neighborhood parks
- ✓ Seek capital funding for multi-year effort to prune old growth park and street trees

Citywide Goal 5 – Increase Efficiency of City Operations and Services

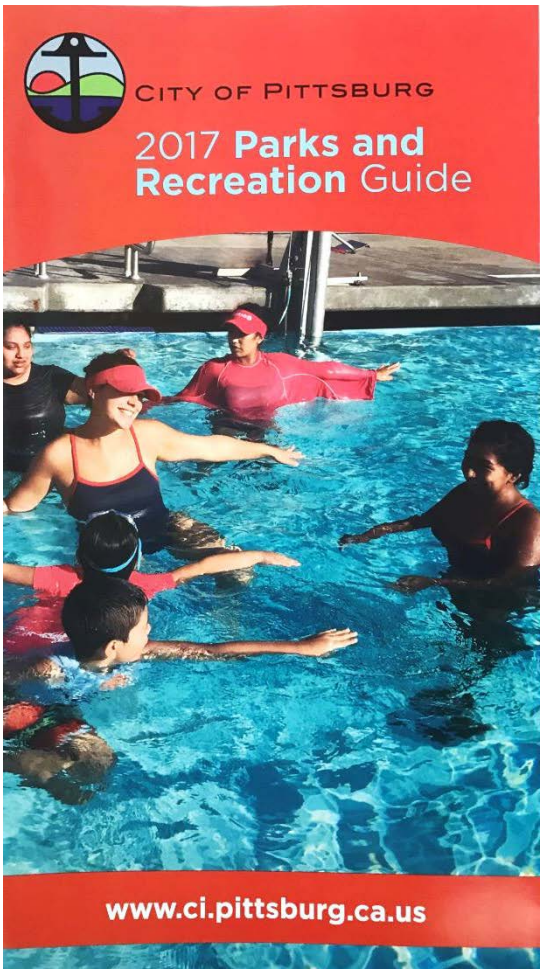
- ✓ Explore feasibility of contract maintenance of medians and City right-of-way areas
- ✓ Improve the process for facility rentals

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

- ✓ Expand partnership with local non-profits which focus on providing recreation and personal development programs
- ✓ Sponsor or support a variety of community public events
- ✓ Collaborate with internal divisions and outside organizations to offer additional recreation programming
- ✓ Continue to invest in youth programming and support services

Accomplishments

- ✓ Increased Farmers' Market attendance by 15%
- ✓ Replaced two play structures at John Henry Johnson Park
- ✓ Rebuilt the shade structure at Stoneman South Trailhead Park
- ✓ Began hosting Pittsburg High School Swim Team at Buchanan Aquatic Center
- ✓ Hosted a successful Blues Festival on the Marina Green
- ✓ Re-painted the Environmental Center building complex
- ✓ Programmed nature hikes and educational tours in Kirker Creek
- ✓ Publication of a comprehensive activity guide promoting Recreation Department programming



➢ CALIFORNIA THEATRE

Overview

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

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

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

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

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

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

Service Levels

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

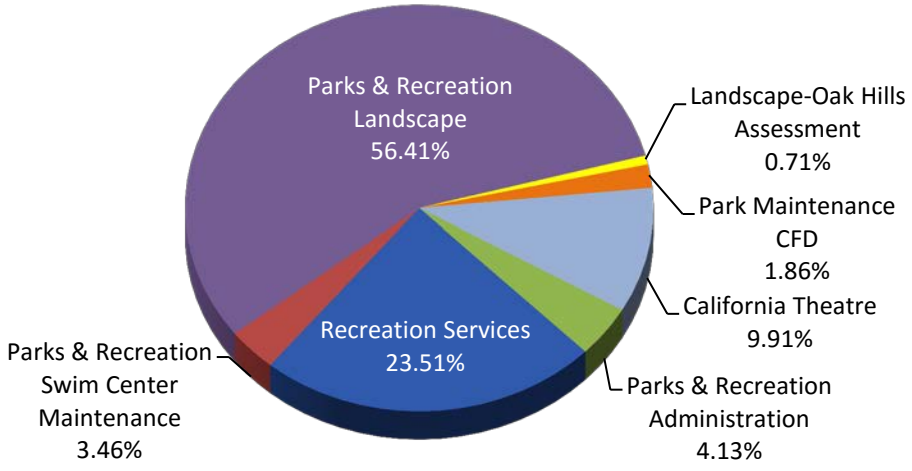
FY 2017 - 2018 FULL TIME PERSONNEL ALLOCATIONS
Recreation and Parks

Department/Division	FY 2015-2016 Amended Base	FY 2016-2017 Amended Base	FY 2017-2018 Adopted Base
Recreation - Admin	0.00	0.00	0.75
Recreation - Sports	1.15	1.15	1.15
Recreation - Senior Center	2.00	2.00	2.00
Citywide Landscape	9.89	9.64	9.64
Park Maintenance CFD 2007-1	0.36	0.36	0.36
TOTAL:	**13.40**	**13.15**	**13.90**

Detailed Program Budget
Recreation and Parks

	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
AUTHORIZED POSITIONS					
Total Authorized	13.40	13.15	13.90	0.75	5.70%
SOURCES OF REVENUE					
General Fund	834,971	783,525	863,994	80,469	10.27
Special Revenue Funds	556,139	587,893	657,274	69,381	11.80
(Addition To)/Reduction in Fund Balance	2,822,506	3,239,257	3,017,769	(221,488)	-6.84
TOTAL SOURCES OF REVENUE	**$ 4,213,616**	**$ 4,610,675**	**$ 4,539,037**	**$ (71,638)**	**-1.55 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	1,512,379	1,708,295	1,580,023	(128,272)	-7.51
Maintenance & Operations	1,077,487	1,172,303	1,124,884	(47,419)	-4.04
Workers Compensation	49,207	83,715	104,923	21,208	25.33
Materials & Supplies	316,293	315,639	303,409	(12,230)	-3.87
Contracts & Services	529,427	540,772	638,359	97,587	18.05
Fringe Benefits	723,390	773,690	782,529	8,839	1.14
TOTAL USES - OPERATING EXPENDITURES	$ 4,208,183	$ 4,594,414	$ 4,534,127	$ (60,287)	-1.31 %
USES - OTHER EXPENDITURES					
Special Items of Expense	4,993	4,000	4,000	-	-
TOTAL USES - OTHER EXPENDITURES	$ 4,993	$ 4,000	$ 4,000	$ -	0.00 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	174	11,500	-	(11,500)	-100.00
TOTAL USES - CAPITAL EXPENDITURES	$ 174	$ 11,500	$ -	$ (11,500)	-100.00 %
USES - TRANSFERS-OUT					
Transfers-Out	266	761	910	149	19.58
TOTAL USES - TRANSFERS-OUT	$ 266	$ 761	$ 910	$ 149	19.58 %
TOTAL USES	**$ 4,213,616**	**$ 4,610,675**	**$ 4,539,037**	**$ (71,638)**	**-1.55 %**
USES BY PROGRAM RECAP					
Recreation & Parks Administration	135,703	125,021	187,317	62,296	49.83
Recreation Services	876,891	998,040	1,067,214	69,174	6.93
Parks & Recreation - Swim Center Maint.	120,267	126,816	157,120	30,304	23.90
Parks & Recreation - Landscape	2,637,283	2,827,036	2,560,620	(266,416)	-9.42
Landscape - Oak Hills Assessment	25,310	32,406	32,406	-	-
Park Maintenance CFD	56,620	81,129	84,328	3,199	3.94
Recreation Grants	8,832	18,097	-	(18,097)	-100.00
California Theatre	352,710	402,130	450,032	47,902	11.91
TOTAL USES BY PROGRAM RECAP	**$ 4,213,616**	**$ 4,610,675**	**$ 4,539,037**	**$ (71,638)**	**-1.55 %**

Parks and Recreation - Uses by Division



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

SUCCESSOR AGENCY ADMINISTRATION

SUCCESSOR AGENCY DEBT SERVICE

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

Overview

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

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

Service Levels

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

Goals

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

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

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

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

- ✓ Administer and continue funding the Housing Rehabilitation Loan Program which preserves existing homes
- ✓ Administer and fund the 1st Time Home Buyer Program which provides home ownership opportunities

Citywide Goal 5 – Increase Efficiency of City Operations and Services

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

Accomplishments

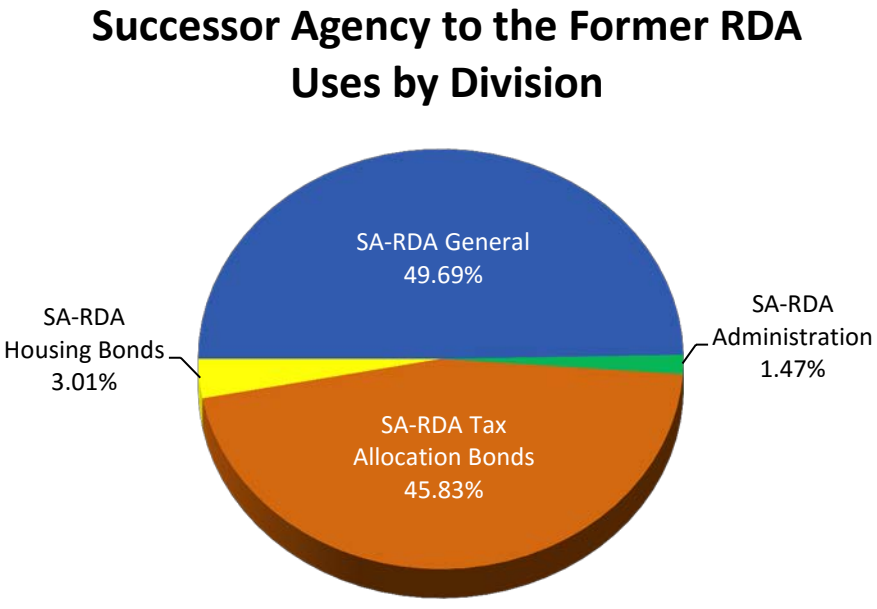
- ✓ To date, eight (8) properties have been sold for approximately $2.95m
- ✓ Thirty-six (36) properties are at various stages of disposition for a value of approximately $2.92m

FY 2017 - 2018 FULL TIME PERSONNEL ALLOCATIONS
Successor Agency to Former Redevelopment Agency

Department/Division	FY 2015-2016 Amended Base	FY 2016-2017 Amended Base	FY 2017-2018 Adopted Base
Successor Agency Administration	1.10	1.10	1.10
TOTAL:	**1.10**	**1.10**	**1.10**

Detailed Program Budget
Successor Agency to Former RDA

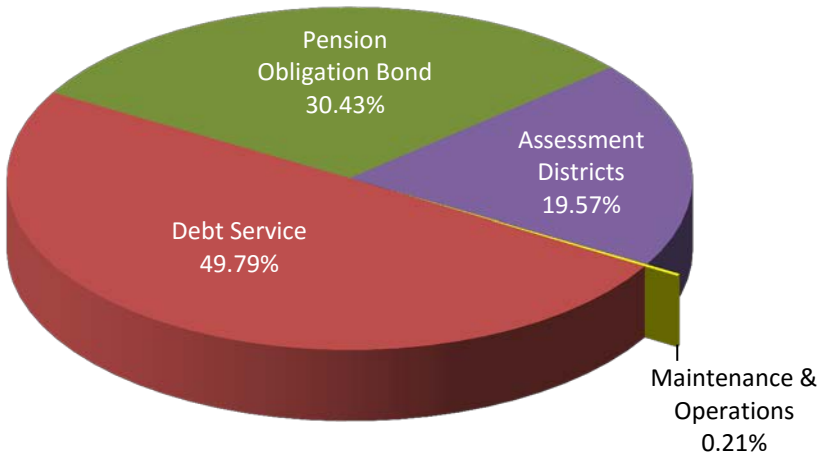
	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
AUTHORIZED POSITIONS					
Total Authorized	1.10	1.10	1.10	-	-
SOURCES OF REVENUE					
Capital Projects Funds	50,176	528,536	-	(528,536)	-100.00
Debt Service	259,683,672	32,476,043	33,786,730	1,310,687	4.04
Redevelopment Agency	47,220,980	33,043,068	34,060,962	1,017,894	3.08
(Addition To)/Reduction in Fund Balance	(7,887,371)	237,611	(144,431)	(382,042)	-160.79
TOTAL SOURCES OF REVENUE	**$ 299,067,457**	**$ 66,285,258**	**$ 67,703,261**	**$ 1,418,003**	**2.14 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	161,160	202,708	180,717	(21,991)	-10.85
Maintenance & Operations	25,508	53,870	27,514	(26,356)	-48.93
Workers Compensation	5,291	7,406	11,294	3,888	52.50
Materials & Supplies	142	450	1,400	950	211.11
Pass Through Payments	2,930,631	-	-	-	-100.00
Contracts & Services	123,329	127,718	691,040	563,322	441.07
Fringe Benefits	73,668	80,218	86,192	5,974	7.45
TOTAL USES - OPERATING EXPENDITURES	$ 3,319,729	$ 472,370	$ 998,157	$ 525,787	111.31 %
USES - OTHER EXPENDITURES					
Debt Service	39,066,228	32,401,344	32,988,429	587,085	1.81
TOTAL USES - OTHER EXPENDITURES	$ 39,066,228	$ 32,401,344	$ 32,988,429	$ 587,085	1.81 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Projects	42,774	452,054	-	(452,054)	-100.00
TOTAL USES - CAPITAL EXPENDITURES	$ 42,774	$ 452,054	$ -	$ (452,054)	-100.00 %
USES - TRANSFERS-OUT					
Transfers-Out	256,638,726	32,959,490	33,716,675	757,185	2.30
TOTAL USES - TRANSFERS-OUT	$ 256,638,726	$ 32,959,490	$ 33,716,675	$ 757,185	2.30 %
TOTAL USES	**$ 299,067,457**	**$ 66,285,258**	**$ 67,703,261**	**$ 1,418,003**	**2.14 %**
USES BY PROGRAM RECAP					
SA-RDA General	43,548,627	32,345,988	33,641,675	1,295,687	4.01
SA-RDA Administration	3,312,325	395,888	998,157	602,269	152.13
SA-RDA Capital Projects Fund	50,178	528,536	-	(528,536)	-100.00
SA-RDA Tax Allocation Bonds	236,307,520	30,845,747	31,026,326	180,579	0.59
SA-RDA Housing Bonds	15,848,807	2,169,099	2,037,103	(131,996)	-6.09
TOTAL USES BY PROGRAM RECAP	**$ 299,067,457**	**$ 66,285,258**	**$ 67,703,261**	**$ 1,418,003**	**2.14 %**



Detailed Program Budget
Debt Service

	2015-16 Actual	2016-17 Amended Budget	2017-18 Adopted Budget	Change from 2016-17	% Change
AUTHORIZED POSITIONS					
Total Authorized	-	-	-	-	-
SOURCES OF REVENUE					
Debt Service	8,550,768	8,576,674	8,271,583	(305,091)	-3.56
(Addition To)/Reduction In Fund Balance	(1,475,101)	(921,809)	(1,091,870)	(170,061)	-0.19
TOTAL SOURCES OF REVENUE	**$ 8,550,768**	**$ 7,654,865**	**$ 7,179,713**	**$ (475,152)**	**-6.21 %**
USES - OPERATING EXPENDITURES					
Maintenance & Operations	28,904	30,060	30,661	601	2.00
Contracts & Services	-	707	-	(707)	-100.00
TOTAL USES - OPERATING EXPENDITURES	$ 28,904	$ 30,767	$ 30,661	$ (106)	-0.34 %
USES - OTHER EXPENDITURES					
Debt Service	7,046,763	7,623,553	7,149,052	(474,501)	-6.21
TOTAL USES - OTHER EXPENDITURES	$ 7,046,763	$ 7,623,553	$ 7,149,052	$ (474,501)	-6.21 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Projects	-	545	-	(545)	-100.00
TOTAL USES - CAPITAL EXPENDITURES	$ -	$ 545	$ -	$ (545)	-100.00 %
TOTAL USES	**$ 7,075,667**	**$ 7,654,865**	**$ 7,179,713**	**$ (475,152)**	**-6.21 %**
USES BY PROGRAM RECAP					
Pension Obligation Bond	4,746,907	4,854,654	4,370,018	(484,636)	-9.98
Assessment Districts	2,328,760	2,800,211	2,809,695	9,484	0.34
TOTAL USES BY PROGRAM RECAP	**$ 7,075,667**	**$ 7,654,865**	**$ 7,179,713**	**$ (475,152)**	**-6.21 %**

Debt Service - Uses by Division



➢ CAPITAL OUTLAY - PROJECTS

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

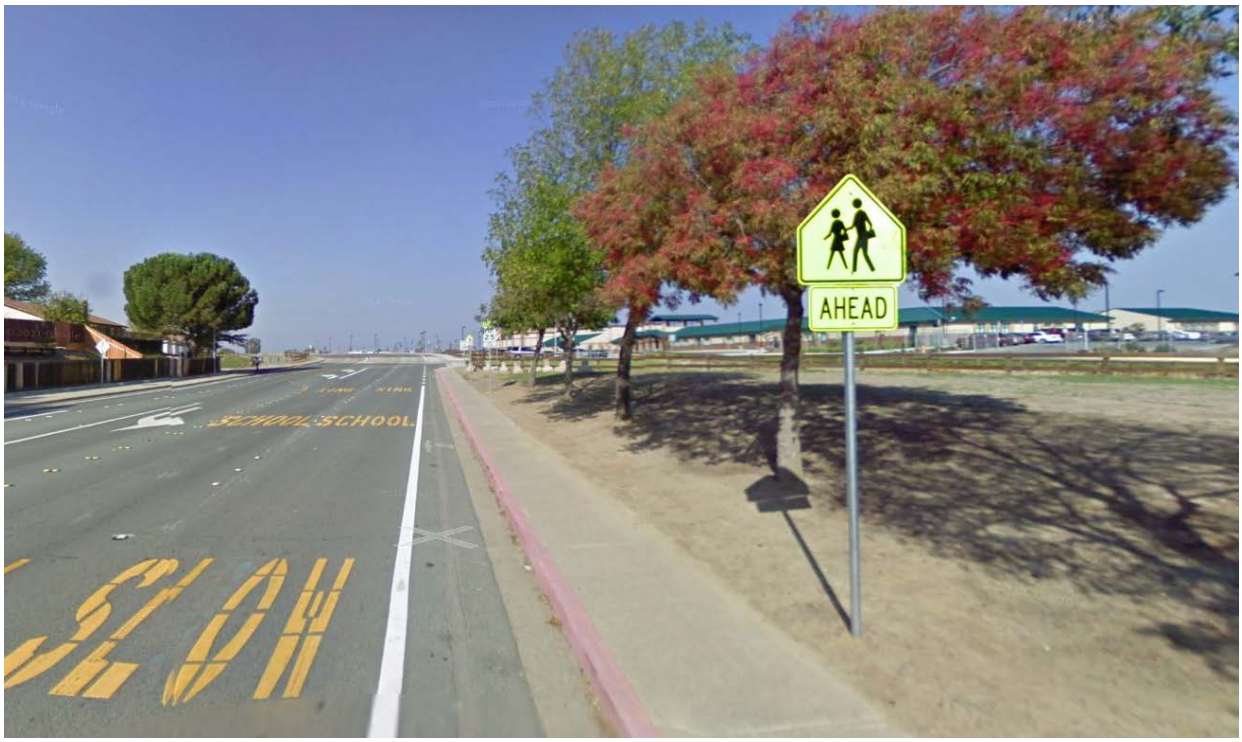
- Elimination of potentially hazardous or unsafe conditions and potential liability
- Replacement of high-maintenance, inefficient or ineffective infrastructure
- Improvement to and/or creation of new services to the public
- Compliance with regulatory requirements and mandates
- Stimulation of local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

New Capital Project Funding for FY 2017/18

Project Name	Funding Source	Prior Allocations	New Allocation FY 2017/18
2017/18 Traffic Calming Project	Gas Tax	$ -	$ 100,000
BART Station Parking Strategy and Signage	Gas Tax	-	100,000
2017/18 Citywide Pavement Management Project	Gas Tax	-	300,000
2017/18 Traffic Signal Modification Project	Gas Tax	-	135,000
2017/18 Water Treatment Plant Capital Repairs and Improvements	WOF	-	75,000
Automatic Water Meter Reading System	WOF	1,956,793	250,000
2017/18 Water Treatment Plant Filter Media Replacements (1 and 2)	WOF	-	150,000
2014/15 Sewer/Water Replacement/Rehabilitation Program	WOF/SOF/WFR	6,700,000	3,300,000
2017/18 Cable Replacement	IE	-	250,000
Substation DD4 Switchgear Upgrade	IE	-	100,000
Riverview Basin Maintenance Dredging	WO	-	20,000
Totals		**$ 8,656,793**	**$ 4,780,000**

Total by Funding Source:

Gas Tax	$ 635,000
Water Operating Fund (WOF)	725,000
Sewer Operating Fund (SOF)	2,300,000
Water Facility Reserve (WFR)	750,000
Island Energy (IE)	350,000
Waterfront Operations (WO)	20,000
Total:	**$ 4,780,000**



ST- 3: 2017/18 TRAFFIC CALMING PROJECTS

Project No.
2210

Status:
2017/18 Allocation - $100,000

Estimated Project Cost:
$100,000

Project Limits:
Citywide

Funding Sources
Eligible Funding Source: Gas Tax, Measure J, Safe Routes to Schools (SR2S)
Identified Funding: $100,000 Gas Tax

Project Description:

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

Impact on Operating Budget:

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

ST- 46: BART STATION PARKING STRATEGY AND SIGNAGE

Project No.
2211

Status:
2017/18 Allocation - $100,000

Estimated Project Cost:
$100,000

Project Limits:
BART station area and potentially other areas of the City

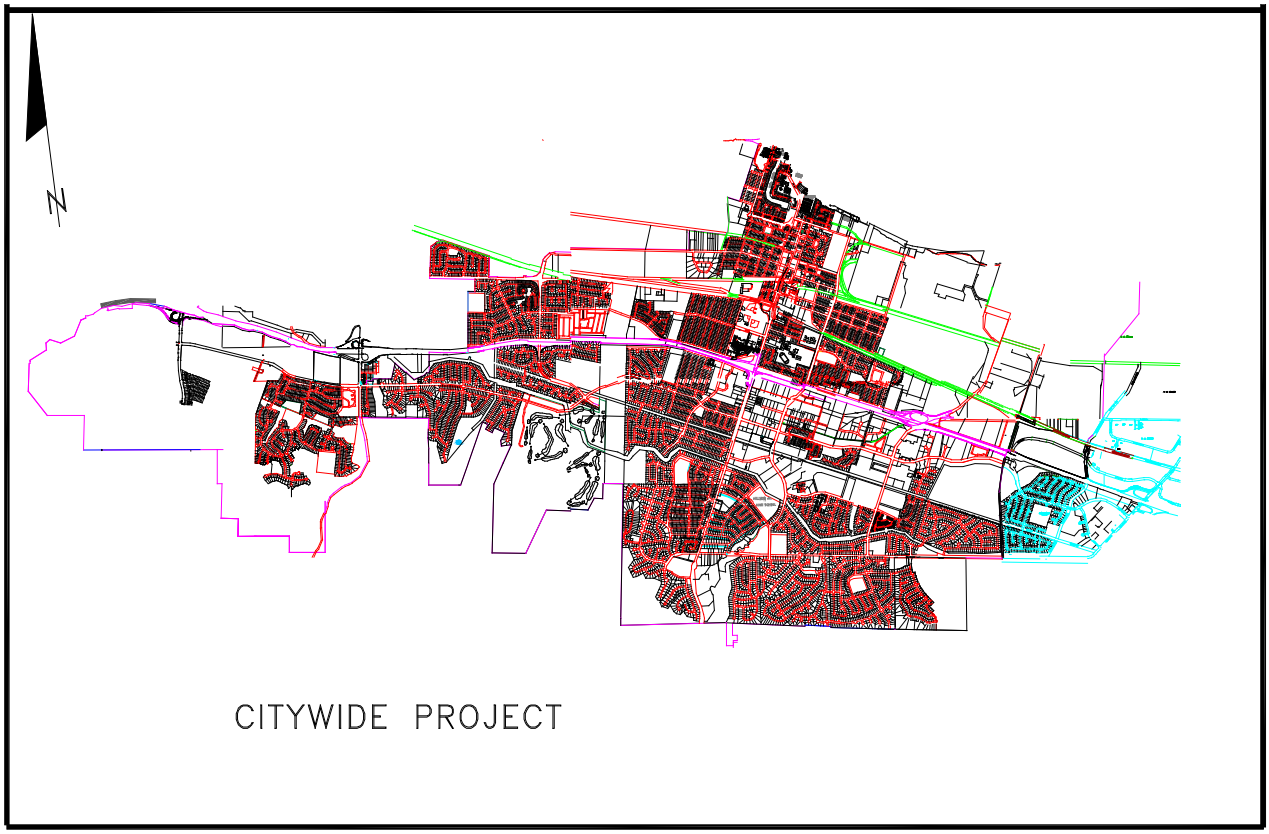
Funding Sources
Eligible Funding Source: Measure J, Gas Tax
Identified Funding: $100,000 Gas Tax

Project Description:

This project will provide for informational and directional signage for the new BART station at Railroad Avenue and signage for designated parking areas.

Impact on Operating Budget:

No significant impact on the operating budget since there would be minimal maintenance, if any.



ST-97: 2017/18 CITYWIDE PAVEMENT MANAGEMENT PROJECT

Project No.
2212

Status:
2017/18 Allocation - $300,000

Estimated Project Cost:
$300,000

Project Limits:
TBD

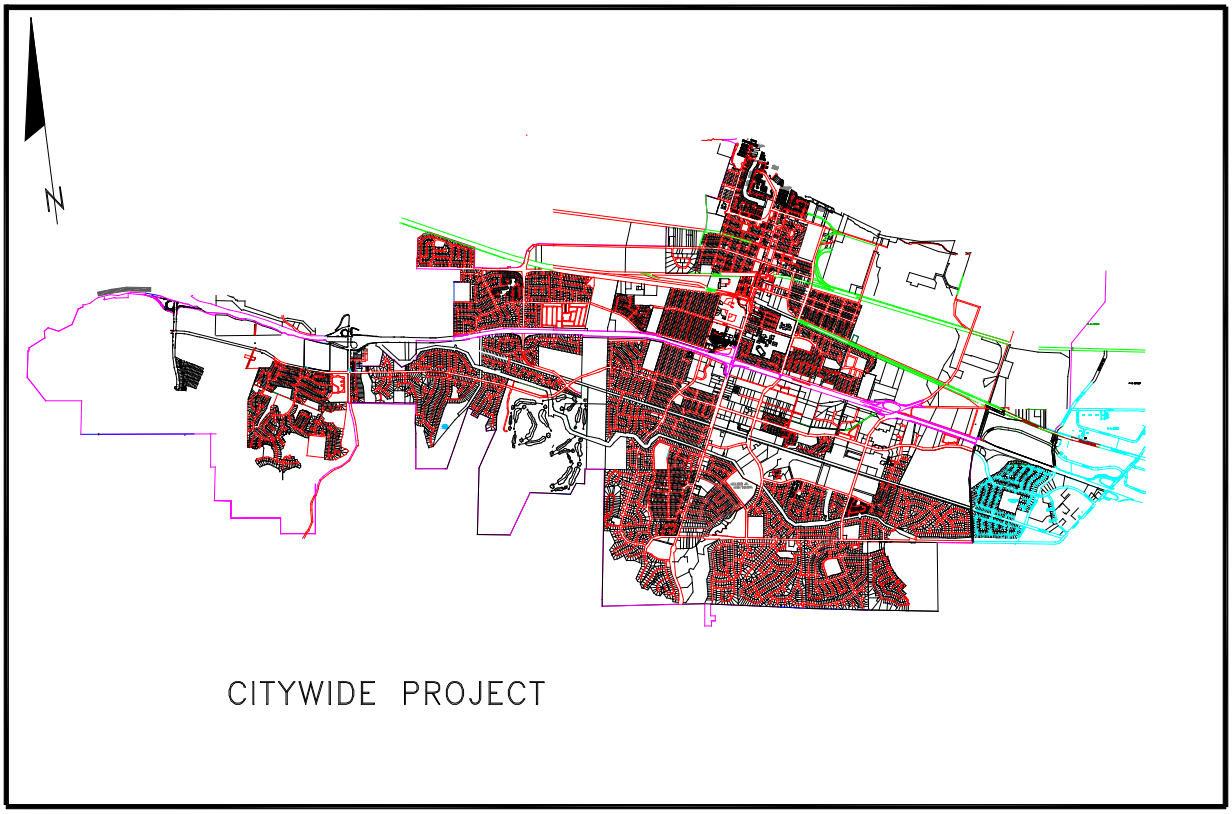
Funding Sources:
Eligible Funding Source: Gas Tax
Identified Funding Source: Gas Tax $300,000

Project Description:

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

Impact on Operating Budget:

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



S-3: TRAFFIC SIGNAL MODIFICATION

Project No.
2213

Status:
2017/18 Allocation - $135,000

Estimated Project Cost:
$135,000

Project Limits: Loveridge Rd/Pitts-Antioch Hwy Harbor/Atlantic

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

Project Description:

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

Impact on Operating Budget:

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

W-6: 2017/18 WTP CAPITAL REPAIRS AND IMPROVEMENTS

Project No.
5058

Status:
2017/18 Allocation - $75,000

Estimated Project Cost:
$75,000

Project Limits:
Water Treatment Plant

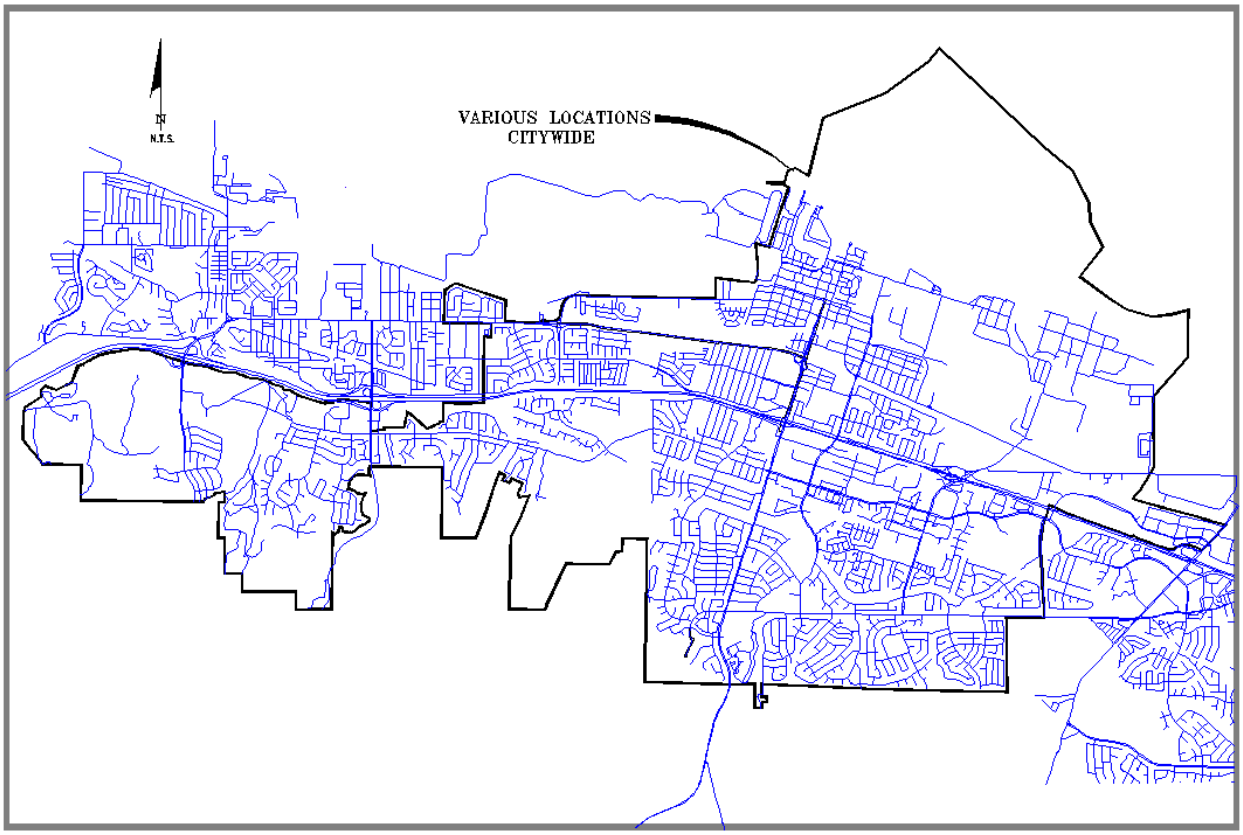
Funding Sources:
Eligible Funding Source: Water Operating (WOF)
Identified Funding: $75,000 WOF

Project Description:

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

Impact on Water Operating Budget:

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



W-11: AUTOMATIC METER READING SYSTEM

Project No.
5030

Status:
Previous Allocation - $1,956,793
2017/18 Allocation - $250,000

Estimated Project Cost:
$2,506,793

Project Limits:
Water System

Funding Sources
Eligible Funding: Water Operations (WOF)
Identified Funding: $2,506,793 WOF

Project Description:

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

Impact on Water Operating Budget:

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

W-35: 2017/18 WATER TREATMENT PLANT FILTER MEDIA REPLACEMENT (FILTERS 1 and 2)

Project No.
5059

Status:
2017/18 Allocation - $150,000

Estimated Project Cost:
$150,000

Project Limits:
Water Treatment Plant

Funding Sources:

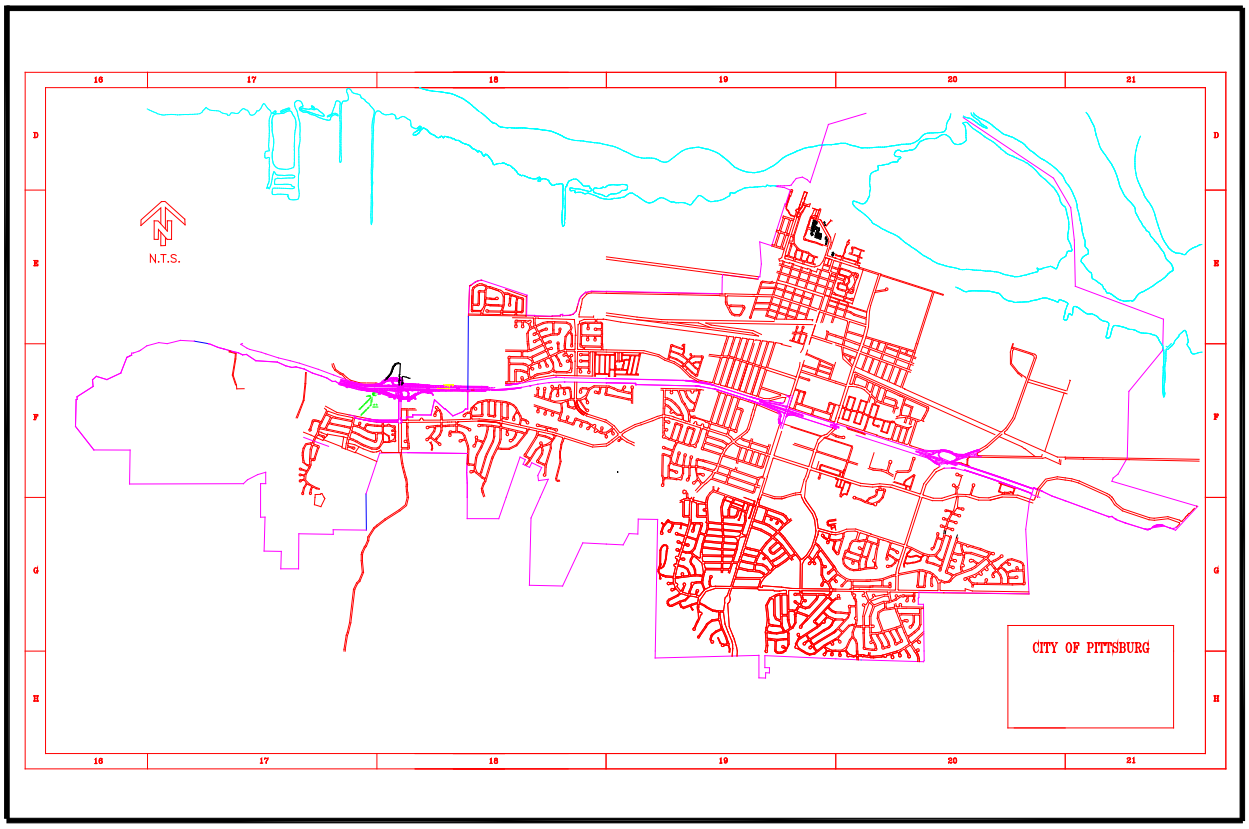
Eligible Funding Source: Water Operating (WOF), Water Facility Reserve (WFR)
Identified Funding: $150,000 WOF

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) or anthracite, sand, and gravel. Filter media needs to be replaced approximately every four years.

Impact on Water Operating Budget:

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



SS-30: FY 2014/15 SEWER REPLACEMENT PROGRAM

Project No.
5204

Status:
Previous Allocation - $6,700,000
2015/16 Allocation - $3,300,000

Estimated Project Cost:
$10,000,000

Project Limits:
Citywide

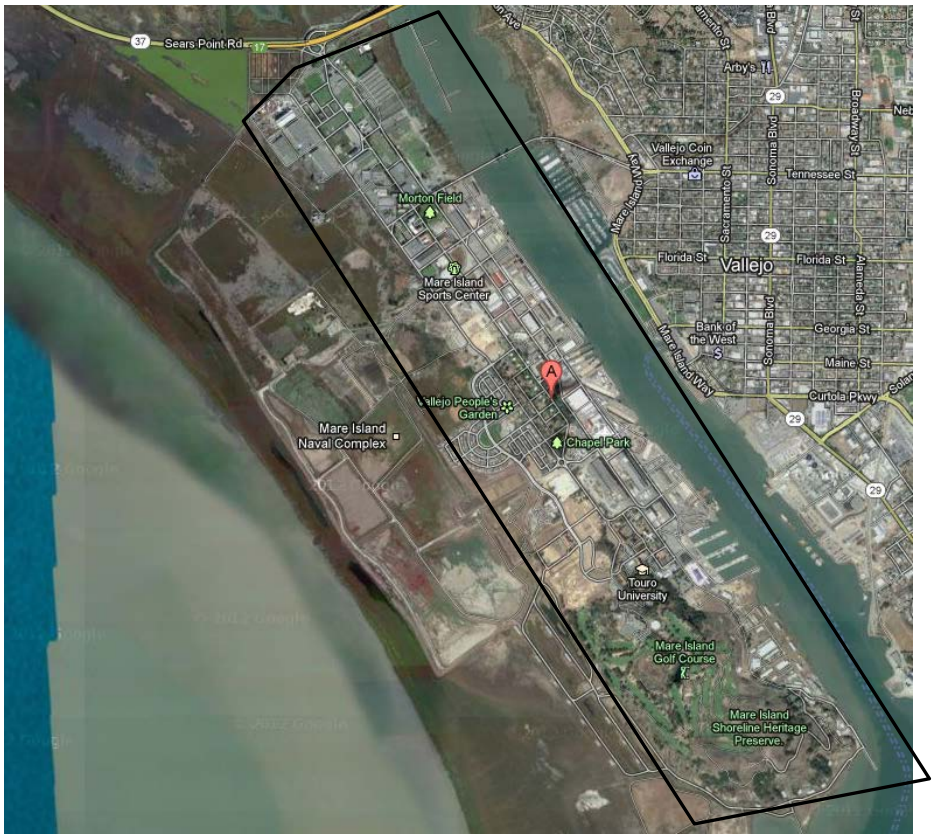
Funding Sources:
Eligible Funding Source: Sewer Operating (SOF), Water Operating (WOF), Water Facility Reserves
Identified Funding Source: $8,300,000 SOF, $950,000 WOF, $750,000 Water Facility Reserves

Project Description:

Project will replace sewer lines that are maintenance problems. Water funds are added for the replacement of water mains with this project.

Impact on Sewer Operating Budget:

Slight savings in the future are anticipated as a result of decrease in inefficient sewer lines.



Potential Cable Replacement Area

PP- 1 : FY2017-2018 CABLE REPLACEMENT

Project No.:
5814

Status:
2017/18 Allocation - $250,000

Estimated Project Cost:
$250,000

Project Limits:
Island Energy service territory

Funding Sources
Eligible Funding Source: Island Energy IE)
Identified Funding Source: $250,000 IE

Project Description:

This project will replace approximately 6,000 feet of electrical cable.

Impact on Island Energy Operating Budget:

No significant impact on the operating budget since this involves upgrade and replacement of existing equipment at the Island Energy facility.

PP-8: SUBSTATION DD4 SWITCHGEAR UPGRADE

Project No.
5815

Status:
2017/18 Allocation - $100,000

Estimated Project Cost:
$100,000

Project Limits:
Substation DD4

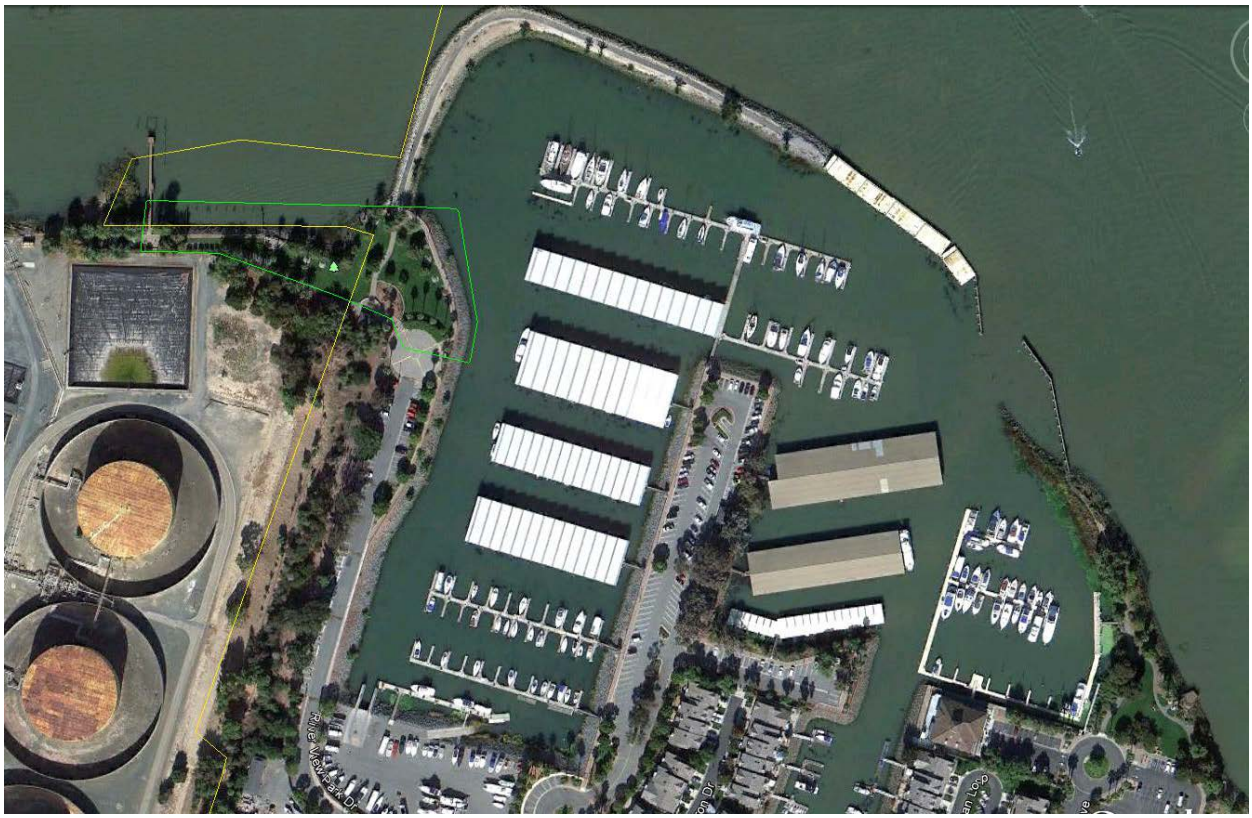
Funding Sources
Eligible Funding Source: Island Energy (IE)
Identified Funding Source: $100,000 IE

Project Description:

Remove and replace all Substation DD4 breakers and switchgear. Plan is to carry out majority of project internally.

Impact on Operating Budget:

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



M-3: RIVERVIEW BASIN MAINTENANCE DREDGING

Project No.
5400

Status:
2017/18 Allocation - $20,000

Estimated Project Cost:
$325,000

Project Limits:
Riverview Marina

Funding Sources:
Eligible Funding Source: Waterfront Operations (WO), Marina Operations (MO)
Identified Funding Source: $20,000 WO

Project Description:

This project will perform maintenance dredging at the Riverview Marina. This will remove accumulated silt and help prevent boats from touching the bottom of the marina with the hull or propeller.

Impact on Waterfront Operations Budget:

No significant impact on the operating budget since this involves routine maintenance to Riverview Basin.

➢ 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 2017/18 fiscal year budget:

Description	Funding Source (Fund)	Total Allocation	Justification
Police Department Necessary Secondary Storage	General Fund	$40,000	Additional memory and storage for ever-increasing video and data repositories
Police Department Digital Video/Body Worn Cameras	General Fund	230,000	Implementation of new body-worn camera's, CEW's, in-car cameras, and interview room monitoring equipment, evidence.com storage and management
Equipment for Public Broadcast	Public, Education & Government	120,000	Establish broadcasting capabilities at local high school with equipment, fiber, etc. to include Tricaster, fiber, supplemental equipment, controller, cameras, cabinet
Water Treatment Plant – Pump/Motor Replacements	Water Operating	70,000	Replacement of pumps and motors that are not cost effective to repair
Water Treatment Plant Lab Equipment Replacement	Water Operating	20,000	Replacement of laboratory equipment that is not cost effective to repair
Power Unit Conversion for Tugger Trailer	Island Energy	80,000	Power unit conversion which replaces the engine and transmission of the Existing Hogg & Davis Tugger Trailer
Update City/Marina Websites	Information & Communication Services	75,000	Move City and Marina website to the latest Content Management System (CMS) to replace phased out CMS on which current websites are built
Server Replacements	Information & Communication Services	30,000	Replace two servers which have exceeded their attainable life
Police Patrol Vehicle Replacements	Fleet Maintenance	140,000	4 Ford Utility Police Patrol Vehicles to replace aging Patrol Vehicles
Public Works Water	Fleet Maintenance	60,000	2 Ford 150 Trucks to replace worn Ford Ranger/150 due to age/condition ($40,000) 1 Air Compressor ($15,000)
Public Works Sewer	Fleet Maintenance	385,000	Combination Sewer Cleaning Vacuum Truck
Public Works – Street Trees	Fleet Maintenance	160,000	1 Tree Truck with Bucket Lift and Chipper Body, replacement due to age/condition of existing truck
Miscellaneous Equipment	Fleet Maintenance	16,460	Contingency for add-on equipment for Police and Public Works vehicles
Public Works - Miscellaneous Furniture	Building Maintenance	25,000	Misc. Furniture City Manager's Office, Council Chambers, Corp Yard, Aquarium
Totals		**$1,451,460**	

This Page Intentionally Left Blank

➢ FINANCIAL POLICIES AND PROCEDURES

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

Balanced Budget

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

Capital Improvement Plans

The City will develop 5-year Capital Improvement Plans for capital improvements 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.

Grant Policy

The City has established a grant policy that provides an overall framework for the use and management of grant resources including identifying roles and responsibilities for managing the City's grants and compliance with Single Audit Act requirements (Policy is included on Page 270-275 in the Appendix section of the budget).

Capital Assets Policy

The policy defines capital assets as tangible items to be used over a period of time greater than three years and having a value greater than or equal to $5,000. In addition, the policy classifies assets as either land, buildings, improvements other than buildings or equipment and identifies method of depreciation thereof (Policy is included on Page 246-256 in the Appendix section of the budget).

Interfund Transfer Policy

The policy ensures that procedures related to the administration and accounting for Interfund transactions are documented, communicated, clearly understood, and consistently applied. (Policy is included on Page 281-283 in the Appendix section of the budget).

Revenue Policies

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

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

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

Debt Policy

Provides guidelines for issuing and managing the City's debt including selecting the financing team, types of debt the City can issue, and on-going debt administration. (Policy is included on Page 257-269 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 $1.5 million or 5% of the General Fund operating expenses 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 8% or more from the previous fiscal year, and fiscal year-end General Fund surpluses into the Budget Stabilization Fund. (Policy is included on Page 276-280 in the Appendix section of the budget)

Investment Policy

Provides guidelines for the prudent investment of the City's idle funds that optimizes returns while protecting the principal and providing a sufficient liquidity. Identifies eligible investments that include federal securities, Certificates of Deposit (CDs), medium term private security notes of highly rated companies, and Money Market Funds. Delegates investment decisions to the Director of Finance with oversight provided by the City Treasurer and City Manager. (Policy is included on Page 284-305 in the Appendix section of the budget)

Purchasing Policies

Delegates purchasing authority to the City Manager for goods and services valued at $150,000 or below and to Senior Executive staff for those valued at $75,000 or below. Identifies formal and informal bidding procedures based on dollar amount. Allows informal bidding construction services of less than $175,000 and requires formal bidding for those greater than $175,000. (Policy is included on Page 306-313 in the Appendix section of the budget)

This Page Intentionally Left Blank

➢ DEBT SERVICE - OVERVIEW

The City and its related entities have combined outstanding principal of $478.3 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 (1) $83.9 million. The City's bond indebtedness is within the legal debt limit.

Debt per Capita

Total debt per capita including RDA bonds, Assessment District Bonds, Water and Sewer revenue bonds, pension obligation bonds and miscellaneous loans is (2) $6,889 and represents (3) 9.92% 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 2017-18 Fiscal Year and its calculations can be found in the Appendices section of the budget book

(1) After deducting $4,184,369 Successor Agency to the former Pittsburg Redevelopment incremental valuation

(2) Debt Per Capita: $\frac{\$478,295,234 \text{ Outstanding Principal}}{69,424 \text{ City Population}} = \$6,889$

(3) Percentage of Total Personal Income: $\frac{\$6,889 \text{ Debt Per Capita}}{69,424 \text{ City Population}} = 9.92\%$

➢DEBT SERVICE - REVENUE SOURCES

CITY				
- Pension Obligation	**Series**	**Allocated Charges**	**Interest Earnings**	**FY 17-18**
Taxable Pension Funding Bond	2006	$ 3,596,253.56	$ 240.00	$ 3,596,493.56
CCCERA Triennial Experience Update	2006	773,523.00	-	773,523.00
		4,369,776.56	240.00	4,370,016.56
California Energy Commission Energy Conservation Loan	2012	74,497.14	-	74,497.14
- Assessment District Bonds		**Assessment Collection**		
2011 Reassessment Revenue Refunding Bonds A & B	2011-1	1,722,202.50	23,000.00	1,745,202.50
Century Plaza - AutoMall	2001-03	320,072.26	1,200.00	321,272.26
Community Facilities District - Vista Del Mar	2016	735,168.76	250.00	735,418.76
Total Assessment Districts:		2,777,443.52	24,450.00	2,801,893.52
- Revenue Bonds - Enterprise Funds		**Sewer/Water Revenues**		
Water Revenue Refunding	2016	2,208,250.00	-	2,208,250.00
Total Revenue Bonds:		2,208,250.00	-	2,208,250.00
I-Bank Loan - Water System Modification Project	2014	648,600.56	-	648,600.56
2004 Wastewater Bonds- Refinance/Installment Sale Agreement	2014	806,267.75	-	806,267.75
		1,454,868.31	-	1,454,868.31
- Capital Leases for Governmental Activity		**Allocated Charges**		
Street Sweeper	2015	48,472.82		48,472.82
		48,472.82	-	48,472.82
TOTAL CITY DEBT SERVICES:		**10,933,308.35**	**24,690.00**	**10,957,998.35**

SUCCESSOR AGENCY TO FORMER RDA	Series	Tax Increment	Interest Earnings	FY 17-18
Tax Allocation Bonds (Partially Refunded by 2014 TARB)	1999	6,545.00	55.00	6,600.00
Tax Allocation Refunding Bonds	2014	11,723,675.00	30,000.00	11,753,675.00
SubordinateTax Allocation Refunding Bonds	2016A	6,006,750.00	-	6,006,750.00
Subordinate Tax Allocation Refunding Bonds	2016B	11,294,050.19	-	11,294,050.19
Subordinate Tax Allocation Refunding Bonds, Forward	2016C	1,890,250.00	-	1,890,250.00
Housing Set Aside Tax Allocation Bonds (Taxable)	2006A	681,854.28	40,000.00	721,854.28
Housing Set Aside Tax Allocation Refunding Bonds (Taxable)	2016A	1,315,247.23	-	1,315,247.23
TOTAL RDA DEBT SERVICES:		**32,918,371.70**	**70,055.00**	**32,988,426.70**
GRAND TOTAL CITY and RDA DEBT SERVICES:		**$ 43,851,680.05**	**$ 94,745.00**	**$ 43,946,425.05**

➢ DEBT SERVICE - EXPENDITURE REQUIREMENTS

CITY	Series	Principal	Interest	Other Costs	FY 17-18	Outstanding Principal as of July 1, 2017
- Pension Obligation Bond						
Taxable Pension Funding Bond	2006	$ 2,149,298.20	$ 1,440,995.36	$ 6,200.00	$ 3,596,493.56 (1)	$ 54,195,000.00
CCCERA Triennial Experience Update	2006	296,764.90	476,758.10	-	773,523.00	6,810,830.00
		2,446,063.10	1,917,753.46	6,200.00	4,370,016.56	61,005,830.00
California Energy Commission Energy Conservation Loan	2012	64,672.27	9,824.87	-	74,497.14	343,492.63
- Assessment District Bonds						
2011 Reassessment Revenue Refunding Bonds A & B	2011-1	1,100,000.00	565,787.50	79,415.00	1,745,202.50	12,755,000.00
Century Plaza - AutoMall	2001-03	125,000.00	182,226.26	14,046.00	321,272.26	3,195,000.00
Community Facilities District - Vista Del Mar	2016	360,000.00	358,618.76	16,800.00	735,418.76	9,360,000.00
Total Assessment Districts:		1,585,000.00	1,106,632.52	110,261.00	2,801,893.52	25,310,000.00
- Revenue Bonds (Enterprise Funds)						
Water Revenue Refunding	2016	955,000.00	1,244,000.00	9,250.00	2,208,250.00	29,605,000.00
Total Revenue Bonds:		955,000.00	1,244,000.00	9,250.00	2,208,250.00	29,605,000.00
I-Bank Loan - Water System Modification Project	2014	235,957.50	379,825.41	32,817.65	648,600.56	10,939,215.47
2004 Wastewater Bonds- Refinance/Installment Sale Agreement	2014	761,000.00	45,267.75	-	806,267.75	3,111,000.00
		996,957.50	425,093.16	32,817.65	1,454,868.31	14,050,215.47
- Capital Leases for Governmental Activity						
Street Sweeper	2015	44,356.55	4,116.27	-	48,472.82	160,695.89
		44,356.55	4,116.27	-	48,472.82	160,695.89
TOTAL CITY DEBT SERVICES:		**6,092,049.42**	**4,707,420.28**	**158,528.65**	**10,957,998.35**	**130,475,233.99**

SUCCESSOR AGENCY TO FORMER RDA	Series	Principal	Interest	Other Costs	FY 17-18	Outstanding Principal as of July 1, 2017
Tax Allocation Bonds (Partially Refunded by 2014 TARB)	1999	-	-	6,600.00	6,600.00 (2)	95,795,000.00
Tax Allocation Refunding Bonds	2014	9,145,000.00	2,603,375.00	5,300.00	11,753,675.00	56,840,000.00
SubordinateTax Allocation Refunding Bonds	2016A	-	6,004,250.00	2,500.00	6,006,750.00	120,085,000.00
Subordinate Tax Allocation Refunding Bonds (Taxable)	2016B	11,065,000.00	226,550.19	2,500.00	11,294,050.19	15,305,000.00
Subordinate Tax Allocation Refunding Bonds, Forward	2016C	-	1,887,750.00	2,500.00	1,890,250.00	37,755,000.00
Housing Set Aside Tax Allocation Bonds (Taxable)	2006A	255,000.00	462,854.28	4,000.00	721,854.28	8,860,000.00
Housing Set Aside Tax Allocation Refunding Bonds (Taxable)	2016A	845,000.00	467,747.23	2,500.00	1,315,247.23	13,180,000.00
TOTAL RDA DEBT SERVICES:		**21,310,000.00**	**11,652,526.70**	**25,900.00**	**32,988,426.70**	**347,820,000.00**
GRAND TOTAL CITY and RDA DEBT SERVICES:		**$27,402,049.42**	**$16,359,946.98**	**$ 184,428.65**	**$43,946,425.05**	**$ 478,295,233.99**

(1) includes unaccreted discount in the total amount of $20,798,944

(2) includes unaccreted discount in the total amount of $75,398,642

➢ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	**CITY OF PITTSBURG** **Taxable Pension Funding Bonds Series 2006**
DATE OF ISSUES:	June 15, 2006
AMOUNT OF ISSUE:	$ 39,566,055.85
AMOUNT OUTSTANDING: (June 30, 2016)	$ 54,195,000.00 (1)
DESCRIPTION:	The City issued $39,566,055.85 of Series 2006 Taxable Pension Funding Bonds bearing interest at 5.78 to 6.11%, to prepay the City unfunded accrued liability for the Miscellaneous and Safety plans in the amount of $25,977,758 to the Public Employees' Retirement System (PERS). The City also prepaid the unfunded liability owed to Contra Costa County Employees Retirement Association (CCCERA) which amounted to $12,700,000 as of June 30, 2006. Bonds were issued as current interest bonds and capital appreciation bonds. Repayment of accreted principal commenced on July 1, 2015
PAYMENT DATES:	January 1 and July 1 of each year.
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Allocated Charges	$ 3,547,997.16	$ 3,596,253.56	$ 7,144,250.72
Interest Earnings	240.00	240.00	480.00
TOTAL:	**$ 3,548,237.16**	**$ 3,596,493.56**	**$ 7,144,730.72**
EXPENDITURES			
Fiscal Paying Agent Fees	$ 2,540.00	$ 2,200.00	$ 4,740.00
Professional Administrative Fees	4,000.00	4,000.00	8,000.00
Principal Reduction	1,272,394.70	1,269,003.50	2,541,398.20
CAB Acreted Principal	747,605.30	820,996.50	1,568,601.80
Interest Expense	1,461,240.76	1,440,995.36	2,902,236.12
Pre-Pay Principal(2)	60,456.40	59,298.20	119,754.60
TOTAL:	**$ 3,548,237.16**	**$ 3,596,493.56**	**$ 7,144,730.72**

(1) Includes unaccreted discount in the total amount of $19,376,614

(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
2018	1,269,003.50	1,440,995.36	820,996.50	3,530,995.36
2019	1,271,822.50	1,418,272.36	888,177.50	3,578,272.36
2020	1,280,580.35	1,392,910.56	959,419.65	3,632,910.56
2021	1,291,856.95	1,364,763.36	1,028,143.05	3,684,763.36
2022	1,310,577.00	1,333,684.16	1,094,423.00	3,738,684.16
2023	1,357,230.10	1,299,389.11	1,197,769.90	3,854,389.11
2024	1,385,374.00	1,261,571.51	1,264,626.00	3,911,571.51
2025	1,419,515.65	1,220,060.78	1,330,484.35	3,970,060.78
2026	1,456,284.80	1,174,709.20	1,398,715.20	4,029,709.20
2027	1,188,856.15	1,134,528.00	1,466,143.85	3,789,528.00
2028	1,212,219.45	1,099,960.35	1,532,780.55	3,844,960.35
2029	1,237,636.50	1,062,438.20	1,597,363.50	3,897,438.20
2030	1,270,133.20	1,021,813.83	1,664,866.80	3,956,813.83
2031	1,308,271.60	977,791.78	1,731,728.40	4,017,791.78
2032	1,749,024.00	915,008.65	1,400,976.00	4,065,008.65
2033	3,295,000.00	777,772.13	-	4,072,772.13
2034	3,555,000.00	575,388.88	-	4,130,388.88
2035	3,835,000.00	357,051.33	-	4,192,051.33
2036	4,125,000.00	121,873.13	-	4,246,873.13
TOTAL	$ 34,818,385.75	$ 19,949,982.68	$ 19,376,614.25	$ 74,144,982.68

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:	$ 11,312,353.00
AMOUNT OUTSTANDING: (June 30, 2017)	$ 6,810,830.00
DESCRIPTION:	As of December 31, 2015 Valuation of Assets, the City has an unfunded obligation of $6,810,830 to provide future benefits to the City's CCCERA retirees and vested terminated members of the retirement plan. The unfunded obligation has been amortized for the remaining 15 years of the 1st amendment to agreement dated 07/2012 at an interest rate of 7.00%, resulting in 15 annual payments of $773,523. The next triennial update shall be completed by December 31, 2018.
DUE and PAYABLE ON:	June 30
PAYMENT ENTITY:	Contra Costa County Employees' Retirement Association

DEBT SERVICE REQUIREMENTS

	FY 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Allocated Charges	$ 1,306,656	$ 773,523	$ 2,080,179
Interest Fiscal Agent	$ -	$ -	$ -
	$ 1,306,656	**$ 773,523**	**$ 2,080,179**
EXPENDITURES			
Principal Reduction	$ 566,875	$ 296,765	$ 863,640
Interest Expense	$ 739,781	$ 476,758	$ 1,216,539
TOTAL:	**$ 1,306,656**	**$ 773,523**	**$ 2,080,179**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

CCCERA
(Issued in 2008)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2018	296,765	476,758	773,523
2019	317,538	455,985	773,523
2020	339,766	433,757	773,523
2021	363,550	409,973	773,523
2022	388,998	384,525	773,523
2023	416,228	357,295	773,523
2024	445,364	328,159	773,523
2025	476,540	296,983	773,523
2026	509,897	263,626	773,523
2027	545,590	227,933	773,523
2028	583,781	189,742	773,523
2029	624,646	148,877	773,523
2030	668,371	105,152	773,523
2031	715,157	58,366	773,523
2032	118,637	8,305	126,941
TOTAL	$ 6,810,830	$ 4,145,433	$ 10,956,263

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:	$ 571,096.97
AMOUNT OUTSTANDING: (June 30, 2017)	$ 343,492.63
DESCRIPTION:	City of Pittsburg has obtained a loan from the California Energy Commission (CEC), bearing an interest rate of 3.00% to convert all decorative lamp fixtures from High Pressure Sodium (HPS) to Light Emitted Diode (LED), including the installation of 621 LED lamps on 610 poles.
DUE and PAYABLE ON:	December 22 and June 22 each Year
PAYMENT ENTITY:	State of California Energy Resource Conservation & Development Commission

DEBT SERVICE REQUIREMENTS

	FY 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Citywide Lighting PG&E Savings	$ 74,497.14	$ 74,497.14	$ 148,994.28
	-	-	-
	$ 74,497.14	**$ 74,497.14**	**$ 148,994.28**
EXPENDITURES			
Principal Reduction	$ 62,774.90	$ 64,672.27	$ 127,447.17
Interest Expense	11,722.24	9,824.87	21,547.11
TOTAL:	**$ 74,497.14**	**$ 74,497.14**	**$ 148,994.28**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

CEC Energy Conservation Loan
(Issued in 2012)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2018	64,672.27	9,824.87	74,497.14
2019	66,627.00	7,870.14	74,497.14
2020	68,626.15	5,870.99	74,497.14
2021	70,715.02	3,782.12	74,497.14
2022	72,852.19	1,644.76	74,496.95
TOTAL	$ 343,492.63	$ 28,992.88	$ 372,485.51

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:	$ 225,000.00
AMOUNT OUTSTANDING: (June 30, 2017)	$ 160,695.89
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 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Fleet Maintenance Allocations:	$ 48,472.82	$ 48,472.82	$ 96,945.64
	-	-	-
	$ 48,472.82	**$ 48,472.82**	**$ 96,945.64**
EXPENDITURES			
Principal Reduction	$ 43,161.45	$ 44,356.55	$ 87,518.00
Interest Expense	5,311.37	4,116.27	9,427.64
TOTAL:	**$ 48,472.82**	**$ 48,472.82**	**$ 96,945.64**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

Street Sweeper Equipment Lease-Purchase
(Issued in 2015)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2018	44,356.55	4,116.27	48,472.82
2019	45,584.74	2,888.08	48,472.82
2020	46,846.94	1,625.88	48,472.82
2021	23,907.66	328.75	24,236.41
TOTAL	$ 160,695.89	$ 8,958.98	$ 169,654.87

➢ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	**Pittsburg Infrastructure Financing Authority** **2011 Reassessment Revenue Refunding Bonds A & B**
DATE OF ISSUES:	August 24, 2011
AMOUNT OF ISSUE:	$ 17,840,000.00
AMOUNT OUTSTANDING: (June 30, 2017)	$ 12,755,000.00
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.

DEBT SERVICE REQUIREMENTS

	FY 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Assessment Collection	$ 1,734,972.63	$ 1,722,202.50	$ 3,457,175.13
Interest Earnings	23,000.00	23,000.00	46,000.00
TOTAL:	**$ 1,757,972.63**	**$ 1,745,202.50**	**$ 3,503,175.13**
EXPENDITURES			
Fiscal Paying Agent Fees	$ 4,200.00	$ 4,200.00	$ 8,400.00
Professional Administrative Fees	45,000.00	45,000.00	90,000.00
County Admin. Fees	4,300.00	4,300.00	8,600.00
City Admin. Fees	25,407.00	25,915.00	51,322.00
Principal Reduction	1,080,000.00	1,100,000.00	2,180,000.00
Interest Expense	599,265.63	565,787.50	1,165,053.13
TOTAL:	**$ 1,758,172.63**	**$ 1,745,202.50**	**$ 3,503,375.13**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2018	1,100,000.00	565,787.50	1,665,787.50
2019	1,165,000.00	520,387.50	1,685,387.50
2020	1,205,000.00	462,356.25	1,667,356.25
2021	1,270,000.00	405,162.50	1,675,162.50
2022	920,000.00	358,793.75	1,278,793.75
2023	955,000.00	319,740.63	1,274,740.63
2024	860,000.00	280,181.26	1,140,181.26
2025	905,000.00	239,978.13	1,144,978.13
2026	585,000.00	205,303.13	790,303.13
2027	605,000.00	176,890.63	781,890.63
2028	640,000.00	145,987.50	785,987.50
2029	675,000.00	112,493.75	787,493.75
2030	590,000.00	80,268.75	670,268.75
2031	620,000.00	49,437.50	669,437.50
2032	660,000.00	16,818.75	676,818.75
TOTAL	$ 12,755,000.00	$ 3,939,587.53	$16,694,587.53

➢ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	**CITY OF PITTSBURG** **Century Plaza Auto Mall Assessment District 2001-03**
DATE OF ISSUES:	October 1, 2002
AMOUNT OF ISSUE:	$ 4,405,000.00
AMOUNT OUTSTANDING: (June 30, 2017)	$ 3,195,000.00
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 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Assessment Collection	$ 320,269.26	$ 320,072.26	$ 640,341.52
Interest Earnings	2,150.00	1,200.00	3,350.00
TOTAL:	**$ 322,419.26**	**$ 321,272.26**	**$ 643,691.52**
EXPENDITURES			
Fiscal Paying Agent Fees	$ -	$ -	$ -
Professional Administrative Fees	8,500.00	9,000.00	17,500.00
County Admin. Fees	300.00	300.00	600.00
City Admin. Fees	4,653.00	4,746.00	9,399.00
Principal Reduction	120,000.00	125,000.00	245,000.00
Interest Expense	188,966.26	182,226.26	371,192.52
TOTAL:	**$ 322,419.26**	**$ 321,272.26**	**$ 643,691.52**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2018	125,000.00	182,226.26	307,226.26
2019	135,000.00	174,878.76	309,878.76
2020	140,000.00	167,006.26	307,006.26
2021	150,000.00	158,631.26	308,631.26
2022	160,000.00	149,681.26	309,681.26
2023	170,000.00	140,193.76	310,193.76
2024	175,000.00	130,275.01	305,275.01
2025	185,000.00	119,925.01	304,925.01
2026	200,000.00	108,856.26	308,856.26
2027	210,000.00	96,937.51	306,937.51
2028	220,000.00	84,306.26	304,306.26
2029	235,000.00	70,940.64	305,940.64
2030	250,000.00	56,693.75	306,693.75
2031	265,000.00	41,565.63	306,565.63
2032	280,000.00	25,556.26	305,556.26
2033	295,000.00	8,665.63	303,665.63
2034			
TOTAL	$ 3,195,000.00	$ 1,716,339.51	$ 4,911,339.51

➢ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	**CITY OF PITTSBURG** **Vista Del Mar CFD Special Tax Bonds 2005-02**
DATE OF ISSUES:	June 30, 2015
AMOUNT OF ISSUE:	$ 9,655,000.00
AMOUNT OUTSTANDING: (June 30, 2017)	$ 9,360,000.00
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 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Assessment Collection	$ 707,906.60	$ 735,168.76	$ 1,443,075.36
Interest Earnings	250.00	250.00	500.00
TOTAL:	**$ 708,156.60**	**$ 735,418.76**	**$ 1,443,575.36**
EXPENDITURES			
Fiscal Paying Agent Fees	$ -	$ -	$ -
Professional Administrative Fees	16,000.00	16,000.00	32,000.00
County Admin. Fees	800.00	800.00	1,600.00
Principal Reduction	295,000.00	360,000.00	655,000.00
Interest Expense	396,356.60	358,618.76	754,975.36
TOTAL:	**$ 708,156.60**	**$ 735,418.76**	**$ 1,443,575.36**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2018	360,000.00	358,618.76	718,618.760
2019	365,000.00	351,368.76	716,368.760
2020	375,000.00	343,968.76	718,968.760
2021	380,000.00	333,931.26	713,931.260
2022	395,000.00	320,993.76	715,993.760
2023	405,000.00	304,218.76	709,218.760
2024	425,000.00	283,468.76	708,468.760
2025	445,000.00	261,718.76	706,718.760
2026	465,000.00	238,968.76	703,968.760
2027	490,000.00	218,768.76	708,768.760
2028	505,000.00	201,040.63	706,040.630
2029	520,000.00	182,137.50	702,137.500
2030	540,000.00	161,587.50	701,587.500
2031	560,000.00	139,587.50	699,587.500
2032	580,000.00	116,787.50	696,787.500
2033	600,000.00	92,812.50	692,812.500
2034	625,000.00	67,546.88	692,546.880
2035	650,000.00	41,250.01	691,250.010
2036	675,000.00	13,921.88	688,921.880
TOTAL	$ 9,360,000.00	$ 4,032,697.00	$ 13,392,697.00

➢ DEBT SERVICE REQUIREMENTS

I-BANK LOAN - WATER SYSTEMS MODIFICATION PROJECT

INSTALLMENT SALE AGREEMENT	**Installment Sale Agreement by and between the City of Pittsburg and the California Infrastructure and Economic Development Bank**
AGREEMENT DATE	November 17,2014
AMOUNT OF ISSUE:	$ 11,387,398
AMOUNT OUTSTANDING: (June 30, 2017)	$ 10,939,215
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 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Water Charge Revenues	$ 649,427.00	$ 648,600.56	$ 1,298,027.56
Interest Earnings		-	-
TOTAL:	**$ 649,427.00**	**$ 648,600.56**	**$ 1,298,027.56**
EXPENDITURES			
Professional Administrative Fees	$ 33,502.00	$ 32,817.65	$ 66,319.65
Principal Reduction	227,957.00	235,957.50	463,914.50
Interest Expense	387,968.00	379,825.41	767,793.41
TOTAL:	**$ 649,427.00**	**$ 648,600.56**	**$ 1,298,027.56**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

I-BANK LOAN - WATER SYSTEMS MODIFICATION PROJECT

FISCAL YEAR	PRINCIPAL	INTEREST	ANNUAL FEE	TOTAL
2018	235,957.50	379,825.41	32,817.65	648,600.56
2019	244,239.61	371,397.95	32,109.77	647,747.33
2020	252,812.42	362,674.68	31,377.06	646,864.16
2021	261,686.13	353,645.23	30,618.62	645,949.98
2022	270,871.32	344,298.85	29,833.56	645,003.73
2023	280,378.90	334,624.41	29,020.95	644,024.26
2024	290,220.20	324,610.40	28,179.81	643,010.41
2025	300,406.93	314,244.90	27,309.15	641,960.98
2026	310,951.21	303,515.56	26,407.93	640,874.70
2027	321,865.60	292,409.62	25,475.07	639,750.29
2028	333,163.08	280,913.87	24,509.48	638,586.43
2029	344,857.10	269,014.62	23,509.99	637,381.71
2030	356,961.59	256,697.70	22,475.42	636,134.71
2031	369,490.94	243,948.45	21,404.53	634,843.92
2032	382,460.07	230,751.71	20,296.06	633,507.84
2033	395,884.42	217,091.77	19,148.68	632,124.87
2034	409,779.96	202,952.36	17,961.03	630,693.35
2035	424,163.24	188,316.66	16,731.69	629,211.59
2036	439,051.37	173,167.24	15,459.20	627,677.81
2037	454,462.07	157,486.07	14,142.04	626,090.18
2038	470,413.69	141,254.50	12,778.66	624,446.85
2039	486,925.21	124,453.21	11,367.41	622,745.83
2040	504,016.29	107,062.19	9,906.64	620,985.12
2041	521,707.26	89,060.74	8,394.59	619,162.59
2042	540,019.18	70,427.44	6,829.47	617,276.09
2043	558,973.86	51,140.11	5,209.41	615,323.38
2044	578,593.84	31,175.80	3,532.49	613,302.13
2045	598,902.48	10,510.74	1,796.71	611,209.93
TOTAL	$ 10,939,215.47	$ 6,226,672.19	$ 548,603.07	$ 17,714,490.73

➢ 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:	$ 6,100,000.00
AMOUNT OUTSTANDING: (June 30, 2017)	$ 3,111,000.00
DESCRIPTION:	Pittsburg Financing Authority Resolution No. 14-027 dated 06/16/14 Authorized the Refunding of Wastewater Bonds in an Amount Not to Exceed $6,100,000, and Authorized Execution of an Installment Sale Agreement with the City of Pittsburg and financing placed privately with Bank of the West bearing an interest rate of 1.55% per annum.
PAYMENT DATES:	June 1 and December 1.
PAYMENT ENTITY:	Bank of the West

DEBT SERVICE REQUIREMENTS

	FY 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Sewer Charge Revenues	$ 816,771.00	$ 806,267.75	$ 1,623,038.75
Interest Earnings		-	-
TOTAL:	**$ 816,771.00**	**$ 806,267.75**	**$ 1,623,038.75**
EXPENDITURES			
Bond Issuance Costs	$ -	$ -	$ -
Professional Administrative Fees	6,800.00	-	6,800.00
Principal Reduction	753,000.00	761,000.00	1,514,000.00
Interest Expense	56,971.00	45,267.75	102,238.75
TOTAL:	**$ 816,771.00**	**$ 806,267.75**	**$ 1,623,038.75**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

REFINANCE OF 2004 WASTEWATER BONDS

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2018	761,000.00	45,267.75	806,267.75
2019	772,000.00	33,433.50	805,433.50
2020	782,000.00	21,428.75	803,428.75
2021	796,000.00	9,253.50	805,253.50
TOTAL	$ 3,111,000.00	$ 109,383.50	$3,220,383.50

➢ DEBT SERVICE REQUIREMENTS

2008 WATER REVENUE REFUNDING BONDS
(Issued in 2008)

BOND ISSUES:	**CITY OF PITTSBURG** **Water Revenue Bonds 2008**
DATE OF ISSUES:	April 30, 2008
AMOUNT OF ISSUE:	$ 38,395,000.00
AMOUNT OUTSTANDING: (June 30, 2017)	$ -
DESCRIPTION:	The Bonds were issued by the City of Pittsburg Public Financing Authority to refund all of the Water Revenue Refunding Bonds Series 2005 and to pay the costs of bond issuance. Bonds were refunded in October 2016.
PAYMENT DATES:	* Monthly interest payments and principal due on May 25.
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Proceeds from Sale of Bonds	$ 34,876,263.00	$ -	$ 34,876,263.00
Water Charge Revenues	$ 2,419,840.00	-	2,419,840.00
Interest Earnings	$ 10,061.00	-	10,061.00
TOTAL:	**$ 37,306,164.00**	**$ -**	**$ 37,306,164.00**
EXPENDITURES			
Professional Administrative Fees	$ 7,722.00	$ -	7,722.00
Arbitrage Rebate Liability	-	-	-
Letter of Credit Fees	105,726.00	-	105,726.00
Swap Fees/Swap Termination	6,623,472.00	-	6,623,472.00
Final Refunding Principal Reduction	30,485,000.00	-	30,485,000.00
Interest Expense (1)	84,244.00	-	84,244.00
TOTAL:	**$ 37,306,164.00**	**$ -**	**$ 37,306,164.00**

(1) Variable interest rates.

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2008 WATER REVENUE REFUNDING BONDS
(Issued in 2008)

FISCAL YEAR	PRINCIPAL	INTEREST	LOC & Remarketing FEES	TOTAL
2017	-	-	-	-
TOTAL	$ -	$ -	$ -	$ -

**** Bonds were refunded in October 2016***

➢ DEBT SERVICE REQUIREMENTS

2016A REFUNDING WATER REVENUE BONDS
(Issued in 2016)

BOND ISSUES:	**CITY OF PITTSBURG** **Water Revenue Bonds 2016**
DATE OF ISSUES:	October 25, 2016
AMOUNT OF ISSUE:	$ 30,850,000.00
AMOUNT OUTSTANDING: (June 30, 2017)	$ 29,605,000.00
DESCRIPTION:	The Bonds were issued by the City of Pittsburg Public Financing Authority to provide funds to refund and defease the 2008 Water Revenue Refunding Bonds, pay a swap termination fee, and pay the costs of issuing the 2016 Bonds.
PAYMENT DATES:	August 1 and February 1, with first principal payment due on 02/1/2017
PAYMENT AGENT:	U. S. Bank National Association

DEBT SERVICE REQUIREMENTS

	FY 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Water Charge Revenues	$ 1,733,400.02	$ 2,208,250.00	$ 3,941,650.02
Interest Earnings	-	-	-
TOTAL:	**$ 1,733,400.02**	**$ 2,208,250.00**	**$ 3,941,650.02**
EXPENDITURES			
Professional Administrative Fees	$ 5,670.00	$ 6,250.00	11,920.00
Cost of Bond Issuance	$ 214,695.75	$ -	214,695.75
Arbitrage Rebate Liability	-	3,000.00	3,000.00
Letter of Credit Fees	-	-	-
Swap Fees	-	-	-
Principal Reduction	1,245,000.00	955,000.00	2,200,000.00
Interest Expense	268,034.27	1,244,000.00	1,512,034.27
TOTAL:	**$ 1,733,400.02**	**$ 2,208,250.00**	**$ 3,941,650.02**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2016A REFUNDING WATER REVENUE BONDS
(Issued in 2016)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2018	955,000.00	1,244,000.00	2,199,000.00
2019	1,315,000.00	1,208,150.00	2,523,150.00
2020	1,360,000.00	1,154,650.00	2,514,650.00
2021	1,405,000.00	1,099,350.00	2,504,350.00
2022	1,450,000.00	1,042,250.00	2,492,250.00
2023	1,500,000.00	975,750.00	2,475,750.00
2024	1,560,000.00	899,250.00	2,459,250.00
2025	1,620,000.00	819,750.00	2,439,750.00
2026	1,680,000.00	737,250.00	2,417,250.00
2027	1,745,000.00	651,625.00	2,396,625.00
2028	1,830,000.00	562,250.00	2,392,250.00
2029	1,895,000.00	469,125.00	2,364,125.00
2030	1,975,000.00	382,250.00	2,357,250.00
2031	2,040,000.00	301,950.00	2,341,950.00
2032	2,110,000.00	218,950.00	2,328,950.00
2033	2,180,000.00	133,150.00	2,313,150.00
2034	2,235,000.00	56,025.00	2,291,025.00
2035	750,000.00	11,250.00	761,250.00
TOTAL	$ 29,605,000.00	$ 11,966,975.00	$ 41,571,975.00

➢ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	**REDEVELOPMENT AGENCY** **Tax Allocation Bonds Series 1999**
DATE OF ISSUES:	November 3, 1999
AMOUNT OF ISSUE:	$ 30,106,356.90
AMOUNT OUTSTANDING: (June 30, 2017)	$ 95,795,000.00 (1)
DESCRIPTION:	The proceeds of the 1999 TABs were used to provide money for certain capital improvements located within the Los Medanos Community Development Project Area of the Agency, to provide a Reserve Account, and to pay costs of bonds issuance. In June 2014, the 2014 Tax Allocation Refunding Bonds refunded the current interest portion of the 1999 Bonds with maturities in 2014 through 2018 in the amount of $6,110,000. The $95,795,000 maturity value of the Capital Appreciation Bonds remains outstanding on parity to the 2014 Bonds.
PAYMENT DATES:	August 1 and February 1. Effective 08/1/2019 Annual Payment
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Tax Increment	$ 6,545.00	$ 6,545.00	$ 13,090.00
Interest Earnings	55.00	55.00	110.00
TOTAL:	**$ 6,600.00**	**$ 6,600.00**	**$ 13,200.00**
EXPENDITURES			
Professional Administrative Fees	$ 6,600.00	$ 6,600.00	$ 13,200.00
Principal Reduction	-	-	-
Interest Expense	-	-	-
TOTAL:	**$ 6,600.00**	**$ 6,600.00**	**$ 13,200.00**

(1) Includes unaccreted discount in the total amount of $75,398,642

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	ACCRETED PRINCIPAL	TOTAL
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-		-
2019	-	-	-
2020	1,576,003	3,573,997	5,150,000
2021	1,484,127	3,665,873	5,150,000
2022	1,382,930	3,767,070	5,150,000
2023	2,212,826	6,542,174	8,755,000
2024	2,081,538	6,668,462	8,750,000
2025	1,960,332	6,794,668	8,755,000
2026	1,822,266	6,932,734	8,755,000
2027	1,713,338	7,036,662	8,750,000
2028	1,684,600	7,460,400	9,145,000
2029	1,584,829	7,560,171	9,145,000
2030	1,490,909	7,654,091	9,145,000
2031	1,402,660	7,742,340	9,145,000
TOTAL	$ 20,396,358.00	$ 75,398,642.00	$ 95,795,000.00

➢ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	**SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY** **Senior Tax Allocation Refunding Bonds 2014**
DATE OF ISSUES:	June 18, 2014
AMOUNT OF ISSUE:	$ 67,445,000.00
AMOUNT OUTSTANDING: (June 30, 2017)	$ 56,840,000.00
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 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Tax Increment	$ 10,916,500.00	$ 11,723,675.00	$ 22,640,175.00
Interest Earnings	40,000.00	30,000.00	70,000.00
TOTAL:	**$ 10,956,500.00**	**$ 11,753,675.00**	**$ 22,710,175.00**
EXPENDITURES			
Professional Administrative Fees	$ 5,300.00	$ 5,300.00	$ 10,600.00
Principal Reduction	7,960,000.00	9,145,000.00	17,105,000.00
Interest Expense	2,991,200.00	2,603,375.00	5,594,575.00
TOTAL:	**$ 10,956,500.00**	**$ 11,753,675.00**	**$ 22,710,175.00**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2018	9,145,000.00	2,603,375.00	11,748,375.00
2019	8,735,000.00	2,156,375.00	10,891,375.00
2020	5,755,000.00	1,794,125.00	7,549,125.00
2021	6,040,000.00	1,504,250.00	7,544,250.00
2022	6,335,000.00	1,199,875.00	7,534,875.00
2023	3,045,000.00	965,375.00	4,010,375.00
2024	2,340,000.00	830,750.00	3,170,750.00
2025	2,450,000.00	711,000.00	3,161,000.00
2026	2,575,000.00	585,375.00	3,160,375.00
2027	2,705,000.00	453,375.00	3,158,375.00
2028	2,445,000.00	324,625.00	2,769,625.00
2029	2,570,000.00	199,250.00	2,769,250.00
2030	2,700,000.00	67,500.00	2,767,500.00
TOTAL	$ 56,840,000.00	$ 13,395,250.00	$ 70,235,250.00

➢ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	**SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY Subordinate Tax Allocation Bonds, Series 2016A (Tax Exempt)**
DATE OF ISSUES:	February 10, 2016
AMOUNT OF ISSUE:	$ 120,085,000.00
AMOUNT OUTSTANDING: (June 30, 2017)	$ 120,085,000.00
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 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Tax Increment	$ 6,356,997.92	$ 6,006,750.00	$ 12,363,747.92
Interest Earnings	-	-	-
TOTAL:	**$ 6,356,997.92**	**$ 6,006,750.00**	**$ 12,363,747.92**
EXPENDITURES			
Professional Administrative Fees	$ 2,500.00	$ 2,500.00	$ 5,000.00
Principal Reduction	-	-	-
Interest Expense	6,354,497.92	6,004,250.00	12,358,747.92
TOTAL:	**$ 6,356,997.92**	**$ 6,006,750.00**	**$ 12,363,747.92**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2018	-	6,004,250.00	6,004,250.00
2019	-	6,004,250.00	6,004,250.00
2020	-	6,004,250.00	6,004,250.00
2021	-	6,004,250.00	6,004,250.00
2022	6,175,000.00	5,849,875.00	12,024,875.00
2023	11,165,000.00	5,416,375.00	16,581,375.00
2024	12,565,000.00	4,823,125.00	17,388,125.00
2025	13,210,000.00	4,178,750.00	17,388,750.00
2026	13,890,000.00	3,501,250.00	17,391,250.00
2027	14,610,000.00	2,788,750.00	17,398,750.00
2028	15,355,000.00	2,039,625.00	17,394,625.00
2029	16,140,000.00	1,252,250.00	17,392,250.00
2030	16,975,000.00	424,375.00	17,399,375.00
TOTAL:	$120,085,000.00	$ 54,291,375.00	$ 174,376,375.00

➢ DEBT SERVICE REQUIREMENTS

2016B SUCCESSOR AGENCY TAXABLE BONDS
(Issued in 2016)

BOND ISSUES:	**SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY Subordinate Tax Allocation Bonds, Series 2016B (Taxable)**
DATE OF ISSUES:	February 10, 2016
AMOUNT OF ISSUE:	$ 26,690,000.00
AMOUNT OUTSTANDING: (June 30, 2017)	$ 15,305,000.00
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 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Tax Increment	$ 11,838,848.58	$ 11,294,050.19	$ 23,132,898.77
Interest Earnings	-	-	-
TOTAL:	**$ 11,838,848.58**	**$ 11,294,050.19**	**$ 23,132,898.77**
EXPENDITURES			
Professional Administrative Fees	$ 2,500.00	$ 2,500.00	$ 5,000.00
Principal Reduction	11,385,000.00	11,065,000.00	22,450,000.00
Interest Expense	451,348.58	226,550.19	677,898.77
TOTAL:	**$ 11,838,848.58**	**$ 11,294,050.19**	**$ 23,132,898.77**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2018	11,065,000.00	226,550.19	11,291,550.19
2019	4,240,000.00	54,547.61	4,294,547.61
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
TOTAL:	$ 15,305,000.00	$ 281,097.80	$ 15,586,097.80

➢ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	**SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY Subordinate Tax Allocation Bonds, Series 2016C-Tax Exempt ,Forward**
DATE OF ISSUES:	February 10, 2016
AMOUNT OF ISSUE:	$ 37,755,000.00
AMOUNT OUTSTANDING: (June 30, 2017)	$ 37,755,000.00
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 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Tax Increment	$ 1,386,850.00	$ 1,890,250.00	$ 3,277,100.00
Interest Earnings	-	-	-
TOTAL:	**$ 1,386,850.00**	**$ 1,890,250.00**	**$ 3,277,100.00**
EXPENDITURES			
Professional Administrative Fees	$ 2,500.00	$ 2,500.00	$ 5,000.00
Principal Reduction	-	-	-
Interest Expense	1,384,350.00	1,887,750.00	3,272,100.00
TOTAL:	**$ 1,386,850.00**	**$ 1,890,250.00**	**$ 3,277,100.00**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2018	-	1,887,750.00	1,887,750.00
2019	8,250,000.00	1,681,500.00	9,931,500.00
2020	11,300,000.00	1,192,750.00	12,492,750.00
2021	11,880,000.00	613,250.00	12,493,250.00
2022	6,325,000.00	158,125.00	6,483,125.00
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
TOTAL:	$ 37,755,000.00	$ 5,533,375.00	$ 43,288,375.00

➢ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	**REDEVELOPMENT AGENCY - HOUSING SET ASIDE Tax Allocation Bonds, Series 2006A (Taxable)**
DATE OF ISSUES:	December 14, 2006
AMOUNT OF ISSUE:	$ 11,020,000.00
AMOUNT OUTSTANDING: (June 30, 2017)	$ 8,860,000.00
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 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Tax Increment	$ 679,097.40	$ 681,854.28	$ 1,360,951.68
Interest Earnings	40,544.00	40,000.00	80,544.00
TOTAL:	**$ 719,641.40**	**$ 721,854.28**	**$ 1,441,495.68**
EXPENDITURES			
Professional Administrative Fees	$ 4,000.00	$ 4,000.00	$ 8,000.00
Principal Reduction	240,000.00	255,000.00	495,000.00
Interest Expense	475,641.40	462,854.28	938,495.68
TOTAL:	**$ 719,641.40**	**$ 721,854.28**	**$ 1,441,495.68**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2018	255,000.00	462,854.28	717,854.28
2019	265,000.00	449,295.28	714,295.28
2020	280,000.00	435,084.40	715,084.40
2021	295,000.00	420,091.28	715,091.28
2022	310,000.00	404,167.10	714,167.10
2023	330,000.00	387,171.90	717,171.90
2024	345,000.00	369,247.28	714,247.28
2025	360,000.00	350,526.00	710,526.00
2026	380,000.00	330,875.30	710,875.30
2027	400,000.00	310,162.40	710,162.40
2028	425,000.00	288,254.53	713,254.53
2029	450,000.00	265,018.90	715,018.90
2030	470,000.00	240,588.30	710,588.30
2031	495,000.00	214,962.73	709,962.73
2032	520,000.00	188,009.40	708,009.40
2033	550,000.00	159,595.55	709,595.55
2034	580,000.00	129,588.40	709,588.40
2035	610,000.00	97,987.95	707,987.95
2036	415,000.00	70,769.08	485,769.08
2037	1,125,000.00	29,874.38	1,154,874.38
TOTAL	$ 8,860,000.00	$ 5,604,124.40	$ 14,464,124.40

➢ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	**SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY Taxable Housing Bonds**
DATE OF ISSUES:	February 10, 2016
AMOUNT OF ISSUE:	$ 13,845,000.00
AMOUNT OUTSTANDING: (June 30, 2017)	$ 13,180,000.00
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 2016-17	FY 2017-18	FY 2016-2018
REVENUE SOURCES			
Tax Increment	$ 1,135,654.13	$ 1,315,247.23	$ 2,450,901.36
Interest Earnings	-	-	-
TOTAL:	**$ 1,135,654.13**	**$ 1,315,247.23**	**$ 2,450,901.36**
EXPENDITURES			
Professional Administrative Fees	$ 2,500.00	$ 2,500.00	$ 5,000.00
Principal Reduction	665,000.00	845,000.00	1,510,000.00
Interest Expense	468,154.13	467,747.23	935,901.36
TOTAL:	**$ 1,135,654.13**	**$ 1,315,247.23**	**$ 2,450,901.36**

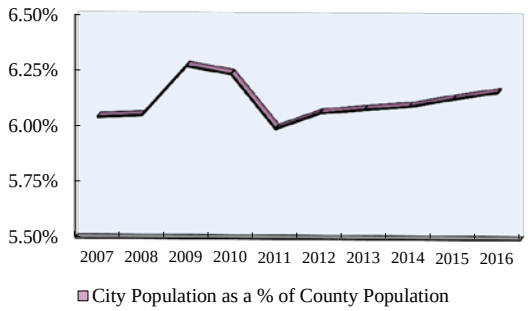
➢ DEBT SERVICE - AMORTIZATION SCHEDULE

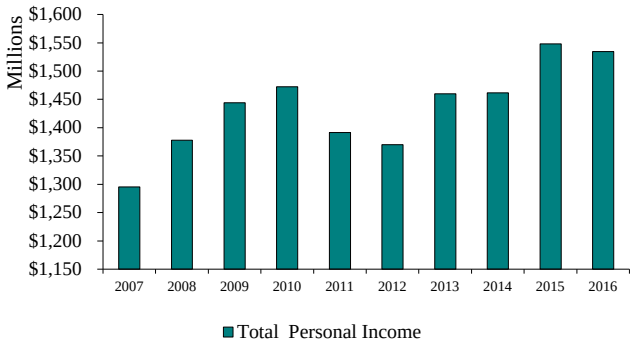
2016A SUCCESSOR AGENCY TAXABLE HOUSING BONDS
(Issued in 2016)

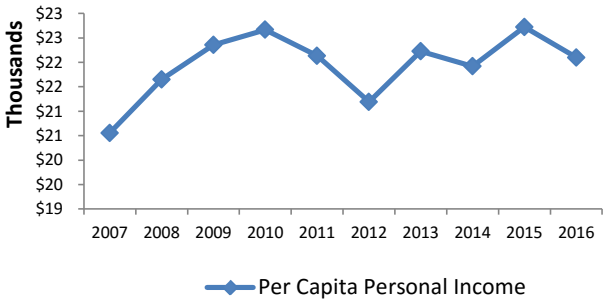
FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2018	845,000.00	467,747.23	1,312,747.23
2019	860,000.00	449,418.66	1,309,418.66
2020	880,000.00	427,343.56	1,307,343.56
2021	905,000.00	402,490.13	1,307,490.13
2022	930,000.00	375,004.55	1,305,004.55
2023	955,000.00	344,323.50	1,299,323.50
2024	990,000.00	310,385.20	1,300,385.20
2025	1,030,000.00	273,652.00	1,303,652.00
2026	1,065,000.00	233,997.10	1,298,997.10
2027	1,110,000.00	191,203.60	1,301,203.60
2028	1,150,000.00	142,159.40	1,292,159.40
2029	1,200,000.00	87,122.40	1,287,122.40
2030	1,260,000.00	29,509.20	1,289,509.20
TOTAL:	$ 13,180,000.00	$ 3,734,356.53	$ 16,914,356.53

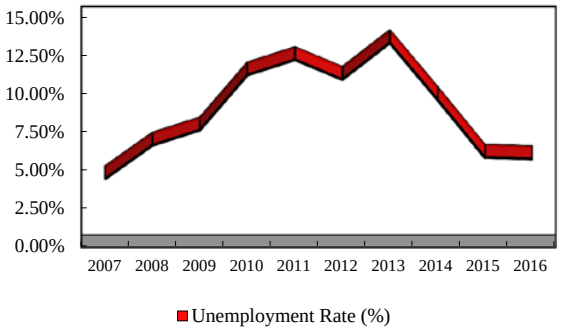
This Page Intentionally Left Blank

CITY OF PITTSBURG
Demographic and Economic Statistics
Last Ten Fiscal Years









Fiscal Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment* Rate (%)	Contra Costa County Population	Pittsburg Population % of County
2007	63,004	1,295,140,000	20,556	4.5%	1,042,341	6.04%
2008	63,652	1,378,043,000	21,650	6.7%	1,051,674	6.05%
2009	64,600	1,444,296,000	22,358	7.7%	1,029,703	6.27%
2010	64,967	1,472,579,000	22,667	11.3%	1,041,274	6.24%
2011	62,877	1,391,528,000	22,131	12.3%	1,049,025	5.99%
2012	64,660	1,370,214,000	21,191	11.0%	1,066,096	6.07%
2013	65,664	1,459,608,000	22,228	13.4%	1,079,597	6.08%
2014	66,695	1,461,822,000	21,918	9.7%	1,094,000	6.10%
2015	68,140	1,548,229,000	22,721	5.9%	1,111,339	6.13%
2016	69,424	1,534,225,000	22,099	5.8%	1,126,745	6.16%

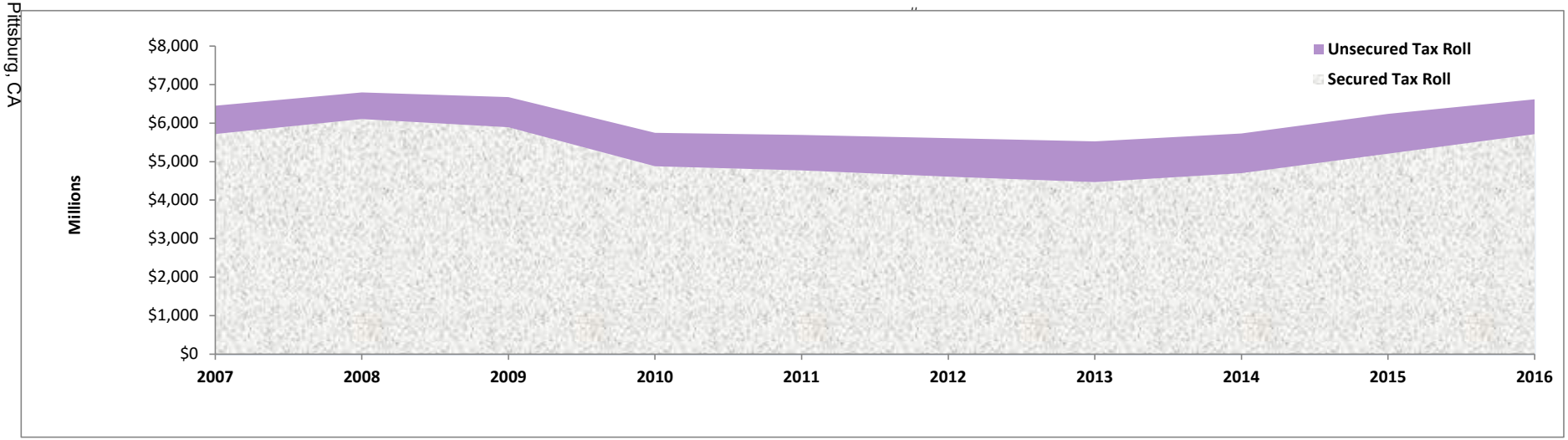
Source: Quickfacts.census.gov
* from homefacts.com
** from HDL Coren Report

CITY OF PITTSBURG
Principal Employers
Current Year and Nine Years Ago

	2015-16			2006-07	
Employer	**Number of Employees**	**Rank**	**Percentage of Total City Employment**	**Number of Employees**	**Rank**
Pittsburg Unified School District	1,274	1	3.4%	1,400	1
Los Medanos Community College	719	2	1.9%	640	3
USS - Posco Industries	634	3	1.7%	1,000	2
Dow Chemical Company	370	4	1.0%	380	4
City of Pittsburg	255	5	0.7%		
Walmart	250	6	0.7%	220	5
Ramar Foods	187	7	0.5%		
Angelica Corporation (Laundry)	180	8	0.5%		
Target	163	9	0.4%	170	8
WinCo Foods	145	10	0.4%		
Home Depot				180	7
Safeway				150	10
Bio Zone				200	6
Loctite Aerospace				160	9
Subtotal	4,177		11.3%	4,500	
Employees in the City of Pittsburg	37,098				

Source: Telephone Survey by Finance Staff
2006-07 data from CAFR (Chamber of Commerce)

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



Fiscal Year	Secured Tax Roll			Unsecured Tax Roll	GROSS Tax Roll	LESS: Exemptions		NET Assessed Valuation (a)	Total Direct Tax Rate (b)
	Land	Improvements	Personal Property			HOPTR (1)	Others		
2007	1,755,807,325	3,935,984,909	25,561,424	735,525,554	6,452,879,212	67,070,432	111,498,185	6,274,310,595	0.73326
2008	2,079,929,185	3,998,818,379	27,034,992	692,059,619	6,797,842,175	66,662,966	129,436,694	6,601,742,515	0.74171
2009	1,886,619,969	3,977,346,545	29,871,943	782,213,672	6,676,052,129	66,141,210	138,181,611	6,471,729,308	0.74057
2010	1,355,858,246	3,488,509,274	35,030,993	868,770,588	5,748,169,101	65,495,515	148,448,271	5,534,225,315	0.73534
2011	1,271,652,002	3,468,075,002	32,556,725	921,168,099	5,693,451,828	64,704,851	174,568,314	5,454,178,663	0.73265
2012	1,199,342,285	3,380,327,868	29,398,082	1,000,793,072	5,609,861,307	62,930,462	163,259,839	5,383,671,006	0.73307
2013	1,154,280,061	3,284,318,842	29,454,784	1,058,290,739	5,526,344,426	61,050,228	167,858,949	5,297,435,249	0.72809
2014	1,244,373,590	3,426,800,074	29,431,527	1,030,705,786	5,731,310,977	58,985,158	184,163,403	5,488,162,416	0.17411
2015	1,431,988,767	3,744,776,351	29,751,906	1,033,971,545	6,240,488,569	57,725,918	187,268,875	5,995,493,776	0.14854 [2]
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

(1) Homeowners' Property Tax Relief

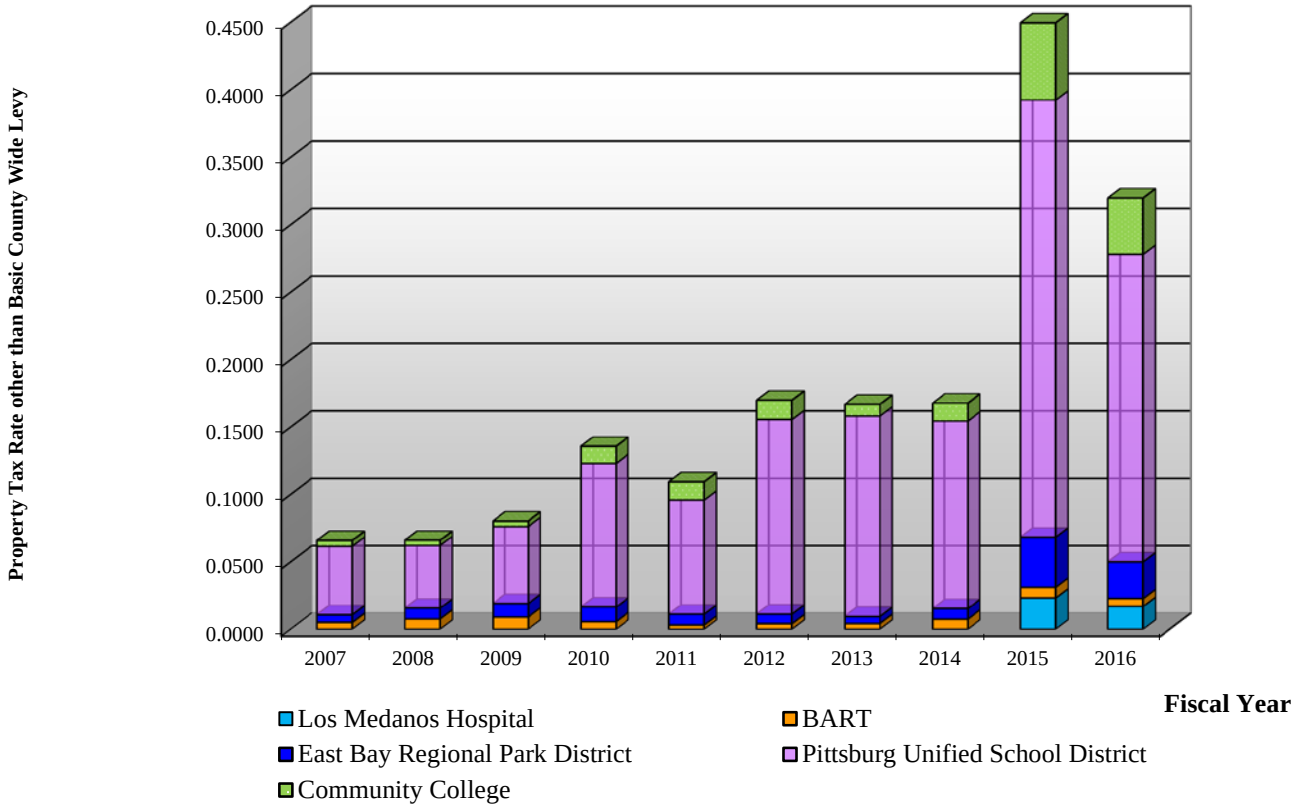
(2) Direct Tax Rate for FY 14-15 has been updated to reflect the AB8 adjustment for the first time on 2014-15 tax roll after CAFR was issued.

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

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

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

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



Fiscal Year	Basic County Wide Levy	Pittsburg Direct Rate*	Los Medanos Hospital	Bay Area Rapid Transit	East Bay Regional Park District	Pittsburg Unified School District	Community College	Total
2007	1.0000	0.73326	0.0000	0.0050	0.0057	0.0508	0.0043	1.7941
2008	1.0000	0.74171	0.0000	0.0076	0.0080	0.0465	0.0038	1.8000
2009	1.0000	0.74057	0.0000	0.0090	0.0100	0.0571	0.0040	1.8117
2010	1.0000	0.73534	0.0000	0.0057	0.0108	0.1066	0.0126	1.8653
2011	1.0000	0.73265	0.0000	0.0031	0.0080	0.0848	0.0133	1.8388
2012	1.0000	0.73307	0.0000	0.0041	0.0071	0.1443	0.0144	1.8989
2013	1.0000	0.72809	0.0000	0.0043	0.0051	0.1487	0.0087	1.8906
2014	1.0000	0.17411	0.0000	0.0075	0.0078	0.1391	0.0133	1.3343
2015 [1]	1.0000	0.14854	0.0231	0.0079	0.0373	0.3241	0.0572	1.5902
2016	1.0000	0.15020	0.0170	0.0058	0.0273	0.2280	0.0419	1.4644

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

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

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 Assessors Office & Hdl Coren & Cone

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

	2015-16			2006-07		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
Dow Agrosciences LLC	$ 362,637,418	1	5.65%	$ 216,300,643	4	3.41%
Delta Energy Center	292,000,000	2	4.55%	438,200,000	1	6.91%
USS - Posco Industries	259,822,917	3	4.05%	391,314,731	3	6.17%
Calpine Corporation	243,000,000	4	3.78%	436,500,000	2	6.88%
K2 Pure Solution	134,892,022	5	2.10%			
Sierra Pacific Properties	107,388,938	6	1.67%	92,181,597	5	1.45%
KW Kirker Creek LLC	98,391,575	7	1.53%	74,571,408	6	1.18%
Century Plaza Corporation	67,309,948	8	1.05%	48,356,688	8	0.76%
United Spiral Pipe LLC	58,157,413	9	0.91%			
San Marco Properties LLC	57,614,707	10	0.90%			
GWF Power System Limited Partner				52,714,614	7	0.83%
Seecon Financial				40,336,401	9	0.64%
Fund VIII PR Pittsburg LLC				28,116,234	10	0.44%
Subtotal	$ 1,681,214,938		26.18%	$ 1,818,592,316		28.68%

Total Net Assessed Valuation:

Fiscal Year 2016-17	$6,422,944,733
Fiscal Year 2006-2007	$6,341,410,465

Source: Hdl Coren & Cone

CITY OF PITTSBURG
Operating Indicators by Function/Program
Last Five Fiscal Years

	Fiscal Year				
	2012	2013	2014	2015	2016
Function/Program					
Public safety:					
Police:					
Police Calls for Service	67,779	64,573	73,915	77,947	72,918
Law violations:					
Part I and Part II crimes	8,044	7,412	7,477	8,168	705
Physical arrests (adult and juvenile)	4,558	3,401	3,227	3,204	7,550
Traffic violations (VC14601 & VC12500)	1,950	1,007	935	735	3,173
Public works					
Street Re-surfacing (Miles)		14.26	13.41	1.55	0.80
Streets Repaired (square feet)	84,001	82,314	24,404	46,905	52,503
Recreation:					
Community Services:					
Swim Participants	264	1,980	2,320	3,100	5,500
Softball Participants	2,300	580	850	731	590
Small World Park Gate Attendance	19,783	24,732	25,780	28,420	27,666
Senior Center Nutrition/Exercise Class Participants	13,786	14,980	19,339	22,423	20,014
Water					
Number of Meters Served	17,444	17,664	17,880	18,094	18,359
Water Main Breaks	60	50	59	71	80
Average Daily Consumption (millions of gallons)	8.5	9.1	8.2	7.8	7.3
Wastewater					
Miles of Sewer Line (Excluding line operated by Delta Diablo District 7-A)	172	175	177	171	176
Average daily treatment (thousands of gallons)	34	34	34	195	195
Solid Waste					
Refuse Landfilled (tons per year)	46,892	52,722	53,753	51,564	63,500
Recyclables Processed (tons per year)	37,784	42,213	44,213	39,313	48,500

➢ GLOSSARY OF BUDGET TERMS

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

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

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

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

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

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

APPROPRIATION LIMIT – As defined by Section 8 of Article XIIIB of the California Constitution, enacted by the passage of Proposition 4 at the November 6, 1979 general election, the growth in the level of certain appropriations from tax proceeds are generally limited to the level of the prior year's appropriation limit as adjusted for changes in cost of living and population. Other adjustments may be made for such reasons as the transfer of services from one government entity to another

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

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

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 year's 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.

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.

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 (UAAL) – In regards to Pension, the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving retirement benefits, active members, and for members entitled to deferred benefits, as of the valuation date.

USER FEES – Fees charged to users of a particular service provided by the City.

CITY OF PITTSBURG
CAPITAL ASSETS POLICY AND PROCEDURES
JUNE 2013

Purpose: The purpose of this policy is to:

1. Define the accounting practices and procedures that will ensure effective and accurate control of the capital assets of the City.
2. Assure that the City complies with the requirements of the Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP) and OMB Circular A-133 as they relate to capital assets.
3. Communicate to City Elected Officials, Department Heads, Employees, and the Public the formal Capital Asset policy of the City of Pittsburg.
4. Assure that an accurate record keeping system is in place to protect and properly insure assets in the event of loss.

Application: This policy applies to all Departments of the City of Pittsburg.

Responsibility: The Finance Department is responsible for the implementation and administration of this policy.

The City Department Head is responsible for ensuring that proper budgeting, purchasing, and disposing guidelines are followed.

Definitions: **Capital Assets:** Major assets that are used in operations and have initial useful lives extending beyond a single reporting period. Capital assets with an original unit cost of greater than or equal to the City's capitalization threshold of $5,000, including ancillary costs, and with a useful life of three years or more will be capitalized for financial accounting purposes. Examples include, among other things, land, land improvements, buildings, building improvements, furniture and fixtures, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible assets.

Infrastructure assets: Long-lived capital assets that normally are stationary in nature and normally can be preserved to a significantly greater number of years than most capital assets. They include, among other things, roads, bridges, water and sewer systems, drainage systems, and electrical and gas lines.

Controlled Assets: Assets with an original unit cost less than $5,000 (including ancillary cost) and a useful life of two years or more. Controlled assets will not be monitored in the City's Capital Asset records. Any item purchased for less than $500.00 shall be considered as a supply line item. Examples of controlled assets include personal computers, facsimile machines, small photocopiers, printers, cellular phones, other telecommunication equipment, cabinets, tables, etc. These assets are not capitalized in the General Ledger nor are they depreciated. However, a copy of the Department's Inventory Control Records is to be provided to the Finance Department. This allows the City to control these assets through audits without affecting the City's financial status. Also, this information can be used to determine the proper level of insurance and assist the City in providing proof of loss in an insurance claim.

Depreciation: A methodology that amortizes the cost of the asset over its useful life using an acceptable basis.

Useful Life: The period of time the asset will be of service to the City.

Salvage Value: The subsequent value of the asset at the end of its useful life.

Historical Cost: The value placed on the asset at the time of acquisition, including ancillary costs (value of trade-ins, shipping costs, installation costs, etc.)

Acquisition Date: The date the City took ownership of the asset.

Capitalization Threshold: The measure of value placed on an individual asset to determine its qualification for capitalization or expense in the financial records, and includes all costs to put the asset in service (shipping, installation costs, etc.,).

Fair Market Value: The estimated value of the asset for which it would be exchanged between a willing buyer and seller when neither is forced into the exchange. In addition, both parties should have knowledge of all facts and consider it an equitable exchange. This is generally used in place of historical cost in a donated asset situation.

Insurable Value: The value placed on the asset that would best represent the replacement cost of the asset as determined by a qualified appraisal firm. If monetary value cannot be placed on items, such as irreplaceable documents, there is no insurable value. Insurable values of the buildings do not include the value of land.

General: The primary purpose of a Capital Asset accounting system is to maintain physical accountability over the assets owned by the City. The accounting system should provide a record of the capital assets obtained over the years that are still in service and identify the funding source for the purchase and/or construction of those assets. The capital assets of the City are those owned by the City that meet the above definition.

The City has established a unit cost threshold of $5,000 (except Land which is $1) and a useful life of at least three years for all capital assets. Assets with a unit cost below this level will be expensed. Donated assets and Grants-in-kind will be recorded at fair market value.

To maintain accurate capital asset records, information must be centralized in the Finance Department. The Finance Department is responsible for maintaining all of the asset information.

The City adheres to Generally Accepted Accounting Principles and the pronouncements of the Governmental Accounting Standards Board. Any subsequent changes to either will be incorporated into this policy upon the recommendation from the Finance Department.

Accounting for Capital Assets in Proprietary Funds

Capital assets acquired for use in proprietary fund operations are considered "fund assets" and should be accounted for within the appropriate fund. Depreciation of capital assets accounted for in a proprietary fund shall be recorded in the accounts of that fund.

Accounting for Capital Assets in Governmental Funds

Capital assets, other than those accounted for in Proprietary Funds shall be reported in the General Fixed Assets Account Group (GFAAG). The GFAAG is not a fund but simply a list of the City's general fixed assets. Depreciation of general fixed assets shall be calculated and accumulated depreciation maintained in the GFAAG for disposition and cost accounting purposes.

Reporting requirements for capital assets in Comprehenisve Annual Financial Report (CAFR)

- Capital assets are included in the Statement of Net Assets.
- Depreciation expense is included in the Statement of Activities.
- Note disclosure of changes in the general capital assets. This statement would show the beginning balance for each class of assets, total additions for the year by class, total dispositions for the year by class, total transfers for the year by class, and the ending balance for each class of assets in tabular form.

Policy: Capital Assets are to be capitalized and depreciated only if they have an estimated useful life of at least three years following the date of acquisition, have a historical cost of at least $5,000, including ancillary cost, (except Land which is $1) per individual unit, are tagged (where applicable) and inventoried, and meet the above definitions and the following criteria:

Assets that use Historical Costs for capitalization:

Land: The purchase price and cost of preparing land for its intended use. Examples of ancillary costs include search costs, attorney's fees, liens assumed, taxes assumed, grading costs, and land improvements with an indefinite life.

Improvements other than Buildings: Permanent (i.e., non-detachable) improvements that add value to land (e.g. fences, retaining walls, easements, road access). This account also is used for leasehold improvements.

Buildings (including building improvements, additions or renovations): The purchase price, contract price, or job order costs, and any other expenditure necessary to put a building or structure into its intended state of operation. Additional expenditures may include professional fees, costs of fixed fixtures (non-detachable) to the floor, ceilings and walls, insurance premiums, and related costs incurred during the period of construction.

Furniture, Fixtures, and Equipment: The total purchase price less any applicable discounts and any ancillary payments required to place the asset in its intended state of operation.

Computer Equipments and software: The total purchase price less any applicable discounts and any ancillary payments required to place the asset in its intended state of operation. Systems (i.e. Servers) constructed that in the aggregate exceed the capitalization threshold will not be capitalized. Any piece of a system that exceeds the capitalization threshold will be individually capitalized.

Vehicles: The total purchase price less any applicable discounts and any ancillary payments required to place the asset in its intended state of operation.

Infrastructures: The purchase price, contract price, or project costs, and any other expenditure necessary to put the asset into its intended state of operation. Additional expenditures may include professional fees, damage claims, insurance premiums, and related costs incurred during the period of construction. Examples include roads, gutters, bridges, traffic signals, water and sewer systems, drainage systems, monuments, electric and gas lines.

Construction in Progress: The total amount expended to date on uncompleted buildings, pipelines, or other capital project under construction. Interest costs are capitalized starting with the first expenditure related to the asset,

and capitalization continues until the asset is substantially completed and ready for its intended use. When the project is completed, the cumulative costs are then transferred to the appropriate capital asset accounts.

Assets that use other valuation method for capitalization.

Lease Assets -All capital assets, including leased assets, shall be recorded on the General Ledger. Operating leases shall be recorded as Controlled Assets, while capital leases shall be processed like any purchased asset. NCGA-5 (Accounting and Financial Reporting Principles for Lease Agreements of State and Local Governments) requires that a lease agreement that satisfies the criteria established by FAS-13 (Accounting for Leases) shall be capitalized. Any lease agreement that does not meet any one of the noted criteria shall be considered an operating lease and shall not be capitalized. Operating leases shall be maintained in the Department's Inventory Control System for insurance purposes only. FAS-13 states that non-cancellable leases that meet any one of the following criteria must be capitalized:

a) The lease transfers ownership of the property to the lessee by the end of the lease term.
b) The lease term contains a bargain purchase option.
c) The lease term is equal to 75% or more of the estimated economic life of the leased property.
d) The present value of the minimum lease payments at the inception of the lease, excluding executory costs, equals at least 90% of the fair market value of the leased property.

Donated Assets: Donated Assets or any other asset acquired in any way other than through normal purchasing also shall be recorded and tagged. This also holds true for assets purchased with grant monies. The operating department that becomes the beneficiary of any such asset shall notify the Finance Department. Donated assets shall be reported at their estimated fair value at the date of acquisition.

Repair and Maintenance: If costs are incurred to keep an asset in its normal operating condition and the life of the asset is not extended the costs are expensed (e.g. - cleaning, replacement of small parts, minor painting, lubrication).

Improvements, Additions or Renovations are capitalized if the historical cost of the asset, including the improvement, addition or renovation is $5,000 or more and extends the life of the asset.

If the expenditure is a replacement, a retirement must be made to the items being replaced. This includes both a reduction in Historical Cost and Accumulated Depreciation.

Useful Life of the various categories of assets includes:

Land	N/A
Land Improvements	20 – 30 years
Buildings (Including improvements, additions, and renovations)	45-70 years
Furniture, Fixtures and Equipment	5 – 10 years
Computer, Equipment and Software	3 years
Vehicles	5 – 7 years
Infrastructure	20 – 75 years

Depreciation Method – The City will utilize the straight-line method for depreciation. Equal periodic depreciation charges are therefore recognized over the life of the capital asset. The department who purchases the asset should indicate on the surface of vendor invoices an estimate useful life of the assets.

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

Tagging of Assets – All capital assets that are purchased with Federal grant funding will be tagged and labeled with the name of the grant used for the purchase.

Land, Land Improvements and Buildings will use the legal address for identification in the City records. Vehicles will use their VIN for identification purposes. Equipment (where applicable) will use the serial number for identification.

Disposition and Transfer of Assets – Property shall not be transferred, turned-in or disposed of without prior approval of the City Manager or designee. For property valued more than $5,000 (except vehicles) will require Council approval.

The operating departments shall be responsible to initiate transfer/disposition processing. The form "Request to Transfer/Disposal Assets" (see Exhibit A) shall be completed by the operating department and submitted to City Manager or designee for approval. The Department Head must acknowledge receipt of any fixed asset transferred to his/her department.

The actual transfer/removal or destruction of property should be witnessed by two City employees from other departments, particularly from Finance.

The operating department should also follow the capital assets disposal/ transfer guidelines as follows:

Disposition of Assets – All Capital Assets will be disposed of as follows:

Grant Funded Acquisitions shall be reviewed by the Finance Department or designee prior to disposition.

Land and Buildings will be sold to the highest bidder in a competitive environment after the proposed sale is advertised in a newspaper of general circulation.

Furniture and Fixtures, Machinery and Equipment, and Vehicles will be sold to the highest bidder at public auction. Trade in values will be considered, and encouraged, when in the best interest of the City as determined by the Operation Department.

Note: Salvage values received for assets sold will be receipted into the City's General Fund. Exceptions are limited to assets that were acquired with Enterprise Fund, Internal Services funds and assets that were seized or forfeited through the Sheriff Department, the Courts, or the Prosecuting Attorney's Office.

Computer Equipment (including copiers and fax machines) is to be sold to the highest bidder at public auction. Trade in values will be considered, and encouraged, when in the best interest of the City as determined by the IT Department.

Note: Salvage values received for assets sold will be receipted into the Internal Services Fund revenues. Exceptions are limited to assets that were seized or forfeited through the Sheriff Department, the Courts, or the Prosecuting Attorney's Office.

Note: Any capitalized or not capitalized asset will be returned to the Information Technology (IT) Department for disposition, unless used as a trade-in. Assets will be evaluated by the IT Department for their likeliness of sale and either placed in the auction or destroyed.

Disposal of Surplus Supplies and Equipment (adopted from Section 10 of Purchasing Policy of 4-16-12)

Each department shall submit a request to the City Manager or designee when the department seeks to have any City property under its jurisdiction declared to be surplus[1]. The Finance Director or designee evaluates the surplus property for possible use in another area and will inform other departments of the availability of the property or determine that there is no use for the property.

The Finance Director, or designee, will determine if any surplus property was purchased through grant funds, and whether such items can be surplused under the provisions of the grant.

The following chart will be used for the disposal of surplus property:

	Value of the surplus property is $5,000 or Less (except vehicles)	Value of the surplus property is More than $5,000 (except vehicles)
Exchange or Trade-In	A department, with approval of the City Manager, is authorized to exchange surplus property for other property of at least equal value, or to trade it in as part of the consideration to be paid for other property.	The City Manager or designee is authorized, upon City Council approval, to exchange surplus property for other property of at least equal value, or to trade it in as part of the consideration to be paid for other property.
Sale	A department, with approval from the Finance Director, will determine the best method for the sale of surplus property, with City Manager final approval.	The City Manager or designee, with approval from the City Council, will determine the best method for the sale of surplus property.
Discard	A department, with approval from the Finance Director, is authorized to dispose of surplus property after final approval by the City Manager.	The City Manager or designee, with approval from the City Council, is authorized to dispose of surplus property.
Donate	A department, with approval from the City Manager, is authorized to donate surplus property to any Pittsburg civic, community, or non-profit agency, or any agency funded through Pittsburg's Community Development Block Grant (CDBG) program. (Other groups require City Council approval.)	The City Manager or designee, with approval from the City Council, is authorized to donate surplus property to any civic, community, or non-profit agency.
Vehicles	The City Manager or designee is authorized to exchange or trade-in; sell' discard; or donate to any Pittsburg civic, community or non-profit agency, or donate to any agency funded through Pittsburg's Community Development Block Grant program any vehicle which is deemed surplus. (Donations to other groups require City Council approval.)	

[1]For purposes of this Policy, "City property" does not include items seized by the Police Department. The disposal of such Police Department items shall be governed by a Police Department administrative policy.

Notwithstanding the above chart, the City Manager or his/her designee is authorized to routinely dispose of the following: (1) furniture than cannot be used by a City department, or used by and picked up by a Pittsburg governmental or non-profit organization; (2) scrap products made of brass and copper which will be disposed on a bid or quotation basis; (3) scrap products made primarily of iron, plastic or other materials of no value which will be disposed on a continuous basis; and (4) items that had an original value of less than two hundred dollars ($200) or a current value of less than fifty dollars ($50).

Costs of disposal will be considered in determining the best method of disposal of surplus property. Whenever possible and advantageous to the City, surplus property will be sold at public sale or auction. When in the opinion of the Finance Director or designee a better return may be received through direct contact with manufacturers, resellers, or users of specialty item(s), then that method of sale will be utilized.

Sale proceeds less direct costs from any sale shall be returned to the specific fund from which the surplus property was originally purchased.

Donation means the transfer of ownership of property for no consideration or for a value less than the reasonable fair market value of the property.

The surplus disposal **to City employees** will be only through a competitive process open to the public. Employees who have been responsible for declaring any item surplus may not bid on that item. These provisions do not apply to surplus property that is to be discarded.

No warranty of surplus property is provided by the City and is disposed of "as is" without warranty, express or implied, as to condition or usability.

The City's intention is to award and transfer surplus property to the highest bidder. **If a mistake is made**, an attempt to correct it will also be made; however, the City offers no guarantees and accepts no liabilities for completion of sale(s) other than to return any applicable funds received.

A written record of the disposal of all surplus property will be maintained by the Finance Department for five (5) years.

Custody and Accountability:

Each of the operating departments has the authority, accountability, and responsibility for the property issued to, or purchased by, their respective departments.

Each of the departments and divisions must designate a steward ("Property Steward") for each piece of property in their custody. The person to whom the assets have been assigned for safekeeping will be the contact person for each property within the department. This person will become the focal point for questions regarding availability, condition and usage of the asset, as well as the contact during the physical inventory process.

A Property Steward shall be designated for each piece of property to ensure that property is acquired, maintained, used and disposed of in the City's best interests. It is the Property Stewards' responsibility to record the receipt of the asset, to examine the asset to make sure that no damage was incurred during shipment and to make sure that the asset was received in working order.

The Property Steward shall work in cooperation with selected Department personnel in arranging for necessary preventive maintenance and any needed repairs to keep the asset in working condition. Whenever the asset changes rooms, is transferred to another department, or is disposed of, the Property Steward must ensure this information is processed per the disposal/transfer guidelines. The Property Steward must ensure that departmental fixed assets are kept up-to-date in the Inventory Records and notify the Finance Department of any corrections which need to be made.

The Department Head or other person authorized by the Department Head is responsible for all property purchased for, assigned to, or otherwise provided to his/her department. The designated person to act as Property Steward is responsible for the custody and control of each property within the department.

At the end of the fiscal year, the Finance Department will provide two copies of the fixed assets list to the department Property Steward, including those that were purchased, transferred, or disposed of during the fiscal year. This listing will include all the property for which the department is responsible. It is required that an inventory of the listed property be conducted, discrepancies be resolved, and the listing be signed by the Property Steward and the Department Head verifying the property on hand. The listing shall be signed by the Property Steward and approved by the Department Head and then returned to Finance Department within ten (10) working days. A copy shall be retained by the department Property Steward for their files.

When a Property Steward is to be replaced for any reason, the Department head shall notify the Finance Department employee in charge of fixed assets. The Finance Department staff member will then provide a current fixed asset listing so that a joint review of the department's assets may be conducted by the outgoing and incoming Property Steward. The completed and verified joint review shall be forwarded to the Department Head and any changes submitted to the Finance Department within thirty (30) days after the appointment of the new Property Steward.

Periodic Review: The Finance Department shall review this policy and make recommendations for change, as needed.

City of Pittsburg
Debt Management Policy
As Amended March 6, 2017

I. INTRODUCTION

The City of Pittsburg ("City") has established this Debt Management Policy to provide clear and comprehensive guidelines for the issuance and financial management of the City's debt portfolio. This policy supports the City's mission of providing responsive and high quality public services for its citizens and ensures that the City is financially self-sustaining and fiscally strong. The policy applies to debt issued by the City directly, as well as debt issued by the City on behalf of assessment districts or community facilities districts, or as a conduit issuer for third parties. Finally, this Debt Policy requires that the City Council specifically authorize each debt financing by resolution. Certain terms used in this Debt Policy are defined in the Glossary of Terms provided at the end.

II. SCOPE

The guidelines established by this policy will govern the issuance and management of all debt funded for long term capital financing needs and not for general operating functions. The Finance Department recognizes that changes in the capital markets and other unforeseen circumstances may require action which may deviate from this Debt Management Policy. In cases which require exceptions to this Debt Management Policy, approval from the City Council will be necessary for implementation.

III. OBJECTIVES

The purpose of this Debt Policy is to establish prudent debt issuance guidelines to ensure that the City meets the following objectives:

- To provide financial support for the City's strategic and capital plan objectives through the most safe and cost effective means of debt issuance
- To ensure that the term of the debt shall not exceed the expected useful life of the capital improvement [not in this section]
- To ensure that any debt instrument utilized be fully understood by Staff (See Section V for a description of typical types of debt)
- To ensure that all debt obligations will be met in a timely & efficient manner (Section IX)
- To mandate that the City comply with all debt covenants (Section IX)
- To ensure that all required disclosure reports are filed on a timely basis (Section IX)
- To maintain good communications with bond rating agencies & investors (Section VIII & IX)

- To preserve financial flexibility (Section VI & IX)

IV. DELEGATION OF AUTHORITY

Pursuant to the provisions of Sections 37209 and 40805.5 of the Government Code of the State of California, the Finance Director (Director of Finance) shall be the head of the finance department and shall be responsible for all of the financial affairs of the City. This City Debt Management Policy grants the Director of Finance the authority to select the financing team, coordinate the administration and issuance of debt, communicate with the rating agencies, as well as to fulfill all the pre-issuance and post-issuance disclosure information.

The Director of Finance or designee will use the Request for Proposal (RFP) process to select various Financing Team Members. Below is a brief description of the main Financing Team, along with their functions, and the mandated frequency of soliciting RFP's.

The typical Financing Team consists of:

1. *Financial Advisor/Municipal Advisor* –
   - Assists with capital planning and long term financial planning
   - Coordinates the financing and debt issuance process
   - Helps evaluate underwriter proposals and provides financial analysis and recommendations
   - Assists with the securing of other professional services and other members of the financing team
   - Monitors and evaluates market conditions for opportunities to issue debt at low interest rates and/or refund existing debt for savings or other reasons sought by the City (e.g., modify debt covenants)
   - Works with the City and Underwriter to develop investor outreach and market approach
   - Manages competitive bid process
   - Ensures negotiated prices are "fair" and reasonable in the marketplace

Requests for Proposals for Financial Advisors should be done on a periodic basis not to exceed ten (10) years but is subject to review after four years.

2. *Bond Counsel* –
   - Prepare an approving legal opinion
   - Provide expert and objective legal opinion and advice
   - Prepare and review documents necessary to authorize, issue, sell and deliver the bonds, as well as coordinate the authorization and execution of closing documents
   - Review legal issues relating to the structure of the bond issue

- Prepare election proceedings or pursue validation proceedings if necessary
- Review or prepare those sections of the official statement that relate to the Bonds, financing documents, bond counsel opinion, and tax exemption
- Assist the City in presenting information to bond rating organizations and credit enhancement providers relating to legal issues affecting the issuance of the Bonds
- Review or prepare the Notice of Sale, Bond Purchase Contract and continuing disclosure undertaking of the City
- Post-issuance advice for bond covenant compliance

Requests for Proposals for Bond Counsel should be done on a periodic basis not to exceed ten (10) years but is subject to review after four years.

3. *Underwriter* –
   - Provide the City with market knowledge
   - Assist with credit analysis and preparation
   - Premarketing of the Bonds
   - Pricing and Sale of Bonds
   - Trading of the Bonds

Underwriter services should be solicited through a Request for Proposal (RFP) for every bond issue, or by developing a pool of pre-qualified underwriters from which to select.

4. *Trustee/Fiscal Agent/Paying Agent/Escrow Agent* –
   - Establishes and holds the funds and accounts relating to the bond issue
   - Maintains the list of names and addresses of all registered owners of the bonds and recordings of transfers and exchanges of the bonds
   - Acts as the authenticating agent
   - Acts as the paying agent
   - Protects the interests of the bondholders by monitoring compliance with covenants and acts on behalf of the bondholders in the event of default
   - If also serving as the escrow agent, holds the investments acquired with the refunding bond proceeds and uses those investments to pay debt service on the refunded bonds
   - If also serving as a dissemination agent acts on behalf of the issuer or other obligated person to disseminate annual reports and event notices to repositories under SEC Rule 15c2-12 (See Section IX)

RFP's for Trustee services should be done on a periodic basis if the recurring Trustee fees increase excessively (in excess of the prevailing Bay Area inflation rate).

V. TYPES OF DEBT AND METHODS OF SALE

There are a number of market factors that will affect the success of a bond offering, and each should be carefully considered before selecting a method of sale. These factors include, but are not limited to, the following: 1) market perception of the credit quality of the source of repayment (e.g., City general fund, special taxes, enterprise fund revenues), 2) interest rate volatility, 3) size of the proposed issue, 4) complexity of the proposed issue, and 5) competition with other issuers for investor interest (bond supply).

The Finance Director with the assistance of the City's bond counsel, financial advisor and/or Underwriter, as appropriate, will examine and evaluate all available alternatives for new issues and make a recommendation to the Finance Committee. Factors that should be considered include: 1) Is the issuing option appropriate under existing laws? 2) Are there formal policies with respect to the method of sale? 3) Does the nature of the proposed offering suggest that one method of marketing is more efficient than another? and 4) Have the City's past issuance practices yielded acceptable results? Only after review and acceptance by the Finance Committee, will the proposed new bond issuance be presented to the City Council for review and consent.

The following are the types of debt the City could issue:

1. New Money Bonds
   New Money bonds are bonds issued to finance the cost of capital improvement projects or other large and extraordinary costs as approved by the City Council.

2. Refunding Bonds
   Refunding bonds are bonds issued to refinance (refund) previously issued outstanding debt. The City may issue refunding bonds to refinance the principal of and interest on outstanding bonds or other debt to achieve debt service savings, restructure scheduled debt service, convert from or to a variable or fixed interest rate, change or modify the source(s) of payment and security for the refunded debt, or modify convenants otherwise binding upon the City. Refunding bonds may be issued either on a current or advance basis.

3. Revenue Bonds
   Revenue Bonds are generally issued by enterprise funds that are financially self-sustaining without the use of taxes and other revenues in the City's general fund, and therefore rely on the revenues collected by the enterprise fund to repay the debt.

4. Fixed vs. Variable Rate Debt

Fixed interest rate debt is typically preferred to maintain a more predictable debt service burden. Variable rate debt can be utilized on a limited basis when the potential advantages of capturing the lowest interest rates available in the current market outweigh forecasted risks.

5. Variable Rate Debt Obligation (VRDO)
   Predetermine intervals are set where the rate can be reset to current market conditions. VRDO's with a long maturity can be priced as short-term instruments making it potentially a less costly option in a normal upward sloping yield curve environment.

6. Special Assessment Bonds
   The Improvement Bond Act of 1915 (Streets and Highways Code Section 8500 et seq.) allows the City to issue bonds to finance the "specific benefit" improvements on the real property within its jurisdiction provided by the City. Installments are collected by posting to the secure property tax roll of the county.

7. Mello-Roos Special Tax Bonds
   The Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 et seq.) allows the City to issue bonds payable from special taxes levied on real property within a community facilities district formed by the City. Special taxes are collected by posting to the secure property tax roll of the county.

8. General Obligation (GO) Bonds
   In California, GO Bonds require a supermajority (2/3) voter approval. GO bonds are not repaid by the City's general fund but rather by an ad valorem tax levied in an amount sufficient to meet debt service requirements.

9. Certificate of Participation (COPs)
   COPs represent a share of an issuer's stream of lease payments. When the City finances a public facility through a lease-purchase transaction, the interest in the City's lease payment stream can be assigned to a third party trustee that issues certificates of participation (COPs). The City's general fund is used to make the lease payments, and the lease payments are used to repay the investors of the COPs.

Comparison of Common Financing Methods

General Obligation (GO) Bonds

* Strong market acceptance
* Significant structuring flexibility
* Favorable interest rates
* No debt service reserve fund requirement
* No trustee required
* Supermajority (2/3) voter approval required
* No pledge of City's general fund

Revenue Bonds

* Debt is secured by revenues of system users
* Debt limits not applicable
* Higher interest costs than GO's
* Debt service reserve fund may be required
* Trustee required
* Voter approval usually not required
* Debt Service Coverage covenants usually included
* Limited revenues available to secure debt

Assessment/Mello-Roos CFD Bonds

* Voter approval required
* Debt service reserve fund usually required
* Debt is secured by assessments or special taxes on property
* Complexity greater than GO's
* Market concerns about defaults, if property owned by single developer
* Limited revenues to secure debt
* Higher interest costs due to higher risk (but debt service not payable by City directly)

Certificates of Participation (COPs)

* Voter approval not required
* Debt limits not applicable
* Good market acceptance
* Complexity greater than GO's
* Risk of citizen opposition
* Limited revenues to secure debt
* Less secure than GO Bond

Competitive Sales of Bonds

The terms and prices of the bonds will be negotiated by the City and one or more underwriters through a bidding process amongst approved, impartial underwriters and/or underwriting syndicates. Both the City and the underwriter collaborate in the origination and pricing of the bond issue. The issue is awarded to the underwriter judged to have submitted the best bid that offers the lowest interest rate, taking into account underwriting spread, interest rates and any discounts or premiums.

Negotiated Sale of Bonds

A method of sale for bonds, notes, or other financing vehicles in which the City selects in advance, on the basis of proposals received or by other means, one of more underwriters to work with it in structuring, marketing and finally offering an issue to investors. The negotiated sale method is often used when the issue is: a first time sale by a particular issuer (a new

credit), a complex security structure, such as a variable rate transaction, an unusually large issue, or in a highly volatile or congested market.

Private Placement

A private placement is a variation of a negotiated sale in which the City, usually with the help of a financial advisor will attempt to place the entire new issue directly with an investor. The investor will negotiate the specific terms and conditions of the financing before agreeing to purchase the issue. Private placements are generally undertaken because the transaction is complex or unique, requiring direct negotiations with the investor, or because the issue is small and a direct offering provides economies of scale. Private placements are typically for debt maturing in 20 years or less.

Derivative Products

Because of their complexity, unless otherwise approved by the City Council, Derivative Products such as *Interest Rate Swaps*, *Inverse Floaters*, and other hybrid securities are prohibited.

VI. DEBT CAPACITY

Article XVI, Section 18 of the California Constitution (the "debt limit") prohibits cities from entering into indebtedness or liability that in any year exceeds the income and revenue provided for such year unless the City first obtains two-thirds voter approval for the obligation. Determining what the City's debt capacity is at any point in time is difficult. It depends on a number of factors including market conditions, amount of undesignated fund balance in the General Fund, fluctuating cash balances, financial policies, management and staff experience, new or existing revenues available to support additional debt, and availability of financial consultants to assist in financial analysis. The City recognizes that maintenance and operating costs of projects financed with debt places constraints on the budgetary flexibility of the City and should be considered alongside debt capacity as a factor when evaluating any proposed financing. In the development of this Debt Policy, the goal is to serve as a framework within which the City can evaluate each potential debt issuance. This Debt Policy is not to be so restrictive that it interferes with the City's legitimate efforts to prudently provide public services and facilities.

VII. PERFORMANCE STANDARDS

The City of Pittsburg strives to maintain '*investment grade*' standings in the municipal market.

Below is an Investment Grade Table of the three (3) major rating agencies:

Moody's Investor's Service, Inc	S&P Global Ratings	Fitch Investors Service, Inc	Definition
Aaa	AAA	AAA	Highest rating assigned. Very Strong Security
Aa	AA	AA	Very strong security. Only slightly below best rating.
A	A	A	Average security but more subject to adverse financial and economic developments
Baa	BBB	BBB	Adequate capacity to secure debt. Adverse developments may affect ability to meet debt service requirements.

Note: Moody's uses the designation "1" to indicate greater strength within the "Baa", "A", and “Aa” categories. S&P and Fitch use “=” and “-“ to indicate relative strength or weakness in the “BBB”, “A”, and “AA” categories.

VIII. MARKET RELATIONSHIPS

The Director of Finance will be responsible for maintaining relationships with investors, credit analysts, and rating agencies.

IX. ON-GOING DEBT ADMINISTRATION

Repayment of Debt and Compliance with Covenants

The Director of Finance will work with the Finance department and other City staff to ensure that all debt obligations will be met in a timely and efficient manner, and that the City complies with all debt covenants.

Refunding Opportunities

The Director of Finance will regularly review the City’s outstanding obligations, particularly in declining interest rate environments. When rates begin to approach levels at which refunding is cost-effective, the City shall select a financing team to begin preparations for a refunding issue.

Continuing Disclosure

The Finance staff will ensure that the City’s annual financial statements and associated reports are posted on the City’s web site. The City will also contract with one or more dissemination agents (which may also serve as trustee/fiscal agent to the City) to comply with the Securities and Exchange

Commission Rule 15c2-12 by filing its annual financial statements and other financial and operating data for the benefit of its bondholders on the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board (MSRB).

Arbitrage Rebate Compliance and Reporting

The use and investment of bond proceeds must be monitored to ensure compliance with arbitrage restrictions. Existing regulations require that issuers calculate rebate liabilities related to any bond issues, with rebates paid to the Federal Government every five years and as otherwise required by applicable provisions of the Internal Revenue Code and regulations. The Director of Finance shall contract with a specialist to ensure that proceeds and investments are tracked in a manner that facilitates accurate, complete calculations, and if necessary, timely rebate payments.

Internal Controls With Respect to Bond Proceeds

The Finance Director will maintain internal control procedures related to the management and disbursement of bond proceeds. These will include, but not necessarily be limited to, ensuring bond proceeds are either (a) held by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the Finance Director (or designee) in accordance with one or more written requisitions, or (b) held in an account of the City, to be deposited and accounted for in a separate fund or account, from which expenditures will be carefully documented by the City.

X. DEBT MANAGEMENT POLICY REVIEW

The Director of Finance shall review this Debt Management Policy at a minimum of every five (5) years and recommend any changes to the City Manager and City Council.

City of Pittsburg Municipal Debt Management Policy Glossary of Terms

Advance Refunding: For purposes of certain tax and securities laws and regulations, a refunding in which the refunded issue remains outstanding for a period of more than 90-days after the issuance of the refunding issue. The proceeds of the refunding issue are generally invested in Treasury securities or federal agency securities (although other instruments are sometimes used), with principal and interest from these investments being used (with limited exceptions) to pay principal and interest on the refunded issue. Bonds are "escrowed to maturity" when the proceeds of the refunding issue are deposited in a escrow account for investment in an amount sufficient to pay the principal of and interest on the issue being refunded on the original interest payment and maturity dates, although in some cases an issuer may expressly reserve its right (pursuant to certain procedures delineated by the Securities and Exchange Commission) to consider "pre-refunded" when the refunding issue's proceeds are escrowed only until a call date or dates on the refunded issue, with the refunded issue redeemed at that time.

Amortization: The gradual reduction in principal and interest of an outstanding debt according to a specific repayment schedule, which details specific dates and repayment amounts on those dates.

Arbitrage: In the municipal market, arbitrage refers to the difference between the tax-exempt interest rate paid by the borrower and the interest rate at which the proceeds of the issue are invested. The Internal Revenue Code contains specific regulations concerning the amount that can be earned from the investment of tax-exempt proceeds.

Call Provisions: Mandatory or optional provisions that allow or require an issuer to prepay or refinance a bond prior to its stated maturity date. These provisions identify which bonds may be called, when they may be called, and what premium, if any, must be paid upon redemption prior to the stated maturity date of the bond.

Capitalized Interest: Specific interest payments of a bond issue which are funded in advance, or capitalized, through proceeds of the same bond issue. These proceeds are set aside in a specially designated fund in order to pay these designated interest payments.

Current Refunding: A refunding transaction where the municipal securities being refunded will all mature or be redeemed within 90-days or less from the date of issuance of the refunding issue.

Debt Affordability: The principal amount of debt that an issuer can afford within the constraints of net revenues and debt coverage requirements.

Debt Service Coverage: The ratio of the net revenue stream pledged against a debt to the debt service payments to the debt. Debt service coverage ratios are most often used by rating agencies to determine repayment sufficiency with respect to bonds secured by a specific revenue stream.

Debt Service Reserve Fund: Traditional bond issues are structured with a debt service reserve fund, which assures the timely availability of sufficient funds for the repayment of debt service in the event that an issuer cannot make the required debt service payment(s). Typically, the required size of the reserve fund is determined by the lesser of: 100% of maximum annual debt service; 125% of average annual debt service; or 10% of the aggregate issue price. Reserve funds are usually fully funded out of bond proceeds and are set-aside in a separate fund, as long as the debt service fund is fully funded, and can only be used to offset debt service payments.

Defeasance: Termination of rights and interests of the bondholders and their lien on the pledged revenues or other security in accordance with the terms of the bond contract for an issue of bonds. Defeasance usually occurs in connection with the refunding of an outstanding issue after provision has been made for future payment of all obligations under the outstanding bonds through funds provided by the issuance of a new series of bonds.

Derivative Product: A product, such as an option or futures contract, whose value is derived from the performance of an underlying security. A commonly used derivative is an interest rate swap. See Section IV for additional details.

Discount Rate: The interest rate used for adjusting for the time value of money for net present value calculations, option pricing models, and other market models. The term “discount rate” can also refer to the rate that the Federal Reserve Bank charges its members for overnight deposits.

Good Faith Deposit: A sum of money or, alternatively, a surety bond provided to an issuer of a new issue of municipal securities by an underwriter or underwriting syndicate as an assurance of performance on its offer to purchase the issue. Good faith deposits are sometimes required in connection with competitive sales.

Hedging: A strategy designed to reduce investment risk. A hedge can help reduce the risk and volatility of a portfolio. A common hedging strategy includes matching the amount of short-term assets with the amount of short-term variable rate debt outstanding.

Letter of Credit: Two types of letter of credit are used in bond and other debt financings: standby letter of credit and direct pay letter of credit. They provide credit enhancement for debt issues by shifting the risk of repayment from the issuer to the bank issuing the letter of credit. Letters of credit are

usually required for the issuance of variable rate debt. Letters of credit also are used to provide liquidity.

A Standby Letter of Credit is an agreement issued by a commercial bank that commits the bank to pay a third party contingent upon the failure of bank's customer to perform under the terms of a contract or agreement with the beneficiary. Used as a substitute for a performance bond or payment guarantee, standby letters of credit are used mainly in the U.S where banks are legally barred from issuing certain types of guarantees. For bond or debt holders it serves as a secondary source of payment, in case the issuer fails to meet its payment obligations.

A Direct Pay Letter of Credit is an agreement issued by a commercial bank that commits the bank to pay third parties upon a request presented by the beneficiaries to the bank issuing the direct pay letter of credit.

Line of Credit: An arrangement in which a bank or other financial institution extends a specified amount of unsecured credit to a specific borrower for a specified time period.

Maturity Date: The date upon which a specified amount of debt principal or bonds matures, or becomes due and payable by the issuer of the debt.

Negotiated Sale: A method of sale of bonds, notes or other financing vehicles in which the issuer selects in advance, on the basis of proposals received or by other means, one or more underwriters to work with it in structuring, marketing and finally offering an issue to investors. See Section V for additional details.

Net Revenue: Gross revenues less operating and maintenance expenses.

Official Statement: A comprehensive statement issued by the governmental entity prior to the sale of bonds, notes, or other financing vehicles that contains all the salient facts concerning the issuer, the issuer's financial condition, the security pledged for the securities being offered, the projected use of the proceeds of the sale, and other facts deemed necessary to enable the investor to judge the quality of the securities being offered. This is also known the Disclosure Statement.

Private Placement: A private placement is a variation of a negotiated sale in which an issuer, usually with the help of a financial advisor or placement agent, will attempt to place the entire issue directly with an investor. The investor will negotiate the specific terms and conditions of the financing before agreeing to the purchase of the issue.

Redemption: Depending on an issue's call provisions, an issuer may on certain dates and at certain premiums, redeem or call specific outstanding maturities. When a bond or certificate is redeemed, the issuer is required to

pay the maturities' par amount, the accrued interest to the call date, plus any premium required by the issue's call provisions.

Senior Lien Debt: Debt whose terms require it to be repaid with a priority claim on pledged revenues.

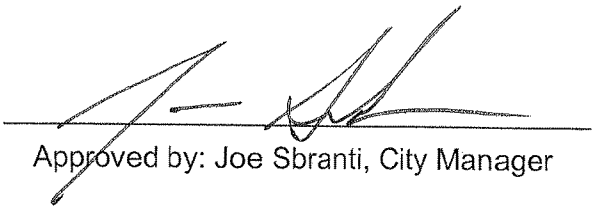
Subordinate Lien Debt: Debt whose terms require it to be repaid with pledged revenues net of the amount necessary to make debt service payments on senior lien debt.

Surety Bond: An alternative to a fully funded debt service reserve fund. A surety bond can be purchased from a bond insurance provider to fulfill the role of debt service reserve fund and can be drawn upon in the event an issuer cannot make a regularly scheduled debt service payment. A surety bond must be purchased and is subject to credit approval by a bond insurance provider. The provider charges an upfront fee for the surety bond.

Weighted Average Maturity: With respect to an issue of bonds, the weighted period of time required to repay half of the issue through scheduled principal payments. The weighted average maturity is also referred to as the "weighted average life" or "average life" reflects how rapidly the principal of an issue is expected to be paid. Under one commonly used calculation method, average life is equal to the total bond years divided by the total number of bonds.

Yield: The net rate of return, as a percentage, received by an investor on an investment. Yield calculations on a fixed income investment, such as a bond issue, take purchase price and coupon into account when calculating yield to maturity.

City Manager's Office
Administrative Order No: 047
Issued: July 21, 2010
Amended: January 3, 2012



Approved by: Joe Sbranti, City Manager

SUBJECT: GRANT MANAGEMENT PROCESS

PURPOSE:

Grant revenues have become an important part of the City's overall resource picture, especially in funding capital improvements. Actively seeking grant revenues that assist in achieving identified City goals and objectives play an important role in the City's financial strategies. Once the City receives a grant, it is equally important that the City spend the grant funds in a way that is consistent with the grant guidelines established by the funding agency or foundation. Thus, the purpose of this policy is to set forth an overall framework for guiding the City's use and management of grant resources.

- Establish general concepts and framework for seeking and managing grant programs.
- Identify roles and responsibilities in managing grant programs.
- Set policy in complying with Single Audit Act requirements.

ROLES AND RESPONSIBILITIES

Administering Department

1. Develop systems for maintaining ongoing information regarding grant availability within the department's functional areas of responsibility,
2. Evaluate benefits and costs of specific grant programs on a case-by-case basis including:
    a. Purpose of the grant program and its consistency with identified City goals and objectives.
    b. Additional staffing, office space, facilities, supplies or equipment that will be required if the grant is awarded,
    c. On-going impact of the grant program after it is completed.
    d. Responsibilities of other departments and impacts on them in preparing the grant application or performing scope if the grant is approved.
    e. Amount of indirect costs to be recovered from the grant.
    f. Total program costs, including portion funded through grant revenues and

any required City contribution.

g. Source of funding for any required City share.

h. Compliance and audit requirements, paying special attention to those areas where the grantor's administrative procedures are different from the City's.

3. Prepare grant applications.
    a. Work with the granting agency in identifying special program requirements and developing strategies for preparing a successful grant application.
    b. Complete grant application documents.
    c. Coordinate with affected departments as necessary.
4. Prepare appropriate staff report for approval of the grant by the City Council.
    a. City Council must first approve any grant money not already accounted for in the budget.
    b. Staff report must include a copy of the Grant Summary Form.
    c. Administering Department will forward a copy of the grant agreement to Finance.
    d. Administering Department will forward a copy of any cost sharing requirements.
5. Prepare and submit invoices including financial reports and progress reports as required by granting agency.
    a. Responsible for timely submission of invoices and progress reports.
    b. Ensure grant funds and expenditures are accounted and recorded properly. All reported expenditures should reconcile with the general ledger as provided by the finance department.
    c. Completed report to be reviewed and approved by administering department's management and the finance department prior to submitting to the granting agency.
    d. Timely submission of employment status reports as required even when there are no changes.
6. Maintain copies of submitted documents and invoices for audit purposes.
7. Responsible for any requests for budget modifications requests to extend the grant period.
    a. Submit copies of the approved requests to Finance.
    b. Maintain copies.
8. On-site monitoring visit.
    a. Retain the original monitoring report and any grantee responses in the administering department grant file.

b. Submit a copy of the report and any grantee responses to Finance audit purposes.

City Council

Approves all grant applications, accepts/appropriates grant funds, and delegates receipt and contract execution to the City Manager if delegation is allowed by the grantor agency.

City Manager

Receives grants and executes related contract documents when delegated to do so by the

Council. Approves and maintains grant management policies.

City Clerk

Maintain and secure original grant documents in the City's vault including the original application for an approved grant, a copy of the guidelines and the signed funding agreement.

Finance Department

1. Establish and assign a grant revenue account number and a grant expenditure account number. Notify the administering department of the account numbers.
2. Establish the grant budget by processing a budget transfer form.
    a. Maintain a copy of the budget transfer form and any related council approved documents.
        i. Forward a copy to the administering department.
        ii. Maintain grant files in accordance with any Federal, State, and local guidelines/laws applicable to the agreement as well as Generally Accepted Accounting Principles.
3. Responsible for receipting all grant revenue checks to the appropriate grant revenue account.
4. Review invoices for payment and ensure they are coded appropriately to the correct grant program account numbers.
5. Prepare and submit the financial reports to the administering department on a quarterly basis and by any deadlines as set forth in grant agreement.
    a. Maintain a copy in the finance department. Responsible for drawing down grant funds in a timely manner for reimbursable grant funds in accordance with the grant award or grant agreement, and will also prepare the applicable

journal entries.

6. Review and approve grant reports and invoices prior to submission to the granting agency. Ensure reported expenditures are recorded and reconciled with the general ledger.

Single Audit Act Requirements

(OMB Circular A-133 Compliance Supplement)

To ensure compliance for federally awarded grant programs, the City must administer the following procedures:

1. Completion of the Grant Summary Form (must include name of the federal grantor/pass through agency, program title, federal CFDA number, grantor/pass through grant number).
2. Timely submission of reports including the processing of the monthly employment status reports. Invoices on federally awarded projects are submitted on a semi-annual basis. Other grant programs from pass through agencies may require more frequent reporting submissions.
3. Invoices are reviewed and approved by the finance department to ensure timely and accurate recording of expenditures and reconciliation to the general ledger.
4. Invoices are reviewed and approved by the administering department's management prior to submission.
5. Maintain copies of grant documents and submitted documents on file for reference and audit purposes.

Quarterly Grant Oversight Meetings

The Finance and Administering Department staff who are responsible for grants shall meet on a quarterly basis to review grant funded programs and projects to ensure the City is in compliance with grant requirements. The Director of Finance will convene the quarterly grant oversight meetings.

Grant Summary Form

This form is available on the H:Drive/ Finance Forms/Grant Summary Form.

City of Pittsburg

GRANT PROGRAM SUMMARY

GENERAL INFORMATION

Grant Title	Grant No./CFDA No.
City of Pittsburg Grant Account Codes	**City Council Resolution No.**

General Description of the Grant Scope of Work/Reporting Requirements

Granting Agency	Agency Contact/Email Address
Pass-through Agency	**Pass-through No.**

Type of Grant (circle)	Federal	State	County	Other
Method of Funding (circle)	Advance	Reimbursement		
Frequency of Funding (circle)	Monthly	Quarterly	Annually	At Completion

Funding Period	Total Grant Amount ($)	City Matching Funds (Amount & Source)
Responsible Department	**Department Contact**	**Phone No.**

Council Approval Date	Application Date	Award date	Estimated Completion Date

GRANT COST AND REVENUE SUMMARY

Program Cost Summary	Total ($)	Grant Portion ($)
Staffing		
Contract Services		
Supplies and Other Operating Expenditures		
Capital Outlay		
Indirect Costs		
Totals		

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

An Ordinance of the City of Pittsburg)
Amending Chapter 3.26.030 of the Pittsburg) ORDINANCE NO. 17-1432
Municipal Code Relating to Fiscal)
Sustainability and Reserve Funds)

The City Council of the City of Pittsburg DOES ORDAIN as follows:

SECTION 1. Recitals.

A. In order to ensure the fiscal sustainability of the City, the City desires to protect its revenues and ensure proper fiscal responsibility; and
B. The City desires to maintain a reserve funds in case of an emergency; and
C. The City desires to maintain a minimum balance in the City's Budget Stabilization Fund; and
D. By ensuring minimum funding levels for reserve funds, the City desires to minimize the need to rely on one-time measures and funding sources to balance its budget, while protecting the City from major deficits and over spending.

SECTION 2. Adding Chapter 3.26 "Fiscal Sustainability and Reserve Funds" to Title 3 "Revenue and Finance" of the Pittsburg Municipal Code

Title 3 "Revenue and Finance" of the Pittsburg Municipal Code is hereby amended to include Chapter 3.26 "Fiscal Sustainability and Reserve Funds," which shall read as follows:

Section 3.26.010 Purpose and Definitions.

A. The purpose of this chapter is to establish policies and procedures to ensure the City maintains unappropriated fund balances, "Reserves" in the City's funds.

B. For purposes of this Ordinance, the following terms shall have the following meanings:

1. "City's Operating Expenses" shall mean the City's General Fund operating expenses of the City as set forth in the City's annual budget which generally includes staff costs and operating expenses of the City, and excludes the capital project appropriations.

2. "One-time Revenues" shall mean those revenues that the City receives on a one-time or non-regular basis. For example, such revenues may include, but are not limited to, proceeds from the sale of surplus land, one-time unexpected sales tax allocations associated with capital improvements from local retailers, grants, lump sum payments of project fees, non-reoccurring sales tax of fee revenue, etc.

3. "Unappropriated Reserves" shall mean unappropriated operating revenues excluding capital project and program appropriations which originate from funding sources that are restricted to projects or programs.

Section 3.26.020 General Fund Account

There is established a "General Fund" into which all sums of money collected by the City for any purpose whatsoever shall be deposited, unless otherwise provided by ordinance or resolution directing the deposit into a specific fund other than the General Fund.

Section 3.26.030 General Fund Reserves

A. There is established within the General Fund, a "General Fund Reserve", which shall be used for emergencies, including for example, natural disasters and costs associated with such natural disasters.
B. At each and every budget cycle, commencing with FY 2013-14, and every year thereafter, money from the General Fund shall be unappropriated, and shall be deposited into the General Fund Reserve. The minimum funding level within the General Fund Reserve shall be thirty percent (30%) of the City's General Fund Operating Expenses. However, the City Council shall, on a best efforts basis, take such steps as necessary to achieve the minimum General Fund Reserve level during the budget process each year through fiscal year 2017/18. Afterward, the minimum funding levels will become mandatory as defined by this ordinance.
C. The thirty percent (30%) minimum funding level within the General Fund Reserve of the City's General Fund Operating Expenses shall consist of the following:
    1. A minimum of two-thirds of the 30% (i.e., 20%) shall be held in cash and liquid investments consistent with the City's Investment Policy; and
    2. An amount not to exceed one-third of the 30% (i.e., up to 10%) may be held in real property owned and designated by the City, where such real property has an appraised value of at least 125% of the dollar amount which the real property constitutes within the City's General Fund Reserve.
D. Before the City sells, or otherwise encumbers in such a manner as to significantly impair the value of, any real property referenced in Section C.2 above, the City shall comply with Section E hereof and:
    1. Identify replacement real property prior to the sale or encumbrance of the current designated property, provided that the City Council approves such replacement;
    2. Direct proceeds from the sale or encumbrance of the current designated property into the General Fund Reserve to maintain the minimum required funding;
    3. Increase the amount held in cash or liquid investments to maintain the minimum required funding; or
    4. Take any combination of the above actions, such that the City maintains the minimum required funding.
    5. Should the sale of any property result in the General Fund Reserve balance being greater than the 30% minimum funding level, the proceeds in excess of the 30% minimum funding level will be deposited into the Budget Stabilization Fund or handled in accordance with the requirements of the Ordinance.
E. To designate real property as being held to satisfy the City's minimum General Fund Reserve requirement under Section C.2 above, the City shall identify the property by APN and/or address by a resolution adopted at a public hearing at a duly noticed regular City Council meeting. The City may remove the real property

from this designation only by a subsequent resolution adopted at a public hearing at a duly noticed regular City Council meeting.

Section 3.26.040 Budget Stabilization Fund

A. There is established a "Budget Stabilization Fund" which shall provide the City a cushion to help absorb costs during economic downturns and/or budget shortfalls.
B. The target minimum funding level within the Budget Stabilization Fund shall be no less than $2.0 million dollars or five percent (5%) of the City's General Fund Operating Expenses, whichever is greater. The City Council shall, on a best efforts basis, take such steps as necessary to meet the minimum funding level during the budget process each year.
C. The target maximum funding level for the Budget Stabilization Fund shall be no more than $7.5 million dollars or twenty-five percent (25%) of the annual City's General Fund Operating Expenses, whichever is greater.
D. Additional Deposits into the Budget Stabilization Fund shall include:
    1. One-time General Fund Revenues and/or projected recurring revenues that exceed ten percent (10%) or more from the previous fiscal year shall be deposited into the Budget Stabilization Fund.
    2. Fiscal year-end General Fund surpluses shall also be deposited into the Budget Stabilization Fund.
E. Appropriations from the Budget Stabilization Fund require a majority vote of the City Council, and may be made in order to balance the General Fund budget.

Section 3.26.050 Infrastructure Repair and Replacement Fund

A. There is established an "Infrastructure Repair and Replacement Fund" which shall provide funding for additional repairs and capital improvements projects related to the City's infrastructure including streets, roads, parking lots, and storm drains.
B. Once the Budget Stabilization Fund reaches the maximum funding level, seventy five percent (75%) of the available, excess revenues that would normally be placed into the Budget Stabilization Fund shall be deposited into the Infrastructure Repair and Replacement Fund.
C. Appropriations from the Infrastructure Repair and Replacement Fund shall require a majority vote of the City Council.

Section 3.26.060 Other Post-employment Benefits (OPEB) Fund

A. There is established an "Other Post-employment Benefits ("OPEB") Fund" which shall be available to provide funding to reduce the City's General Fund's portion of unfunded OPEB liabilities, including for example, retiree health benefits.
B. Once the Budget Stabilization Fund reaches the maximum funding level, twenty five percent (25%) of the available, excess revenues that would normally be placed into the Budget Stabilization Fund shall be deposited into the OPEB Fund.
C. Appropriations from the OPEB Fund shall require a majority vote of the City Council.

Section 3.26.070 Internal Service Fund Reserves

A. The City maintains the following Internal Service Funds which provides funding to allocate costs for services provided to all City departments:
    1. Information and Communication Systems
    2. Fleet Maintenance
    3. Building Maintenance
    4. Fringe Benefits
    5. Liability Insurance

B. It is established within each of these Internal Services Funds an Unappropriated Reserve which shall be used for emergencies, including for example, natural disasters and costs associated with such natural disasters. At each and every budget cycle, commencing with FY 2013-14, and every year thereafter, the unappropriated reserve level within Internal Services Funds shall be thirty percent (30%) of the Internal Services Funds' annual budget excluding capital project and equipment appropriations. However, the City Council shall, on a best efforts basis, take such steps as necessary to achieve the minimum Internal Services Funds' Reserve levels during the budget process each year through fiscal year 2017/18. Afterward, the minimum funding levels will become mandatory as defined by this ordinance. The thirty percent (30%) reserve level may be exceeded.

Section 3.26.080 Enterprise Fund Reserves

A. The City maintains the following enterprise funds for enterprise operations:
    1. Water
    2. Sewer
    3. Waterfront Operations
    4. Marina

B. It is established within each of these Enterprise Funds an Unappropriated Reserve which shall be used for emergencies, including for example, natural disasters and costs associated with such natural disasters. At each and every budget cycle, commencing with FY 2013-14, and every year thereafter, the target unappropriated reserve level within each Enterprise Fund Reserves shall be thirty percent (30%) of each Enterprise Fund's fiscal year operating expenses, excluding capital project appropriations. However, the City Council shall, on a best efforts basis, take such steps as necessary to achieve the minimum Enterprise Funds' Reserve levels during the budget process each year through fiscal year 2017/18. Afterward, the minimum funding levels will become mandatory as defined by this ordinance. The thirty percent (30%) reserve level may be exceeded.

Section 3.26.090 Council Action Required

Except as otherwise stated in this Chapter, any variance from the policies established within this Ordinance, shall require adoption of a City Council resolution by a 4/5 vote of the City Council. The Council resolution shall set forth the following:

A. A statement of findings supporting the appropriation of reserves or temporary modification of funding levels required by this ordinance; and

B. A plan for replenishing the reserves within a reasonable time period when the appropriation causes a reserve to fall below minimum funding levels; and
C. A description of the circumstances or event constituting an emergency.

SECTION 3. Effective Date

This ordinance shall be in full force and effective thirty (30) days after its adoption.

SECTION 4. Publication

The City Clerk shall either (a) have this ordinance published once within 15 days after adoption in a newspaper of general circulation or (b) have a summary of the ordinance published twice in a newspaper of general circulation, once 5 days before its adoption and again 20 days after adoption.

The foregoing ordinance was introduced at a meeting of the City Council of the City of Pittsburg held on June 5, 2017 and was adopted and ordered published at a meeting of the City Council held on June 19, 2017 by the following vote:

AYES:	Banales, Evola, Killings, Longmire, Craft
NOES:	None
ABSTAINED:	None
ABSENT:	None

Marilyn Craft, Mayor

ATTEST:

Alice E. Evenson, City Clerk

City Manager's Office
Administrative Order No: 057
Issued: 03/2014

Approved by: Joe Sbranti
City Manager

Subject: **Interfund Transfer Policy**

Purpose: **To ensure that the policies and procedures related to administration and accounting for interfund transactions are documented, communicated, clearly understood, and consistently applied.**

Policy:

Interfund transfer transactions can be divided into two main categories with various subcategories

1. Revenues and expenditures/expenses
   - A. Quasi-external transactions
   - B. Reimbursements

2. Reallocations of resources
   - A. Temporary -- interfund loans and advances
   - B. Permanent
     - (i) Contributed Capital (Capitalized)
     - (ii) Operating Transfer (operating subsidies)

1.A. Quasi-External Transactions

Definition

A quasi-external transaction is one of two transaction types that do not constitute transfers, but are appropriately accounted for as fund revenues, expenditures or expenses (payments for services). The following are the most common examples of quasi-external transactions:

- Enterprise Fund charges for goods or services to other funds based on actual costs incurred (the General Fund receives an invoice for utility services from an enterprise fund).

- Internal Services Fund charges for goods or services to other funds usually based on actual costs incurred.

Accounting

Quasi-external funds will be recorded as revenues in the receiving fund and expenditures in the paying fund.

1.B. Reimbursements

Definition
On occasion, governments provide services from one fund to another and classify the payment as reimbursement revenue. This occurs most often when the General Fund charges other funds for services rather than using an interfund service fund for this activity. If the intent is to provide the service by the General Fund to the user fund, the transaction revenue should be classified as charges for services rather than reimbursements. Examples are:

- The Utility Billing function is in the City's General Fund but the services are for the Water and Sewer Fund.
- The General Fund charges administrative overhead to other funds.

Accounting

Record the charges as revenue and costs as expenditure.

2.A. Interfund Loans & Advances

Definition

Loans from one fund to another should be recorded as interfund loans receivable and payable. The governing body of the reporting entity should authorize the loans, including the amount, the estimated dates of repayment and whether or not interest costs will be charged.

Due to and due from other funds are used to record temporary funding from one fund to another fund.

Advance to and from other funds, is an asset or liability account used to record the non-current portions of long term loans between funds.

Accounting

Record transaction as Interfund Receivable and Payable.

2.B.(i) Contributed Capital

Definition

This is permanent or long term movement of resources. Such transfers must be contributions restricted to capital outlays or the return of such contributions. Examples are:

- Capital improvement projects for the Marina area are funded by various City funding sources. At year end, the asset is transferred to the Marina fund and recorded as contributed capital.

- The Water Facilities Fund transfers capital assets to the Water Fund.

Accounting

Increase the equity (assets) of the recipient fund and decrease equity (fund balance) in the contributed fund.

2.B.(ii) Operating Transfers

Definition

Operating Transfers are periodic transfers made primarily to provide an operating subsidy to another fund. Operating transfer are authorized by the budget. Examples of operating transfers are:

- Transfer from the General Fund to the Landscape & Lighting Fund to subsidize operating expenses.

- Transfer from Pittsburg Power Fund to the General Fund to help fund General Fund expenses.

Accounting

Operating Transfers will be recorded as "Transfers In" by the receiving fund and "Transfers Out" by the paying fund. The transactions will be reported under "Other Financing Sources and Uses" in annual Financial Statement.

Operating transfers must be treated consistently by all funds Involved in the transfer. Operating transfers-in for City funds must be in balance with operating transfers-out for all City Funds.

CITY OF PITTSBURG
INVESTMENT POLICY

I. Statement of Purpose and Adoption of Policy

It shall be the investment policy of the City of Pittsburg (the "City") that all funds not required for immediate expenditures are invested in compliance with this statement, as well as applicable federal, state and local legislation governing the investment of public funds. Funds shall be invested in a manner that will provide the highest investment return with the appropriate level of security, while meeting the daily cash flow demands of the City.

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

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

The purpose of this document is to identify various policies and procedures that enhance opportunities for a systemic investment process. The initial step toward a prudent investment policy is to organize and formalize investment related activities. Related activities, which comprise good cash management, include accurate cash projection, the expeditious collection of revenue, the control of disbursements, cost effective banking relations and a short-term borrowing program, which coordinates working capital requirements and investment opportunities.
The City's Investment Policy shall be adopted by resolution of City Council. The policy shall be reviewed at least annually by the City Treasurer, City Manager and the Finance Director, and any modification must be approved by City Council.

II. SCOPE

It is intended that this policy cover all operating funds and investment activities under the direct authority of the City. These funds are described in the City's Comprehensive Annual Financial Report and include its General Fund, Special Revenue Funds, Enterprise Funds, Trust and Agency Funds, Capital Project Funds and Successor Agency Trust Funds.

The Investment Policy applies to all transactions involving the financial assets and related activities of the foregoing funds. Except for cash held in separate restricted funds, the City will pool cash balances from all funds for investments to maximize earnings and efficiencies concerning investment pricing, safekeeping and administration. Investment income will be allocated to the City's funds based upon

their respective average monthly balances and in accordance with Generally Accepted Accounting Principles (GAAP).

The employee's retirement and deferred compensation funds are not included. Bond proceeds are not covered under this policy and shall be governed by their applicable bond documents. However, if the bond documents are silent in regards to the investment of bond proceeds and reserves, the terms set forth in this policy shall govern the respective investment of bond proceeds.

III. OBJECTIVES AND PERFORMANCE STANDARDS

The overall program shall be designed and managed with a degree of professionalism worthy of the public trust. The City's primary investment objectives, in priority order, shall be:

1. **Safety:** Safety of principal is the foremost objective the City's investment program, followed by liquidity and yield. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the City's portfolio. To obtain this objective, the City will diversify its investment by investing funds among a variety of securities offering independent returns and financial institutions. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they are from securities default or erosion of market value. Investment decisions should not incur unreasonable investment risks in order to obtain current investment income.

2. **Liquidity:** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated. This need for investment liquidity may be tempered to the extent that the City is able to issue short-term notes to meet its operating requirements. Emphasis will be on marketable securities with low sensitivity to market risk. Maturities of investments for which there is limited opportunity for resale shall be staggered to maximize liquidity.

3. **Yield**: The City maintains an active investment strategy and its investment portfolio shall be designed to attain a rate of return which approximates benchmarks to be selected by the City's investment advisory committee throughout budgetary and economic cycles, taking into account the City's investment risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restricts the investment of funds.

IV. DELEGATION OF AUTHORITY

Pursuant to California Government Code 53607 and the City's Municipal Code, the City Council's management responsibility for the investment program is hereby delegated for a one-year period to the Finance Director who shall be responsible for the investment of idle funds consistent with this investment policy. Subject to review, the City Council may renew the delegation of authority pursuant to this section each year. The Finance Director may delegate these duties to his/her designee upon approval of the City Council. The day-to-day investment decision-

making and execution authority may also be delegated to an investment advisor under the supervision of the Finance Director. The investment advisor shall follow this Policy and such other written instructions as are provided.

V. PRUDENCE AND RISK TOLERANCE

The City recognizes that investment risks of the following can result from issuer defaults, market price changes or various technical complications leading to temporary liquidity:

1. Credit risk is the possibility that deterioration of an issuer's creditworthiness will adversely affect the value of its bonds or that an issuer will not make timely payments of interest or principal on its bonds (default). A decline in a bond issuer's credit rating, or creditworthiness, may cause prices for its outstanding bonds to decline. This shall be mitigated by limiting investments to those allowed under this policy and by diversification.

2. Market or Interest Rate risk, defined as market value fluctuations due to overall changes in market price, shall be mitigated by eliminating the need to sell securities prior to maturity and investing operating funds primarily in short-term securities, money market funds or similar investment pools, thereby limiting the average maturity of the portfolio. Investment shall be made with that degree of judgment and care, under circumstances then prevailing, which persons or prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the safety of their capital as well as the income to be derived.

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

VI. INTERNAL CONTROLS

A system of internal controls will be maintained to assure compliance with Federal and State regulations, City Council direction, and prudent cash management procedures.

The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of the City. Controls deemed most important include: control of collusion, segregation of duties, separating transaction authority from accounting and recordkeeping, custodial safekeeping, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, documentation of transactions and strategies, and code of ethical standards. In addition, whenever

possible, pre-formatted wire transfers will be used to transfer funds to pre-authorized accounts.

1. The City Treasurer shall audit and examinee all investments made by the City, or its duly authorized personnel, at those times deemed necessary by him/her and shall in his/her discretion report his/her audit and examination to the City Council.

2. Investment Oversight Committee: Quarterly review of procedures and adherence to this Investment Policy is conducted by the Investment Oversight Committee. The Committee, established by the City Council, is comprised of the City Manager, Finance Director, and City Treasurer.

3. Annual Audit: The City's portfolio is included in the annual review of the City's financial management performed by an outside audit firm.

VII. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall not participate in personal business activity that could conflict with proper execution of the investment program or which could impair the ability to make impartial investment decisions. Such employees and investment officials shall disclose any material financial interests in financial institutions that conduct business with the City, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio.

VIII. ELIGIBLE INVESTMENTS

California Government Code Sections 53600 et. seq. provides basic investment limits and guidelines for government entities. Within the investments permitted by the Government Code, the City seeks to further restrict eligible investment to the investments listed below. In the event an apparent discrepancy is found between this policy and the Government Code, the more restrictive parameters will take precedence.

Rating requirements and percentage limitations, where indicated, apply *at the time of purchase*. In the event a security held by the City is subject to a rating change that brings it below the minimum specified rating requirement, the Finance Director shall notify the City Council of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rate drop, prognosis for recovery or further rate drops, and the market price of the security.

Eligible Investments

1. **Securities of the U.S. Government**:

   United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the

payment of principal and interest. There is no limitation as to the percentage of the City's portfolio that may be invested in this category.

2. **Securities of U.S. Government Agencies**
Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the City's portfolio that may be invested in this category.

3. California State and Local Agency Obligations

Obligations of the State of California or any local agency within the state that are general obligation bonds or essential service bonds secured with revenue from a water, sewer, power or electric system, provided that such obligations are rated in one of the top three rating categories by a NRSRO.

4. Other State Obligations

Registered treasury notes or bonds of any of the other 49 United States in addition to California, including general obligation bonds or essential service bonds secured with revenue from a water, sewer, power or electric system of any of the other 49 United States, in addition to California, provided that such obligations are rated in one of the top three rating categories by a NRSRO.

5. **Bankers Acceptances**

Time drafts or bills of exchange that are drawn on and accepted by a commercial bank and brokered to investors in the secondary market. Purchasers are limited to issuers whose short-term debt is rated in the highest short-term rating category by a nationally recognized statistical-rating organization. Banker's acceptances cannot exceed a maturity of 180 days. A maximum of 40% of the City's portfolio may be invested in this category.

6. **Commercial paper**

The City may purchase commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (A) or paragraph (B):

(A) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars ($500,000,000). (iii) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization.

(B) The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10 percent of the outstanding paper of an issuing corporation. A maximum of 25 percent of the City's portfolio may be invested in this category.

7. **Negotiable Certificates of Deposit (NCDs)**

Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state or federally licensed branch of a foreign bank. Purchases are limited to institutions rated in one of the two highest rating categories by a nationally recognized statistical-rating organization. A maximum of 30 percent of the City's portfolio may be invested in this category.

8. **Time Deposits**

The City may invest in non-negotiable time deposits (CDs) that are FDIC insured or fully collateralized in financial institutions located in California, including United States branches of foreign banks licensed to do business in California.

To be eligible for purchase, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided Government Code Section 53635.2. Purchase are further limited to financial institutions meeting all capital requirements and rated in one of the three highest rating categories by a nationally recognized statistical-rating organization .All time deposits must be collateralized in accordance with California Government Code sections 53650 et. seq. The City, at its discretion, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance. The maximum maturity of a time certificate of deposit shall not exceed 1 year. A maximum of 30 percent of the City's portfolio may be invested in this category.

9. **Repurchase Agreements**

The City may enter into repurchase agreements with primary government securities dealers rated in the one of the three highest categories by two nationally recognized rating services. Counterparties should also have (i) a short-term credit rating in the highest category; (ii) minimum assets and capital size of $25 billion in assets and $350 million in capital; (iii) five years of acceptable audited financial results; and (iv) a strong reputation among market participants.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities will be acceptable collateral. All securities underlying repurchase agreements must be delivered to the City's

custodian bank delivery versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed 102 percent of the total dollar value of the money invested by the City for the term of the investment. For any repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on a weekly basis according to market conditions. Since the market value of the underlying securities is subject to daily market fluctuations, the investment in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day. Market value must also be calculated each time there is a substitution of collateral.

The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The City shall have properly executed a master repurchase agreement with each counter party with which it enters into repurchase agreements. Repurchase agreements are to be used solely as short-term investments not to exceed 90 days. A maximum of 15 percent of the City's portfolio may be invested in this category.

10. **Medium Term Notes**

Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities rated in one of the three highest categories by a nationally recognized statistical-rating organization. A maximum of 30 percent of the City's portfolio may be invested in this category.

11. Asset-Backed Securities

A mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision must be rated in one of the two highest rating categories by a nationally recognized statistical-rating organization and shall be issued by an institution rated in one of the three highest rating categories by a nationally recognized statistical-rating organization. A maximum of 20 percent of the City's portfolio may be invested in this category.

12. **Supranational Securities**

United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Securities eligible for investment under this subdivision must be rated in one of the two

highest rating categories by a nationally recognized statistical-rating organization. A maximum of 30 percent of the City's portfolio may be invested in this category.

13. **Money Market Funds**

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). To be eligible for purchase, the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of $500,000,000.

A maximum of 20 percent of the City's portfolio may be invested in this category.

14. **State of California's Local Agency Investment Fund (LAIF)**

The Local Agency Investment Fund was established by the State to enable local agency treasurers to place funds in a pool for investment (California Government Code Section 16429.1 et seq.). The City uses this investment vehicle for short-term liquidity, investment, and yield when rates are declining. Funds are available on demand and interest is paid quarterly. The City may invest up to the maximum permitted by the LAIF.

15. **California Asset Management Program (CAMP)**

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests the securities and obligations authorized in subdivisions (a) to (n), inclusive, of Government Code Section 53601.

Summary of Investment Requirements[1]

Investment Type	City Minimum Quality Parameters	Code Minimum Quality Parameters	City Maximum % of Portfolio	Code Maximum % of Portfolio	City Maximum Maturity	Code Maximum Maturity
U.S. Treasury Obligations	None	None	None	None	5 Years	5 Years
Federal Agency Obligations	None	None	None	None	5 Years	5 Years
Bankers Acceptances	A1/P1	None	40%/5% issuer[2]	40%/ 30% issuer	180 Days	180 Days
State and Local Obligations	"A-" rated obligation	None	30%/5% issuer[2]	None	5 years	5 years
Commercial Paper	A1/P1/F1	A1/P1/F1	25%/5% issuer[2]	25%	270 Days	270 Days
Negotiable Certificates of Deposits	Aa/AA- rated financial institutions	None	30%/5% issuer[2]	30%	5 Years	5 Years
Certificates of Deposit	"A" rated financial institutions	None	30%/5% issuer[2]	None	1 Year	None
Repurchase Agreements	"A" rated primary dealers	None	15%/5% issuer[2]	None	90 Days	1 Year
Medium-Term Notes	A	A	30%/5% issuer[2]	30%	5 Years	5 Years
Asset-backed Securities	"AA" security/"A" rated financial institutions	AA" security/"A" rated financial institutions	20%/5% issuer[2]	20%	5 Years	5 Years
Money Market	Multiple[4]	Multiple[4]	20%/ 10% per	20%	N/A	N/A

Investment Type	City Minimum Quality Parameters	Code Minimum Quality Parameters	City Maximum % of Portfolio	Code Maximum % of Portfolio	City Maximum Maturity	Code Maximum Maturity
Funds			fund			
Local Agency Investment Fund	None	None	$50 million[5]	$50 million	N/A	N/A
CAMP[6]	None	None	None	None	N/A	N/A

Notes:

1. The table is a summary of the key requirements. Additional requirements may apply as listed under this Policy and California Government Code Section 53601.
2. The Policy limits the portfolio's allocation to any one issuer, with the exception of U.S. Treasury securities, Federal Agency securities, and authorized pools, to no more than 5 percent of the portfolio.
3. The Policy limits the portfolio's allocation to any one issuer, with the exception of U.S, Treasury securities, Federal Agency securities, and authorized pools, to no more than 10% per fund.
4. Must receive the highest rating by two of the three largest nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC and has not less than five years experience managing money market funds with assets under management in excess of $500 million.
5. There is a $50 million cap for the City of Pittsburg funds.
6. CAMP is California Asset Management Program.

IX. DIVERSIFICATION

In an effort to reduce portfolio risk while attaining market average rates, the City's portfolio will be suitably diversified by type and institution. With the exception of U.S. Treasury securities, Federal Agency securities, and authorized pools, no more than 30 percent of the total portfolio, and less where stated, will be invested in a single security type with no more than 5 percent invested with a single issuer.

X. MAXIMUM MATURITY

The City's cash management system is designed to accurately monitor and forecast revenues and expenditures thus enabling the City to invest funds to the fullest extent possible. To the extent possible, the City will attempt to match investments with anticipated cash flow requirements. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds

Where this Policy does not specify a maximum remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase agreement, that at the time of the investment has a term remaining to maturity in excess of five years, unless the City Council has granted express authority to make that investment either specifically or as a part of an investment program approved by the City Council no less than three months prior to the investment.

XI. INELIGIBLE INVESTMENTS

Investments not described herein, including but not limited to common stocks and financial futures contracts and options, are prohibited in this fund. As provided in California Government Code Section 53601.6, the City shall not invest any funds in inverse floaters, range notes, mortgage derived interest-only strips or in any security that could result in zero interest accrual if held to maturity. The purchase of any security not listed in Section 8 above, but permitted by the California Government Code, is prohibited unless the City Council approves the investment specifically or as a part of an investment program approved by the City Council.

XII. BANKS AND SECURITIES DEALERS

The Finance Director shall maintain a list of authorized broker/dealers and financial institutions, which are approved for investment purposes. It shall be the City's policy to purchase securities only from those authorized institutions and firms. The City shall annually send a copy of the current investment policy to all dealers approved to do business with the City. Each broker dealer or financial institution that has been authorized by the City shall be required to submit the firm's most recent financial statement. If an investment advisor is used, they may use their own list of approved broker/dealers and financial institutions for investment purposes.

XIII. SAFEKEEPING AND CUSTODY

All security transactions entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. All cash and securities in the City's portfolio, including those that are managed by an investment advisor, shall be held in safekeeping in the City's name by a third party bank trust department, acting as agent for the City under the terms of a custody agreement executed by the bank and the City. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of each these investments will be held in the Treasury vault. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

XIV. PERFORMANCE STANDARDS

The investment portfolio will be designed to obtain a market-average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs.

XV. REPORTING REQUIREMENTS

A Quarterly Investment report shall be provided to the City Council, City Manager, and Finance Director.

1. A quarterly investment report will be submitted within 60 days following the period being reported to the City Council. Reports of the investment of bond proceeds are issued monthly by the Trustee and are included in the quarterly report of the pooled investment fund. The quarterly investment report shall include information on the following:
   - Type of Investment
   - Issuer
   - Date of Maturity
   - Par and dollar amount invested on all securities
   - Current market value of each security and the source of the valuation
   - Credit quality of each investment, as determined by one or more nationally recognized credit rating services
   - Listing of investment transactions for the quarter being reported upon.
   - Statement that portfolio is in compliance with investment policy ,or the manner in which the portfolio is not in compliance
   - Statement denoting ability of City to meet its expenditure requirements for the next six months, or provide sufficient explanation why money is not available

XVI. INVESTMENT POLICY REVIEW

The Finance Director shall periodically submit to the City Council a statement of investment policy outlining any proposed changes, which the City Council must consider at a public meeting.

Glossary of Terms

Accrued Interest: Interest earned but not yet received.

Active Deposits: Funds which are immediately required for disbursement.

Amortization: An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Arbitrage: Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets.

Asked Price: The price a broker/dealer offers to sell securities.

Average Life: The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund features is expected to be outstanding.

Bankers' Acceptance (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Basis Point: One basis point is one hundredth of one percent (.01).

Bid Price: The price a broker/dealer offers to purchase securities.

Bond: A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Entry: The system maintained by the Federal Reserve, by which most money market securities are delivered to an investor's custodial bank. The Federal Reserve maintains a computerized record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment.)

Book Value: The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not take a position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

Callable Bond: A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price: The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk: The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Sale/Purchase: A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: A short-term, unsecured, and negotiable promissory note with a fixed maturity of no more than 270 days. By statute, these issues are exempt from registration with the U.S. Securities and Exchange Commission.

Comprehensive Annual Financial Report (CAFR): The official annual financial report for public sector entities/companies. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principles (GAAP).

Convexity: A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon: The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Analysis: A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

Credit Risk: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security and a loss will result.

Current Yield: The interest paid on an investment expressed as a percentage of the current price of the security.

Custodian: A bank or other financial institution that keeps custody of stock certificates and other assets.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his or her own account.

Debenture: A bond secured only by the general credit of the issuer.

Defeased Bond Issues: Issues that have sufficient money to retire outstanding debt when due so that the agency is released from the contracts and covenants in the bond document.

Delivery versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free delivery). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Derivative: Securities that are based on, or derived from, some underlying asset, reference date, or index.

Discount: The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Duration: A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Face Value: The principal amount owed on a debt instrument. It is the amount on which interest is computed and represents the amount that the issuer promises to pay at maturity.

Fair Value: The amount at which a security could be exchanged between willing parties, other than in a forced or liquidation sale. If a market price is available, the fair value is equal to the market value.

Federal Farm Credit Bank (FFCB): Government-sponsored institution that consolidates the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks and the Banks for Cooperatives. Its securities do not carry direct U. S. Government guarantees.

Federal Funds Rate: The rate of interest at which Federal funds are traded. This rate is considered the most sensitive indicator of the direction of interest rates, as it is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB): Government sponsored wholesale banks, which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac): Established in 1970 to help maintain the availability of mortgage credit for residential housing. FHLMC finances these operations by marketing guaranteed mortgage certificates and mortgage participation certificates. Its discount notes and bonds do not carry direct U.S. Government guarantees.

Federal National Mortgage Association (FNMA): FNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (H.U.D.). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System: The central bank of the U.S., which consists of seven member Board of Governors, 12 regional banks, and about 5,700 commercial banks that are members.

Fitch IBCA, Inc. (Fitch): One of the three best-known rating agencies in the United States, the others being Moody's Investment Service, Inc. and Standard and Poor's Corporation.

Government Accounting Standards Board (GASB): A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

Government National Mortgage Association (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA or VA mortgages. The term pass-through is often used to describe Ginnie Maes.

Government Securities: An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

Guaranteed Investment Contracts (GICS): An agreement acknowledging receipt of funds, for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

Inactive Deposits (Idle Funds): Funds not immediately needed for disbursement.

Investment-Grade Obligations: An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

Interest Rate Risk: The risk of gain or loss in market values of securities due to changes in interest-rate levels. For example, rising interest rates will cause the market value of portfolio securities to decline.

Inverse Floating Rate Note: A debt security with an interest rate stated as a fixed rate minus an index. This calculation causes the rate on the inverse floater to move in the opposite direction of general interest rates. This instrument generally performs well in a declining interest rate environment but will lose value if rates rise.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between the bid and asked prices is narrow and reasonable size can be done at those quotes.

Local Agency: County, City, City and County, including a chartered city or county, school district, community college district, public district, or any public or municipal corporation.

Local Agency Investment Fund (LAIF): An investment pool managed by the California State Treasurer. Local government units, with consent of the governing body of that agency, may voluntarily deposit surplus funds for the purpose of investment. Interest earned is distributed by the State Controller to the participating governmental agencies on a quarterly basis.

Mark-to-market: The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market Risk: Systematic risk of a security that is common to all securities of the same general class (stocks, bonds, notes, money market instruments) and cannot be eliminated by diversification (which may be used to eliminate non-systematic risk).

Market Value: The price at which a security is trading and could presumably be sold.

Master Repurchase Agreement: A written contract covering all future transactions between the parties to repurchase agreements and reverse repurchase agreements that establish each person's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Medium Term Notes: Instruments issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

Modified Duration: A measure of exposure to market risk of a security or a portfolio. It is the percent change in the price of a security (portfolio) or a 100 basis point change in the security's (portfolio's) yield.

Money Market: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

Money Market Mutual Fund: Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Moody's: Moody's Investment Service, Inc. One of the three best-known rating agencies in the United States, the others being Standard and Poor's Corporation (S&P) and Fitch IBCA, Inc. (Fitch).

National Association of Securities Dealers (NASD): A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

NATIONAL RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO):
A rating organization designated by the SEC as being nationally recognized, such as Moody's Investor Service, Inc. (Moody's), Standard & Poor's (S&P), and Fitch Ratings (Fitch).

Net Asset Value: The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets, which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. [(Total assets) - (Liabilities)] / (Number of shares outstanding)

Negotiable Certificate of Deposit: A large denomination certificate of deposit, which can be sold in the open market prior to maturity.

Nominal Yield: The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

New Issue: Term used when a security is originally "brought" to market.

Note: A written promise to pay a specified amount to a certain entity on demand or on a specified date.

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the Federal Open Market Committee, (FOMC), in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit: Sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Par Value: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in $1,000 increments per bond.

Portfolio: Collection of securities held by an investor.

Premium: The amount by which the price paid for a security exceeds the security's par value.

Primary Dealer: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities, broker/dealers, banks and a few unregulated firms.

Principal: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

Prospectus: A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an "official statement").

Prudent Investor Standard: An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state, the so-called legal list. In other states, the trustee may invest in a security if it is one that would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

Purchase Date: The date in which a security is purchased for settlement on that or a later date.

Range Note: A debt security with a varied interest payment that depends on the number of days the designated index falls within (or in some cases outside) an established range of interest rates. Should rates move beyond the range on either end, the investor faces the risk of a reduced or zero interest payment for the applicable interest period.

Rate of Return: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Rating Agency: Nationally recognized credit rating agency such as Fitch, Moody's or S&P.

Rating Category: A credit rating assignment by a Rating Agency shall mean (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

Repurchase Agreement (RP or Repo): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement and the

terms of the agreement are structured to compensate the buyer for this. Dealers use RP extensively to finance their positions. Exception: when the Fed is said to be doing RP, it is lending money, which is increasing bank reserves.

Reverse Repurchase Agreement (Reverse Repo): A counter party (e.g. investment dealer) buys the securities from the holder of securities (e.g. the Agency) with an agreement to sell them back at a fixed date. The counter party in effect lends the seller, (e.g. the Agency) money for the period of the agreement with terms of the agreement structured to compensate buyer.

Safekeeping: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Secondary Market: A market for the repurchase and resale of outstanding issues following the initial distribution.

Securities: Investment instruments such as notes, bonds, stocks, money market instruments and other instruments of indebtedness of equity.

Sec Rule 15C3:1: See Uniform Net Capital Rule.

Securities and Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Settlement Date: The date on which a trade is cleared by delivery of securities against funds.

Serial Bond: A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

Sinking Fund: Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

Spread: The difference between two figures or percentages. It may be the difference between the bid (price at which a prospective buyer offers to pay) and asked (price at which an owner offers to sell) prices of a quote, or between the amount paid when bought and the amount received when sold.

Standard and Poor's Corporation (S&P): One of the three best-known rating agencies in the United States, the others being Moody's Investment Service, Inc. and Fitch IBCA, Inc. (Fitch).

Strip (Bonds): Brokerage-house practice of separating a bond into its principal and interest, which are then sold as zero coupon bonds.

Swap: An agreement between two parties (known as counterparties) where one stream of future interest payments is exchanged for another based on a specified principal amount.

Term Bond: Bonds comprising a large part or all of a particular issue, which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Time Certificate of Deposit: A non-negotiable certificate of deposit, which cannot be sold prior to maturity.

Total Return: The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return

Treasury Bills: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

Treasury Bonds: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

Trustee or trust company or trust department of a bank: A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

Underwriter: A dealer which purchases a new issue of municipal securities for resale.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

U.S. Government Agencies: Instruments issued by various U.S. Government Agencies most of which are secured only by the credit worthiness of the particular agency.

U.S. Treasury Obligations: Debt obligations of the United States Government sold by the Treasury Department in the forms of Bills, Notes, and Bonds. Bills are short-term obligations that mature in 1 year or less and are sold on the basis of a rate of discount. Notes are obligations that mature between 1 year and 10 years. Bonds are long-term obligations that generally mature in 10 years or more.

Weighted Average Maturity (WAM): The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years.

Yield: The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Yield to Maturity: The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Yield Curve: A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

Zero-coupon Securities: Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

CITY OF PITTSBURG
PURCHASING POLICIES

REVISED MAY 2013

TABLE OF CONTENTS

Section		Page
1	Authority Provided	2
2	Delegation of Purchasing Authority	2
3	Informal Bidding Permitted	3
4	Informal Bidding Procedure, not a Public Works Project	3
	4.1 Informal Bidding Procedures	3
	4.2 Emergency Purchasing	3
5	Informal Bidding Procedure, Public Works Project	4
	5.1 Purpose	4
	5.2 Definitions	4
	5.3 Informal Bidding Procedures	4
	5.4 Contractors List	4
	5.5 Size of Project – Methods for Bidding	5
	5.6 Award of Contract	5
	5.7 Alternate Bidding Procedure	5
6	Formal Bids	6
	6.1 For Supplies, General Services, and Professional Services	6
	6.2 For Public Works Projects	6
7	Local Preference	6
8	Minority and Women Owned Businesses	7
9	Recycled Products Preference	7

CITY OF PITTSBURG
PURCHASING POLICIES

1 Authority Provided

The City Council adopts the following Purchasing Policies in conformance to the authority provided by Pittsburg Municipal Code Chapter 2.85, Purchasing System. The City Council may add, rescind, or otherwise amend any purchasing policy through the adoption of a resolution or motion.

The City Council further directs the Chief Purchasing Officer to develop and adopt purchasing procedures which implement these Purchasing Policies.

2 Delegation of Purchasing Authority

Except as specified below, no purchase may be made without the City Council's prior approval.

For purposes of this Policy, "Executive Team Member" shall mean the Assistant City Managers, Police Chief, Director of Finance, City Clerk and Director of Power.

Excluding purchases whose term exceeds one (1) year, the Chief Purchasing Officer is authorized to make the following purchases without the City Council's prior approval and may delegate this authority to any Executive Team Member, or Executive Team Member's assignee(s):

	Supplies	General Services	Professional Services	Public Works Projects
Executive Team Member	$75,000 or Less	$75,000 or Less	$75,000 or Less	$75,000 or less.
City Manager	$150,000 or Less	$150,000 or less	$150,000 or less	$150,000 or less.

Supplies are the purchase or lease of goods and equipment in the general conduct of the City's business, except supplies for a public works project which is regulated under the California Public Contracts Code.

General Services are services such as uniform cleaning, maintenance or other services which do not require any unique skill, special background, training, and obtaining such services at the lowest cost is the highest weighted factor in selection, as opposed to personal performance.

Professional Services are services from a vendor who possesses a high degree of professional or technical skill. Professional services include legal, data processing and programming, planning, environmental,

financial, architecture, engineering, etc. The selection must be based on demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services. State law does not require competitive bidding for these types of services.

Public Works Project is a project for the erection, improvement, painting or repair of public buildings and works; work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow; street or sewer work except maintenance or repair; and/or furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.

3 Informal Bidding Permitted

The Chief Purchasing Officer is authorized to permit informal bidding, as defined through administrative procedures, with the following limitations:

	Supplies	General Services	Professional Services	Public Works Project
Suggestion of soliciting comparable quotes.	$10,000 or less	$10,000 or less	$10,000 or less	See Public Works Project "Informal Bidding Procedure"
Must solicit comparable quotes/informal proposals.	$10,001 to $50,000 must solicit a minimum of three quotes	$10,001 to $50,000 must solicit a minimum of three quotes	$10,001 to $50,000 must solicit a minimum of one quote	See Public Works Project "Informal Bidding Procedure"
Must solicit formal proposals/bids.	$50,001 or more	$50,001 or more	$50,001 or more *	More than $125,000

* State law does not require competitive bidding for Professional Services; however, to promote fairness, the City strongly encourages the solicitation of competitive proposals for these services.

4 Informal Bidding Procedure, not a Public Works Project

4.1 Informal Bidding Procedures

The Chief Purchasing Officer shall develop and adopt administrative procedures outlining the requirements of informal bidding procedures for the purchase of supplies, general services, and professional services. Such procedures shall assure continuity and uniformity of the City's purchasing practices.

4.2 Emergency Purchasing

In the event of an emergency for a non-public works project, the City Manager or designee may waive any purchasing procedure. An emergency is defined to mean any of the following:

- There is a great public calamity.
- There is immediate need to prepare for national or local defense.

- There is a breakdown in machinery or an essential service that requires the immediate purchase of supplies or services to protect the public health, welfare or safety, or to prevent financial loss, or for the continued conduct of City services.

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

4.3 Cooperative Purchasing

The Chief Purchasing Officer may authorize the use of an agreement for supplies or services negotiated by another governmental agency ("Cooperative Agreement") if: (a) the Cooperative Agreement was awarded by a public agency situated within the State of California utilizing a quotation or bid procedure substantially similar to the City's required procedures for a contract of the same type and dollar amount; or (b) the Cooperative Agreement is identified on the California Multiple Award Schedules ("CMAS") listing maintained by the State of California Department of General Services – Procurement Division.

5 Informal Bidding Procedure, Public Works Projects

This item is regulated in accordance with **Municipal Code Chapter 2.86, Informal Bidding Procedures**, which is reflected as follows:

5.1 Purpose (Municipal Code 2.86.010)
This section is enacted under the authority of the California Public Contract Code section 22034 which requires a city which elects to become subject to the uniform construction cost accounting procedures as set forth in Public Contract Code sections 22000 through 22044 to enact an ordinance governing informal bidding procedures for the selection of contractors to perform public works projects.

5.2 Definitions (Municipal Code 2.86.020)
In this section, unless the context otherwise requires:

A. "Commission" means the California Uniform Construction Cost Accounting Commission under Public Contract Code Section 22010, et seq.

B. "Public project" means a project defined in Section 20161 of the Public Contract Code which reads as follows:

(a) A project for the erection, improvement, painting or repair of public buildings and works.
(b) Work in or about streams, bays, waterfronts, embankments or other work for protection against overflow.
(c) Street or sewer work except maintenance or repair.
(d) Furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.

5.3 Informal Bidding Procedures (Municipal Code 2.86.030)
A public project of one hundred seventy five thousand dollars ($175,000.00) or less may be let to contract by the informal procedure as set forth in Section 22032 et seq. of the Public Contract code.

5.4 Contractors List (Municipal Code 2.86.040)
The City Manager or designee(s) shall develop and maintain a list of qualified contractors identified according to categories which comply with Section 22034 of the Public Contract Code and criteria adopted by the commission. During November of each year the City Manager or his/her designee(s) shall develop the contractors list by mailing a written notice to construction trade journals designated by the commission under Section 22036 inviting all licensed contractors to submit the name of their firm to the city for inclusion on the contractors list of qualified bidders for the following calendar year.

5.5 Size of Project – Methods for Bidding (Municipal Code 2.86.050)
A. Where public project of thirty thousand dollars ($45,000.00) or less is to be performed, the City may perform it by its employees, by force account, by negotiated contract or by purchase order, or the City may elect to follow the informal bidding procedure prescribed in subsection B of this section and as amended in Public Contract Code Sections 22032 and 22034.

B. Where a public project of one hundred seventy five thousand dollars ($175,000.00) or less is to be performed, not less than ten (10) days before the bids are due, the City Manager or his/her designee shall mail a written notice inviting informal bids to (1) all contractors for the category of work to be bid as shown on the contractors list developed in accordance with PMC 2.86.040, and/or (2) all construction trade journals designated by the commission under Public Contract Code Section 22036. Additional contractors and construction trade journals may be notified at the discretion of the City Manager or designee.

C. If there is no list of qualified contractors for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the commission.

5.6 Award of Contracts (Municipal Code 2.86.060)

A. The City Manager or his/her designee(s) is authorized to award informal contracts under this chapter in accordance with City Council policy.

B. If all bids received on a public project under this procedure set forth in this section are in excess of one hundred seventy five thousand dollars ($175,000.00), the City Council may award the contract at one hundred eighty seven thousand, five hundred dollars ($187,500.00) or less to the lowest responsible bidder if the Council determines that the City's original cost estimate was reasonable.

5.7 Alternate Bidding Procedure (Municipal Code 2.86.070)

The procedure set forth in this section is an alternate to the procedure set forth in Public Contract Code Sections 20160 – 20174.

6 Formal Bids

6.1 For Supplies, General Services, and Professional Services

All purchases of supplies, general services, or professional services which may not be purchased under the City's informal bid thresholds shall be procured using a formal bid process. (The Chief Purchasing Officer may direct and/or require those purchases which fall within the informal bid thresholds to be formally bid, although there is no policy requirement for such a formal bid.)

Formal bids for supplies, general services, or professional services shall contain the following elements and the Chief Purchasing Officer shall develop administrative procedures which adhere to these elements:

- Shall be prepared using a Request for Proposal (RFP) or a Request for Quote (RFQ) format; and
- Shall solicit potential vendors through the use of informal and/or formalized bidders lists; and
- Shall advertise the RFP or RFQ through an invitation to bid in a newspaper of general circulation, or through direct mailing, or through notices posted on the City's website; and
- Shall be publicly opened when required, in accordance with State Law, by the City Clerk or his/her designee or assignee; and
- For supplies, shall be awarded to the lowest responsive bidder; or
- For general services, shall be awarded based on best value to the City; or

- For professional services, shall be awarded in accordance with State law.

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

The Chief Purchasing Officer and/or City Council may waive formal bidding requirements for the purchase of supplies, general services or professional services when utilizing a Cooperative Agreement as identified in Section 4.3 above.

6.2 For Public Works Projects

Public Works Project purchases (including emergency purchases) which exceed the informal bid threshold shall be made in conformance with the California Public Contract Code.

7 Local Preference

The City shall provide a one percent (1%) preference for local vendors on all qualifying purchases. To qualify for this preference, the purchase must be subject to sales tax collection. Also, the purchase order or contract must be issued to a business holding a current, valid City of Pittsburg business license and said business must be located in Pittsburg, California.

8 Minority and Women Owned Businesses

It is the City's policy to give minority suppliers an opportunity to compete on an equal basis with all other vendors in the competitive marketplace. One of the responsibilities of the Chief Purchasing Officer or his/her designee is to seek out and identify qualified, minority-owned firms and assist them in becoming familiar with the City's requirements for city purchases.

9 Recycled Products Preference

The City will consider preferences, when using competitive bids, in determining the lowest price(s) for products containing recycled materials. The following preferences are not cumulative; only one preference may be applied to a single product:

- Total aggregate purchase of ten thousand dollars ($10,000.00) or less. The City will consider a five percent (5%) preference for products containing fifty percent (50%) or more post-consumer recycled content.

- Total aggregate purchase of five thousand dollars ($5,000.00) or less. The City will consider a ten percent (10%) preference for

products containing fifty percent (50%) or more post-consumer recycled content.

- Total aggregate purchase of one thousand dollars ($1,000.00) or less. The City will consider a ten percent (10%) preference for products containing fifty percent (50%) or more post-consumer recycled content.

The following procurements are exempt from the requirements as mentioned above:

- Purchases made with federal or state grant funds.
- Purchases of construction or public works projects.
- Purchases made in cooperation with other public entities.

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Approval of the Operating Budget)
for Fiscal Year 2017-18 for the City of) RESOLUTION NO. 17-13337
Pittsburg and Appropriation of Funds)
for Fiscal Year 2017-18)

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 2017-18 to the City Council for its consideration; and

WHEREAS, the City prepares and adopts the Preliminary Operating Budget for Fiscal Year 2017-18 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 May 15, 2017 the City Council held a meeting for the purpose of reviewing the Preliminary Operating Budget for Fiscal Year 2017-18 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 2017-18 being fully advised, finds and determines that the said Preliminary Operating Budget should be adopted and prepared in the final form.

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

Section 1. Findings

A. The recitals set forth above are true and correct statements and are hereby incorporated in conjunction with the respective staff report.

B. The Budget for Fiscal Year 2017-18 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 2017-18.

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 2017-18.

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 2017-18.

E. The Finance Director or his/her designee is hereby authorized to approve

payment of goods and services received by the City of Pittsburg in accordance with the City's approved budget, programs, and policies.

F. The City Council of the City of Pittsburg authorizes changes to be made to the annual budget of the City of Pittsburg as follows:

Items Requiring Council/Agency Action:

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

Items Delegated to the City Manager/Executive Director:

- Items in excess of $5,000.00
- Transfers between departments and divisions so that the total fund budget remains the same.
- Approval of transfers within funds which increase salary and benefit appropriations so that the total fund budget remains the same.

Items Delegated to Department Heads:

- Allocation of departmental appropriations to line item except for salary and benefit appropriations.
- Changes which exceed current funds disbursement authorizations must be approved by the City Manager/Executive Director. These changes cannot increase the department budget.

Section 2. Authorization

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting held on 19th day of June, 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
65 Civic Avenue
Pittsburg, California 94565

June 19, 2017

Honorable Mayor and Members of the City Council:

I am pleased to submit the Fiscal Year 2017-18 Annual Budget for the City of Pittsburg (City), which provides a comprehensive financial framework for the coming year. The budget presented in this document represents the City's commitment to serve both the residents and business community, and long-term financial stability throughout the City. Over this past year bond ratings of the City have increased multiple times as a result of the fiscally responsible approach the City has taken with our finances and financial projections. Revenues for the City (excluding transfers) are projected to be $154.2 million, of which 23.3 percent comprises the General Fund. The City's total expenditures are projected (excluding Transfers and Capital) to be $147.2 million, of which 26.3 percent is the General Fund, the City's main source of unrestricted funds. This proposed budget funds 268 full-time equivalent employees, an increase of one full-time public safety position over FY 2016-17 approved staffing levels. Before the recent economic recession, the City budget had 308 full-time equivalent positions. This Budget was prepared to meet the requirements of the Fiscal Sustainability Ordinance which requires a minimum reserve by the end of FY 2017-18.

Overview of the General Fund Proposed Operating Budget for FY 2017-18

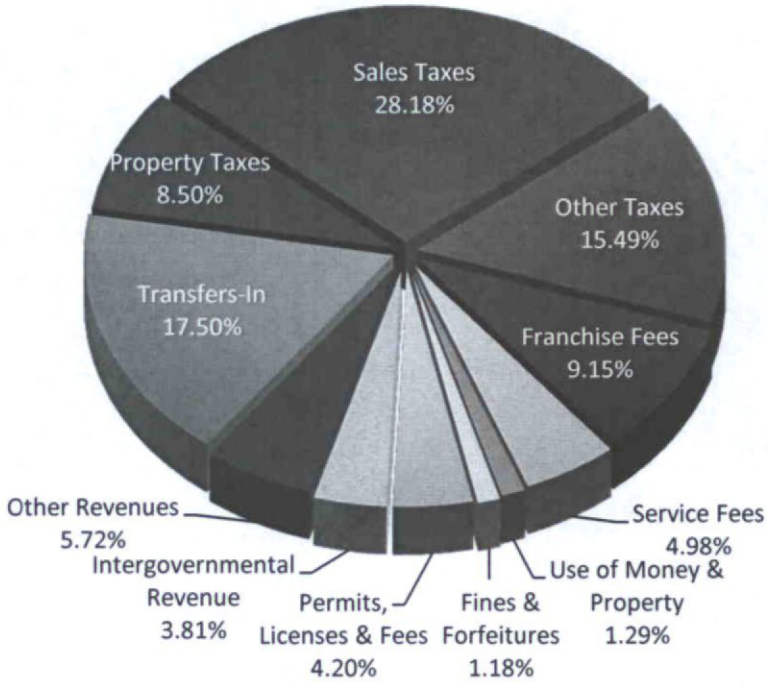
	16/17 YE Est	17/18 Budget	Difference	Percent Difference
Revenues	40,647,399	39,136,440	(1,510,959)	(3.72%)
Expenditures	42,181,845	40,462,069	(1,719,776)	(4.08%)
Surplus (Deficit)	(1,534,446)	(1,325,629)	208,817	(13.61%)
Use of GF Fund Balance and Budget Stabilization Fund	1,534,446	1,325,629	(208,817)	

Revenues

The City's revenue streams are influenced by overall economic conditions. Total General Fund revenue projections for FY 2017-18 are approximately $1.5 million less than FY 2016-17. The reductions are due to a one-time realignment of $1.3 million in Water revenues along with water related operations costs being moved from the General Fund to the Water Operating Fund and lower AB1290 Successor Agency pass-through payments for FY 2017-18. The FY 2016-17 AB1290 revenues were a result of the Successor Agency's bond refinancing. The General Fund major revenue sources include property and sales taxes, transfers and vehicle taxes, and franchise taxes. Together the major sources comprise 70 percent of total General Fund revenues for FY 2017-18, as shown on the graph below. The remaining 26 percent includes

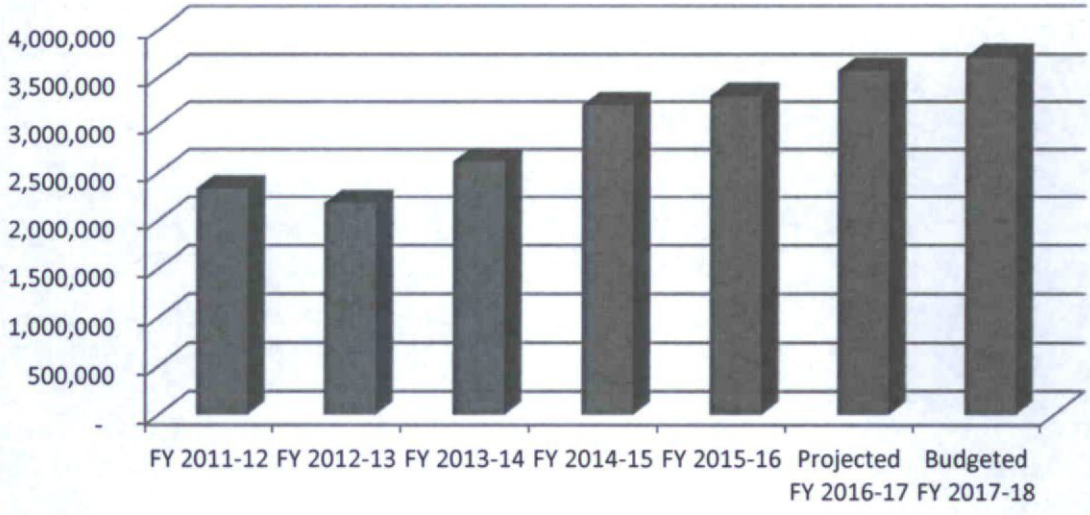
revenues such as departmental revenues, cost reimbursements from other funds and interest revenues.

General Fund Revenues by Source



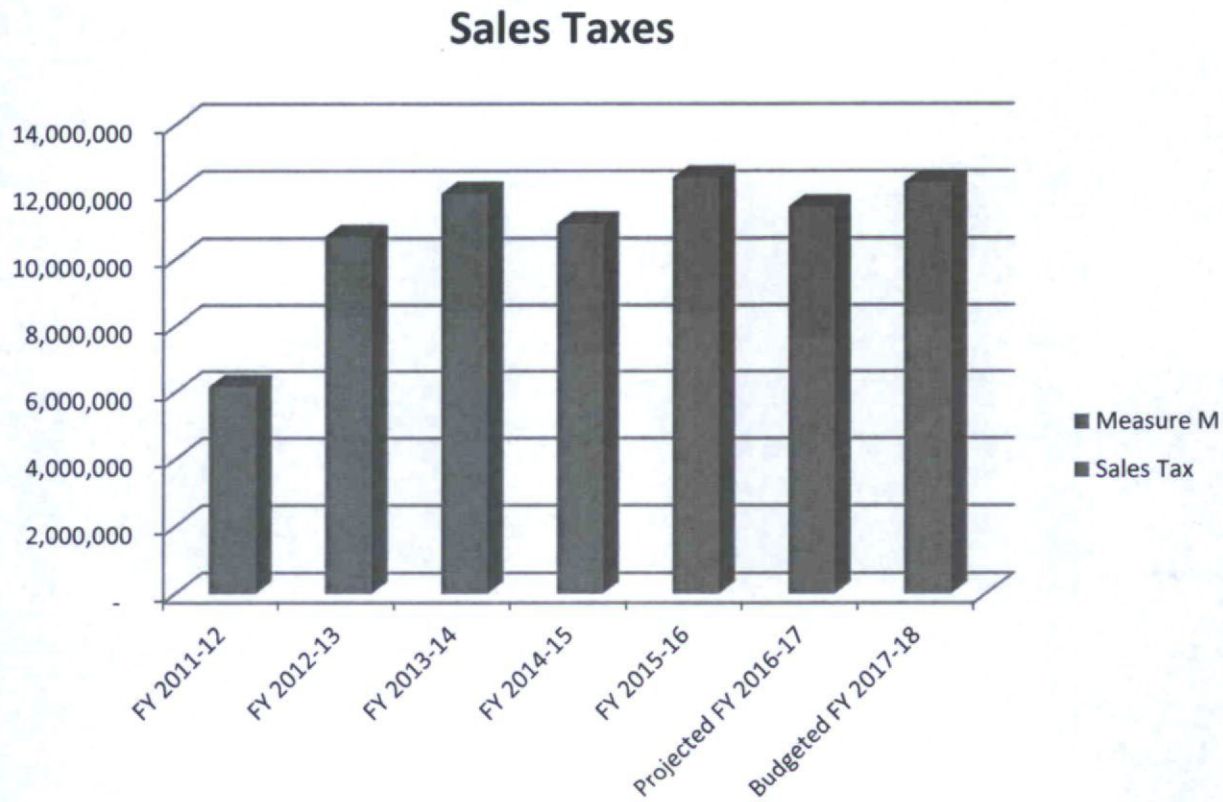
The City continues to see signs of improvement through increases in both property tax and sales tax revenues. Property tax revenue projections increased approximately $138,000 from year-end estimates; a 3.9 percent estimated increase due to additional single-family and commercial construction, as well as recovering property values.

Property Taxes



FY 2017-18 Sales Tax revenue projections grew by $625,000 over FY 2016-17 year-end estimates, an 8.2 percent increase. Sales tax revenue continues to show modest growth and the addition of a new auto dealership accounts for most of the projected increase. Looking forward, the City is projecting Sales Tax revenue to increase approximately two percent per year as the economy continues to recover.

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



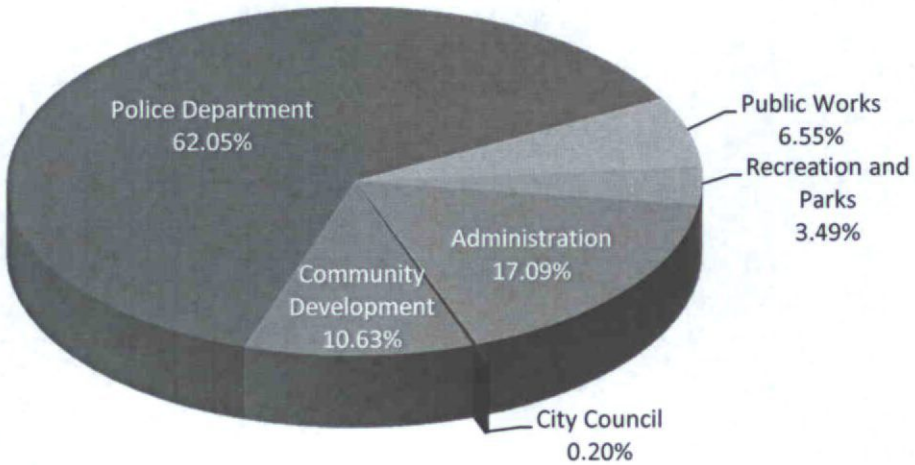
Expenditures

General Fund projected expenditures have decreased by $1.7 million in FY 2017-18 over FY 2016-17. $1.3 million of the decrease was due to a realignment of Water related costs being moved to the Water Operating Fund. In the current budget, all departments were requested to reduce costs where possible to offset normal inflationary costs and increases in providing health care and retirement benefit costs. Additionally, Pittsburg as well as many cities and counties throughout the State are now required to fund the public retirement system CalPERS with higher than anticipated contribution rates. The rate increase resulted from CalPERS changing its policy to proactively fund the unfunded actuarial liabilities of all members over the next 15 years as well as reduced the projected rate of earnings from 7.5 percent to 7 percent over the next four years. In response to these changes, the City redirected program costs to other funds

and away from the General Fund where possible and made necessary adjustments to the current budget and future projected budgets to prepare for the years to come.

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

2017-18 General Fund Expenditures by Department



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

The current City budget is in the final year of the 7-year General Fund Balancing Plan (Plan) that originally started in FY 2011-12. The Plan assumes relatively conservative revenue projections and expenditure assumptions, with the underlining goal of obtaining a structurally balanced budget in FY 2018-19. Since the inception of the Plan, actual revenues and expenses have been favorable most years. These favorable years have resulted in the use of approximately $2.7 million from the Budget Stabilization Fund to balance the General Fund through FY 16-17, an amount significantly less than the $7 million originally projected to be needed to balance those budgets.

Fiscal Sustainability Ordinance – This is the fifth 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 2017-18 is projected to be just over $2.0 million, representing five percent of General Fund operating expenditures required by the Ordinance. Budget Stabilization Fund balance in excess of five percent requirement will be transferred back to the General Fund Balance during the upcoming fiscal year. The City

Council recently adopted a change to the Fiscal Sustainability Ordinance allowing up to ten percent (10%) of the required minimum 30 percent General Fund reserve level to be held in real estate. Staff is currently estimating that $1.33 million of the Budget Stabilization Fund will be utilized in FY 2017-18 to balance the budget.

20-year General Fund Forecast – In addition to the annual budget and the 7-year General Fund balancing plan, the City uses a long-range 20-year forecast. This forecast incorporates anticipated revenues from development, assessed market value and economic recovery, as well as a systematically structured expenditure plan to cover current costs and post retirement liabilities (Contra Costa County Employees' Retirement Association (CCCERA), Pension, and Other Post-Employment Benefits (OPEB).

CCCERA – In 2001, the City terminated participation in the Contra Costa County Employees Retirement Association (CCCERA) and converted to the CalPERS retirement system. The termination agreement with CCCERA required the City to cover unfunded pension liabilities for former employees receiving a pension from CCCERA. In FY 2013-14, the City reduced its CCCERA unfunded liability by $5.8 million by self-funding and borrowing $3.8 million from the City's Water Fund balance. This loan was fully repaid in FY 2016-17.

Pension - One of the benefits offered to City employees is participation in the CalPERS pension program. Following significant losses during the recession and lower than projected returns on assets held for the past several years, CalPERS changed the assumptions it applies to the funding requirements of the program. These assumptions changed the term of recovery from 30 years to 15 years and lowered the discount rate (projected annual earnings rate) from 7.5 percent to 7.0 percent over the next four 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.

OPEB Liabilities – In December 2013, the City established an agreement with the California Public Employees' Retirement System (CalPERS) to set aside funds and deposit into the California Employer's Retiree Benefit Trust (CERBT) fund to accumulate and distribute assets for the exclusive benefit of retirees and their beneficiaries. Plan assets are irrevocable and may not be used for any purpose other than funding post-retirement healthcare. The City continues to deposit funds with CERBT each year to reduce its unfunded OPEB liability. The City's

CERBT account had a balance of $3.0 million as of March 31, 2017 and a projected balance of $3.4 million as of June 30, 2017. The proposed FY 2016-17 Budget contains a contribution of $484,845 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 focus on achieving the City's 7-Year General Fund Balancing Plan and long-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 increases in both Violent and Part I Crimes, however, overall crime rates remain at some of the lowest levels in decades and continues to compare very well with nearby cities.

VIOLENT CRIME COMPARISON BY CITY PER 1,000 RESIDENTS

CITY/YEAR	2015	2016
Walnut Creek	1.4	1.1
Brentwood	1.9	2.2
Pleasant Hill	2.6	2.6
Concord	3.9	3.5
Pittsburg	3.3	4.5
Antioch	7.1	6.7

PART I CRIME COMPARISON BY CITY PER 1,000 RESIDENTS

CITY/YEAR	2015	2016
Walnut Creek	39.5	31.2
Brentwood	24.8	31.6
Pittsburg	39.4	33.8
Concord	54.1	37.4
Antioch	43.6	39.7
Pleasant Hill	55.4	47.0

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

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

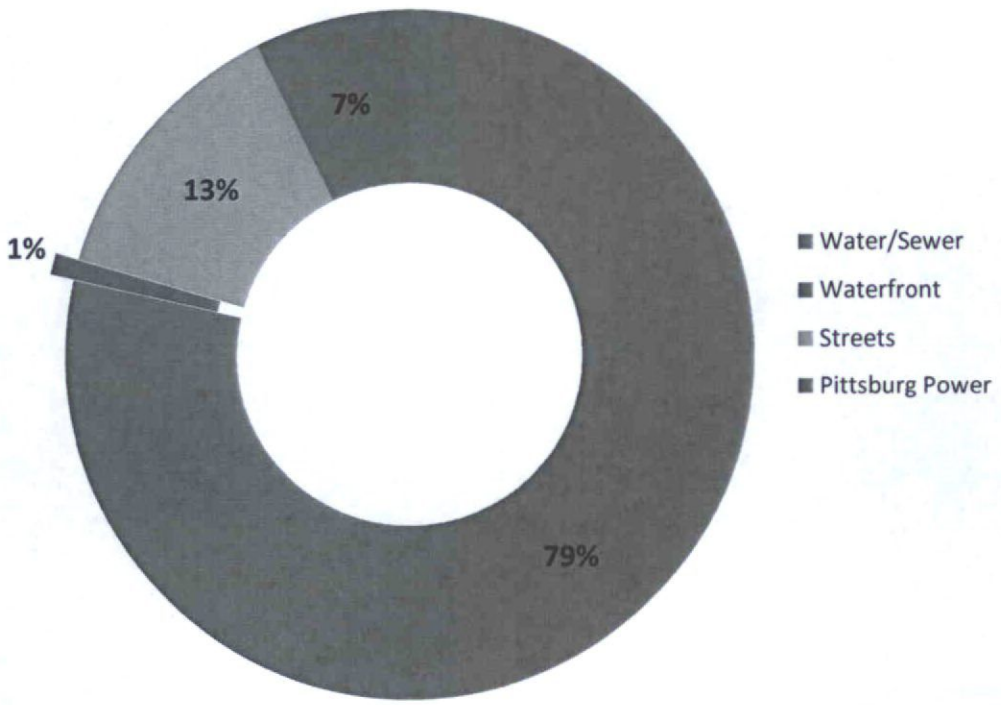
Development – Pittsburg is a great place to live and work, filled with many talented people with a diversity of interests. The business community works hard and City government is committed to maintaining that tradition. The Council and staff work with businesses and developers to ensure the community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

The proposed Capital Projects budget for FY 2017-18 is approximately $4.78 million, as summarized on the chart below. A majority of the capital projects involve improvements to the City's water distribution and sewer systems. Funds for infrastructure projects come from water

and sewer operation funds, developer fees, grants and regional fees for storm drainage and fuel taxes.

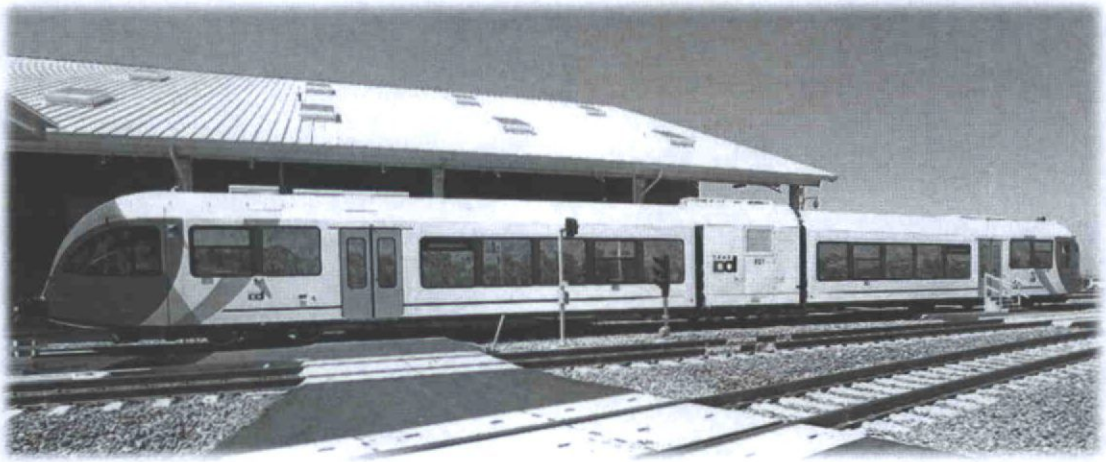
Project Name	Funding Source	Prior Allocations	New Allocation FY 2016/17
2017/18 Traffic Calming Project	Gas Tax	-	$100,000
BART Station Parking Strategy and Signage	Gas Tax	-	100,000
2017/18 Citywide Pavement Management Project	Gas Tax	-	300,000
2017/18 Traffic Signal Modification Project	Gas Tax	-	135,000
2017/18 Water Treatment Plant Capital Repairs and Improvements	WOF	-	75,000
Automatic Water Meter Reading System	WOF	$1,956,793	250,000
2017/18 Water Treatment Plant Filter Media Replacements (1 & 2)	WOF	-	150,000
2014/15 Sewer/Water Replacement/Rehabilitation Program	WOF/SOF/WFR	6,700,000	3,300,000
2017/18 Cable Replacement	IE	-	250,000
Substation DD4 Switchgear Upgrade	IE	-	100,000
Riverview Basin Maintenance Dredging	WO	-	20,000
Totals		**$8,656,793**	**$4,780,000**

Summary of Capital Projects by Category



City of Pittsburg
65 Civic Avenue
Pittsburg, California 94565

BART – (Bay Area Rapid Transit) Construction of the $463 million extension of the BART system from the Pittsburg-Bay Point station to Hillcrest Avenue in Antioch is nearing completion and is projected to open in the spring of 2018. The extension will use diesel trains to transport passengers to and from eastern Contra Costa County and main BART system. The City is currently constructing a passenger drop-off and pick-up area at the northeast corner of Railroad and California Avenues.



Conclusion

The FY 2017-18 Annual Budget reflects the short and long-term financial capacity of the City. It balances a variety of wants against needs, while reflecting the goals, strategic direction and plans prioritized by the Council as the community moves forward.

I would like to thank the City Council for their guidance and support throughout the development of this proposed budget. In addition, I would like to thank the Finance Department Budget staff and staff in all other City Departments that contributed to the Fiscal Year 2017-18 budget. I would like to give special thanks to Brad Farmer, Finance Director and to Diane Agar, Finance Accounting and Budget Manager for their work and expertise throughout this year's budget process.

Joe Sbranti
City Manager

Summary of Fund Condition

	[1]Estimated Reserves June 30, 2017	Projected Revenues 2017-18	Transfers-In	Projected Expenditures 2017-18	Transfers-Out	Estimated Balance June 30, 2018
General Fund						
General Fund	9,610,024	35,983,385	7,631,441	38,926,803	1,535,266	12,762,781
Subtotal, General Fund	$ 9,610,024	$ 35,983,385	$ 7,631,441	$ 38,926,803	$ 1,535,266	$ 12,762,781
Internal Service Funds						
Building Maintenance	581,007	1,744,590	60,000	1,706,449	10,864	668,284
Fleet Maintenance	686,178	2,266,514	-	2,279,418	9,096	664,178
Fringe Benefits	563,246	2,292,208	130,000	2,289,801	-	695,653
Information Communication Services	436,428	1,206,284	-	1,203,352	1,516	437,844
Insurance	473,634	1,188,562	-	1,192,798	-	469,398
Other Post-Employment Benefits (OPEB)[2]	181,880	2,016,800	484,845	2,501,645	130,000	51,880
Subtotal, Internal Service Funds	$ 2,922,373	$ 10,714,958	$ 674,845	$ 11,173,463	$ 151,476	$ 2,987,237
Enterprise Funds						
Island Energy	1,861,914	5,594,761	-	5,112,365	26,023	2,318,287
Marina	757,199	1,938,825	-	2,059,202	15,286	621,536
Pittsburg Power	2,425,528	2,516,428	50,000	1,094,531	1,139,548	2,757,877
Sewer Utility	3,384,797	5,335,520	1,000,000	6,541,442	793,501	2,385,374
Water Front Operations	635,834	1,465,430	-	1,381,204	8,717	711,343
Water Utility	9,154,550	21,009,497	1,028,153	19,902,699	1,638,417	9,651,084
Subtotal, Enterprise Funds	$ 18,219,822	$ 37,860,461	$ 2,078,153	$ 36,091,443	$ 3,621,492	$ 18,445,501
Special Revenue Funds						
Assets Seizure	27,375	-	-	-	-	27,375
Budget Stabilization	6,449,882	-	-	-	4,478,386	1,971,496
CA Energy Conservation Program	8,410	-	74,500	74,498	-	8,412
CalHome Program	119,087	-	-	-	-	119,087
California Theatre	23,110	181,350	250,000	450,032	-	4,428
COPS Hiring Recovery	-	125,000	-	-	125,000	-
Economic Development	69,049	309,862	150,000	460,505	51,137	17,269
Emergency Operations Center	-	-	55,000	35,000	20,000	-
Fire District CFD	(8,015)	-	-	-	-	(8,015)
Gas Tax	(31,557)	1,894,547	-	635,000	1,116,985	111,005
General Plan Update	62,247	-	100,000	-	-	162,247
GHAD Administration	-	-	446,478	441,804	4,674	-
Golf Course	16,972	3,000	5,000	11,112	-	13,860
Hilliview Jr. High Athletic Field Replacement	225,138	50,000	-	-	-	275,138
Housing Authority-Section 8	182,594	15,322,814	-	15,392,781	16,928	95,699
HUD Community Development Block Grant	173,745	934,244	-	791,114	149,510	167,365
Lighting and Landscape	-	2,896,520	1,202,616	3,984,785	109,594	4,757
Lighting and Landscaping Oak Hills	16,621	33,959	-	32,406	-	18,174
Marina Vista Field Replacement	250,344	28,000	-	-	-	278,344
Measure J Tax Fund	(32,117)	746,800	-	-	672,409	42,274
Miscellaneous Grants	-	72,000	-	-	72,000	-
Neighborhood Stabilization	43,988	-	-	-	-	43,988
Park Maintenance CFD 2007-1	84,079	98,965	-	83,418	910	98,716
Project Amenities Mgmt (CFD 2016-1)	6,561	8,788	-	5,400	-	9,949
Public Safety CFD 2005-1	104,707	414,589	-	365,493	3,259	150,544
Public, Education & Gov't Fees (PEG)	371,485	162,500	-	191,000	-	342,985
R/R Ave Specific Plan (e-BART) CFD 2014	25,937	124,306	-	-	-	150,243
San Marco CFD 2004-1	2,614	842,675	-	733,064	7,403	104,822
Small Cities Grant	3,282	-	-	-	-	3,282
Solid Waste	178,831	526,950	-	542,967	103,790	59,024
Southwest Pittsburg GHAD II	3,283,564	852,980	-	199,243	446,478	3,490,823
Storm Water Utility NPDES	160,540	931,395	100,000	963,332	58,737	169,866
Successor Agency Housing Fund	1,034,575	265,236	-	277,585	632	1,021,594
Vista Del Mar CFD 2005-2	22,000	311,966		304,789	4,320	24,857
Subtotal, Special Revenue Funds	$ 12,875,048	$ 27,138,446	$ 2,383,594	$ 25,975,328	$ 7,442,152	$ 8,979,608
Capital Projects Funds						
Bailey Road Maintenance	982,000	120,000	-	-	-	1,102,000
Capital Improvement	9,262	-	-	-	-	9,262
Community Capital Improvement	86,122	-	-	-	-	86,122
Inclusionary Housing	387,492	-	-	-	-	387,492
Infrastructure Repair & Replacement	928	-	-	-	-	928

	[1]Estimated Reserves June 30, 2017	Projected Revenues 2017-18	Transfers-In	Projected Expenditures 2017-18	Transfers-Out	Estimated Balance June 30, 2018
Kirker Creek Drainage Fees	396,915	-	-	-	17,647	379,268
Park Dedication	1,300,506	-	-	58,731	-	1,241,775
RDA - Project Fund	116,395	-	-	-	-	116,395
Recycled Water Capital Maintenance	30,867	-	-	-	-	30,867
Regional Traffic Mitigation	4,963	-	-	-	-	4,963
Traffic Impact Fair Share	485,107	-	-	-	-	485,107
Traffic Mitigation	2,073,718	-	-	82,742	-	1,990,976
Subtotal, Capital Projects Funds	$ 5,874,275	$ 120,000	$ -	$ 141,473	$ 17,647	$ 5,835,155
Successor Agency to RDA Funds						
Successor Agency to RDA-Tax Increment	1,342,730	344,288	75,000	998,157	-	763,861
Successor Agency Obligation Retirement Fund	-	33,641,674	-	-	33,641,675	(1)
Subtotal, Successor Agency to RDA Funds	$ 1,342,730	$ 33,985,962	$ 75,000	$ 998,157	$ 33,641,675	$ 763,860
Debt Service Funds[3]						
Assessment Districts Funds	8,088,598	3,901,316	-	2,809,695	-	9,180,218
Pension Obligations	2,747,656	4,370,267	-	4,370,018	-	2,747,905
RDA – Debt Service and Bond Funds[4]	39,279,507	105,055	31,600,846	30,951,326	75,000	39,959,082
RDA – Housing Debt Service and Bond Funds[4]	2,511,358	40,000	2,040,829	2,037,103	-	2,555,084
Subtotal, Debt Service Funds	$ 52,627,119	$ 8,416,638	$ 33,641,675	$ 40,168,142	$ 75,000	$ 54,442,290
Total, All Funds	$ 103,471,391	$ 154,219,850	$ 46,484,708	$ 153,474,809	$ 46,484,708	$ 104,216,432

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

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

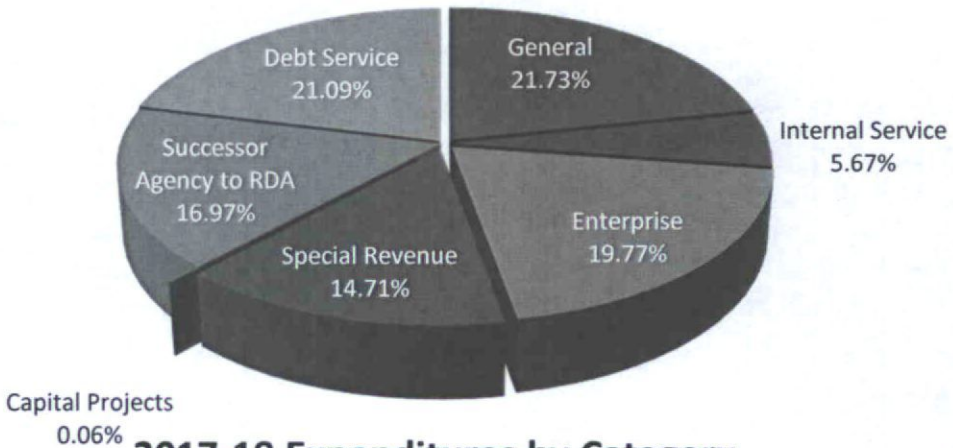
[3] Debt Service fund balances include debt service reserves held by trustee.

[4] Debt Service reserve levels have dropped significantly during bond refunding in 2016 due to reserve requirement changes.

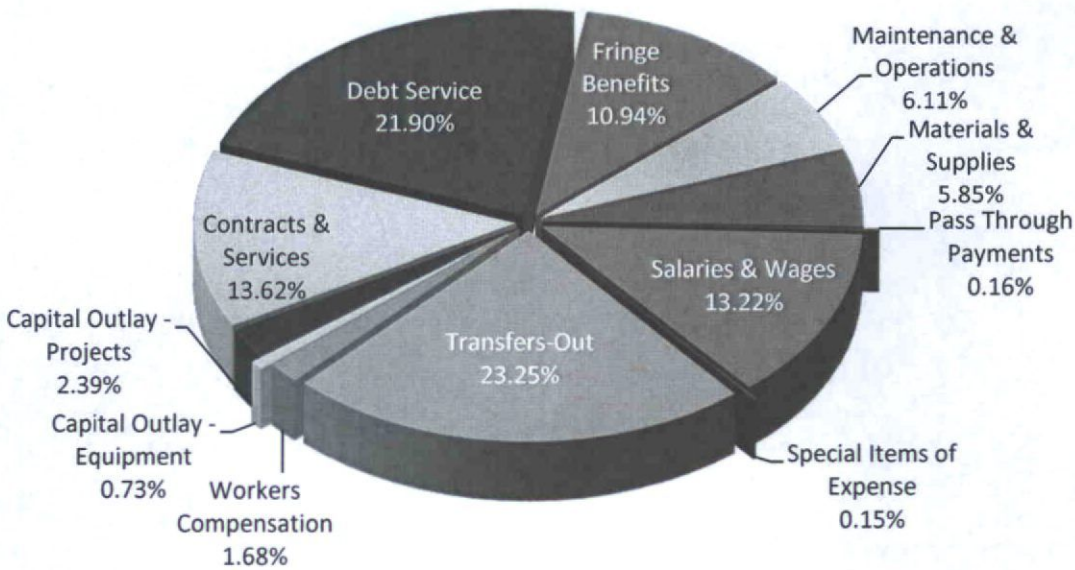
Summary of Revenues and Expenditures – All Funds

	2015-16 Actual	2016-17 Amended Budget	2017-18 Proposed Budget	Change from 2016-17	% Change
Revenue					
General Fund	39,806,050	41,696,189	43,614,826	1,918,637	4.60
Internal Service Funds	8,678,060	10,488,114	11,389,803	901,689	8.60
Enterprise Funds	43,284,570	83,355,194	39,662,104	(43,685,090)	-52.41
Special Revenue Funds	27,577,379	32,059,622	29,522,040	(2,545,582)	-7.94
Capital Projects Funds	2,091,874	3,518,820	120,000	(3,398,820)	-96.59
Successor Agency to RDA Funds	47,220,980	33,043,068	34,060,962	1,017,894	3.08
Debt Service Funds	268,688,512	41,313,509	42,334,823	1,021,314	2.47
Total, Revenues	$ 437,347,425	$ 245,474,516	$ 200,704,558	$ (44,769,958)	-18.24 %
Expenditure					
Capital Outlay - Equipment	1,884,387	3,844,109	1,451,460	(2,392,649)	-62.24
Capital Outlay - Projects	8,950,561	41,770,209	4,780,000	(36,990,209)	-88.56
Contracts & Services	24,496,489	28,987,118	27,240,447	(1,746,671)	-6.03
Debt Service Funds	49,919,992	80,653,690	43,800,601	(36,853,089)	-45.69
Fringe Benefits	19,428,835	20,959,827	21,871,930	912,103	4.35
Maintenance & Operations	10,855,848	12,506,481	12,211,337	(295,144)	-2.36
Materials & Supplies	10,791,421	12,166,146	11,696,459	(469,687)	-3.86
Pass Through Payments	3,229,461	317,846	322,151	4,305	1.35
Salaries & Wages	24,973,748	26,864,274	26,437,171	(427,103)	-1.59
Special Items of Expense	110,607	507,163	295,000	(212,163)	-41.83
Transfers-Out	267,530,768	55,394,076	46,484,708	(8,909,368)	-16.08
Workers Compensation	1,622,997	2,640,567	3,368,253	727,686	27.56
Total, Expenditures	$ 423,795,114	$ 286,611,506	$ 199,959,517	$ (86,651,989)	-30.23 %

2017-18 Revenues by Fund Type



2017-18 Expenditures by Category



Revenue Source by Category and Object – All Funds

	2015-16 Actual	2016-17 Amended Budget	2017-18 Proposed Budget	Change from 2016-17	% Change
General Fund					
Fines & Forfeitures	699,584	529,558	516,500	(13,058)	-2.47
Franchise Fees	3,926,546	3,891,992	3,990,870	98,878	2.54
Intergovernmental Revenue	1,812,091	2,569,905	1,659,676	(910,229)	-35.42
Other Revenues	2,350,931	2,423,469	2,493,549	70,080	2.89
Other Taxes	6,540,617	6,644,316	6,756,881	112,565	1.69
Permits, Licenses & Fees	1,992,755	1,811,704	1,830,040	18,336	1.01
Property Taxes	3,300,778	3,569,000	3,707,495	138,495	3.88
Sales Taxes	12,428,089	11,560,400	12,291,467	731,067	6.32
Service Fees	2,489,351	2,136,704	2,173,787	37,083	1.74
Transfers-In	3,596,469	6,165,411	7,631,441	1,466,030	23.78
Use of Money & Property	668,839	393,730	563,120	169,390	43.02
Subtotal, General Fund	$ 39,806,050	$ 41,696,189	$ 43,614,826	$ 1,918,637	4.60 %
Internal Service Funds					
Other Revenues	4,405,371	5,408,084	6,079,043	670,959	12.41
Service Fees	3,748,727	4,325,849	4,635,915	310,066	7.17
Transfers-In	523,962	754,181	674,845	(79,336)	-10.52
Subtotal, Internal Service Funds	$ 8,678,060	$ 10,488,114	$ 11,389,803	$ 901,689	8.60 %
Enterprise Funds					
Debt Service	20,121	34,896,264	50	(34,896,214)	-100.00
Fines & Forfeitures	-	-	-	-	-100.00
Franchise Fees	580,000	580,000	880,000	300,000	51.72
Intergovernmental Revenue	3,103,219	283,569	-	(283,569)	-100.00
Other Revenues	2,326,744	2,617,308	1,213,059	(1,401,249)	-53.54
Service Fees	31,758,263	32,639,874	33,809,670	1,169,796	3.58
Transfers-In	3,041,251	10,297,487	1,807,643	(8,547,772)	-82.50
Use of Money & Property	2,310,602	1,977,764	1,951,682	(26,082)	-1.32
Subtotal, Enterprise Funds	$ 43,284,570	$ 83,355,194	$ 39,670,104	$ (43,685,090)	-52.41 %
Special Revenue Funds					
Fines & Forfeitures	16,999	163	1,000	837	513.50
Franchise Fees	161,242	157,000	160,000	3,000	1.91
Intergovernmental Revenue	13,795,469	17,179,021	16,085,614	(1,093,407)	-6.36
Other Revenues	1,893,359	1,526,609	1,533,444	3,835	0.25
Other Taxes	2,243,306	2,187,500	2,282,019	94,519	4.32
Sales Taxes	124,303	124,200	124,662	462	0.37
Service Fees	291,016	97,726	109,094	11,368	11.63
Special Assessments	5,499,004	5,924,374	6,447,468	523,094	8.83
Transfers-In	3,171,389	4,503,914	2,383,594	(2,062,392)	-46.44
Use of Money & Property	525,662	422,043	395,145	(26,898)	-6.37
Subtotal, Special Revenue Funds	$ 27,577,379	$ 32,059,622	$ 29,514,040	$ (2,545,582)	-7.94 %
Capital Projects Funds					
Intergovernmental Revenue	180,808	2,569,120	120,000	(2,449,120)	-95.33
Other Revenues	157,499	166,199	-	(166,199)	-100.00
Service Fees	1,114,401	9,816	-	(9,816)	-100.00
Transfers-In	458,080	771,585	-	(771,585)	-100.00
Use of Money & Property	181,086	2,100	-	(2,100)	-100.00
Subtotal, Capital Projects Funds	$ 2,091,874	$ 3,518,820	$ 120,000	$ (3,398,820)	-96.59 %
Successor Agency to RDA Funds					
Other Revenues	3,536,945	215,155	193,220	(21,935)	-10.19
Property Taxes	43,371,250	32,345,988	33,641,674	1,295,686	4.01
Transfers-In	130,149	300,000	75,000	(225,000)	-75.00
Use of Money & Property	182,636	181,925	151,068	(30,857)	-16.96
Subtotal, Successor Agency to RDA Funds	$ 47,220,980	$ 33,043,068	$ 34,060,962	$ 1,017,894	3.08 %
Debt Service Funds					
Debt Service	3,444,957	76,487	90,067	13,580	17.75
Service Fees	4,882,794	4,929,654	4,445,017	(484,637)	-9.83
Special Assessments	3,683,774	3,695,216	3,878,584	183,368	4.96
Transfers-In	256,609,468	32,601,498	33,912,185	1,310,687	4.02
Use of Money & Property	67,519	10,654	8,970	(1,684)	-15.81
Subtotal, Debt Service Funds	$ 268,688,512	$ 41,313,509	$ 42,334,823	$ 1,021,314	2.47 %
Total, All Funds	$ 437,347,425	$ 245,474,516	$ 200,704,558	$ (44,769,958)	-18.24 %

Summary of Expenditures by Program – All Funds

	2015-16 Actual	2016-17 Amended Budget	2017-18 Proposed Budget	Change from 2016-17	% Change
City Council					
City Council	70,517	96,883	79,048	(17,835)	-18.41
Subtotal, City Council	$ 70,517	$ 96,883	$ 79,048	$ (17,835)	-18.41 %
Administration					
City Manager	272,379	263,662	206,128	(57,534)	-21.82
City Clerk	423,817	467,930	452,794	(15,136)	-3.23
City Attorney	321,834	474,784	480,313	5,529	1.16
Human Resources	870,738	1,001,821	999,393	(2,428)	-0.24
Treasurer	7,679	6,536	6,536	-	-
Finance	2,711,763	2,949,170	3,095,380	146,210	4.96
General Fund - Non Departmental	4,430,047	3,902,824	3,103,767	(799,057)	-20.47
Emergency Operation Center	-	-	55,000	55,000	-100.00
Information Technology	954,815	1,856,654	1,204,868	(651,786)	-35.11
Employee Fringe Benefits	1,511,656	1,862,844	2,289,801	426,957	22.92
Other Post-Employment Benefits (OPEB)	1,929,128	2,093,413	2,631,645	538,232	25.71
Insurance	997,493	1,248,759	1,192,798	(55,961)	-4.48
Budget Stabilization	33,500	1,413,623	4,478,386	3,064,763	216.80
Subtotal, Administration	$ 14,464,849	$ 17,542,020	$ 20,196,809	$ 2,654,789	15.13 %
Police Department					
Police Services	22,848,402	24,595,732	25,106,625	510,893	2.08
San Marco CFD	738,702	739,297	740,467	1,170	0.16
Vista Del Mar CFD	189,038	370,982	309,109	(61,873)	-16.68
Public Safety CFD	261,030	306,821	368,752	61,931	20.18
Asset Forfeitures	22,073	-	-	-	-100.00
Police Grants	492,245	816,500	197,000	(619,500)	-75.87
Subtotal, Police Department	$ 24,551,490	$ 26,829,332	$ 26,721,953	$ (107,379)	-0.40 %
Enterprise Services					
Marina	1,808,617	2,289,972	2,074,488	(215,484)	-9.41
Golf Course	143,356	61,528	11,112	(50,416)	-81.94
Fire District CFD	-	-	-	-	-100.00
R/R Ave e-BART CFD	21,260	3,476,846	-	(3,476,846)	-100.00
Environmental Affairs	804,956	934,591	912,255	(22,336)	-2.39
Housing Rehab Loans - CDBG	97,594	-	-	-	-100.00
CDBG Entitlements	728,765	719,414	940,624	221,210	30.75
Waterfront Operations	850,549	1,286,442	1,389,921	103,479	8.04
Economic Development	560,529	636,003	511,642	(124,361)	-19.55
Subtotal, Enterprise Services	$ 5,015,626	$ 9,404,796	$ 5,840,042	$ (3,564,754)	-0.38 %
Community Development					
Planning Division	1,101,711	1,235,816	1,272,572	36,756	2.97
Building Division	981,680	1,130,231	1,066,122	(64,109)	-5.67
Engineering Division	2,009,259	2,127,448	1,962,665	(164,783)	-7.75
Gas Tax	2,325,724	2,958,213	1,751,985	(1,206,228)	-40.78
Measure J Tax	2,450,034	4,870,697	672,409	(4,198,288)	-86.19
NPDES	947,568	1,101,489	1,022,069	(79,420)	-7.21
Southwest Pittsburg GHAD	633,833	726,680	1,092,199	365,519	50.30
Pittsburg CIP	233,953	1,012,295	-	(1,012,295)	-100.00
Developer Fee Fund	1,097,322	5,664,271	159,120	(5,505,151)	-97.19
Community Capital Improvements	162,426	1,408,796	-	(1,408,796)	-100.00
Project Amenities Mgmt CFD	11,733	-	5,400	5,400	-100.00
Infrastructure Repair & Replacement	161,818	1,072,912	-	(1,072,912)	-100.00
Subtotal, Community Development	$ 12,117,061	$ 23,308,848	$ 9,004,541	$ 14,304,307)	-0.61 %
Public Works - Maintenance Services					
Public Works Administration	66,518	103,636	98,702	(4,934)	-4.76
Streets	2,013,466	2,323,672	2,388,517	64,845	2.79
Street Lighting	824,482	780,591	804,366	23,775	3.05
Street Trees	414,390	524,474	652,063	127,589	24.33
Concrete	84,393	101,031	77,330	(23,701)	-23.46
Fleet Maintenance	1,588,560	2,178,016	2,288,514	110,498	5.07
Building Maintenance	1,405,271	2,354,827	1,717,313	(637,514)	-27.07
Graffiti Removal Program	142,574	146,054	161,841	15,787	10.81
Subtotal, Public Works - Maintenance Services	$ 6,539,654	$ 8,512,301	$ 8,188,646	$ (323,655)	-3.80 %

	2015-16 Actual	2016-17 Amended Budget	2017-18 Proposed Budget	Change from 2016-17	% Change
Recreation and Parks					
Recreation & Parks Administration	135,703	125,021	187,317	62,296	49.83
Recreation Services	876,891	998,040	1,067,214	69,174	6.93
Parks & Recreation - Swim Center Maint.	120,267	126,816	157,120	30,304	23.90
Parks & Recreation - Landscape	2,637,283	2,827,036	2,560,620	(266,416)	-9.42
Landscape - Oak Hills Assessment	25,310	32,406	32,406	-	-
Park Maintenance CFD	56,620	81,129	84,328	3,199	3.94
Recreation Grants	8,832	18,097	-	(18,097)	-100.00
Police Department					
California Theatre	352,710	402,130	450,032	47,902	11.91
Subtotal, Recreation and Parks	$ 4,213,616	$ 4,610,675	$ 4,539,037	$ (71,638)	-1.55 %
Public Works - Water and Sewer Enterprises					
Water Operating	15,010,727	21,005,866	15,758,769	(5,247,097)	-24.98
Water CIP	4,365,809	7,391,714	475,000	(6,916,714)	-93.57
Water Facility Reserve Fee Funds	2,819,875	11,968,483	1,020,510	(10,947,973)	-91.47
Sewer Maintenance	2,629,288	3,193,495	3,228,675	35,180	1.10
Sewer CIP	117,657	9,799,170	3,300,000	(6,499,170)	-66.32
Sewer Facility Reserve Fee Funds	-	133,113	-	(133,113)	-100.00
Water Bond Debt Service	3,788,166	42,894,393	2,856,852	(40,037,541)	-93.34
Sewer Bond Debt Service	805,464	816,771	806,268	(10,503)	-1.29
Subtotal, Public Works - Water & Sewer Enterprises	$ 29,536,986	$ 97,203,005	$ 27,446,074	$ (69,756,931)	-71.76 %
Housing Authority					
Housing Authority - Section 8	13,280,708	15,007,763	15,409,709	401,946	2.68
City Housing	275,577	729,510	278,217	(451,293)	-61.86
Subtotal, Housing Authority	$ 13,556,285	$ 15,737,273	$ 15,687,926	$ (49,347)	-0.31 %
Pittsburg Power Company					
Island Energy	4,521,023	6,029,731	4,788,388	(1,241,343)	-20.59
Pittsburg Power	2,482,916	2,292,329	2,234,079	(58,250)	-2.54
Power Company Capital Projects	581,967	1,104,190	350,000	(754,190)	-68.30
Subtotal, Pittsburg Power Company	$ 7,585,906	$ 9,426,250	$ 7,372,467	$ (2,053,783)	-21.79 %
Successor Agency to Former RDA					
RDA General	43,548,627	32,345,988	[(1)]33,641,675	1,295,687	4.01
RDA Administration	3,312,325	395,888	998,157	602,269	152.13
RDA Capital Projects Fund	50,178	528,536	-	(528,536)	-100.00
RDA Tax Allocation Bonds	236,307,520	30,845,747	[(1)]31,026,326	180,579	0.59
RDA Housing Bonds	15,848,807	2,169,099	[(1)]2,037,103	(131,996)	-6.09
Subtotal, Successor Agency to Former RDA	$ 299,067,457	$ 66,285,258	$ 67,703,261	$ 1,418,003	2.14 %
Debt Service Funds					
Pension Obligation Bond	4,746,907	4,854,654	4,370,018	(484,636)	-9.98
Assessment Districts	2,328,760	2,800,211	2,809,695	9,484	0.34
Subtotal, Debt Service Funds	$ 7,075,667	$ 7,654,865	$ 7,179,713	$ (475,152)	-6.21 %
Total, Uses by Program	$ 423,795,114	$ 286,611,506	$ 199,959,517	$ (86,651,989)	-30.23 %

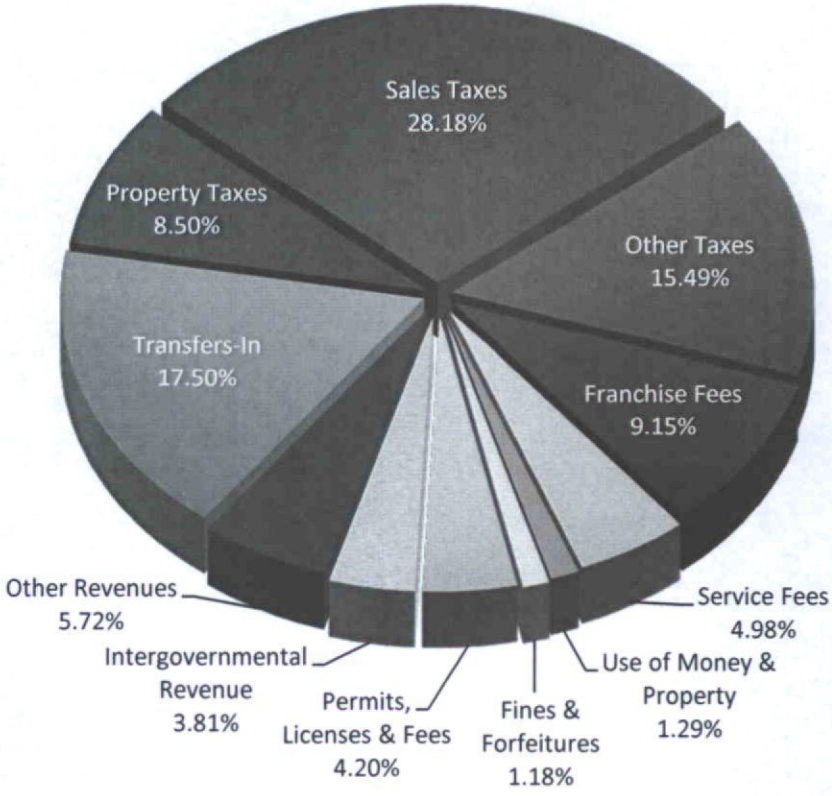
(1) Includes transfers between funds in the Successor Agency program budget to pay for debt obligation in the amount of $33,641,675, therefore uses appear to be overstated by $33,641,675

General Fund Revenues

	2015-16 Actual	2016-17 Amended Budget	2017-18 Proposed Budget	Change from 2016-17	% Change
Property Taxes					
Homeowners Tax Relief	81,680	85,000	85,000	-	-
Prior Year Taxes	(40,581)	(30,000)	(30,000)	-	-
Secured Property Taxes	2,437,111	2,744,000	2,850,467	106,467	3.88
Supplemental Taxes	244,347	180,000	200,000	20,000	11.11
Unitary Taxes	262,447	280,000	280,000	-	-
Unsecured Property Taxes	315,774	310,000	322,028	12,028	3.88
Subtotal, Property Taxes	$ 3,300,778	$ 3,569,000	$ 3,707,495	$ 138,495	3.88 %
Sales Taxes					
Sales & Use Taxes	7,180,633	7,635,239	8,260,708	625,469	8.19
Sales & Use Taxes - Backfill	1,228,326	-	-	-	-100.00
Sales Taxes - Increase	4,019,130	3,925,161	4,030,759	105,598	2.69
Subtotal, Sales Taxes	$ 12,428,089	$ 11,560,400	$ 12,291,467	$ 731,067	6.32 %
Other Taxes					
Business License Tax	526,328	520,000	525,000	5,000	0.96
Motor Vehicle Tax	4,422,099	4,544,316	4,612,481	68,165	1.50
Other Taxes	321,200	280,000	300,000	20,000	7.14
Public Safety - Prop 172 Sales Tax	560,489	580,000	585,000	5,000	0.86
Transient Occupancy Taxes	710,501	720,000	734,400	14,400	2.00
Subtotal, Other Taxes	$ 6,540,617	$ 6,644,316	$ 6,756,881	$ 112,565	1.69 %
Franchise Fees					
Calpine	15,323	16,000	16,000	-	-
Comcast Broadband	629,678	630,000	650,000	20,000	3.17
Franchise Fees - Other	175,839	160,000	173,918	13,918	8.70
PG&E	564,027	571,000	571,000	-	-
Pittsburg Disposal	1,662,886	1,610,000	1,650,000	40,000	2.48
RCTS	878,793	904,992	929,952	24,960	2.76
Subtotal, Franchise Fees	$ 3,926,546	$ 3,891,992	$ 3,990,870	$ 98,878	2.54 %
Service Fees					
Building Service Fees	294,035	274,850	278,640	3,790	1.38
Engineering Service Fees	5,355	603	510	(93)	-15.42
Other Reimbursements	623,333	265,000	275,000	10,000	3.77
Other Service Fees	566,234	604,215	597,713	(6,502)	-1.08
Planning Service Fees	5,733	24,350	30,100	5,750	23.61
Police Service Fees	473,376	493,586	509,224	15,638	3.17
Public Works Service Fees	273,603	253,000	251,000	(2,000)	-0.79
Recreation Entrance Fees	142,040	128,000	138,000	10,000	7.81
Recreation Service Fees	88,846	76,100	78,600	2,500	3.29
Recreation Sports Fees	16,796	17,000	15,000	(2,000)	-11.76
Subtotal, Service Fees	$ 2,489,351	$ 2,136,704	$ 2,173,787	$ 37,083	1.74 %
Use of Money & Property					
Investment Earnings	360,279	95,000	245,000	150,000	157.89
Rental Income	308,560	298,730	318,120	19,390	6.49
Subtotal, Use of Money & Property	$ 668,839	$ 393,730	$ 563,120	$ 169,390	43.02 %
Fines & Forfeitures					
Abandoned Vehicle Abatement	123,790	145,000	145,000	-	-
Booking Fees	8,139	9,600	8,000	(1,600)	-16.67
Code Enforcement Fines	146,640	86,126	55,300	(30,826)	-35.79
Fines and forfeitures	-	-	1,000	1,000	-100.00
Police Fines	200,895	156,332	138,200	(18,132)	-11.60
Police Forfeitures	10,903	1,500	2,000	500	33.33
POST Reimbursements	18,680	10,000	5,000	(5,000)	-50.00
Traffic Fines	187,160	120,000	160,000	40,000	33.33
Vehicle Code Fines	3,377	1,000	2,000	1,000	100.00
Subtotal, Fines & Forfeitures	$ 699,584	$ 529,558	$ 516,500	$ (13,058)	-2.47 %
Permits, Licenses & Fees					
Building Fees	217,549	163,300	208,240	44,940	27.52
Building Permits	957,589	874,000	908,400	34,400	3.94
Business License Fees	152,407	139,800	145,500	5,700	4.08
Engineering Fees	507,613	528,693	439,464	(89,229)	-16.88
Other Fees	10,471	10,261	10,261	-	-

	2015-16 Actual	2016-17 Amended Budget	2017-18 Proposed Budget	Change from 2016-17	% Change
Other Permits	3,730	3,150	3,575	425	13.49
Planning & Zoning	128,582	82,400	107,600	25,200	30.58
Police Fees	14,814	10,100	7,000	(3,100)	-30.69
Subtotal, Permits, Licenses & Fees	$ 1,992,755	$ 1,811,704	$ 1,830,040	$ 18,336	1.01 %
Intergovernmental Revenue					
Grants	118,305	164,554	136,000	(28,554)	-17.35
Other Reimbursements	130,500	230,000	130,500	(99,500)	-43.26
RDA AB-1290/City Pass Through	496,684	1,185,351	381,623	(803,728)	-67.81
State Mandated Costs	95,181	40,000	31,553	(8,447)	-21.12
Tipping Fee	971,421	950,000	980,000	30,000	3.16
Subtotal, Intergovernmental Revenue	$ 1,812,091	$ 2,569,905	$ 1,659,676	$ (910,229)	-35.42 %
Other Revenues					
Administrative Overhead	1,828,444	1,745,164	1,842,489	97,325	5.58
Donations	7,539	10,200	260	(9,940)	-97.45
Grants	-	-	170,000	170,000	-100.00
Loan Repayments	-	160,000	65,000	(95,000)	-59.38
Other	13,831	(41,076)	8,000	49,076	-119.48
Other Reimbursements	160,895	171,212	61,000	(110,212)	-64.37
Other Revenues	(6,578)	31,169	-	(31,169)	-100.00
School Resource Officer Reimbursement	346,800	346,800	346,800	-	-
Subtotal, Other Revenues	$ 2,350,931	$ 2,423,469	$ 2,493,549	$ 70,080	2.89 %
Transfers-In					
Transfers-In	3,596,469	6,165,411	7,631,441	1,466,030	23.78
Subtotal, Transfers-In	$ 3,596,469	$ 6,165,411	$ 7,631,441	$ 1,466,030	23.78 %
Total, General Fund Revenues	$ 39,806,050	$ 41,696,189	$ 43,614,826	$ 1,918,637	4.60 %

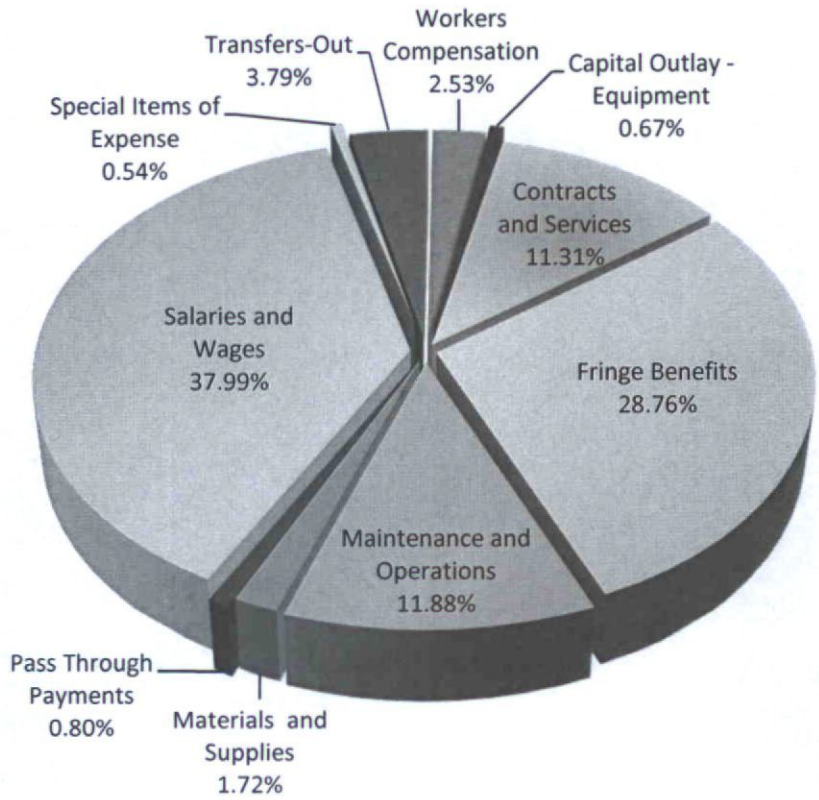
General Fund Revenues by Source



General Fund Expenditures by Category

	2015-16 Actual	2016-17 Amended Budget	2017-18 Proposed Budget	Change from 2016-17	% Change
Capital Outlay - Equipment	185,896	221,370	270,000	48,630	21.97
Contracts & Services	5,369,251	5,794,693	4,577,204	(1,217,489)	-21.01
Fringe Benefits	11,151,482	12,000,684	11,637,620	(363,064)	-3.03
Maintenance & Operations	4,399,694	4,823,862	4,807,394	(16,468)	-0.34
Materials & Supplies	812,646	823,081	696,761	(126,320)	-15.35
Pass Through Payments	298,830	317,846	322,151	4,305	1.35
Salaries & Wages	15,378,647	15,774,341	15,372,617	(401,724)	-2.55
Special Items of Expense	77,609	128,731	220,000	91,269	70.90
Transfers-Out	1,239,754	1,318,847	1,535,266	516,419	16.41
Workers Compensation	491,436	867,621	1,023,056	155,435	17.92
Total, General Fund Expenditures	$ 39,405,245	$ 42,071,076	$ 40,462,069	$ (1,609,007)	-3.82 %

2017-18 General Fund Expenditures by Category



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

DATE: 6/8/2017

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Adoption of a City Council Resolution for Approval of the City of Pittsburg's Operating Budget for Fiscal Year 2017-18 and Appropriation of Funds for Fiscal Year 2017-18

MEETING DATE: 6/19/2017

EXECUTIVE SUMMARY

On May 15, 2017, a budget workshop meeting was held to review and receive public input and discussion regarding the Draft Operating Budget for Fiscal Year 2017-18. The Fiscal Year 2017-18 budget must be appropriated by July 1, 2017 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 2017-18 contains an overall estimated revenue stream of $200,704,558 and overall appropriations of $199,959,517. Included in the total appropriations budget are $40.5 million for the General Fund, $11.3 million for the Internal Service Funds, $39.7 million for the Enterprise Funds, $33.4 million for the Special Revenue Funds, $40.4 million for the Debt and Project Funds and $34.6 million for the Successor Agency to the Former Pittsburg Redevelopment Agency Funds.

The Fiscal Year 2017-18 City Manager Budget Message is set forth as attachment I. The City of Pittsburg Fiscal Year 2017-18 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 2017-18 General Fund Revenues and Expenditures are included in attachments VI and VII.

RECOMMENDATION

Adopt the budget for the City of Pittsburg for the Fiscal Year 2017-18.

BACKGROUND

The City's proposed FY 2017-18 Operating Budget was presented to the City Council at a Budget Workshop held on May 15, 2017.

The proposed FY 2017-18 budget is scheduled to be adopted at the City Council meeting on June 19, 2017. 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 2017-18 will be on the City's website before the June 19, 2017 City Council meeting and can be located by navigating to City Services/Finance/Budget and Other Financial Documents. A hard copy of the same document will be filed at the Contra Costa County Library, Pittsburg Branch.

SUBCOMMITTEE FINDINGS

On May 11, 2017 the Finance Committee met to review the Draft FY 2017-18 Operating Budget.

STAFF ANALYSIS

The City Manager's attached Budget Message provides an overview of the City's FY 2017-18 General Fund budget as well as a description of the City's financial challenges.

ATTACHMENTS: Resolution
Attachment I: Fiscal Year 2017-18 City Manager Budget Message
Attachment II: Summary of Fund Conditions for FY 2017-18
Attachment III: Summary of Revenues and Expenditures All Funds
Attachment IV: Revenue Source by Category and Object All Funds
Attachment V: Summary of Expenditures by Program All Funds
Attachment VI: General Fund Revenues
Attachment VII: General Fund Expenditures

Report Prepared By: Diane Agar, Finance Division Manager – Accounting and Budget
Reviewed By: Brad Farmer, Director of Finance

BEFORE THE CITY OF PITTSBURG HOUSING AUTHORITY

In the Matter of:

Approval of the Budget for Fiscal Year 2017-18 for the City of Pittsburg Housing Authority and Appropriation Of Funds for Fiscal Year 2017-18

RESOLUTION NO. 17-306

The City of Pittsburg Housing Authority DOES RESOLVE as follows:

WHEREAS, the City Manager has prepared, transmitted and presented the one year Preliminary Operating Budget Plan for Fiscal Year 2017-18 to the City Council for its consideration; and

WHEREAS, the City prepares and adopts the City of Pittsburg Housing Authority Budget with the intent of providing a planned program for services and a financial system to carry out the planned program of services; and

WHEREAS, the City Council held a meeting on May 15, 2017 for the purpose of reviewing and discussing the Pittsburg Housing Authority budget for the Fiscal Year 2017-18 and recommend estimated revenues in the amount of $15,322,814 and a spending plan of $15,409,709.

NOW, THEREFORE, the City of Pittsburg Housing Authority finds and determines as follows:

Section 1. Findings

A. The recitals set forth above are true and correct statements and are hereby incorporated in conjunction with the respective staff report.

B. That the Budget for Fiscal Year 2017-18 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 2017-18.

C. Those funds are hereby and shall be appropriated in the estimated revenue amount of $15,322,814 and a spending plan of $15,409,709.

D. That the Finance Director or his/her designee is hereby authorized to approve payment of goods and services received by the City of Pittsburg Housing Authority in accordance with the City's approved budget, programs and policies.

E. That the City of Pittsburg Housing Authority authorizes changes to be made to the annual budget as follows:

Items Requiring Council/Agency Action:

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

Items Delegated to the City Manager/Executive Director:

- Items in excess of $5,000.00.
- Transfers between departments and divisions so that the total fund budget remains the same.
- Approval of transfers within funds which increase salary and benefit appropriations so that the total fund budget remains the same.

Items Delegated to Department Heads:

- Allocation of departmental appropriations to line item except for salary and benefit appropriations.
- Changes which exceed current funds disbursement authorizations must be approved by the City Manager/Executive Director. These changes cannot increase the department budget.

Section 2. Authorization

PASSED AND ADOPTED by The City of Pittsburg Housing Authority at a regular meeting held on the 19th day of June, 2017, by the following vote:

AYES:	Banales, Evola, Killings, Longmire, Craft
NOES:	None
ABSTAINED:	None
ABSENT:	None

Marilyn Craft, Chair

ATTEST:

Alice E. Evenson, Agency Secretary

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

DATE: 6/8/2017

TO: Chair and Agency Members

FROM: Joe Sbranti, Executive Director

SUBJECT: Adoption of a Housing Authority Resolution for Approval of the Operating Budget Plan for Fiscal Year 2017-18 for the City of Pittsburg Housing Authority and Appropriation of Funds for Fiscal Year 2017-18

MEETING DATE: 6/19/2017

EXECUTIVE SUMMARY

On May 15, 2017, a budget workshop meeting was held to review and receive public input regarding the Preliminary Operating Budget for Fiscal Year 2017-18 The budget must be appropriated for Fiscal Year 2017-18 by July 1, 2017 to provide on-going financing for the Pittsburg Housing Authority (PHA) activities during the next fiscal year.

FISCAL IMPACT

The Pittsburg Housing Authority budget for Fiscal Year 2017-18 estimates revenues in the amount of $15,322,814 and a spending plan of $15,409,709 for the Section 8 Housing Fund.

RECOMMENDATION

Housing Authority approves the Operating Budget for Fiscal Year 2017-18 and adopt the budget for the Pittsburg Housing Authority, for the Fiscal Year 2017-18.

BACKGROUND

A complete copy of the detailed Preliminary Operating Budget document for Fiscal Year 2017-18 will be placed on the City's website before the June 19, 2017 City Council meeting and can be located by navigating to Departments/Finance/Financial/Fiscal Year 2017-18. A hard copy of the same document will also be filed at the Contra Costa County Library, Pittsburg Branch.

SUBCOMMITTEE FINDINGS

The City of Pittsburg Preliminary Operating Budget for the Fiscal Year 2017-18 was presented to the Finance Committee on May 11, 2017. The Finance Committee did not have any comments or questions related to the Housing Authority budget.

STAFF ANALYSIS

In January 2012, the Department of Housing and Urban Development (HUD) implemented a new cash management policy aimed at reducing the amount of excess Net Restricted Assets ("NRA") or fund balance retained by individual public housing authorities since 2005. As a result of this policy, Pittsburg's Housing Authority's ("PHA") fund balance decreased dramatically over the past couple of years to less than one month of operating expenses. Currently, PHA has not received the HUD's Calendar Year 2017 Renewal Funding annual increment yet. In April 2017, PHA received notification from HUD that our PHA is in a shortfall position. The shortfall status means PHA might not have enough funding to support the current leasing level through December 2017. PHA 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, PHA will be eligible to apply for set aside funding from HUD to offset the shortfall. According to HUD's latest Forecast, PHA has approximately $723,000 fund balance available as of May 31, 2017 to supplement PHA's funding.

The FY 2017-18 budget revenue projections are based on estimates derived from the number of units leased. Additional provision has 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 77% of eligibility to the FY 2016-17 funding. As a result, we estimate utilizing $86,895 in reserves to balance the Housing Authority's FY 2017-18 budget.

It continues to be a challenge for the Housing Authority to maintain the level of service with significant increase in cost at rental market and lower earned administrative fees. The Housing Authority's plan is to strike a balance between units lease and with a healthy dose of administrative revenue, cover the cost. However, the Housing Authority may still anticipate a net loss in program revenue should HUD's funding level not keep up with the increased cost and make future reductions to the current administrative fee proration.

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

ATTACHMENTS: Resolution

Report Prepared By: Karen Chang, Finance Division Manager - Reporting
Reviewed By: Brad Farmer, Director of Finance

BEFORE THE PITTSBURG POWER COMPANY OF THE CITY OF PITTSBURG

In the Matter of:

Approval of the Budget for Fiscal Year 2017-18 for the Pittsburg Power Company and Appropriation of Funds For Fiscal Year 2017-18

RESOLUTION NO. 17-144

The Pittsburg Power Company of the City of Pittsburg DOES RESOLVE as follows:

WHEREAS, the Executive Director has prepared, transmitted and presented the one year Preliminary Operating Budget for Fiscal Year 2017-18 to the City Council for its consideration; and

WHEREAS, the City prepares and adopts the Pittsburg Power Company Budget with the intent of providing a planned program for services and a financial system to carry out the planned program of services; and

WHEREAS, the City Council held a budget workshop meeting on May 15, 2017 for the purpose of reviewing and discussing the Preliminary Operating Budget for Fiscal Year 2017-18, and for providing opportunities for public input and discussion on said Preliminary Pittsburg Power Company Budget; and

WHEREAS, the City Council, having fully reviewed the Preliminary Pittsburg Power Company Budget for Fiscal Year 2017-18 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 of the City of Pittsburg 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 2017-18 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 2017-18.

C. Those funds are hereby and shall be appropriated in the estimated revenue amount of $2,566,428 and a spending plan of $2,234,079 for the Pittsburg Power Fund. In addition, the budget recommends estimated revenues in the amount of $5,594,768 and a spending plan of $5,138,388 for the Island Energy Fund for Fiscal Year 2017-18.

D. That the Finance Director or his/her designee is hereby authorized to

approve payment of goods and services received by the Pittsburg Power Company in accordance with the City's approved budgets, programs and policies.

E. That the Pittsburg Power Company of the City of Pittsburg authorizes changes to be made to the annual budget as follows:

Items Requiring Council/Agency Action:

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

Items Delegated to the City Manager/Executive Director:

- Items in excess of $5,000.00.
- Transfers between departments and divisions so that the total fund budget remains the same.
- Approval of transfers within funds which increase salary and benefit appropriations so that the total fund budget remains the same.

Items Delegated to Department Heads:

- Allocation of departmental appropriations to line item except for salary and benefit appropriations.
- Changes which exceed current funds disbursement authorizations must be approved by the City Manager/Executive Director. These changes cannot increase the department budget.

Section 2. Authorization

PASSED AND ADOPTED by the Pittsburg Power Company of the City of Pittsburg at a regular meeting held on the 19th day of June, 2017, by the following vote:

AYES:	Banales, Evola, Killings, Longmire, Craft
NOES:	None
ABSTAINED:	None
ABSENT:	None

Marilyn Craft, Chair

ATTEST:

Alice E. Evenson for Joe Sbranti, Executive Secretary

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

DATE: 6/8/2017

TO: Chair and Agency Members

FROM: Joe Sbranti, Executive Director

SUBJECT: Adoption of a Pittsburg Power Company Resolution for Approval of the Budget for Fiscal Year 2017-18 for the Pittsburg Power Company and Appropriation of Funds for Fiscal Year 2017-18

MEETING DATE: 6/19/2017

EXECUTIVE SUMMARY

On May 15, 2017 a budget workshop meeting was held to review the Preliminary Operating Budget for Fiscal Year 2017-18 including the proposed Pittsburg Power Company Budget. The budget must be appropriated for Fiscal Year 2017-18 before July 1, 2017 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 2017-18 estimates revenues in the amount of $2,566,428 and a spending plan of $2,234,079 for the Pittsburg Power Fund. In addition, the budget estimates revenues in the amount of $5,594,768 and a spending plan of $5,138,388 for the Island Energy Fund.

RECOMMENDATION

PPC Board approve the Operating Budget Plan for Fiscal Year 2017-18 and adopt the budget for the Pittsburg Power Company for the Fiscal Year 2017-18.

BACKGROUND

The Preliminary Operating Budget for Fiscal Year 2017-18 for the City of Pittsburg, including the Pittsburg Power Company, was presented to the City Council at a budget workshop meeting held on May 15, 2017.

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 2017-18 will be placed on the City's website before the June 19,

2017 City Council meeting and can be located by navigating to City Services/Finance/Budget and Other Financial Documents. A hard copy of the same document will also be filed at the Contra Costa County Library, Pittsburg Branch.

SUBCOMMITTEE FINDINGS

The City of Pittsburg Preliminary Operating Budget Plan for the Fiscal Year 2017-18 was presented to the Finance Subcommittee on May 11, 2017. The Finance Subcommittee did not have any comments or changes to the Pittsburg Power FY 2017-18 budget.

STAFF ANALYSIS

None

ATTACHMENTS: Resolution

Report Prepared By: Diane Agar, Division Manager – Accounting
Reviewed By: Brad Farmer, Director of Finance

BEFORE THE SOUTHWEST PITTSBURG GEOLOGIC HAZARD ABATEMENT DISTRICT II

In the Matter of:

Approval of the Budget Plan for Fiscal Year 2017-18 for the Southwest Pittsburg Geologic Hazard Abatement District II (GHAD II) and Appropriation of Funds for Fiscal Year 2017-18

RESOLUTION NO. 17-058

The Southwest Pittsburg Geologic Hazard Abatement District II DOES RESOLVE as follows:

WHEREAS, the Executive Director has prepared, transmitted and presented the one year Preliminary Operating Budget for Fiscal Year 2017-18 to the City Council for its consideration; and

WHEREAS, the District prepares and adopts the Southwest Pittsburg 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 Board of Directors held a meeting on June 19, 2017 for the purpose of reviewing and discussing the Southwest Pittsburg GHAD II budget for the Fiscal Year 2017-18 and recommend estimated revenues in the amount of $852,980 and a spending plan of $645,721.

NOW, THEREFORE, Southwest Pittsburg GHAD II 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 2017-18 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 2017-18.

C. Those funds are hereby and shall be appropriated in the estimated revenue amount of $852,980 and a spending plan of $645,721.

D. That the Finance Director or his/her designee is hereby authorized to approve payment of goods and services received by the Southwest Pittsburg GHAD II in accordance with the City's approved budget, programs and policies.

E. That Southwest Pittsburg GHAD II authorizes changes to be made to the annual budget as follows:

Items Requiring GHAD Board of Directors Action:

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

Items Delegated to the GHAD II Executive Director:

- Items in excess of $5,000.00.
- Transfers between departments and divisions so that the total fund budget remains the same.
- Approval of transfers within funds which increase salary and benefit appropriations so that the total fund budget remains the same.

Items Delegated to the General Manager:

- Allocation of departmental appropriations to line item except for salary and benefit appropriations.
- Changes which exceed current funds disbursement authorizations must be approved by the Executive Director. These changes cannot increase the department budget.

Section 2. Authorization

PASSED AND ADOPTED by The Southwest Pittsburg GHAD II at a regular meeting held on the 19th day of June, 2017, by the following vote:

AYES:	Banales, Evola, Killings, Longmire, Craft
NOES:	None
ABSTAINED:	None
ABSENT:	None

Marilyn Craft, Chair

ATTEST:

Alice E. Evenson, Clerk of the Board

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

DATE: 6/8/2017

TO: Chair and Agency Members

FROM: Joe Sbranti, Executive Director

SUBJECT: Adoption of a GHAD II Resolution for Approval of the Budget for Fiscal Year 2017-18 for the Southwest Pittsburg Geologic Hazard Abatement District II (GHAD II) and Appropriation of Funds for Fiscal Year 2017-18

MEETING DATE: 6/19/2017

EXECUTIVE SUMMARY

On May 15, 2017 a budget workshop meeting was held to review the Preliminary FY 2017-18 Operating Budget including the GHAD II budget. The FY 2017-18 budget must be appropriated before July 1, 2017 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 2017-18 estimates revenues in the amount of $852,980 and a spending plan of $645,721.

RECOMMENDATION

GHAD II approve the Operating Budget for Fiscal Year 2017-18 and adopt the budget for the Southwest GHAD II, for the Fiscal Year 2017-18.

BACKGROUND

The Preliminary Operating Budget Plan for Fiscal Year 2017-18 for the Southwest GHAD II was presented to the GHAD II Board of Directors at a budget workshop meeting held on May 15, 2017. A complete copy of the detailed Preliminary Operating Budget document for Fiscal Year 2017-18 will be placed on the City of Pittsburg's website before the June 19, 2017 City Council/GHAD Board meeting and can be located by navigating to City Services/Finance/Budget and Other Financial Documents. A hard copy of the same document will also be filed at the Contra Costa County Library, Pittsburg Branch.

SUBCOMMITTEE FINDINGS

The Preliminary Operating Budget Plan for the Fiscal Year 2017-18 was presented to the Finance Subcommittee on May 11, 2017. The Subcommittee members did not express any questions or concerns related to the GHAD II budget.

STAFF ANALYSIS

None

ATTACHMENTS: Resolution

Report Prepared By: Diane Agar, Division Manager – Accounting
Reviewed By: Brad Farmer, Director of Finance

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Adopt Resolution Establishing the Appropriations Limit for the Fiscal Year 2017-18 in Accordance with Proposition III and Article XIII (B)

RESOLUTION NO. 17-13332

The Pittsburg City Council DOES RESOLVE as follows:

WHEREAS, Article XIII (B) of the California Constitution Proposition 4 establishes expenditure limits for cities; and

WHEREAS, State-implementing legislation (Government Code Section 7910) requires the City of Pittsburg to annually adopt a resolution establishing its Appropriations Limit for the following fiscal year; and

WHEREAS, effective FY 1990-91 Proposition III has amended Article XIII (B) to allow a selection of annual adjustment factors (price and population) which must also be adopted at a regularly scheduled meeting; and

WHEREAS, the City selected the County's population change and the change in California per Capita Personal Income factors to compute the Appropriations Limit; and

WHEREAS, the Division Manager – Accounting has made the calculations specified in said Law and concludes that the appropriations subject to limitation is the sum of one hundred fifty two million, six hundred eight seven thousand, twenty five dollars ($152,687,025); 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 2017-18 Appropriations Limit of the City of Pittsburg is established at $152,687,025 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 19th of June, 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

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

May 2017

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit
The California Revenue and Taxation Code, section 2227, requires the Department of Finance (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, 2017, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2017-18. 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 2017-18 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. The 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 and the California Constitution can be accessed at the following website: http://leginfo.legislature.ca.gov/faces/codes.xhtml.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification
The population certification program applies only to cities and counties. 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, 2017**.

Please Note: Prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN
Director
By:

AMY M. COSTA
Chief Deputy Director

Attachment

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 2017-18 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2017-18	3.69

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2017-18 appropriation limit.

2017-18:

Per Capita Cost of Living Change = 3.69 percent
Population Change = 0.85 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.69 + 100}{100} = 1.0369$

Population converted to a ratio: $\frac{0.85 + 100}{100} = 1.0085$

Calculation of factor for FY 2017-18: $1.0369 \times 1.0085 = 1.0457$

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2016 to January 1, 2017 and Total Population, January 1, 2017

County City	Percent Change 2016-2017	--- Population Minus Exclusions --- 1-1-16	 1-1-17	Total Population 1-1-2017
Contra Costa				
Antioch	0.66	113,495	114,241	114,241
Brentwood	3.38	59,058	61,055	61,055
Clayton	0.20	11,262	11,284	11,284
Concord	0.07	128,280	128,370	128,370
Danville	0.16	43,287	43,355	43,355
El Cerrito	0.45	24,490	24,600	24,600
Hercules	3.08	24,909	25,675	25,675
Lafayette	0.63	25,041	25,199	25,199
Martinez	1.17	37,224	37,658	37,658
Moraga	0.57	16,581	16,676	16,676
Oakley	2.16	40,327	41,199	41,199
Orinda	0.51	18,838	18,935	18,935
Pinole	0.79	18,827	18,975	18,975
Pittsburg	2.47	68,133	69,818	69,818
Pleasant Hill	1.24	34,232	34,657	34,657
Richmond	0.81	110,886	111,785	111,785
San Pablo	0.26	30,972	31,053	31,053
San Ramon	2.31	78,729	80,550	80,550
Walnut Creek	0.90	70,340	70,974	70,974
Unincorporated	0.90	171,829	173,370	173,454
County Total	1.13	1,126,740	1,139,429	1,139,513

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

Attachment C

Annual Percent Change in Population Minus Exclusions*
January 1, 2016 to January 1, 2017

County	Percent Change 2016-17	--- Population Minus Exclusions --- 1-1-16	1-1-17
Alameda			
Incorporated	1.03	1,476,184	1,491,355
County Total	0.99	1,626,047	1,642,173
Alpine			
Incorporated	0.00	0	0
County Total	-0.78	1,160	1,151
Amador			
Incorporated	6.10	12,110	12,849
County Total	2.10	34,056	34,771
Butte			
Incorporated	0.99	144,433	145,870
County Total	0.76	224,703	226,404
Calaveras			
Incorporated	-0.72	4,049	4,020
County Total	-0.17	45,160	45,082
Colusa			
Incorporated	0.31	11,735	11,771
County Total	0.36	21,965	22,043
Contra Costa			
Incorporated	1.17	954,911	966,059
County Total	1.13	1,126,740	1,139,429
Del Norte			
Incorporated	-5.27	4,480	4,244
County Total	0.48	24,783	24,901
El Dorado			
Incorporated	0.03	31,757	31,767
County Total	0.37	184,274	184,965

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

City of Pittsburg Fiscal Year 2017-18
Gann Appropriations Limit Calculations

	City Population Change		County Population Change
Population Change as of January 1, 2017	**1.0247** (1)		1.0113 (1)

	Per Capita Change		Consumer Price Index CPI of Contra Costa County
Cost of Living FY 2017-18	**1.0369** (1)		1.030 (2)

FY 17-18 Gann Limit Growth Factor 1 + Larger of County and City Population		1.0247
1 + Larger of Per Capita Change and 12-Month Change in CPI for County	x	1.0369
INCREASE in City's Appropriations Limit for FY 2017-18 -		**1.062511**
FY 2016-17 Appropriations Limit		$ 143,703,948 (3)
Growth Factor	x	1.062511
FY 2017-18 APPROPRIATIONS LIMIT		**$ 152,687,025**

NOTE:
(1) California Department of Finance Letter Dated May, 2017
(2) Bureau of Labor Statistics CPI, 2016 Avg Change - SF Area (includes Contra Costa County)
(3) FY2016-17 General Fund Appropriations Limit

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

DATE: 5/31/2017

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Adopt Resolution Establishing the Appropriations Limit for the 2017-18 Fiscal Year in Accordance with Proposition III and Article XIII (B)

MEETING DATE: 6/19/2017

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 2017-18 Appropriations Limit is $152,687,025 and will exceed the General Fund estimated spending plan of $40.5 Million.

RECOMMENDATION

Staff recommends that the City Council adopt this Resolution in compliance with the State of California legislative requirement for the City Council to annually establish the Appropriations Limit.

BACKGROUND

In 1979, Proposition 4, known as the Gann Initiative was approved by the California voters. As a result, Article XIII (B) of the State Statute (Government Code Section 7900-10) was enacted and it requires that each year thereafter, the governing body of each local jurisdiction shall by resolution, establish its Appropriations (spending) limit for the following fiscal year. The determination of the appropriations limit is considered to be a legislative act and should be adopted at a regular council meeting.

Proposition III, approved by California voters in 1990, amended Article XIII (B) further, and Council action is necessary to implement the amendments effective for FY 2005-06 and thereafter.

The amendments of Proposition III specify that the annual adjustment factors in calculating the Appropriations Limit will be increased by:

- The change in population growth for City OR County (whichever is higher)
- The change in California Per Capita Personal Income

OR

The growth in the average change in the County Consumer Price Index (whichever is higher).

Pursuant to Proposition III amendments, staff has calculated the FY 2017-18 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 FY2017-18 is $152,687,025.

SUBCOMMITTEE FINDINGS

N/A

STAFF ANALYSIS

Establishing the Appropriations Limit is a State of California mandate which requires all cities to adopt a respective Resolution at the beginning of each fiscal year.

The Appropriations subject to Limitation for Fiscal Year 2017-18 is $40.5 Million against the calculated limit of $152.7 Million.

Appropriations subject to the limit for fiscal year 2016-17 totaled $41.3 Million against the Adopted Limit of $143.7 Million for that same year.

ATTACHMENTS: Resolution
California Department of Finance Letter dated May, 2017
Gann Calculations

Report Prepared By: Diane Agar, Finance Division Manager
Brad Farmer, Director of Finance