Adopted Annual Budget
Fiscal Year 2014-15

City of Pittsburg, California

On the Cover:
Pittsburg Independence Day Fireworks
Pittsburg Marina
National Night Out
Farmer's Market
Culinary Crawl

➢ ACKNOWLEDGEMENTS

City Council

Salvatore Evola, Mayor
Pete Longmire, Vice-Mayor
Ben Johnson, Council Member
Nancy Parent, Council Member
Will Casey, Council Member

Other Elected Officials

Alice E. Evenson, City Clerk
James F. Holmes, City Treasurer

City Attorney

Ruthann G. Ziegler, Esquire, City Attorney

Management Staff

Joe Sbranti, City Manager
Garrett Evans, Assistant City Manager, Development Services
Alice E. Evenson, Director of Records and Council Services
Brian Addington, Chief of Police
Don Buchanan, Director of Recreation and Maintenance Services
Keith Halvorson, City Engineer
Tina Olson, Director of Finance and Administration
Walter Pease, Director of Water and Sewer System Enterprises

➢ ACKNOWLEDGEMENTS

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Special Thanks to City Department Staff:

Hilario Mata, Department of Public Works
Jill Hecht, City Manager's Office
Laura Wright, Environmental Affairs
Joyce Lowe, Police Department

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Pittsburg

California

For the Fiscal Year Beginning

July 1, 2013

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Pittsburg for the Annual Budget beginning July 01, 2013. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

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City of Pittsburg
65 Civic Avenue
Pittsburg, California 94565

Date: June 6, 2014

To: Honorable Mayor and Council Members

From: Joe Sbranti, City Manager

Subject: FY 2014-15 Budget – Budget Message

Overview

The City of Pittsburg's economy continues to show signs of recovery: Measure P sales tax revenues and property values are increasing and the City's unemployment rate is declining. Unfortunately, the City's pension obligation bond ("POBs") debt service and Contra Costa County Employee Retirement Association ("CCCERA") liability are sharply increasing in FY 2014-15 putting a damper on the revenue upside. Nonetheless, the FY 2014-15 budget includes funding for 7.0 new full-time equivalent ("FTE") positions that we eliminated during the great recession that will restore important City services. In addition, we are also giving net wage increases of between 1% and 2% to the City's employees. And, as discussed in more detail below, we are still on target to have a structurally balanced General Fund budget by FY 2018-19.

FY 2014-15 General Fund Budget

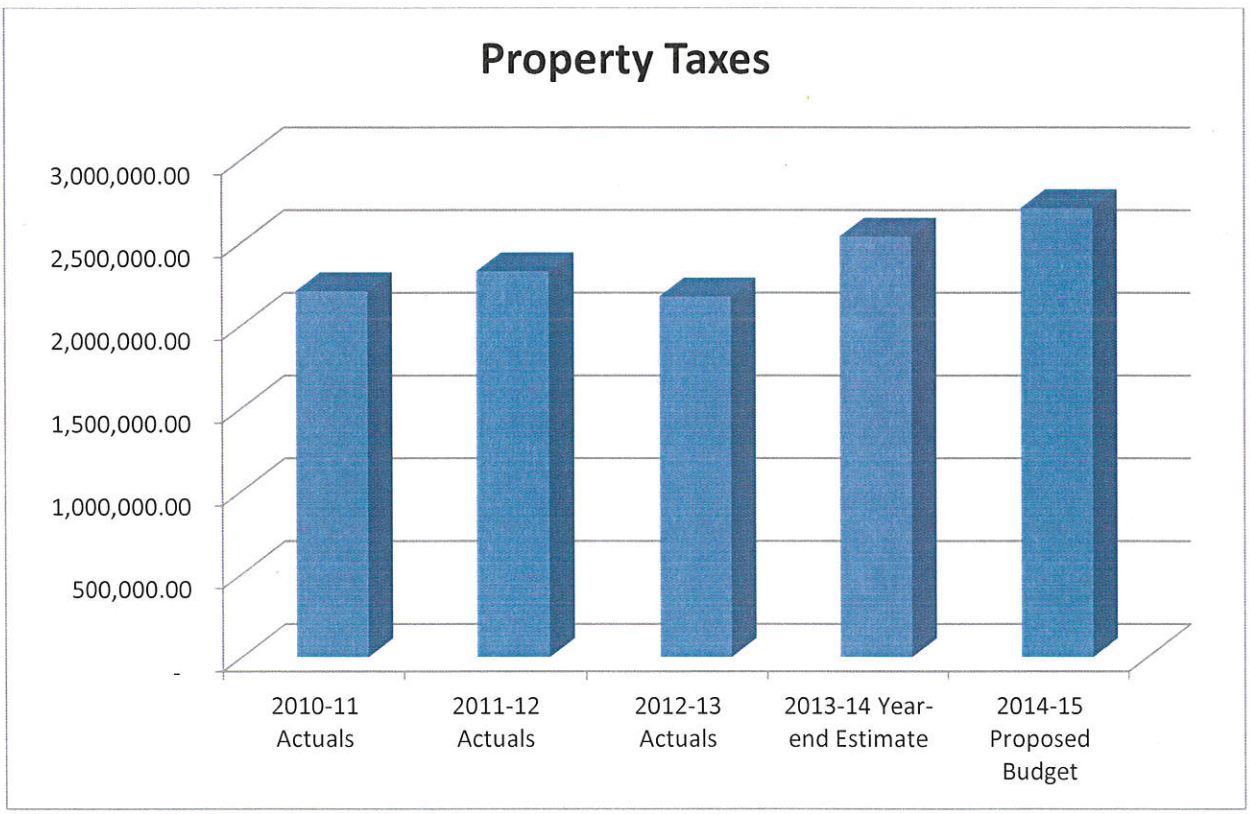
	FY 2013-14 Year-end Estimate	FY 2014-15 Budget	Difference	Percent Difference
Revenues	$34,659,455	$34,891,648	$232,193	0.67%
Expenditures	35,583,071	36,890,048	1,306,977	3.67%
Surplus/(Deficit)	(923,616)	(1,998,400)	(1,074,784)	
Use of Budget Stabilization Fund	923,616	1,998,400	1,074,784	

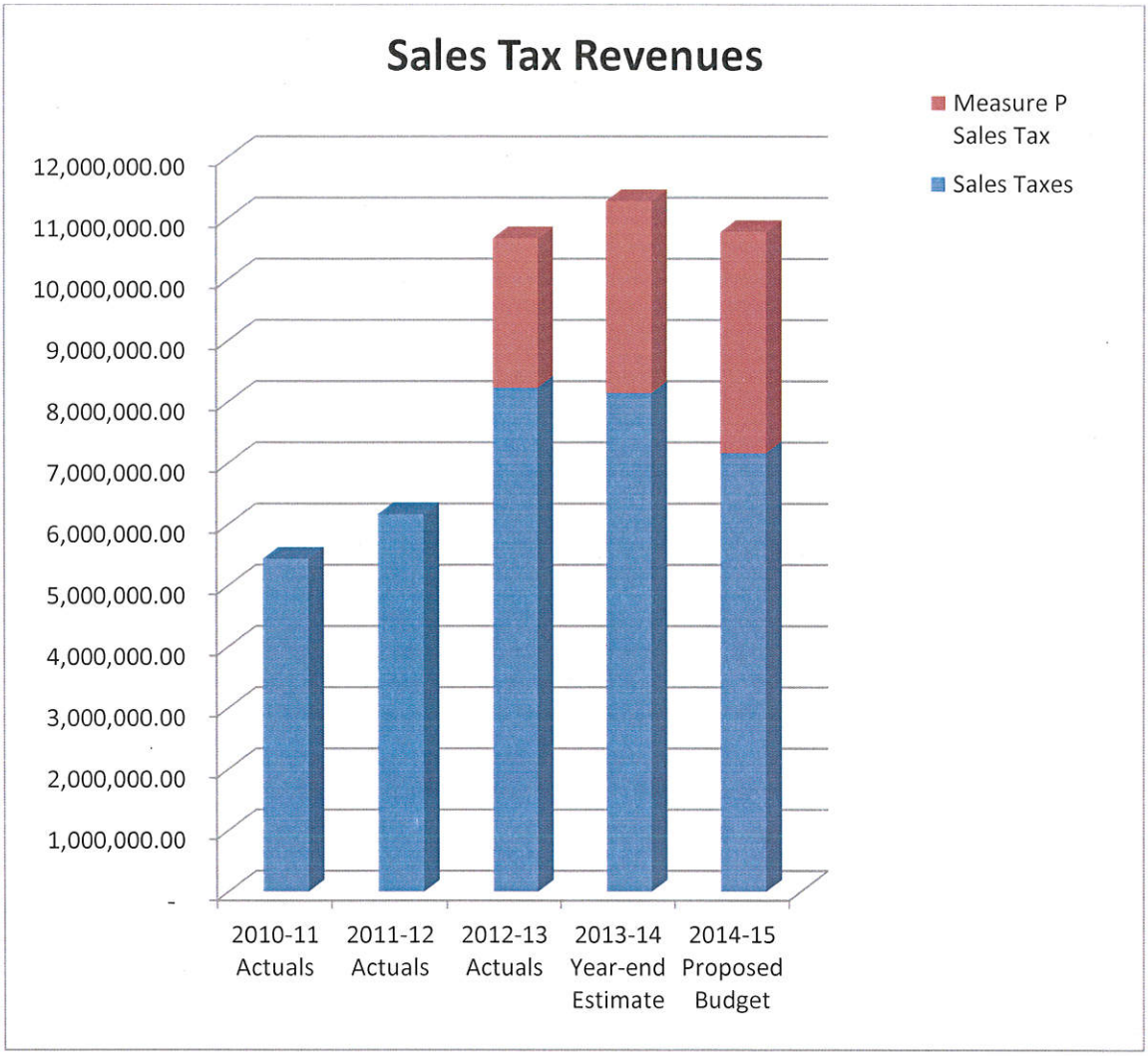
Revenues

The City's General Fund FY 2014-15 operating revenues are projected to be $34,891,648 or $232,193 greater than the FY 2013-14 year-end estimate. The most significant change from FY 2013-14 is a reduction in one-time sales tax

revenues of $700,000 received in FY 2013-14 compared to $312,500 in one-time sales tax revenues we expect to receive in FY 2014-15. It is important to note that those one-time sales tax revenues are transferred out to the Budget Stabilization Fund and therefore do not affect the General Fund operating revenues.

However, off-setting the decrease in one-time sales tax revenues is a significant increase of $454,500 or 14% in Measure P non-one time sales tax revenues. Actual FY 2013-14 Measure P sales tax revenues are projected to be $905,000 or 41% over budget which will result in reduced use of the Budget Stabilization Fund to balance the FY 2013-14 budget. In addition, the City's non-Redevelopment areas' Assessed Valuation ("AV") increased by 10.6% between FY 2012-13 and 2013-14 which is much more than the 3% staff assumed in the FY 2013-14 budget. We do not know what the AV will be for FY 2014-15 but we budgeted 7% based on the continued increases in Pittsburg's median home values. It is possible that the actual AV will be greater than 7%.



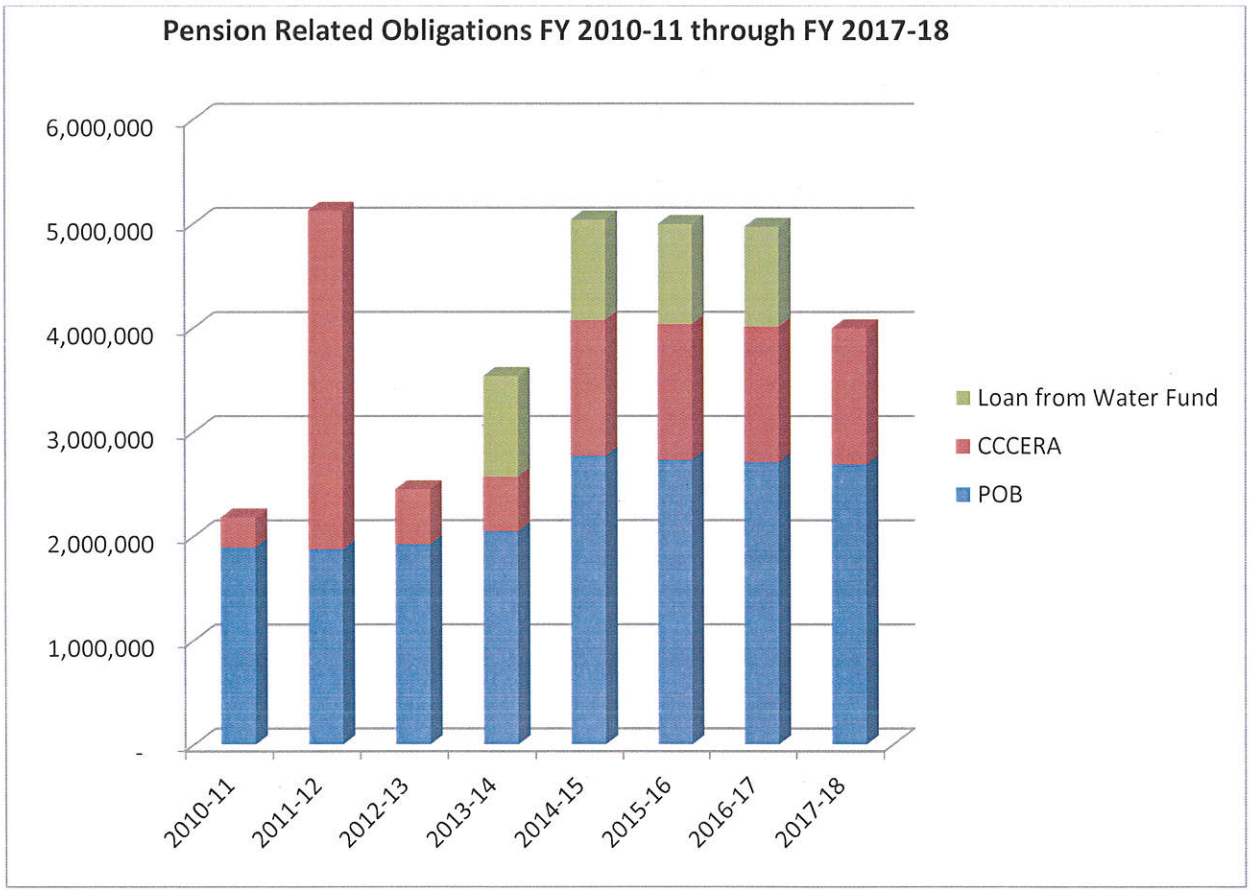


Expenditures

Pension Related Cost Increases **-** Unfortunately, the growth in the Measure P sales tax and property tax revenues is off-set by an unanticipated increase in the City's unfunded Contra Costa County Employee Retirement Association ("CCCERA") liability of $11.3 million that results in an annual payment of $798,519 of which the General Fund's portion is $607,044. In addition, while expected, the City's Pension Obligation Bond ("POB") debt service is increasing by $724,621 of which the General Fund portion is $550,865. In FY 2014-15, staff will work on a plan to cover the increased CCCERA liability such that the annual payments will be less than $798,519.

As described in the chart below, while the increased CCCERA annual payment has increased pension related obligations, the inter-fund loan from the Water Fund

used to repay a prior CCCERA liability will be fully repaid by FY 2017-18 which will reduce the City's pension related annual payments by $953,000.



Wage Increases - After several years of employee wage and benefit concessions, the City's Memorandums of Understandings ("MOUs") with employee unions include moderate annual net raises of between 1% and 2% for its employees in FY 2014-15. Finally, we are adding 7.0 full-time positions back to the City's budget that we had eliminated during the great recession that will restore important City services.

The net result of the increased revenues and expenses is a General Fund FY 2014-15 shortfall of approximately $2 million that will be covered by the City's Budget Stabilization Fund.

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

7-year General Fund Balancing Plan - FY 2014-15 is year four in the 7-year General Fund Balancing Plan ("Plan") that is included in the FY 2014-15 budget book. As described in that Plan based on relatively conservative revenue and expenditure assumptions and a total of $1.7 million in additional expenditures reductions and/or new revenues, we will have a structurally balanced budget where total operating revenues equal operating expenses by FY 2018-19 and use approximately $5.3 million from the Budget Stabilization Fund. Every year since FY 2011-12 when we began using the Plan to develop and manage the City's budgets, actual expenditures have been less than projected and actual revenues have been greater than projected. As a result, through FY 2012-13 we have used a total of $196,705 from the Budget Stabilization Fund to balance the General Fund budget which is significantly less than the over $5 million we estimated to require to balance those budgets. However, we are learning to be more accurate in our revenue and expenditure projections. As a result, we don't anticipate that there to be a material difference in the actual amount of Budget Stabilization funds we will require to balance the FY 2014-15 budget than the $2 million budgeted. We are currently estimating to require $923,616 to balance the FY 2013-14 budget which is about half of the $1.8 million we budgeted to balance the FY 2013-14 budget.

Fiscal Sustainability Ordinance - This is the second fiscal year that we developed the City's General Fund budget under the requirements outlined in the City's Fiscal Sustainability Ordinance. Specifically, as required by the Fiscal Sustainability Ordinance, we are (1) depositing one-time sales tax revenues of $312,500 into the Budget Stabilization Fund, (2) the balance of the Budget Stabilization Fund by the end of FY 2014-15 is estimated to be $6.7 million which is greater than the $2 million minimum balance, and (3) operating reserves have been increasing such that we will meet the 30% of operating expenses requirement by FY 2017-18.

In addition, in FY 2013-14, the Budget Stabilization Fund balance was $10,209,431 or $2,709,431 more than the maximum of $7.5 million allowed in the Fiscal Sustainability Ordinance. As required, we allocated that $2,709,431 as follows: $500,000 to General Fund reserves, $1,657,073 to the Infrastructure and Repair and Replacement Fund, and $552,358 to the Other Post-Employment Benefits ("OPEB") fund which is used to pre-fund retiree health benefits. This is in addition to the $666,755 that was included in the FY 2013-14 budget to pre-fund the City's OPEB liability for a total of $1,219,113 to pre-fund OPEB liability in FY 2013-14. In January 2014, the City established an account at CalPERS to pre-fund OPEB with

an initial deposit of $1,219,113. The FY 2014-15 budget includes a total of $666,755 to pre-fund OPEB that will also be deposited into the City's OPEB account at CalPERS. In short, we are making progress towards retiring the City's unfunded OPEB liability of $12.4 million.

Fitch and Standard and Poor's 2014 Ratings of Pittsburg's POBs

A few months ago Standard and Poor's ("S&P") and Fitch rating agencies rated the City of Pittsburg's POBs. While Fitch affirmed the City's A+ rating with a stable outlook, S&P raised the rating from A- to A+ with a stable outlook. The following are some of the excerpts from the rating agencies' reports that reflect the improvements in Pittsburg's financial condition and financial management practices since the start of the great recession:

"The city's financial position is solid as exhibited by high fund balances, recent voter approval of a new sales tax, years of prudent cost cutting, and a manageable path to structural balance. Nonetheless, further cost cutting will be required to maintain balanced general fund operations." (Fitch 2/24/14)

"Seasoned financial management and policymakers have a record of prudent fiscal actions. Institutionalized financial practices are impressive, including a high minimum fund balance policy, new OPEB pre-funding requirements, multi-year forecasting, and a budget stabilization reserve requirement." (Fitch 2/24/14)

"Supporting the city's finances is liquidity we consider very strong, with total primary government cash and investments exceeding 15% of total governmental fund expenditures and 120% of total governmental funds debt service. Due to multiple debt issuances within the past 20 years, we believe the city has strong access to external liquidity" (S&P 2/20/2014)

We should all feel proud that our efforts these past four years to stabilize the City's finances have been recognized by the rating agencies.

Looking Forward

Capital Projects - Through its former Redevelopment Agency, Pittsburg made great strides in redeveloping the City's infrastructure and downtown areas as well as building new fire stations, new parks and renovating the City's library. We are continuing these efforts in FY 2014-15 with the construction of a new park in Old Town Pittsburg, a Kite Board ramp near the City's Marina, renovation of the City's

Water Treatment Plant and related water facilities, and pavement renovation projects.

eBART Extension and Civic Center Station - The most significant project to begin construction in FY 2014-15, however, is the eBART extension from the Pittsburg/Bay Point BART station to Hillcrest Avenue in Antioch. The eBART extension project includes a new station at Railroad Avenue and Highway 4 in Pittsburg also referred to by BART as the Civic Center Station ("CCS"). In FY 2013-14, the City formed a Community Facilities District ("CFD") in the surrounding area to help fund construction of the Civic Center Station. It is expected that the Civic Center Station will spur transit oriented development ("TOD") in the area such as higher density mixed-use housing and commercial development.

Images above: before and after rendering of expected redevelopment of area adjacent to the Civic Center eBART Station.

Crime Rates **-** In 2013, reported Part I crimes in Pittsburg dropped 2.3% from the previous year. Pittsburg continues to maintain record-low crime levels. In the past 53 years, the only year that saw a lower per-capita crime rate was 2011, and Pittsburg continues to compare very well with nearby cities:

2013 comparison with surrounding cities per 1,000 residents:

Violent Crime

Walnut Creek	1.2 (down from 1.3)
Brentwood	1.7 (up from 1.6)
Pittsburg	**2.8 (up from 2.4)**
Pleasant Hill	3.2 (up from 2.8)
Concord	3.3 (up from 3.1)
Antioch	9.1 (down from 10.7)

Total Part I Crime

Brentwood	24.5 (up from 20.5)
Walnut Creek	33.6 (up from 32.4)
Pittsburg	**34.2 (down from 35.5)**
Pleasant Hill	45.9 (down from 49.6)
Concord	49.1 (up from 36.8)
Antioch	52.4 (down from 57.0)

Housing Development – Pittsburg's residential and commercial development has been picking up to pre-recession levels of adding approximately 200 new housing units annually. As described in the table below, there are currently 3,283 approved but unbuilt housing units in Pittsburg and 16,623 square feet of commercial development approved but unbuilt. With the anticipated new development, the City will receive additional property tax revenues as well as Lighting and Landscaping and public safety CFDs, all of which will help reduce the City's General Fund structural deficit.

Residential Projects

Project	SF Unit Count	MF Unit Count	Total Unit Count
Alves Ranch	167	373	540
Bancroft Gardens II	28	--	28
Los Medanos Apartments	--	30	30
Mariner Walk (remaining units)	88	--	88
San Marco (remaining units)	775	1000	1775
Sunnyside Estates	33	--	33
Vista del Mar (remaining units)	125	--	125
Sky Ranch	415	--	415
Bailey Estates	249	--	249
Totals	**1,880**	**1,403**	**3,283**

Commercial/Industrial Projects

Project	Commercial Sq. Ft.	Industrial Sq. Ft.	Total Sq. Ft.
Columbia Solar *	n/a	n/a	n/a
Delta Gateway Pad 12	10,623	--	10,623
San Marco Gas Station	6,000	--	6,000
Totals	**16,623**	**--**	**16,623**

* No buildings are proposed with the 115-acre Columbia Solar project. Initial valuation and ongoing annual revenues of the operation are anticipated to exceed $1M.

20-year General Fund Projections - While the 7-year General Fund Balancing Plan has been a great tool for City management and City Council to help manage the City's budget to structural balance, we would like to develop a longer-term 20-year forecast of the City's General Fund that incorporates anticipated revenues from increased development as well as decreased expenses associated with paying down the City's CCCERA, POBs, and OPEB liability. We will present a draft of the 20-year forecast to the Finance Committee in the fall of 2014 with the goal of incorporating it in the FY 2015-16 budget document.

Conclusion

I would like to thank the Finance Department as well as other department staff for all of their efforts in developing and balancing the City's budget. However, I would like to give special thanks to Tina Olson, the Finance and Administration Director, and Diane Agar, the Finance Accounting and Budget Manager, for their work on the City's budget. They have created a streamlined and yet comprehensive process to develop and review the

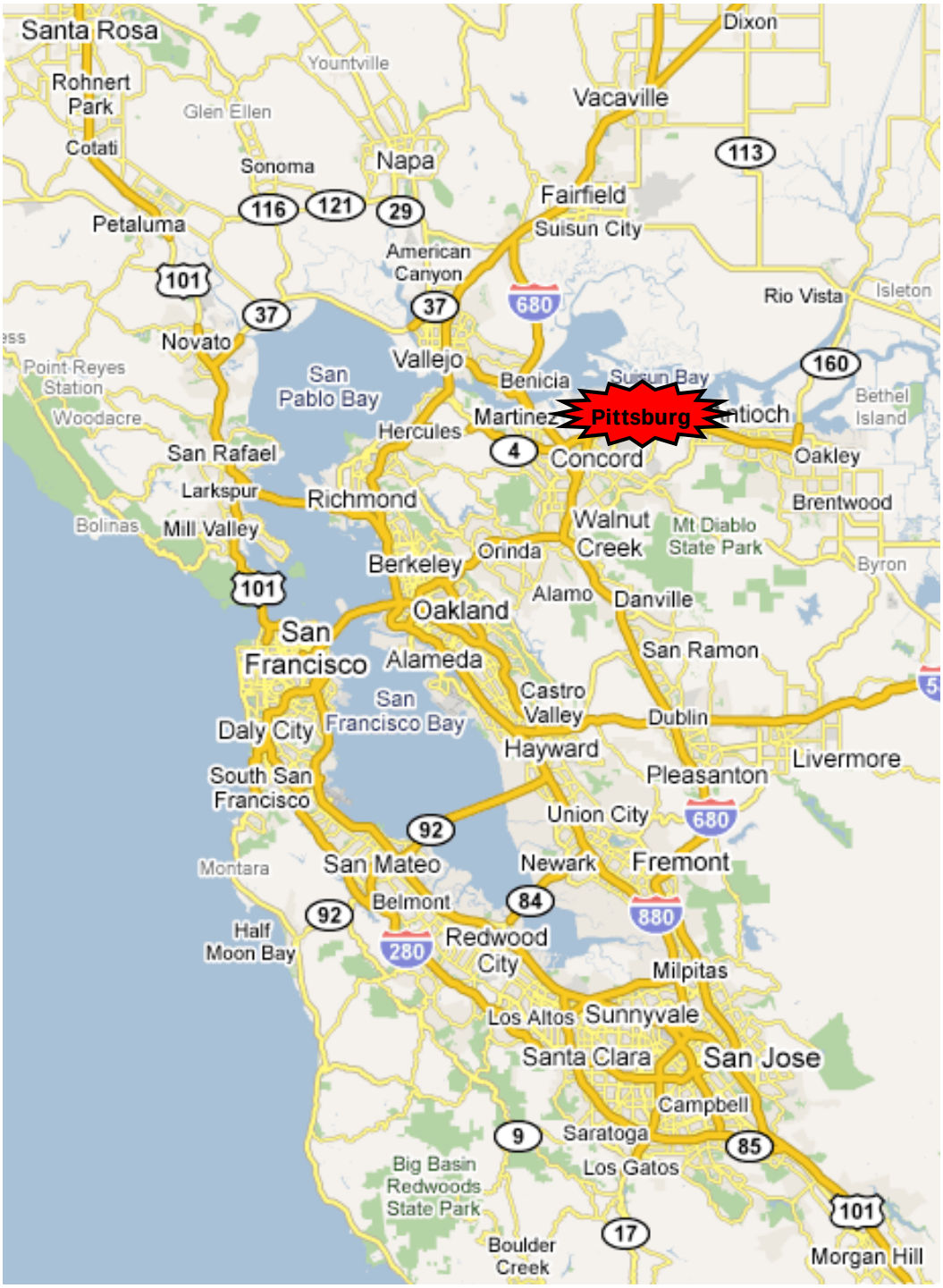
City's budget that has resulted in the City receiving the Government Financial Officers Association ("GFOA") Distinguished Budget Presentation award for the past two years. I also want to thank the City Council for their continued support of me and City staff as we work to balance the City's budget.

➢ 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 commitments
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 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
4
Concord
Oakley
San Rafael
Larkspur
Richmond
Brentwood
Bolinas
Mill Valley
Walnut Creek
Mt Diablo State Park
Berkeley
Orinda
Byron
101
Alamo
Danville
Oakland
San Francisco
Alameda
San Ramon
Castro Valley
Dublin
San Francisco Bay
Daly City
Hayward
Livermore
South San Francisco
Pleasanton
Union City
680
92
Montara
San Mateo
Newark
Fremont
Belmont
84
880
92
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 City 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 – 1920'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 was built. It has undergone extensive renovations in the past few years.

1974 – Los Medanos College opens, providing 2-year degrees and transfer programs to East 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 Highway 4 widening project began.

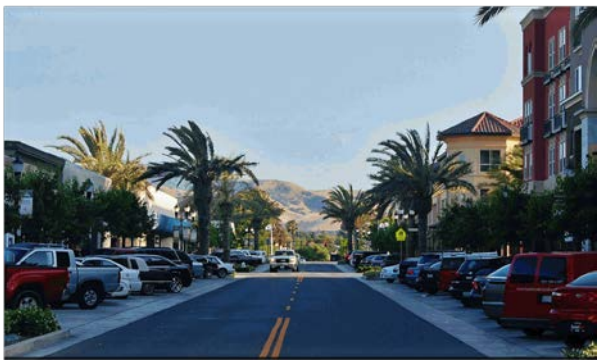
[2000 – 2010]

2000's – New High Occupancy Vehicle (HOV) lanes added to Hwy. 4, relieving congestion as Eastern Contra Costa County becomes increasingly populated. Hwy. 4 widening project continued through 2006.

2003 – Pittsburg's Centennial Celebration Year

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

2000 – 2010 - Pittsburg's population estimate grew by 37%. New e-BART proposed which will expand BART services east another 23 miles, further easing traffic congestion



[2011 – Present]

2011 – Begin project to widen State Route 4 from the existing four lanes to eight lanes. The widened freeway will provide one HOV lane and three mixed-flow lanes in each direction (which is expected to be completed in 2015).

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

Source: Pittsburg Chamber of Commerce

Historical Photo Courtesy of Ralph Soliz

➢ LONG TERM/SHORT TERM GOALS

LONG TERM GOALS	SHORT TERM GOALS	IMPLEMENTATION THROUGH DEPARTMENTS AND PROGRAMS
Goal 1 Increase Revenues and Reduce Expenses	Complete evaluation of potential solar projects for energy savings. Seek partnerships/grants for City programs/projects. Negotiate new agreements and update existing agreements and leases. Eliminate structural deficit. Update fee schedules.	Development Services, Engineering, Administration
Goal 2 Improve Public Facilities and Infrastructure	Establish a video studio in the City Council Chambers for live broadcast of meetings. Complete all Capital Improvement programs/ projects underway or scheduled for construction in FY 2014/15, Continue liaison with outside agencies to construct facilities.	Administration, Engineering, Recreation and Parks, Water/Sewer System Enterprises, Development Services
Goal 3 Continue Economic Development, Diversified Housing and Facilitate Growth of Existing Businesses	Explore creation of a Build Pittsburg Fund for small business with CDBG funds. Become a resource for small businesses by providing free training and seminars. Retain, improve large sales tax providers with targeted outreach.	Development Services
Goal 4 Increase Efficiency of City Operations and Services	Develop a succession plan for critical City positions. Facilitate on-line surveys for zoning code amendments. In-house project design. Improve/automate processes. Community Outreach through social media.	Administration, City Council, Development Services, Police, Engineering, Public Works – Maintenance Services, Water/Sewer System Enterprises
Goal 5 Improve the Quality of Life for Pittsburg Residents	Complete environmental analysis and initiate annexation processes. Expand Emergency Operations Center (EOC) preparedness. Improve public safety. Expand collaboration with local non-profits. Promote City parks.	Police, Development Services, Engineering, Recreation and Parks, Public Works – Maintenance Services, Water/Sewer System Enterprise

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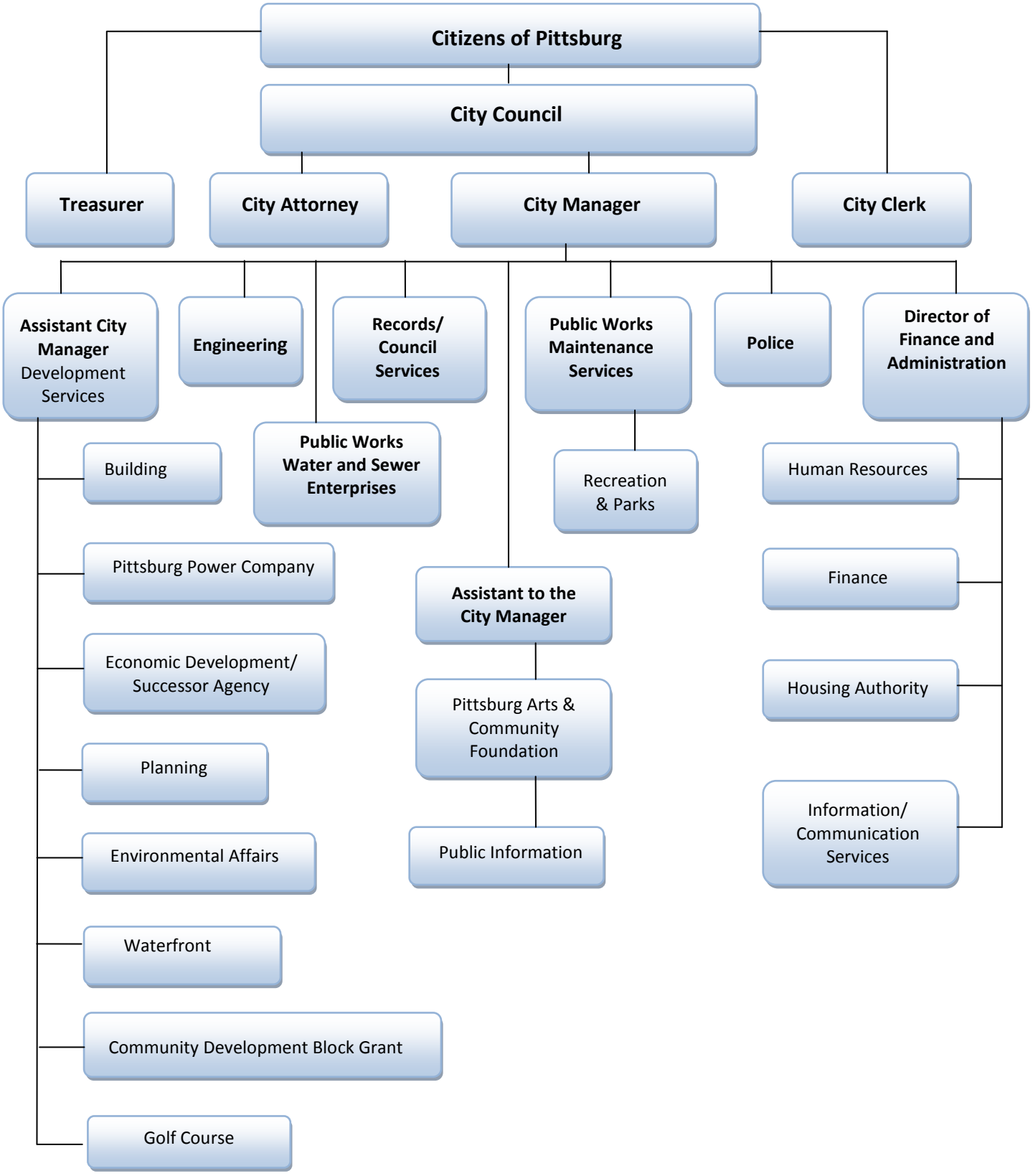
➢ CITY GOVERNMENT ORGANIZATION



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➢ 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 5-Year Forecast

Preparing accurate General Fund revenue and expenditure forecasts is an important part of the budget process. 5-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 approves the proposed operating budget.

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

After the Finance Subcommittee review, 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 Redevelopment Agency Funds are accounted for using the modified accrual basis of accounting.

Proprietary funds include Enterprise Funds and Internal Service Funds. These funds are accounted for using the accrual basis of accounting.

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 2014/15 Budget Development Calendar

Jan 2014

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Feb 2014

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Mar 2014

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Apr 2014

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May 2014

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Jun 2014

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1/7	Distribution of Mid-Year Reports for Dept. Year-End Estimates
1/20	City Holiday - Martin Luther King - City Offices Closed
1/24	Department Year End Estimates Due to Finance
1/23 - 1/30	Finance Staff Review and Reporting of Year-End Estimates
1/28	7-Year General Fund Balancing Plan Update
1/31	City Manager Review and Approval of Year-End Estimates
2/7	Budget Kickoff Meeting/Distribution of Budget Packets
2/12	City Holiday - Lincoln's Birthday - City Offices Closed
2/13	FY 2013/14 Mid Year Budget Review to City Council
2/17	City Holiday - Washington's Birthday - City Offices Closed
2/27	Oversight Board - Successor Agency to Former RDA Review and approval of Proposed 2014/15 Operating Budget
3/3	Goals Workshop - City Council
3/14	Department Narratives due to Finance
3/10 - 3/14	Finance Staff Analysis and Preparation of Draft Budget
3/20	7-Year General Fund Balancing Plan Update
3/17 - 3/28	Senior Management and City Manager Begin Review of Budget
3/25	Finance Committee 1st Review - Operating Budget & 7 Yr Plan
3/26	Measure P Oversight Committee 1st Mtg/Intro/Responsibilities
3/31	City Holiday - Cesar Chavez Day - City Offices Closed
4/4	Staff Operating Budgets due to Finance
4/7	Budget Team Adjustments to General Fund Operating Budget
4/7	Council Adoption of Citywide Goals for FY 2014/15
4/10	Measure P Oversight Committee Review of Use of Funds for $.05 Sales Tax Increase for FY 2014/15
4/24	Update General Fund 7 Year Balancing Plan
4/30	Finance Committee 2nd Review - Operating Budget & 7 Yr Plan
5/1 - 6/6	Budget Staff's compilation of Proposed Budget Document
5/5	Public Workshop - Proposed FY 2014/15 Operating Budget
5/8	Measure P Final Meeting to Review 2014/15 Proposed Budget
5/19	Measure P Presentation to City Council
5/19	2014/15 Capital Improvement Program to Council for Approval
5/26	City Holiday - Memorial Day - City Offices Closed
6/9	Distribution of Proposed Budgets to Council & Senior Mgrs.
6/16	Public Hearing and Adoption of the FY 2014/15 Budget
6/16	Adoption of Gann Spending Limit
6/18	Final Adopted Budget Posted to City Website
9/2	Update General Fund 7 Year Balancing Plan
9/4	End of FY 2013/14 Reports to CM (Actual Expenses/Revenues)

Jul 2014

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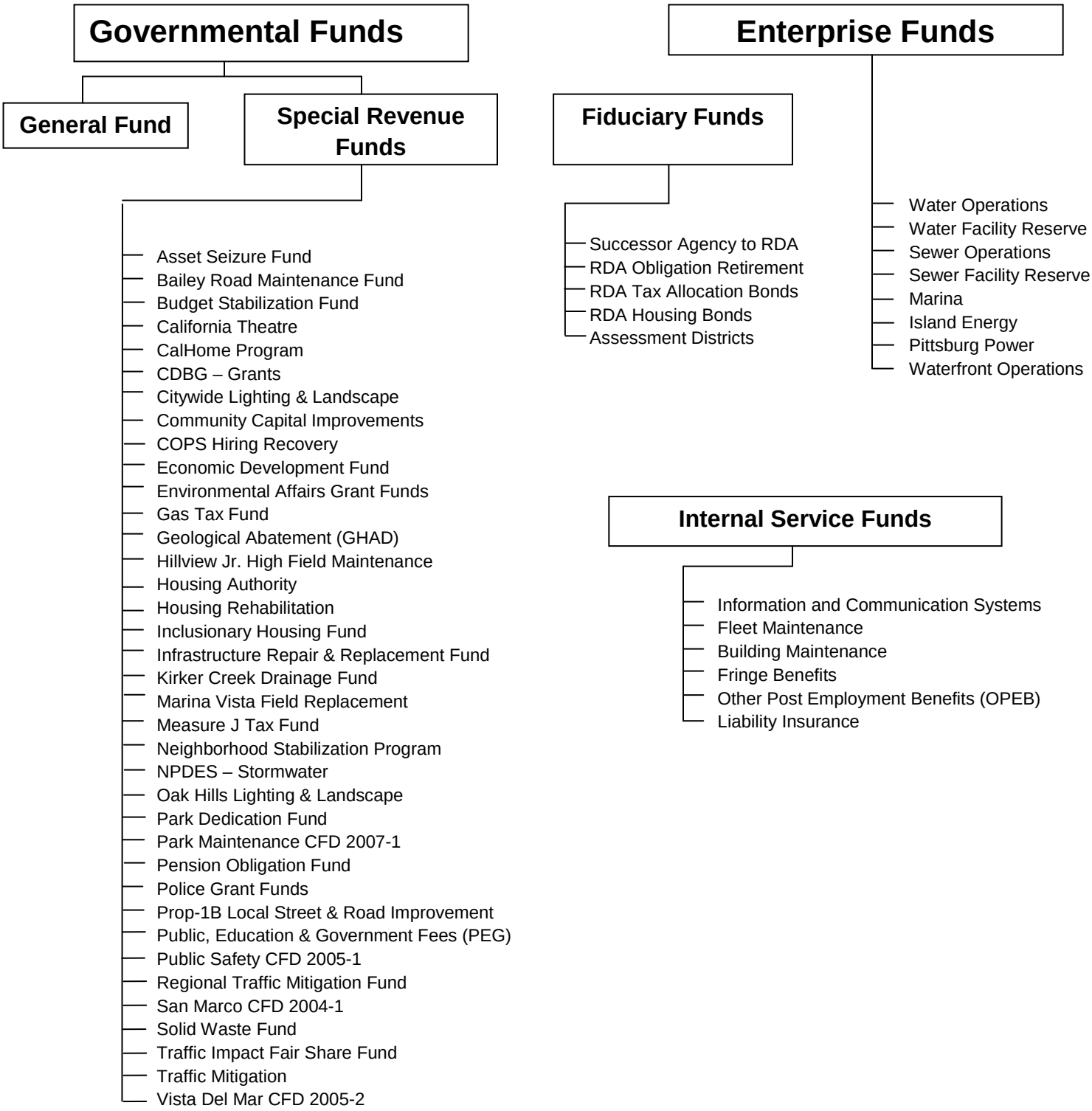
➢ BUDGETARY FUND STRUCTURE



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➢ 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.

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 is an Enterprise Fund, which 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.

Sewer Operating Fund

The City charges water customers who also use the City's sewer system sewer fees to cover the cost to operate and maintain the City's sewer system.

Waterfront Operations Fund

The Waterfront Operations Department leases property under its jurisdiction which totals approximately $593,847 in FY 2013-14.

Water Operating Fund

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

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 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 total FRC established for a particular utility and zone of benefit can result from either or both of these fundamental requirements. The unit cost of new capital facilities are established by calculating the cost of these facilities in the City's Capital Improvement Program (CIP) and apportioning these total costs to various developments in an equitable manner through the development of documents such as the Water and Wastewater Master Plans and the Water and Sewer Facility Reserve Charges report.

The unit cost of, or value to be recouped for, existing facilities is established by determining the replacement value of these facilities and equitably apportioning this cost to various developments in proportion with their use of the utility facilities.

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

<u>Water Facility Reserve Charge Funds:</u>

- 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

<u>Sewer Facility Reserve Charge Funds:</u>

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

➢ 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. Revenue estimates are based on prior years' actual revenues.

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 Fund increased in 2000 after the Napa-Vallejo Waste Management Authority authorized the Devlin Road Transfer Station to transport its solid waste to Keller Canyon Landfill. The Operator, Republic Services, Inc. is requesting an increase in daily tonnage which would eventually increase the Tipping Fee amount to the City. The City presently receives approximately $900,000 in revenue based on 720,000 tons of solid waste accepted at the Keller Canyon Landfill**.** We anticipate an increase in solid waste tonnage in Fiscal Year 2015 due to increases in construction, new contractor/solid waste company contracts, and other economic indicators bringing the City's revenue portion to $1,142,402

Development Service Fees

These revenues, which consist of design review charges, plan check services and building permits from the Engineering and 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 which is approximately $680,000 annually in revenue**.** Based on previous gross receipts reported for the last three quarters, we estimate gross receipts to increase by 6% from prior year at $720,000 in Fiscal Year 2015.

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 the support of City services. The Franchise Fee for FY 2014-15 will be $835,000 with an annual CPI inflation factor. In addition, a Solid Waste Recycling and Inspection Fee of $1.50 per ton plus CPI (now at $1.62 per ton) on all solid waste received at the RCTS will be 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. This funding source is expected to generate $455,000 for FY 2014-15.

Franchise Fees on Refuse and Recycling

Pittsburg Disposal Service pays a Residential Franchise Fee, Commercial, and Industrial Franchise Fee of 12 percent based on gross receipts. The Franchise Fee will be evaluated every five years based on a countywide average to determine a fee increase. In addition, the City facilities' refuse and recycling collection is provided at no charge. A new Community Benefit and City Services Fee of $500,000 will be collected and phased in over a four year period. The first payment of $300,000 started in July 2011. 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. We estimate franchise fees to increase to $1,489,000 in Fiscal Year 2015 to reflect Pittsburg Disposal's increased gross income resulting from the approved 15% rate increase effective on October 2012 with subsequent 5% rate increases scheduled in October 2013 and October 2014.

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% and the Gas Franchise is 1.0%. In addition, the City is paid a Surcharge on electricity

and natural gas to replace Franchise Fees lost due to deregulation. We estimate to receive $490,000 in fees in Fiscal Year 2015.

Interest 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. Invested money is pooled and each required fund or account receives interest income based on its share of average cash balances. Budget estimates are based on the most recent interest rates earned on the City's funds.

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 2011, this source of revenue was shifted to fund State Law Enforcement Grants. Cities and counties are only entitled to funding if total revenues are in excess of $14mm which would be allocated and distributed annually. The City received excess allocation of $27,720 for Fiscal Year 2013.

Police Fines/Fees

The Police Department's revenues consist largely of citations, moving violations, abandoned vehicle abatement, administrative citations and Proposition 172, the half-cent sales tax for public safety services. A smaller percentage of the revenues are generated from fees collected for various services which include document/report reproduction, research services, court appearances, vehicle inspections, and fingerprint services. Revenue estimates are based on prior year's actual revenues.

Property Tax

Homes, businesses, and other taxable real and personal property are subject to a property tax rate of 1% of assessed value. Assessed value is based on the 1975 value of property with subsequent increases limited to 2% or CPI (Consumer Price Index), whichever is less. However, when there is a transfer of property ownership, or when property is newly constructed, it is reappraised at its current full market value.

Pittsburg's tax rate for the area that is not included in the Pittsburg Redevelopment Agency project area is about 15% of the 1% property tax that homeowners pay to the County. For every $100 paid the City receives approximately $15.00. However, due to the fact that over 73% of the City is within the Redevelopment project area, the County has calculated that the City receives less than 4% of the net 1% base tax rate for the total City.

In addition, the City's property taxes have been severely reduced in the past several years due to the state's need to finance its own budget. Pittsburg property taxes shifted as a result of the

passage of Educational Relief Augmentation Fund (ERAF) and AB 860 and are expected to continue.

Revenue estimate assumes property tax to increase by 7% ($130,000) based on the increase in Property Assessment Value (AV) for Fiscal year 2014. We expect a decline in prior year adjustments/appeals for reductions of Property Assessment Value (AV) as housing demand picks up and cause property values to increase.

Property Transfer Tax

This is a tax imposed upon the transfer of real property. Pittsburg receives $.55 per $1,000 of property value that is the standard allowed under State law. Estimates are based on historical experience and market conditions. We anticipate revenue of $210,000 for FY2015 based on the annualized actual revenue received to date.

Recreation Program Fees

These fees are charged to participants of recreation programs to cover the cost of operating the program. These include fees for facility rentals, community events, Small World Park, youth activities, sports, aquatics, and recreation classes. Most of these fees increase each July 1 based on the twelve month average percentage increase in the San Francisco-Oakland-San Jose All Urban Workers Consumer Price Index.

Sales Tax

This is a tax levied on goods and services at the point-of-sale. Sales tax in Pittsburg is 8.25% of which 1% is returned to Pittsburg. Revenue is anticipated to increase by 8% based on projections by Muni Services and one-time sales/use tax generated from the initial establishment of the solar farm.

Measure P – Temporary Sales Tax Increase

On June 5, 2012 the residents of Pittsburg approved Measure P, which increased the sales tax in Pittsburg by 0.5% for five years. It will decline to 0.25% for the subsequent five years. At the end of the 10-year term, the sales tax increase will expire. Measure P is expected to generate $3,758,000 in FY 2014-15. This increase will be used to help support public safety services.

Transfer-in from other Funds and Administrative Overhead

These amounts represent the 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 for Utility Billing services, 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 has a TOT rate of 10% that is assessed for the privilege of occupancy in any hotel. This rate was increased from 8% effective January 1, 2012. Revenue estimates for FY2015 are based on prior year actual revenues.

➢ 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 (DPW) maintains and/or oversees maintenance and service contracts for all City owned buildings. User charges to respective City departments based on square footage provide the revenues to support the Building Maintenance function.

Fleet Maintenance Fund

The Fleet Maintenance Division of DPW provides maintenance of the City's 250 vehicle fleet. User charges to respective City departments based on the number of vehicles 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 the Contra Costa County Municipal Pooling Authority (MPA). User charges to respective City departments based on the number of employees and claims received provide the revenues to support these expenses.

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 to other departments provide the revenues to support this function.

➢ 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 of Pittsburg has several special revenue funds: Citywide Lighting and Landscape District, Oak Hills Lighting and Landscape District, National Pollutant Discharge Elimination System (NPDES) Storm Water Fund, Geological Hazard Abatement District (GHAD) Fund, Community Development Block Grant (CDBG) Fund, San Marco Community Facilities District (CFD) 2004-01 Fund, Vista del Mar CFD 2005-2 Fund, Public Safety CFD 2005-1 Fund, Park Maintenance CFD 2007-1 Fund, Gas Tax Fund, Measure C Fund, Park Dedication Fund, Traffic Mitigation Fund, Kirker Creek Drainage Fund, Inclusionary Housing Fund, Traffic Impact Fair Share Fund, Prop-1B Local Street and Road Improvement Fund, Economic Development Fund 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%) 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% 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 of Pittsburg.

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 of Pittsburg'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 of Pittsburg.

Gas Tax Fund

This is a special revenue fund 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. Revenue estimates are based on prior years' experience.

Housing Authority Fund

The federal Housing and Urban Development Department (HUD) provides housing vouchers to eligible low-income families, the elderly and the disabled that allows them to afford decent, safe, and sanitary housing in the private market. HUD's housing voucher becomes a subsidy paid to the landlord by the local Housing Authority through the City's Housing Authority Fund. HUD reimburses the City for the vouchers issued.

Veterans Affairs Supportive Housing

The federal Housing and Urban Development Department (HUD) 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.

Kirker Creek Drainage Fund

The City collects a fee 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 to fund improvement and maintenance of lighting and landscaping of City parks and facilities, medians, rights of way and streets. In FY 2013-14, the annual assessment for Citywide Lighting and Landscape Assessment District services is $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 ½ 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 the cities within the County based on population and road mileage. These funds may be used only for transportation and transit related projects.

National Pollutant Discharge Elimination System (NPDES)

The National Pollutant Discharge Elimination System (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.

This is obligated 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.

Oak Hills Assessment District

The Oak Hills Landscape Division is dedicated to enhancing the quality of the life for the citizens and visitors of the Oak Hills District by providing a level of grounds care and customer service that promotes a positive community image.

Park Dedication Fee Fund

The City collects the Pittsburg Park Dedication Fee 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 within the City. These funds are restricted to new park construction and the expansion and rehabilitation of existing parks.

Park Maintenance Community Facility District

The Park Maintenance Community Facility District (2007-1) is dedicated to enhancing the quality of life for the citizens and visitors of The Community Facility District and provides a level of grounds care and customer service that promotes a positive community image. In FY2014-15 the revenues are estimated to be $32,785 with an estimated maximum special tax rate of $54.55 per residential unit.

Public Safety Community Facilities District (CFD) 2005-1

On August 1, 2005 the City Council approved the formation of the Public Safety Services Community Facilities District (CFD) 2005-1 ("the District") to provide funding for public safety services to residents and businesses in the District. In FY2014-15 the revenues are estimated to be $247,343 with maximum special tax rate per residential unit of $529.40 and $1,058.78 per acre for non-residential.

San Marco Community Facilities District 2004-01

On June 7, 2004 the City Council approved the formation of the San Marco Community Facilities District (CFD) 2004-01 for the purpose of providing funding for Police services. In FY2014-15 the revenues are estimated to be $474,342 with maximum special tax rate per residential unit of $529.40.

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 of $1.50/ton (now $1.62/ton) 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% waste diversion requirements leading to the eventual 'zero-waste' formula).

Southwest Pittsburg GHAD II

On February 20, 2001 the City Council created the Southwest Pittsburg Geological Hazard Abatement District (GHAD) in order to provide maintenance of slope stability 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 1,819 parcels included in the district, most are single-family units under two acres in Oak Hills and San Marco and are assessed $213.78 per year. Detached single family unit parcels located in the Vista Del Mar subdivision are assessed $369.40 per year. Multi-family parcels in San Marco are assessed at $142.52 per unit per year. This fund centralizes the accounting for the revenues and expenses associated with GHAD as required by law.

Traffic Mitigation Fee Fund

The City collects the Pittsburg Transportation Mitigation Fee 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.

➢ 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 of Pittsburg is the Successor Agency to the former Pittsburg Redevelopment Agency. Successor Agencies must adopt Recognized Obligation Payment Schedules (ROPS) every six months 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. AB1X 26 also required Successor Agencies to create a Redevelopment Obligation Retirement Fund to which they are to deposit tax increment revenues received from the County.

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➢ General Fund 7-Year Forecast and Balancing Plan

Since FY 2007-08, the City of Pittsburg's General Fund has experienced total General Tax annual revenue decline of $6.3 million. During that same timeframe, the City's health and pension benefit expenses dramatically increased. Fortunately, the City Council established a Budget Stabilization Fund in 2004 to which they required one-time General Fund monies be deposited. The Budget Stabilization Fund can be used to help balance future General Fund budgets in the event revenues decline or the City experiences unexpected and/or uncontrollable cost increases. There is currently approximately $7.5 million available in the Budget Stabilization Fund.

To help City management and City Council plan the City's General Fund budget and use of the Budget Stabilization Fund such that the City's General Fund operating revenues equal or exceed operating expenses, the City developed a 7-year General Fund Forecast and Balancing Plan ("7-year Plan"). The 7-year Plan is periodically updated throughout the fiscal year based on current 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 2015-16 thru 2018-19	2.5%
Total Available Budget Stabilization Fund at 7/1/2014	7,500,000
CFDs increase by another $75,000 annually FY 2015-16 thru 2016-17	
AV increases by 5% in FY 2014-15	
Measure P Sales Tax Revenue projections based on FY 2013-14 year-end estimates	

Expenditure Assumptions
Misc. Employees Salary, Pension and Health Benefits per existing MOUs
Safety Salary & Pension per POA recently negotiated MOUs
Savings from 4.0 FTE new Police Hires annually covered under new pension plan
Estimated pension contributions from new PERS Methodology effective FY 2015-16
Retiree Health Benefits increase 10% annually
Other Expenses – 2% annual cost increase
Salary Savings – 3% vacancy average annual rate
CCCERA New Loan Payment of $500,000 in FY 2017-18
OPEB Liability Reduction - $342,793 annually

Based on the 7-year Plan, the City should have a structurally balanced General Fund budget by FY 2018-19 assuming the City reduces expenditures and/or secures new revenues of almost $1.7 million and expending $5.4 million of the currently available Budget Stabilization Fund balance.

City of Pittsburg
7-year General Fund Budget Balancing Plan

Annual Revenues	YE Actuals FY 2011-12	YE Actuals FY 2012-13	Estimated FY 2013-14	Budget FY 2014-15	Projected FY 2015-16	Projected FY 2016-17	Projected FY 2017-18	Projected FY 2018-19
Annual Revenues (taxes, fees, fines & interest earnings)	22,094,111	21,187,143	23,934,816	23,749,722	24,343,465	24,952,052	25,575,853	26,215,249
One-time revenues	618,905	1,770,815	1,031,840	687,500				
Transfers-in from other City Funds to fund administration and other General Fund services (except Budget Stabilization Fund monies) 1% annual growth rate	6,601,741	6,651,609	**6,148,799**	6,230,024	6,292,324	6,355,247	6,418,800	6,482,988
RDA Pass-through Payments						140,000	140,000	140,000
New Transfer Station Franchise Fees	300,000	357,000	408,000	510,000	520,200	530,604	541,216	552,040
New Sales Tax (Measure P)	-	2,442,117	3,136,000	3,492,000	3,579,300	3,668,783	2,820,377	2,168,164
Total Annual Revenues	29,614,757	32,408,684	34,659,455	34,669,246	34,735,289	35,646,686	35,496,246	35,558,442
Potential New Revenues								
Community Facility District (CFD) Public Safety Fees Related to Anticipated New Development				100,000	300,000	450,000	525,000	600,000
Increased Landfill Fees from Pittsburg Disposal Using Keller Canyon Landfill				222,402	180,000	200,000	225,000	250,000
Total Potential New Revenues				222,402	480,000	650,000	750,000	850,000
Total Revenues	29,614,757	32,408,684	34,659,455	34,891,648	35,215,289	36,296,686	36,246,246	36,408,442

Not a General Fund Revenue and therefore excluded from total revenues below.

Annual Expenses	FY 2011-12	FY 2012-13	FY 2013-14	Budget FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Salaries - Misc	4,218,074	4,333,628	4,801,103	5,613,090	5,613,090	5,613,090	5,613,090	5,613,090
Salaries - Sworn	6,624,687	6,390,675	6,923,109	7,651,076	7,957,119	8,275,404	8,275,404	8,275,404
Salaries - Part-time	715,027	732,747	679,197	582,300	582,300	582,300	582,300	582,300
Salaries - Overtime	869,443	1,153,766	928,814	921,877	921,877	921,877	921,877	921,877
Salaries - Step Increases & Other Adjustments					200,000	200,000	200,000	200,000
Pension - Non-sworn (combined)	636,357	564,041	610,360	765,859	796,470	796,470	796,470	796,470
Pension - Sworn	2,354,715	2,164,923	2,159,498	2,278,014	2,250,677	2,182,706	2,182,706	2,182,706
Health Care (combined)	1,961,829	2,115,498	2,400,586	2,936,432	3,112,618	3,299,375	3,497,337	3,707,178
FICA & Medicare (combined)	475,291	489,102	541,108	588,683	588,683	588,683	588,683	588,683
Expected Attrition Savings at 3% Vacancy Rate			(190,000)	(594,995)	(615,560)	(628,672)	(634,611)	(640,906)
Add'l Attrition Savings				(224,290)	(139,000)	(139,000)	(139,000)	(139,000)
Savings from New Police Hires (assume 4 annually @ $30,000 savings per FTE)					(120,000)	(240,000)	(360,000)	(480,000)
Pension Bonds, CCCERA Liability & CCCERA Water Fund Loan Payment	2,012,695	1,658,639	**2,520,941**	**3,684,891**	3,684,891	3,684,891	3,123,015	3,123,015
OPEB Liability Reduction			342,793	342,793	359,933	377,929	396,826	416,667
Building Maintenance Reserves					40,000	40,000	40,000	40,000
Retiree Health	725,858	768,443	867,410	954,151	1,049,566	1,154,523	1,269,975	1,396,972
EBRCSA Costs			104,000	104,000	104,000	104,000	104,000	104,000
One-time Expenses		1,770,815	1,031,840	687,500				
Other Expenses	8,916,799	10,463,112	11,862,312	10,598,667	10,810,640	11,026,853	11,247,390	11,422,338
Subtotal Annual Expenses	29,510,775	32,605,389	35,583,071	36,890,048	37,197,304	37,840,429	37,705,463	38,110,794

Proposed Adjustments (Increased by 3% annually to reflect cost escalation that would have otherwise occurred)

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
FY 2013-14 Cuts and/or New Revenues Not Yet Identified				-	-	-	-	
FY 2014-15 Cuts and/or New Revenues Not Yet Identified					-	-	-	-
FY 2015-16 Cuts and/or New Revenues Not Yet Identified					(400,000)	(400,000)	(412,000)	(424,360)
FY 2016-17 Cuts and/or New Revenues Not Yet Identified						(500,000)	(515,000)	(530,450)
FY 2017-18 Cuts and/or New Revenues Not Yet Identified							(500,000)	(515,000)
FY 2018-19 Cuts and/or New Revenues Not Yet Identified								(232,542)
Subtotal Proposed Adjustments	-	-	-	-	(400,000)	(900,000)	(1,427,000)	(1,702,352)
Total Annual Expense + Proposed Adjustments	29,510,775	32,605,389	35,583,071	36,890,048	36,797,304	36,940,429	36,278,463	36,408,442
Surplus/(Deficit) (Revenues - Expenditures)	**103,982**	**(196,705)**	**(923,616)**	**(1,998,400)**	**(1,582,015)**	**(643,743)**	**(32,217)**	**(0)**
Use of Budget Stabilization Fund - to Balance Budget		196,705	923,616	1,998,400	1,582,015	643,743	32,217	0
Net Surplus/(Deficit)	103,982	-	-		-	-	-	-

5,376,696

Indicates significant decrease in revenues or increase in costs

Total available BSF= $7.5M. Under this plan, there would be $2.1 M remaining. Fiscal Sustainability Ordinance requires a minimum of $2 million.

➢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 approximately one month of operating expenses. According to HUD's Calendar Year 2014 Renewal Funding, PHA has approximately $1,710,604 fund balance available as of 12-31-2013 to supplement PHA's funding.

The FY 2014-15 budget revenue projection is based on the HUD's Calendar Year 2014 Renewal Funding annual increment. The administrative funding is based on HUD's funding letter, which was prorated to 75% of eligibility to the FY 2012-13 funding. As a result of the 2013 sequestration, we estimate utilizing $ 64,484 and $58,240 in reserves to balance PHA's FY 2013-14 and 2014-15 budget respectively.

It's been a challenge for the PHA to maintain the level of service with a significant reduction of administrative fees. The PHA plan is to increase the leasing of units in order to compensate for the lowered administrative fees, however, the PHA will still anticipate a net loss in program revenue should HUD make further reductions in the administrative fee proration.

The attached 7-year forecast helps City management and City Council plan and manage PHA's budget such that the PHA does not end a fiscal year with a negative fund balance. The 7-year forecast anticipates using the existing fund balance from PHA and HUD to supplement the shortfalls through the end of FY 2018-2019 at which point PHA will need to make programmatic budget reductions of approximately $201,000 as well as further reductions by FY 2019-2020 if HUD does not increase its funding by at least 1.6%.

It should be noted that the FY 2015 House appropriations bill would provide the needed funding increase to cover any anticipated negative fund balance, and would supplement shortfalls through the FY 2019-2020 for program costs, excluding administrative fees. 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		**Expenditure Assumptions**
Annual Increase in Operating Revenues		Annual Increase in Operating Expenditures
FYs 2015-16 through 2019-20	1%	1% increase in Program
		3% increase in Personnel Costs
		1%-3% increase in Other Admin. Expenses
Total Avail. Fund Balance in PHA	1,710,604	

Section 8 Housing Choice Voucher (HCV) and Veteran Assistance Support Housing (VASH) program 7 year Forecast

Model:	YE Estimate FY 13-14	Budget FY FY 14-15	Projected FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Annual Revenue							
Program Revenue from HUD	11,765,434	11,980,056	12,099,857	12,220,855	12,343,064	12,466,494	12,591,159
Operating Expenses							
Program Expenses	(11,793,298)	(12,140,400)	(12,261,804)	(12,384,422)	(12,508,266)	(12,633,349)	(12,759,682)
Net Operating Income / (Loss)	(27,864)	(160,344)	(161,947)	(163,567)	(165,203)	(166,855)	(168,523)
Administrative Revenue							
Administrative Overhead from HUD	906,908	1,198,997	1,198,997	1,198,997	1,198,997	1,198,997	1,198,997
Other Svcs fee (incl. Port In & Unreported Income)	36,000	47,502	47,502	47,502	47,502	47,502	47,502
Interest Income	11,500	-	-	-	-	-	-
Rental Income	57,123	57,123	57,123	57,123	57,123	57,123	57,123
Total Admin. Revenue	1,011,531	1,303,622	1,303,622	1,303,622	1,303,622	1,303,622	1,303,622
Annual Expenses							
Salaries and Benefits	(605,394)	(643,710)	(663,021)	(682,912)	(703,399)	(724,501)	(746,236)
Retirement	(94,354)	(130,379)	(134,290)	(138,319)	(142,469)	(146,743)	(151,145)
Pension Bonds & CCCERA Loan Payment	(42,696)	(42,696)	(43,977)	(45,296)	(46,655)	(48,055)	(49,496)
Admin. O/H for Port Out	(81,476)	(119,851)	(121,050)	(122,260)	(123,483)	(124,717)	(125,965)
Rental Property Expenses	(6,980)	(6,012)	(6,072)	(6,133)	(6,194)	(6,256)	(6,319)
Other Admin. Exps	(217,251)	(258,870)	(276,646)	(281,898)	(287,278)	(292,788)	(298,433)
Total Admin. Expenses	(1,048,151)	(1,201,518)	(1,245,056)	(1,276,819)	(1,309,478)	(1,343,061)	(1,377,594)
Sub-total Surplus / (Deficit) Admin.	(36,620)	102,104	58,566	26,803	(5,856)	(39,439)	(73,972)
Total Surplus / (Deficit) (Revenues - Expenditure	(64,484)	(58,240)	(103,382)	(136,764)	(171,059)	(206,294)	(242,495)
Available Beginning Fund Balance	781,270	716,786	658,546	555,164	418,400	247,342	41,048
Use of Fund Balance	64,484	58,240	103,382	136,764	171,059	206,294	41,048
Net Surplus / (Deficit)	-	-	-	-	-	-	(201,447)
Available Ending Fund Balance	**716,786**	**658,546**	**555,164**	**418,400**	**247,342**	**41,048**	**-**

Table 1
Summary of Fund Condition

	[1] Estimated Reserves June 30, 2014	Projected Revenues 2014-15	Transfers-In	Projected Expenditures 2014-15	Transfers-Out	Estimated Balance June 30, 2015
General Fund						
General Fund	7,218,305	30,349,612	6,540,436	35,579,112	1,310,936	7,218,305
Subtotal, General Fund	$ 7,218,305	$ 30,349,612	$ 6,540,436	$ 35,579,112	$ 1,310,936	$ 7,218,305
Internal Service Funds						
Building Maintenance	699,679	1,431,058	-	1,572,974	10,639	547,124
Fleet Maintenance	895,473	1,605,652	-	2,023,558	15,883	461,684
Fringe Benefits	1,239,666	1,767,290	-	1,706,898	81,608	1,218,450
Information Communication Services	471,010	940,000	-	1,042,919	4,325	363,766
Insurance	534,436	796,644	-	796,644	-	534,436
Other Post-Employment Benefits (OPEB)	1,214,283	1,430,150	666,755	2,096,905	-	1,214,283
Subtotal, Internal Service Funds	$ 5,054,547	$ 7,970,794	$ 666,755	$ 9,239,898	$ 112,455	$ 4,339,743
Enterprise Funds						
Golf Course	392	-	15,000	15,000	-	392
Island Energy	1,400,860	4,350,428	-	4,104,853	45,504	1,600,931
Marina	202,549	2,127,095	-	2,039,379	21,126	269,139
Pittsburg Power	3,313,197	1,786,770	50,000	1,164,819	787,281	3,197,867
Sewer Utility	3,538,651	4,812,050	-	2,948,714	726,856	4,675,131
Water Front Operations[2]	(9,408)	840,810	-	713,566	-	117,836
Water Utility	12,268,920	18,548,350	2,808,910	22,151,601	3,749,224	7,725,355
Subtotal, Enterprise Funds	$ 20,715,161	$ 32,465,503	$ 2,873,910	$ 33,137,932	$ 5,329,991	$ 17,586,651
Special Revenue Funds						
Assets Seizure	19,262	705	-	-	-	19,967
Budget Stabilization	9,148,953	-	312,500	-	[3]2,772,489	6,688,964
CA Energy Conservation Program	-	-	74,500	74,500	-	-
CalHome Program	33,369	240	-	-	-	33,609
California Theatre	-	84,350	250,000	334,350	-	-
City Housing Fund	544,792	161,682	-	187,912	-	518,562
Economic Development[4]	512,687	311,282	80,000	733,700	53,750	116,519
Gas Tax	210,106	1,698,900	-	500,000	1,052,560	356,446
Hillview Jr. High Athletic Field	88,977	25,420	-	-	-	114,397
Housing Authority-Section 8	837,326	13,283,678	-	13,330,204	11,714	779,086
HUD Community Development Block Grant	26,253	692,630	-	692,412	1,414	25,057
Lighting and Landscape	235,465	2,803,600	695,301	3,641,027	93,336	3
Lighting and Landscaping Oak Hills	20,646	34,099	10,000	62,930	-	1,815
Marina Vista Field Replacement	165,492	32,890	-	-	-	198,382
Measure J Tax Fund	500,533	725,500	-	100,000	674,287	451,746
Miscellaneous Grants	12,507	1,615	-	14,115	-	7
Neighborhood Stabilization	43,202	240	-	-	-	43,442
Park Maintenance CFD 2007-1	(142,289)	60,965	-	65,157	266	(146,747)
Public Safety CFD 2005-1	(13,745)	247,523	-	228,809	3,228	1,741
Public, Education & Gov't Fees (PEG)	217,007	146,420	-	124,000	-	239,427
San Marco CFD 2004-1	(5,882)	474,982	-	458,253	6,722	4,125
Small Cities Grant	20,481	67	-	-	-	20,548
Solid Waste	275,600	457,300	-	528,325	101,980	102,595
Southwest Pittsburg GHAD II	2,378,096	639,200	-	450,855	6,430	2,560,011
Storm Water Utility NPDES	294,990	770,270	100,000	982,036	54,351	128,873
Traffic Congestion Relief	5,302	34	-	-	-	5,336
Vista Del Mar CFD 2005-2	(3,580)	164,823	-	157,156	865	3,222
Subtotal, Special Revenue Funds	$ 15,425,550	$ 22,818,415	$ 1,522,301	$ 22,665,741	$ 4,833,392	$ 12,267,133
Capital Projects Funds						
Bailey Road Maintenance	458,671	-	-	-	-	458,671
Capital Improvement	361,145	3,600	-	-	-	364,745
Community Capital Improvement	15,992	-	-	-	-	15,992
Inclusionary Housing	380,978	2,250	-	-	-	383,228
Infrastructure Repair & Replacement	1,082,573	10,000	-	-	-	1,092,573
Kirker Creek Drainage Fees	447,730	7,800	-	-	16,628	438,902
Park Dedication	175,654	13,000	-	53,763	-	134,891
Proposition 1B Local ST Road Impr.	1860	12	-	-	-	1872

	Estimated Reserves June 30, 2014	Projected Revenues 2014-15	Transfers-In	Projected Expenditures 2014-15	Transfers-Out	Estimated Balance June 30, 2015
Regional Traffic Mitigation	5,248,547	35,900	-	-	-	5,284,447
Traffic Impact Fair Share	502,989	2,960	-	-	-	505,949
Traffic Mitigation	2,199,782	16,500	-	179,368	-	2,036,914
Subtotal, Capital Projects Funds	$ 10,874,061	$ 92,022	$ -	$ 233,131	$ 16,628	$ 10,716,312
Successor Agency to RDA Funds						
RDA-Tax Increment	84,489	394,978	359,240	359,240	-	479,467
Redevelopment Obligation Retirement Fund	-	36,543,918	-	-	36,543,918	-
Subtotal, Successor Agency to RDA Funds	$ 84,489	$ 36,938,896	$ 359,240	$ 359,240	$ 36,543,918	$ 479,467
Debt Service Funds						
Assessment Districts Fund	4,397,665	3,596,363	1,867,431	2,896,468	1,867,431	5,097,560
Pension Obligations	1,622,635	4,081,991	-	4,079,490	-	1,625,136
RDA Debt Service and Bond Funds	87,225,926	608,040	34,620,304	35,228,344	359,240	86,866,686
RDA Housing Debt Service and Bond Funds	3,701,286	33,080	1,923,614	1,956,694	-	3,701,286
[5]**Subtotal, Debt Service Funds**	$ 96,947,512	$ 8,319,474	$ 38,411,349	$ 44,160,996	$ 2,226,671	$ 97,290,668
Total, All Funds	$ 156,319,625	$ 138,954,716	$ 50,373,991	$ 145,376,050	$ 50,373,991	$ 149,898,279

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

2. New Waterfront Lease agreements will replenish fund balance

3. $774,089 of this transfer-out to the General fund reflects a timing difference in the State's allocation of sales tax revenue that will be corrected in 2015.

4. Decreased fund balance is due to a loan agreement between the City of Pittsburg and Century Plaza Development Corporation. Loan disbursements of $350,000 in FY 2013/14 and 2014/15 and $150,000 in FY 2015/16 will maintain current anchor tenant structure and occupants in the Shopping Center which in turn will save jobs, increase value of the property, retain the sales tax base, and add overall economic vitality of the City

5. Debt Service fund balances include debt service reserves held by trustee.

Table 2
Revenue Source by Category and Object

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
General Fund					
Fines & Forfeitures	585,134	564,200	510,870	(53,330)	-9.45
Franchise Fees	3,313,351	3,483,000	3,549,224	66,224	1.90
Intergovernmental Revenue	984,756	1,111,400	1,339,802	228,402	20.55
Other Revenues	2,252,459	1,917,937	2,442,271	524,334	27.34
Other Taxes	5,459,931	5,330,000	5,731,249	401,249	7.53
Permits, Licenses & Fees	1,440,204	1,244,900	1,515,511	270,611	21.74
Property Taxes	2,177,000	2,874,788	2,712,987	(161,801)	-5.63
Sales Taxes	10,676,597	9,745,800	10,006,156	260,356	2.67
Service Fees	1,573,069	1,825,295	1,950,678	125,383	6.87
Transfers-In	4,200,773	5,675,656	6,540,436	864,780	15.24
Use of Money & Property	142,971	596,600	590,864	(5,736)	-0.96
Subtotal, General Fund	$ 32,806,245	$ 34,369,576	$ 36,890,048	$ 2,520,472	7.33 %
Internal Service Funds					
Other Revenues	4,092,454	4,611,333	4,699,573	88,240	1.91
Service Fees	3,309,843	3,862,273	3,271,221	(591,052)	-15.30
Transfers-In	577,358	666,755	666,755	-	-
Use of Money & Property	13,452	19,500	-	(19,500)	-100.00
Subtotal, Internal Service Funds	$ 7,993,107	$ 9,159,861	$ 8,637,549	$ (522,312)	-5.70 %
Enterprise Funds					
Debt Service	35,573	40,000	46,000	6,000	15.00
Franchise Fees	580,000	580,000	580,000	-	-
Intergovernmental Revenue	254,684	815,486	-	(815,486)	-100.00
Other Revenues	3,233,917	3,081,279	2,373,311	(707,968)	-22.98
Service Fees	30,059,452	27,609,846	28,052,896	443,050	1.60
Transfers-In	618,787	887,310	2,813,700	1,926,390	217.10
Use of Money & Property	514,253	779,900	1,407,396	627,496	80.46
Subtotal, Enterprise Funds	$ 35,296,666	$ 33,793,821	$ 35,273,303	$ 1,479,482	4.38 %
Special Revenue Funds					
Fines & Forfeitures	18,775	-	-	-	-100.00
Franchise Fees	219,869	140,000	145,000	5,000	3.57
Intergovernmental Revenue	12,130,958	14,469,267	13,127,686	(1,341,581)	-9.27
Other Revenues	1,767,146	1,060,555	1,375,409	314,854	29.69
Other Taxes	2,764,599	2,627,268	2,525,500	(101,768)	-3.87
Permits, Licenses & Fees	-	45,000	25,000	(20,000)	-44.44
Sales Taxes	49,839	69,000	111,750	42,750	61.96
Service Fees	122,885	109,300	112,102	2,802	2.56
Special Assessments	4,693,492	4,864,586	5,146,922	282,336	5.80
Transfers-In	2,740,729	1,693,914	1,522,301	(171,613)	-10.13
Use of Money & Property	202,765	346,683	249,046	(97,637)	-28.16
Subtotal, Special Revenue Funds	$ 24,711,057	$ 25,425,573	$ 24,340,716	$ (1,084,857)	-4.27 %
Capital Projects Funds					
Intergovernmental Revenue	1,090,989	2,991,330	-	(2,991,330)	-100.00
Other Revenues	1,301,952	119,384	-	(119,384)	-100.00
Permits, Licenses & Fees	21,971	-	-	-	-100.00
Service Fees	3,041,593	9,816	-	(9,816)	-100.00
Transfers-In	8,090,090	2,772,934	-	(2,772,934)	-100.00
Use of Money & Property	80,596	100,915	92,022	(8,893)	-8.81
Subtotal, Capital Projects Funds	$ 13,627,191	$ 5,994,379	$ 92,022	$ (5,902,357)	-98.46 %
Successor Agency to RDA Funds					
Intergovernmental Revenue	837,333	599,185	-	(599,185)	-100.00
Other Revenues	618,701	368,058	234,478	(133,580)	-36.29
Property Taxes	37,580,423	35,450,118	36,543,918	1,093,800	3.09
Transfers-In	4,334,387	550,000	359,240	(190,760)	-34.68
Use of Money & Property	203,394	112,392	160,500	48,108	42.80
Subtotal, Successor Agency to RDA Funds	$ 43,574,238	$ 37,079,753	$ 37,298,136	$ 218,383	0.59 %

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
Debt Service Funds					
Debt Service	990,808	1,048,500	608,320	(440,180)	-41.98
Service Fees	2,537,860	2,495,265	4,139,491	1,644,226	65.89
Special Assessments	3,224,572	3,077,581	3,555,406	477,825	15.53
Transfers-In	52,133,720	37,706,675	38,471,559	764,884	2.03
Use of Money & Property	293,863	8,000	22,157	14,157	176.96
Subtotal, Debt Service Funds	$ 59,180,823	$ 44,336,021	$ 46,796,933	$ 2,460,912	5.55 %
Total, All Funds	$ 217,189,327	$ 190,158,984	$ 189,328,707	$ (830,277)	-0.44 %

Table 3
General Fund Revenues and Expenditures

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
General Fund Reserves[1]	7,218,305	7,218,305	7,218,305	-	0.00
Revenues					
Fines & Forfeitures	585,134	564,200	510,870	(53,330)	-9.45
Franchise Fees	3,313,351	3,483,000	3,549,224	66,224	1.90
Intergovernmental Revenue	984,756	1,111,400	1,339,802	228,402	20.55
Other Revenues	2,252,459	1,917,937	2,442,271	524,334	27.34
Other Taxes	5,459,931	5,330,000	5,731,249	401,249	7.53
Permits, Licenses & Fees	1,440,204	1,244,900	1,515,511	270,611	21.74
Property Taxes	2,177,000	2,874,788	2,712,987	(161,801)	-5.63
Sales Taxes	10,676,597	9,745,800	10,006,156	260,356	2.67
Service Fees	1,573,069	1,825,295	1,950,678	125,383	6.87
Transfers-In	4,200,773	5,675,656	6,540,436	864,780	15.24
Use of Money & Property	142,971	596,600	590,864	(5,736)	-0.96
Total, General Fund Revenues	$ 32,806,245	$ 34,369,576	$ 36,890,048	$ 2,520,472	7.33 %
Expenditures					
Administration	7,911,563	7,706,675	7,934,380	227,705	2.95
City Council	73,672	86,385	77,227	(9,158)	-10.60
Development Services	1,571,345	1,707,711	2,003,711	296,000	17.33
Engineering	1,680,404	1,564,498	1,779,645	215,147	13.75
Police Department	18,670,215	20,379,187	21,676,214	1,297,027	6.36
Public Works	1,915,117	2,219,951	2,434,998	215,047	9.69
Recreation and Parks	783,073	857,693	983,873	126,180	14.71
Total, General Fund Expenditures	$ 32,605,389	$ 34,522,100	$ 36,890,048	$ 2,367,948	6.86 %

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

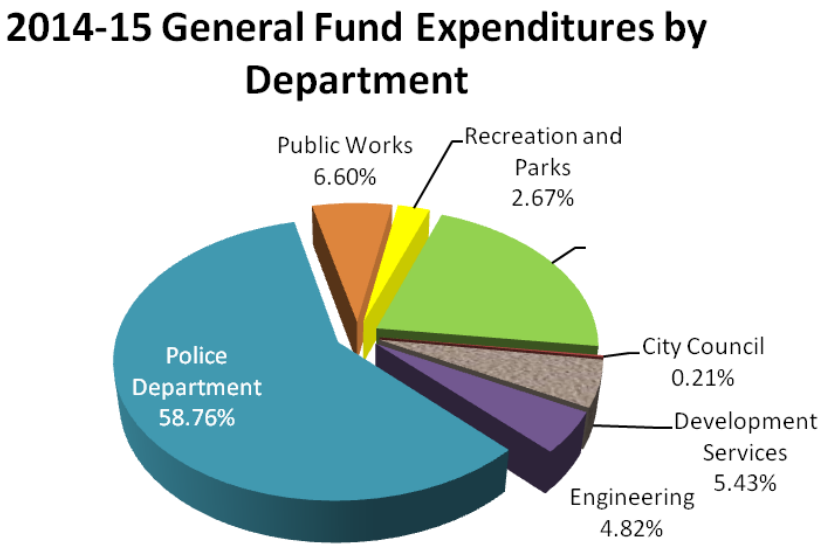

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Table 4
General Fund Revenues

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
Property Taxes					
Homeowners Tax Relief	87,461	95,000	95,000	-	-
Prior Year Taxes	(151,042)	(10,000)	(100,000)	(90,000)	900.00
Secured Property Taxes	1,495,985	1,650,000	1,995,362	345,362	20.93
Supplemental Taxes	161,367	150,000	200,000	50,000	33.33
Unitary Taxes	256,265	260,000	209,290	(50,710)	-19.50
Unsecured Property Taxes	326,964	729,788	313,335	(416,453)	-57.06
Subtotal, Property Taxes	$ 2,177,000	$ 2,874,788	$ 2,712,987	$ (161,801)	-5.63 %
Sales Taxes					
Sales & Use Taxes	6,743,546	5,324,800	5,453,624	128,824	2.42
Sales & Use Taxes - Backfill	1,490,934	2,190,000	939,282	(1,250,718)	-57.11
Sales Taxes - Increase	2,442,117	2,231,000	3,613,250	1,382,250	61.96
Subtotal, Sales Taxes	$ 10,676,597	$ 9,745,800	$ 10,006,156	$ 260,356	2.67 %
Other Taxes					
Business License Tax	612,540	460,000	480,000	20,000	4.35
Motor Vehicle Tax	3,727,495	3,800,000	4,061,249	261,249	6.87
Other Taxes	166,172	160,000	210,000	50,000	31.25
Public Safety - Prop 172 Sales Tax	506,186	480,000	530,000	50,000	10.42
Transient Occupancy Taxes	447,538	430,000	450,000	20,000	4.65
Subtotal, Other Taxes	$ 5,459,931	$ 5,330,000	$ 5,731,249	$ 401,249	7.53 %
Franchise Fees					
Calpine	15,790	15,000	15,224	224	1.49
Comcast Broadband	557,352	555,000	570,000	15,000	2.70
Franchise Fees - Other	131,040	120,000	150,000	30,000	25.00
PG&E	462,676	471,000	490,000	19,000	4.03
Pittsburg Disposal	1,331,351	1,489,000	1,489,000	-	-
RCTS	815,142	833,000	835,000	2,000	0.24
Subtotal, Franchise Fees	$ 3,313,351	$ 3,483,000	$ 3,549,224	$ 66,224	1.90 %
Service Fees					
Building Service Fees	221,011	188,950	202,100	13,150	6.96
Engineering Service Fees	9,784	5,000	1,000	(4,000)	-80.00
Other Reimbursements	113,373	250,000	285,477	35,477	14.19
Other Service Fees	364,243	524,010	486,700	(37,310)	-7.12
Planning Service Fees	31,735	19,325	17,675	(1,650)	-8.54
Police Service Fees	417,488	413,155	467,326	54,171	13.11
Public Works Service Fees	282,731	270,000	317,000	47,000	17.41
Recreation Entrance Fees	90,007	107,670	114,000	6,330	5.88
Recreation Service Fees	41,348	44,485	57,400	12,915	29.03
Recreation Sports Fees	1,349	2,700	2,000	(700)	-25.93
Subtotal, Service Fees	$ 1,573,069	$ 1,825,295	$ 1,950,678	$ 125,383	6.87 %
Use of Money & Property					
Investment Earnings	(134,410)	320,600	302,000	(18,600)	-5.80
Rental Income	277,381	276,000	288,864	12,864	4.66
Subtotal, Use of Money & Property	$ 142,971	$ 596,600	$ 590,864	$ (5,736)	-0.96 %
Fines & Forfeitures					
Abandoned Vehicle Abatement	141,992	110,000	125,000	15,000	13.64
Booking Fees	12,694	10,000	10,000	-	-
Code Enforcement Fines	49,587	49,700	55,870	6,170	12.41
Police Fines	106,295	150,500	115,000	(35,500)	-23.59
Police Forfeitures	1,899	2,000	2,000	-	-
POST Reimbursements	38,103	35,000	17,500	(17,500)	-50.00
Traffic Fines	228,894	200,000	180,000	(20,000)	-10.00
Vehicle Code Fines	5,670	7,000	5,500	(1,500)	-21.43
Subtotal, Fines & Forfeitures	$ 585,134	$ 564,200	$ 510,870	$ (53,330)	-9.45 %
Permits, Licenses & Fees					
Building Fees	109,342	71,850	83,550	11,700	16.28
Building Permits	700,682	602,000	642,000	40,000	6.64
Business License Fees	130,657	101,000	109,650	8,650	8.56
Engineering Fees	376,923	365,000	543,600	178,600	48.93
Other Fees	11,386	10,300	10,261	(39)	-0.38
Other Permits	3,836	2,000	2,000	-	-
Planning & Zoning	95,730	82,950	110,200	27,250	32.85

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
Police Fees	11,648	9,800	14,250	4,450	45.41
Subtotal, Permits, Licenses & Fees	$ 1,440,204	$ 1,244,900	$ 1,515,511	$ 270,611	21.74 %
Intergovernmental Revenue					
Grants	38,389	30,900	36,900	6,000	19.42
Other Reimbursements	-	130,500	130,500	-	-
State Mandated Costs	51,009	30,000	30,000	-	-
Tipping Fee	895,358	920,000	1,142,402	222,402	24.17
Subtotal, Intergovernmental Revenue	$ 984,756	$ 1,111,400	$ 1,339,802	$ 228,402	20.55 %
Other Revenues					
Administrative Overhead	1,905,942	1,579,937	1,679,271	99,334	6.29
Donations	17,285	-	-	-	-100.00
Loan Repayments	-	80,000	150,000	70,000	87.50
Other	-	-	321,000	321,000	-100.00
Other Reimbursements	157,478	58,000	92,000	34,000	58.62
Other revenues	(28,246)	-	-	-	-100.00
Reimbursements - Property Damage	-	-	-	-	-100.00
School Resource Officer Reimbursement	200,000	200,000	200,000	-	-
Subtotal, Other Revenues	$ 2,252,459	$ 1,917,937	$ 2,442,271	$ 524,334	27.34 %
Transfers-In					
Transfers-In	4,200,773	5,675,656	6,540,436	864,780	15.24
Subtotal, Transfers-In	$ 4,200,773	$ 5,675,656	$ 6,540,436	$ 864,780	15.24 %
Total, General Fund Revenues	$ 32,806,245	$ 34,369,576	$ 36,890,048	$ 2,520,472	7.33 %

2014-15 General Fund Revenue by Source

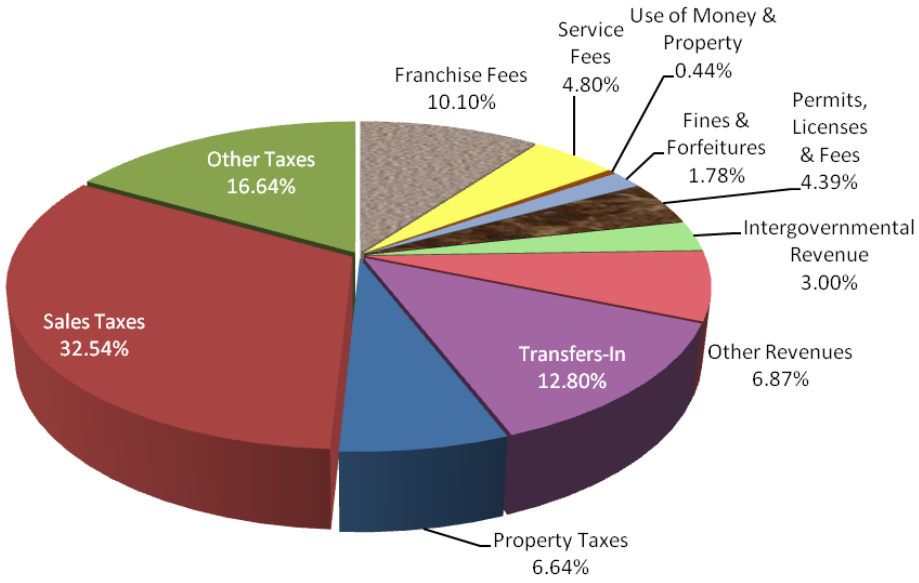

Table 5
Summary of Revenues and Expenditures - All Funds

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
Revenue					
General Fund	32,806,245	34,369,576	36,890,048	2,520,472	7.33
Internal Service Funds	7,993,107	9,159,861	8,637,549	(522,312)	-5.70
Enterprise Funds	35,296,666	33,793,821	35,273,303	1,479,482	4.38
Special Revenue Funds	24,711,057	25,425,573	24,340,716	(1,084,857)	-4.27
Capital Projects Funds	13,627,191	5,994,379	92,022	(5,902,357)	-98.46
Successor Agency to RDA Funds	43,574,238	37,079,753	37,298,136	218,383	0.59
Debt Service Funds	59,180,823	44,336,021	46,796,933	2,460,912	5.55
Total, Revenues	$ 217,189,327	$ 190,158,984	$ 189,328,707	$ (830,277)	-0.44 %
Expenditure					
Capital Outlay - Equipment	644,425	3,247,965	1,146,000	(2,101,965)	-64.72
Capital Outlay - Projects	17,071,043	26,915,168	8,271,000	(18,644,168)	-69.27
Contracts & Services	20,419,169	27,508,735	24,313,305	(3,195,430)	-11.62
Debt Service Funds	44,095,258	45,430,792	47,686,683	2,255,891	4.97
Fringe Benefits	15,838,581	17,180,317	19,231,730	2,051,413	11.94
Maintenance & Operations	9,847,846	10,897,529	10,113,148	(784,381)	-7.20
Materials & Supplies	10,537,583	10,984,717	10,476,959	(507,758)	-4.62
Pass Through Payments	218,374	327,268	312,513	(14,755)	-4.51
Salaries & Wages	21,061,992	22,969,595	22,913,607	(55,988)	-0.24
Attrition Savings	-	(731,459)	(680,285)	51,174	6.99
Special Items of Expense	618,958	1,522,113	169,900	(1,352,213)	-88.84
Transfers-Out	72,695,842	49,953,244	50,373,991	420,747	0.84
Workers Compensation	800,740	1,036,117	1,421,490	385,373	37.19
Total, Expenditures	$ 213,849,811	$ 217,242,101	$ 195,750,041	$ (21,492,060)	-9.89 %

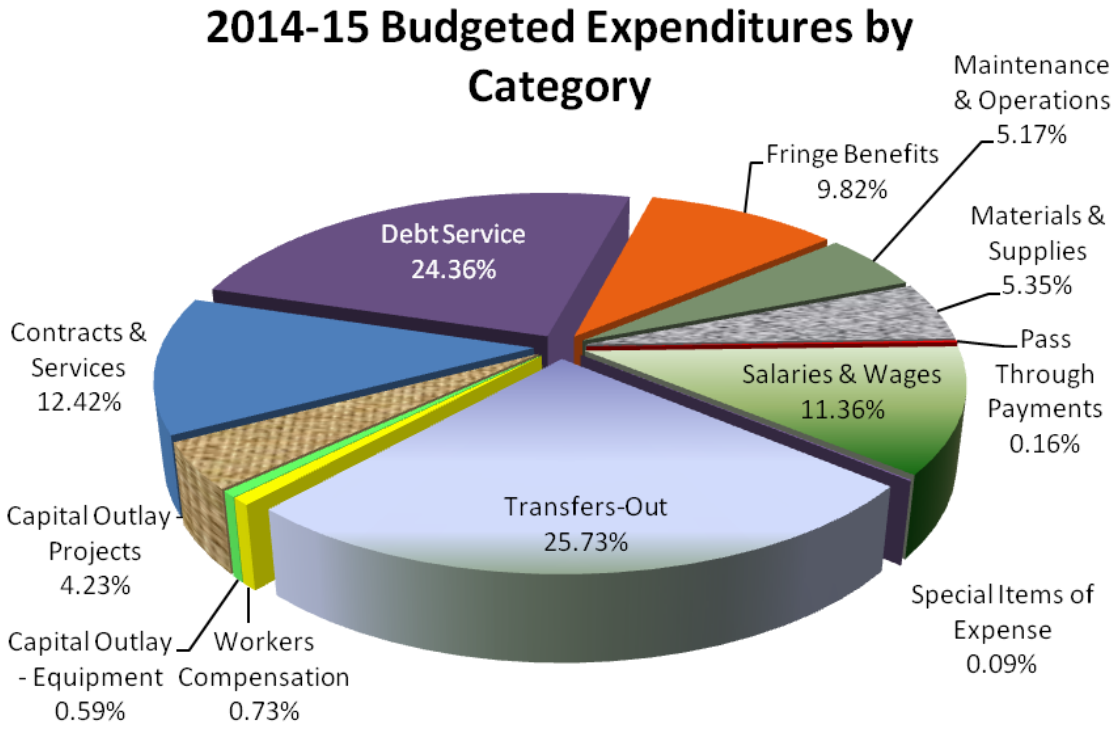

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Table 6
Summary of Expenditures by Program

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
City Council					
City Council	73,672	86,385	77,227	(9,158)	-10.60
Subtotal, City Council	$ 73,672	$ 86,385	$ 77,227	$ (9,158)	-10.60 %
Administration					
City Manager	104,006	171,589	240,223	68,634	40.00
City Clerk	294,503	247,048	329,273	82,225	33.28
City Attorney	595,986	426,766	508,985	82,219	19.27
Human Resources	568,027	689,203	691,039	1,836	0.27
Treasurer	6,619	6,595	6,622	27	0.41
Finance	2,035,502	2,279,975	2,548,939	268,964	11.80
General Fund - Non Departmental	4,306,920	3,895,869	3,609,299	(286,570)	-7.36
Information Technology	872,138	1,367,955	1,047,244	(320,711)	-23.44
Employee Fringe Benefits	2,810,328	1,774,331	1,788,506	14,175	0.80
Other Post-Employment Benefits (OPEB)	-	2,578,283	2,096,905	(481,378)	-18.67
Insurance	841,939	889,764	796,644	(93,120)	-10.47
Budget Stabilization	2,709,431	1,800,000	2,772,489	972,489	54.03
Subtotal, Administration	$ 15,145,399	$ 16,127,378	$ 16,436,168	$ 308,790	1.91 %
Police Department					
Police Services	18,670,215	20,379,187	21,676,214	1,297,027	6.36
San Marco CFD	336,320	561,209	464,975	(96,234)	-17.15
Vista Del Mar CFD	81,659	159,233	158,021	(1,212)	-0.76
Public Safety CFD	271,284	281,414	232,037	(49,377)	-17.55
Asset Forfeitures	9,805	77,345	-	(77,345)	-100.00
Police Grants	330,686	352,061	-	(352,061)	-100.00
Subtotal, Police Department	$ 19,699,969	$ 21,810,449	$ 22,531,247	$ 720,798	3.30 %
Development Services					
Planning Division	694,632	787,698	985,529	197,831	25.12
Building Division	768,434	920,013	1,018,182	98,169	10.67
Marina	1,992,317	2,119,194	2,060,505	(58,689)	-2.77
Golf Course	14,172	90,000	15,000	(75,000)	-83.33
Solid Waste Fund	100,000	101,980	101,980	-	-
Environmental Affairs	388,831	728,137	740,940	12,803	1.76
CDBG Entitlements	555,297	1,195,751	693,826	(501,925)	-41.98
CalHome Program	35,000	-	-	-	-100.00
Waterfront Operations	420,059	799,559	713,566	(85,993)	-10.76
Economic Development	635,046	1,276,978	787,450	(489,528)	-38.33
Business Improvement District (BID)	108,279	-	-	-	-100.00
Subtotal, Development Services	$ 5,712,067	$ 8,019,310	$ 7,116,978	$ (902,332)	-11.25 %
Engineering					
Engineering Division	1,680,404	1,564,498	1,779,645	215,147	13.75
Gas Tax	1,651,731	3,248,986	1,552,560	(1,696,426)	-52.21
Measure J Tax	764,211	3,122,879	774,287	(2,348,592)	-75.21
NPDES	790,984	1,253,521	1,036,387	(217,134)	-17.32
Southwest Pittsburg GHAD	358,521	595,147	457,285	(137,862)	-23.16
Pittsburg CIP	21,970	301,938	-	(301,938)	-100.00
Developer Fee Fund	1,478,959	5,931,419	249,759	(5,681,660)	-95.79
Community Capital Improvements	7,418,268	3,652,767	-	(3,652,767)	-100.00
Infrastructure Repair & Replacement	-	580,000	-	(580,000)	-100.00
Subtotal, Engineering	$ 14,165,048	$ 20,251,155	$ 5,849,923	$ (14,401,232)	-71.11 %
Public Works - Maintenance Services					
Public Works Administration	83,895	92,591	101,504	8,913	9.63
Streets	1,710,326	2,002,844	2,167,918	165,074	8.24
Street Lighting	666,189	757,947	785,217	27,270	3.60
Street Trees	353,223	374,261	440,736	66,475	17.76
Concrete	53,892	114,718	89,776	(24,942)	-21.74
Fleet Maintenance	1,539,843	1,995,403	2,039,441	44,038	2.21
Building Maintenance	1,118,539	1,498,912	1,583,613	84,701	5.65
Graffiti Removal Program	120,896	124,516	165,576	41,060	32.98
Subtotal, Public Works - Maintenance Services	$ 5,646,803	$ 6,961,192	$ 7,373,781	$ 412,589	5.93 %
Recreation and Parks					
Recreation & Parks Administration	115,409	125,792	101,086	(24,706)	-19.64
Recreation Services	584,329	650,924	793,506	142,582	21.90

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
Parks & Recreation - Swim Center Maint.	83,335	80,977	89,281	8,304	10.25
Parks & Recreation - Landscape	2,075,430	2,273,353	2,418,634	145,281	6.39
Landscape - Oak Hills Assessment	50,424	53,801	62,930	9,129	16.97
Park Maintenance CFD	49,222	62,230	65,423	3,193	5.13
Recreation Grants	15,694	17,904	-	(17,904)	-100.00
California Theatre	-	334,200	334,350	150	0.04
Subtotal, Recreation and Parks	$ 2,973,843	$ 3,599,181	$ 3,865,210	$ 266,029	7.39 %
Public Works - Water and Sewer Enterprises					
Water Operating	12,531,825	14,356,380	13,566,849	(789,531)	-5.50
Water CIP	2,969,034	5,288,366	2,510,000	(2,778,366)	-52.54
Water Facility Reserve Fee Funds	582,858	1,263,649	4,526,210	3,262,561	258.19
Sewer Maintenance	1,792,454	2,089,227	2,249,030	159,803	7.65
Sewer CIP	3,684,171	5,498,803	500,000	(4,998,803)	-90.91
Sewer Facility Reserve Fee Funds	552,387	133,113	-	(133,113)	-100.00
Water Bond Debt Service	2,540,278	2,660,441	5,297,766	2,637,325	99.13
Sewer Bond Debt Service	915,207	920,390	926,540	6,150	0.67
Subtotal, Public Works - Water & Sewer Enterprises	$ 25,568,214	$ 32,210,369	$ 29,576,395	$ (2,633,974)	-8.18 %
Housing Authority					
Housing Authority - Section 8	13,012,017	13,490,560	13,341,918	(148,642)	-1.10
City Housing	1,422,586	261,588	187,912	(73,676)	-28.16
Subtotal, Housing Authority	$ 14,434,603	$ 13,752,148	$ 13,529,830	$ (222,318)	-1.62 %
Pittsburg Power Company					
Island Energy	3,499,460	4,755,033	4,060,357	(694,676)	-14.61
Pittsburg Power	1,178,584	1,919,953	1,892,100	(27,853)	-1.45
Power Company Capital Projects	820,268	3,886,987	150,000	(3,736,987)	-96.14
Subtotal, Pittsburg Power Company	$ 5,498,312	$ 10,561,973	$ 6,102,457	$ (4,459,516)	-42.22 %
Successor Agency to Former RDA					
RDA Property Maintenance	-	-	-	-	-100.00
RDA General	42,498,244	36,049,303	[(1)]36,543,918	494,615	1.37
RDA Administration	894,838	660,198	359,240	(300,958)	-45.59
RDA Capital Projects Fund	2,583,233	1,292,755	-	(1,292,755)	-100.00
RDA Housing - Non Departmental	1,514,121	-	-	-	-100.00
RDA Housing Projects/Programs	203,314	-	-	-	-100.00
RDA Tax Allocation Bonds	48,778,931	36,458,864	[(1)]35,587,584	(871,280)	-2.39
RDA Housing Bonds	1,960,509	1,956,493	[(1)]1,956,694	201	0.01
Subtotal, Successor Agency to Former RDA	$ 98,433,190	$ 76,417,613	$ 74,447,436	$ (1,970,177)	-2.58 %
Debt Service Funds					
Pension Obligation Bond	1,936,486	2,556,350	4,079,490	1,523,140	59.58
Assessment Districts	4,562,205	4,888,598	4,763,899	(124,699)	-2.55
Subtotal, Debt Service Funds	$ 6,498,691	$ 7,444,948	$ 8,843,389	$ 1,398,441	18.78 %
Total, Uses by Program	$ 213,849,811	$ 217,242,101	$ 195,750,041	$ (21,492,060)	-9.89 %

(1) Includes transfers between funds in the Successor Agency program budget to pay debt obligation in the amount of $36,543,918; therefore uses appear to be overstated by $36,543,918.

Table 7
Program by Fund Source

	General	Internal Service	Enterprise	Special Revenue	Capital Projects	Debt Service	Successor Agency	Total
City Council								
City Council	77,227							77,227
Subtotal, City Council	$ 77,227	$ -	$ -	$ -	$ -	$ -	$ -	$ 77,227
Administration						-	-	
City Manager	240,223	-	-	-	-	-	-	240,223
City Clerk	329,273	-	-	-	-	-	-	329,273
City Attorney	508,985	-	-	-	-	-	-	508,985
Human Resources	691,039	-	-	-	-	-	-	691,039
Treasurer	6,622	-	-	-	-	-	-	6,622
Finance	2,548,939	-	-	-	-	-	-	2,548,939
General Fund - Non Departmental	3,609,299	-	-	-	-	-	-	3,609,299
Information Technology	-	1,047,244	-	-	-	-	-	1,047,244
Employee Fringe Benefits	-	1,788,506	-	-	-	-	-	1,788,506
Other Post-Employment Benefits (OPEB)	-	2,096,905	-	-	-	-	-	2,096,905
Insurance	-	796,644	-	-	-	-	-	796,644
Budget Stabilization	-	-	-	2,772,489	-	-	-	2,772,489
Subtotal, Administration	$ 7,934,380	$ 5,729,299	$ -	$ 2,772,489	$ -	$ -	$ -	$ 16,436,168
Police Department								
Police Services	21,676,214	-	-	-	-	-	-	21,676,214
San Marco CFD	-	-	-	464,975	-	-	-	464,975
Vista Del Mar CFD	-	-	-	158,021	-	-	-	158,021
Public Safety CFD	-	-	-	232,037	-	-	-	232,037
Subtotal, Police Department	$ 21,676,214	$ -	$ -	$ 855,033	$ -	$ -	$ -	$ 22,531,247
Development Services								
Planning Division	985,529	-	-	-	-	-	-	985,529
Building Division	1,018,182	-	-	-	-	-	-	1,018,182
Marina	-	-	2,060,505	-	-	-	-	2,060,505
Golf Course	-	-	15,000	-	-	-	-	15,000
Solid Waste Fund	-	-	-	101,980	-	-	-	101,980
Environmental Affairs	-	-	-	740,940	-	-	-	740,940
CDBG Entitlements	-	-	-	693,826	-	-	-	693,826
Waterfront Operations	-	-	713,566	-	-	-	-	713,566
Economic Development	-	-	-	787,450	-	-	-	787,450
Subtotal, Development Services	$ 2,003,711	$ -	$ 2,789,071	$ 2,324,196	$ -	$ -	$ -	$ 7,116,978
Engineering								
Engineering Division	1,779,645	-	-	-	-	-	-	1,779,645
Gas Tax	-	-	-	1,552,560	-	-	-	1,552,560
Measure J Tax	-	-	-	774,287	-	-	-	774,287
NPDES	-	-	-	1,036,387	-	-	-	1,036,387
Southwest Pittsburg GHAD	-	-	-	457,285	-	-	-	457,285
Developer Fee Fund	-	-	-	-	249,759	-	-	249,759
Subtotal, Engineering	$ 1,779,645	$ -	$ -	$ 3,820,519	$ 249,759	$ -	$ -	$ 5,849,923
Public Works - Maintenance Services								
Public Works Administration	101,504	-	-	-	-	-	-	101,504
Streets	2,167,918	-	-	-	-	-	-	2,167,918
Street Lighting	-	-	-	785,217	-	-	-	785,217
Street Trees	-	-	-	440,736	-	-	-	440,736
Concrete	-	-	-	89,776	-	-	-	89,776
Fleet Maintenance	-	2,039,441	-	-	-	-	-	2,039,441
Building Maintenance	-	1,583,613	-	-	-	-	-	1,583,613
Graffiti Removal Program	165,576	-	-	-	-	-	-	165,576
Subtotal, Public Works - Maintenance Services	$ 2,434,998	$ 3,623,054	$ -	$ 1,315,729	$ -	$ -	$ -	$ 7,373,781

	General	Internal Service	Enterprise	Special Revenue	Capital Projects	Debt Service	Successor Agency	Total
Recreation and Parks								
Recreation & Parks Administration	101,086	-	-	-	-	-	-	101,086
Recreation Services	793,506	-	-	-	-	-	-	793,506
Parks & Recreation - Swim Center Maint.	89,281	-	-	-	-	-	-	89,281
Parks & Recreation - Landscape	-	-	-	2,418,634	-	-	-	2,418,634
Landscape - Oak Hills Assessment	-	-	-	62,930	-	-	-	62,930
Park Maintenance CFD	-	-	-	65,423	-	-	-	65,423
California Theatre	-	-	-	334,350	-	-	-	334,350
Subtotal, Recreation and Parks	$ 983,873	$ -	$ -	$ 2,881,337	$ -	$ -	$ -	$ 3,865,210
Public Works - Water and Sewer Enterprises								
Water Operating	-	-	13,566,849	-	-	-	-	13,566,849
Water CIP	-	-	2,510,000	-	-	-	-	2,510,000
Water Facility Reserve Fee Funds	-	-	4,526,210	-	-	-	-	4,526,210
Sewer Maintenance	-	-	2,249,030	-	-	-	-	2,249,030
Sewer CIP	-	-	500,000	-	-	-	-	500,000
Water Bond Debt Service	-	-	2,627,766	-	-	2,670,000	-	5,297,766
Sewer Bond Debt Service	-	-	926,540	-	-	-	-	926,540
Subtotal, Public Works - Water & Sewer	$ -	$ -	$ 26,906,395	$ -	$ -	$ 2,670,000	$ -	$ 29,576,395
Housing Authority								
Housing Authority - Section 8	-	-	-	13,341,918	-	-	-	13,341,918
City Housing	-	-	-	187,912	-	-	-	187,912
Subtotal, Housing Authority	$ -	$ -	$ -	$ 13,529,830	$ -	$ -	$ -	$ 13,529,830
Pittsburg Power Company								
Island Energy	-	-	4,060,357	-	-	-	-	4,060,357
Pittsburg Power	-	-	1,892,100	-	-	-	-	1,892,100
Power Company Capital Projects	-	-	150,000	-	-	-	-	150,000
Subtotal, Pittsburg Power Company	$ -	$ -	$ 6,102,457	$ -	$ -	$ -	$ -	$ 6,102,457
Successor Agency to Former RDA								
RDA General	-	-	-	-	-	-	[(1)]36,543,918	36,543,918
RDA Administration	-	-	-	-	-	-	359,240	359,240
RDA Tax Allocation Bonds	-	-	-	-	-	[(1)]35,587,584	-	35,587,584
RDA Housing Bonds	-	-	-	-	-	[(1)]1,956,694	-	1,956,694
Subtotal, Successor Agency to Former RDA	$ -	$ -	$ -	$ -	$ -	$ 37,544,278	$ 36,903,158	$ 74,447,436
Debt Service Funds								
Pension Obligation Bond	-	-	-	-	-	4,079,490	-	4,079,490
Assessment Districts	-	-	-	-	-	4,763,899	-	4,763,899
Subtotal, Debt Service Funds	$ -	$ -	$ -	$ -	$ -	$ 8,843,389	$ -	$ 8,843,389
Total Expenditures	$ 36,890,048	$ 9,352,353	$ 35,797,923	$ 27,499,133	$ 249,759	$ 49,057,667	$ 36,903,158	$ 195,750,041

(1) Includes transfers between funds in the Successor Agency program budget to pay debt obligation in the amount of $36,543,918; therefore uses appear to be overstated by $36,543,918.

FY 2014-2015 FUNDED POSITIONS

FY 2014-2015 Adopted Base	Title of Position	Salary		
1.00	City Manager	Contract		
1.00	Chief of Police	12,313	-	15,565
1.00	Assistant City Manager	12,475	-	15,162
1.00	Director of Finance & Administration	12,475	-	15,162
1.00	City Engineer	11,094	-	13,485
1.00	Director of Water Utilities	11,094	-	13,485
2.00	Police Captain	10,383	-	13,125
1.00	Director of Recreation & Maintenance Services	9,693	-	11,781
1.00	Power Company Manager	9,693	-	11,781
1.00	Chief Building Official	9,479	-	11,522
4.00	Police Lieutenant	9,000	-	11,377
1.00	Assistant to the City Manager	8,696	-	10,570
1.00	Director of Records & Council Services	8,696	-	10,571
1.00	Planning Manager	8,696	-	10,571
1.00	Development Manager	8,696	-	10,571
1.00	Human Resources Manager	8,696	-	10,571
1.00	Public Works Superintendent	7,815		9,499
1.00	Administrative Officer	7,737	-	9,404
4.00	Sr. Civil Engineer	7,737	-	9,404
3.00	Finance Division Manager	7,606	-	9,246
1.00	Housing Manager	7,606	-	9,246
1.00	Utility Supervisor	7,414	-	9,011
1.00	Water Plant Supervisor	7,414	-	9,011
9.00	Police Sergeant	7,198	-	9,100
1.00	Senior Planner	7,049	-	8,568
1.00	Harbormaster	6,994	-	8,501
1.00	Water Instrument / Maintenance Technician II	6,900	-	8,387
1.00	Utility Technician II	6,529	-	7,937
5.00	Civil Engineer II	6,366	-	7,738
1.00	Water Quality Analyst II	6,318	-	7,680
1.00	Sr. Combination Building Inspector	6,204	-	7,541
1.00	Associate Planner	6,089	-	7,401
2.00	Financial Analyst	5,997	-	7,289
4.00	Water Plant Operator	5,987	-	7,277
1.00	Water Maintenance Mechanic I	5,961	-	7,246
3.00	Utility Technician I	5,753	-	6,992
2.00	Administrative Analyst II	5,711	-	6,942
1.00	Community Relations Manager	5,711	-	6,942
1.00	Human Resources Analyst	5,711	-	6,942
1.00	Equipment Shop Supervisor	5,589	-	6,793
5.00	Public Works Supervisor	5,589	-	6,793
1.00	Police Records Manager	5,581	-	6,783
1.00	Utility Billing Supervisor	5,581	-	6,783
61.00	Police Officer	5,653	-	7,502
1.00	Combination Building Inspector	5,522	-	6,712
1.00	Accountant II	5,345	-	6,496

FY 2014-2015 FUNDED POSITIONS

FY 2014-2015 Adopted Base	Title of Position	Salary		
2.00	Engineering Technician II	5,337	-	6,487
1.00	Pest Control Specialist	5,286	-	6,425
1.00	Executive Assistant	5,092	-	6,189
2.00	Electrician	5,090	-	6,187
1.00	Accountant I	4,775	-	5,804
1.00	Executive Secretary to Chief of Police	4,734	-	5,754
1.00	Human Resources Specialist	4,734	-	5,754
1.00	Payroll Specialist	4,734	-	5,754
1.00	Records Specialist	4,734	-	5,754
1.00	Lead Marina Services Worker	4,706	-	5,720
6.00	Maintenance Lead Worker	4,706	-	5,720
1.00	Engineering Technician I	4,610		5,603
1.00	Deputy City Clerk	4,509	-	5,480
1.00	Administrative Assistant to Director	4,509	-	5,480
2.00	Equipment Mechanic	4,497	-	5,466
2.00	Permit Technician	4,448	-	5,407
9.00	Community Services Specialist	4,389	-	5,335
2.00	Recreation Coordinator	4,280	-	5,203
5.00	Accounting Technician	4,218	-	5,127
4.00	Housing Specialist	4,146	-	5,040
21.00	Maintenance Worker II	4,064	-	4,940
1.00	Water Plant Apprentice Operator	4,064	-	4,940
1.00	Utility Lineworker	4,064	-	4,940
7.00	Police Records Clerk (Part 2 of 2)	3,821	-	4,644
3.00	Account Clerk (Part 2 of 2)	3,644	-	4,430
6.00	Administrative Assistant (Part 2 of 2)	3,639	-	4,423
8.00	Maintenance Worker I	3,512	-	4,268
3.00	Marina Maintenance Worker	3,512	-	4,268
2.00	Sweeper Operator	3,512	-	4,268
1.00	Police Records Clerk (Part 1 of 2)	3,300	-	4,012
3.00	Account Clerk (Part 1 of 2)	3,148	-	3,827
1.00	Administrative Assistant (Part 1 of 2)	3,143	-	3,820
3.00	Maintenance Assistant	2,856	-	3,471
1.00	Office Assistant	2,856	-	3,471
244.00	**City Wide Total**			

FY 2014 - 2015 FULL TIME PERSONNEL ALLOCATIONS

Department/Division	FY 2012-2013 Adopted Base	FY 2013- 2014 Adopted Base	FY 2014-2015 Adopted Base
Administration			
City Manager	0.30	0.60	0.95
City Clerk	0.55	0.55	1.40
City Attorney	0.00	0.00	0.00
Human Resources	3.10	3.60	3.10
Finance/Accounting	6.95	7.30	7.50
Finance/Utility Billing	5.55	6.55	7.55
Information/Communication Systems	0.60	0.60	0.60
Engineering Department			
Engineering	11.12	11.12	11.29
NPDES Administration & Outreach	1.22	1.22	1.26
Southwest Pittsburg GHAD	0.93	0.88	1.10
Local Traffic Mitigation Fee Fund	0.10	0.10	0.10
RDA - Engineering	0.00	0.00	0.00
Development Services			
Planning	3.31	3.31	3.85
Building - Code Enforcement	4.99	5.99	6.25
Solid Waste	0.50	0.73	0.73
Economic Development	0.65	0.65	0.70
CDBG Entitlements	0.81	0.81	0.45
Waterfront Operations	1.05	2.05	2.05
Marina	6.00	6.00	6.00
Police Department			
Police - Admin & Support Services	2.00	2.00	2.00
Police - Operations Bureau	53.95	57.50	61.21
Police - Investigations	15.00	15.00	13.00
Police - Support Services	16.50	15.50	16.00
San Marco Police CFD	1.72	2.80	2.08
Vista Del Mar CFD	0.41	0.81	0.70
Public Safety Service CFD 2005-01	1.42	1.39	1.01
Recreation & Parks			
Recreation-Admin	0.00	0.00	0.00
Recreation - Sports	1.00	1.00	1.15
Recreation - Senior Center	1.00	1.00	2.00
Pittsburg Swim Center Maintenance	0.00	0.00	0.00
Citywide Landscape	6.04	6.04	8.54
Park Maintenance CFD 2007-1	0.16	0.16	0.36

FY 2014 - 2015 FULL TIME PERSONNEL ALLOCATIONS

Department/Division	FY 2012-2013 Adopted Base	FY 2013-2014 Adopted Base	FY 2014-2015 Adopted Base
Public Works - Maintenance Services			
Graffiti Removal Program	0.25	0.25	1.25
Public Works/Administration	0.25	0.25	0.25
Public Works/Streets	9.55	9.65	12.65
Citywide Street Lighting	1.00	1.00	1.00
Citywide Street Trees	1.70	1.70	1.70
Citywide Concrete Program	0.15	0.15	0.25
NPDES - Maintenance/Trash & Illicit Disc	2.00	2.00	2.00
Fleet Maintenance	3.60	3.60	3.60
Building Maintenance	3.70	3.60	3.70
RDA Property Maintenance Program	0.00	0.00	0.00
Public Works - Water and Sewer Enterprises			
Water Operating	27.26	27.19	28.45
Sewer Maintenance	7.86	6.79	7.65
Housing Authority			
Housing Authority - Section 8	6.99	5.99	5.70
RDA Housing - Administration	0.27	0.27	0.27
Pittsburg Power Company			
Island Energy	9.55	9.55	9.55
Power Company Capital Projects	0.00	0.00	0.00
Pittsburg Power	1.50	1.50	1.50
Successor Agency to Former Redevelopment Agency			
RDA Administration	3.44	2.26	1.55
Neighborhood Improvement Program	0.00	0.00	0.00
Bldg Code Enforcement	0.00	0.00	0.00
Citywide Totals:	**226.00**	**231.00**	**244.00**

CHANGES TO FY 2013-14 ADOPTED BUDGET BASE POSITIONS

Additions:	***Department***
Adm. Assistant	Parks and Recreation
Water Plant Apprentice Operator	Water Operations

Reclassifications:

Administrative Assistant to Director to Records Specialist	Human Resources
Accounting Technician to Utility Billing Supervisor	Finance - Utility Billing
Customer Service Representative to Account Clerk	Finance - Utility Billing
Housing Inspector to Housing Specialist	Housing
Maintenance Worker II to Maintenance Lead Worker	Public Works
Records Technician to Office Assistant	Engineering
Senior Human Resources Analyst to Human Resource Manager	Human Resources

CHANGES FOR FY 2014-15 BUDGET BASE POSITIONS

Additions:	***Department***
Adm. Assistant	Senior Center
Deputy City Clerk	City Clerk
Engineering Technician	Engineering
Maintenance Assistant (3.0)	Public Works
Police Captain	Police
Senior Planner	Planning
Sweeper Operator (2.0)	Public Works
Water Maintenance Mechanic	Public Works

Unfunded:

Administrative Analyst	Redevelopment
Administrative Assistant	Police
Administrative Assistant to Director	Engineering
Maintenance Worker (3.0)	Public Works
Police Officer	Police
Utility Technician	Island Energy
Water Instrument / Maintenance Technician	Public Works

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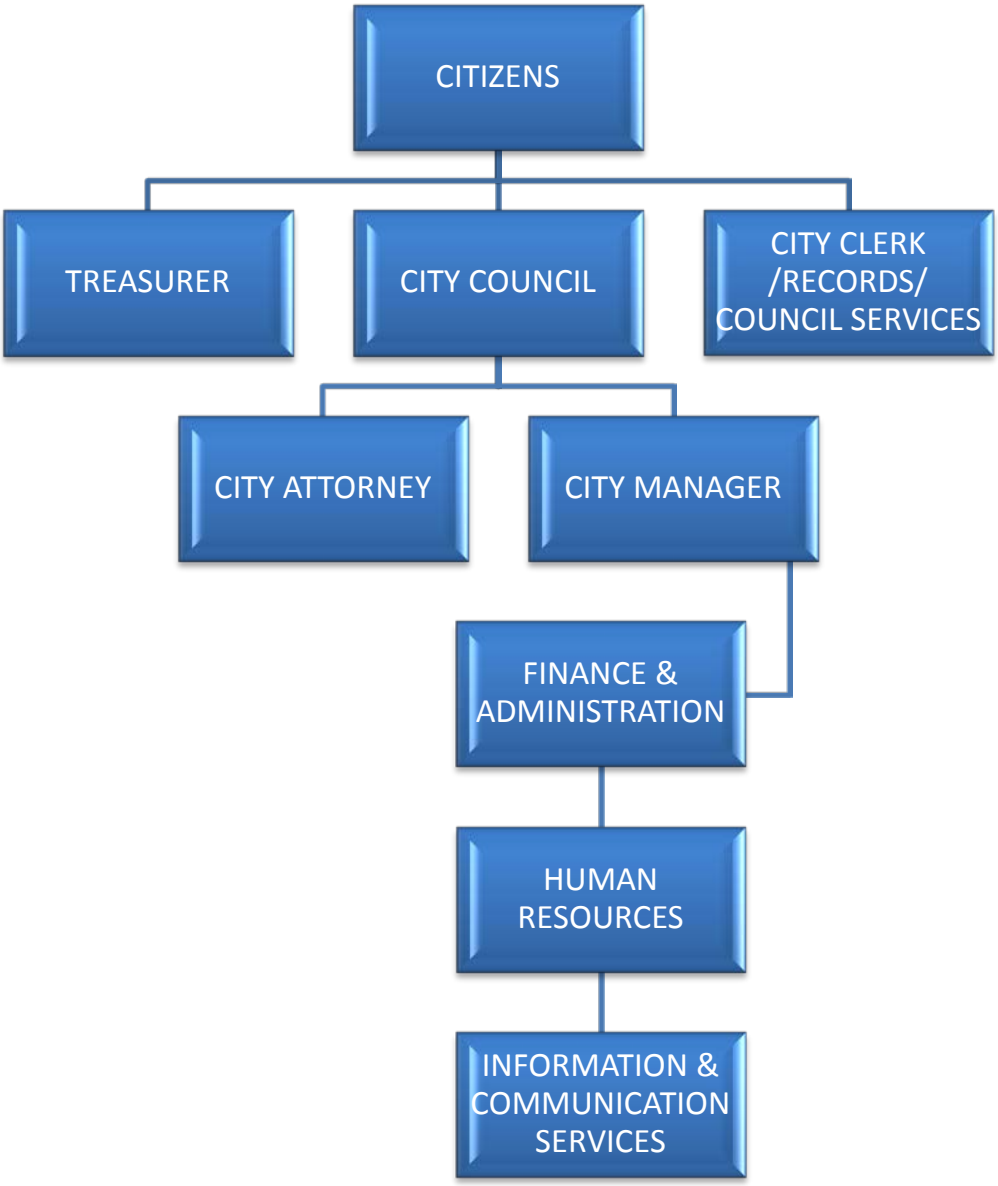
➢ ADMINISTRATION



➢ ADMINISTRATION – CITY MANAGER

Overview

The City Manager's Office (CMO) provides daily direction and leadership to City operations and the organization to implement City Council priorities and programs. The CMO provides information to the City Council and makes recommendations on all 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 and viability of the City to continue providing public services 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 comprehensive, coordinated and high-quality service delivery for Pittsburg residents
- Recommend the annual Operating Budget and Capital Improvements Program (CIP) budget
- Coordinate and integrates City services to ensure effective, efficient and responsive service delivery

Goals

Citywide Goal 4 – Increase Efficiency of City Operations and Services:

- ✓ Develop a succession plan for critical positions across all City departments
- ✓ Continue to provide leadership that multiplies the talent, intelligence and creativity already present in the City organization

➢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; maintains the City's Municipal Code and administers the City's Records Management Program. The City Clerk is an elected position.

Service Levels

- Provides information and 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 2 – Improve Public Facilities and Infrastructure:

- ✓ Using PEG (Public, Education, Government) funds, establish a video studio in the City Council Chambers for live broadcast of meetings on the CCTV channel

  Review and update Records Management Manual and Records Retention Schedule

Citywide Goal 4 - Increase Efficiency of City Operations and Services:

- ✓ Administer Conflict of Interest Code biannual update due October 2014
- ✓ Administer November 2014 General Election for three City Council seats, City Treasurer and City Clerk
- ✓ Facilitate appointments to City commissions

Accomplishments

- ✓ Implemented new technology and voting equipment in the Council Chambers
- ✓ Conducted Commission appointments for 12 vacancies on Planning, Community Advisory, Housing and Library Commissions
- ✓ Resolved issues with old City Attorney files (potential bio-hazard situation) and purged vaulted documents whose retention had expired

➢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 – Increase Revenues and Reduce Expenses:

✓ Continue to implement cost recovery agreements for proposed development projects

Citywide Goal 4 – Increase Efficiency of City Operations and Services:

✓ Conduct required ethics training (AB 1234) for City's elected and appointed officials

Citywide Goal 5 – Improve the Quality of Life for Pittsburg Residents:

✓ Help develop financing mechanisms to assist Fire District

✓ Monitor legal developments as to internet gaming, medical marijuana, e-cigarettes and other uses which may be of concern for the City

➢ADMINISTRATION – HUMAN RESOURCES

Overview

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

Services

- Maintain all department records, including employee personnel files
- Provide information and support to employees regarding recruitment, salary and benefit information, policies and procedures, and other human resources issues
- Administer the City's personnel merit system, workers' compensation program, employee benefits, employee relations and equal employment opportunity programs
- 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 4 – Increase Efficiency of City Operations and Services:

- ✓ Conversion and digitalization of HR files
- ✓ Review and revise out-of-date policies, including Personnel Rules and Injury and Illness prevention plan
- ✓ Cross-training for backup staff related to benefits, liability and ADA/disability

Accomplishments

- ✓ Successfully negotiated new collective bargaining agreements with both the City's safety unions prior to the expiration of the current contracts and without the additional costs typically incurred through the use of an outside negotiator
- ✓ Developed and fully implemented a digital records management system for the City's workers' compensation program, retiree medical program, and Human Resources Department subject files

➢ADMINISTRATION - TREASURER

Overview

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

Service Levels

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

➢ADMINISTRATION – FINANCE

Overview

The Finance Department is responsible for accounting operations, payroll, utility billing, budget, financial reporting, debt issuance and management, 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
- 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
- Manage Citywide budget development
- Provide payroll servicing for the City
- 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 on a bi-annual basis

Goals

Citywide Goal 1 – Increase Revenues and Reduce Expenses:

- ✓ Complete financing and CFD to contribute to eBART station construction
- ✓ Recommend using sustainable revenues to pay ongoing expenses
- ✓ Periodically update the City's 7-Year General Fund Balancing Plan
- ✓ Recommend budgets consistent with the City's Fiscal Sustainability Ordinance
- ✓ Continue seeking opportunities to reduce water account write-offs as uncollectable, including additional options for bill payment

Citywide Goal 4 – Increase Efficiency of City Operations and Services:

- ✓ Automate Accounts Payable check clearing
- ✓ Scan backup documents for Accounts Payable

- ✓ Develop and issue RFP for Trustee banking services
- ✓ Automate budget document journal imports

Accomplishments

- ✓ Managed two bond refundings that together reduced debt service payments by $7.2 million
- ✓ Developed Finance Department staffing back-up plans that ensure essential functions are covered

➢ 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

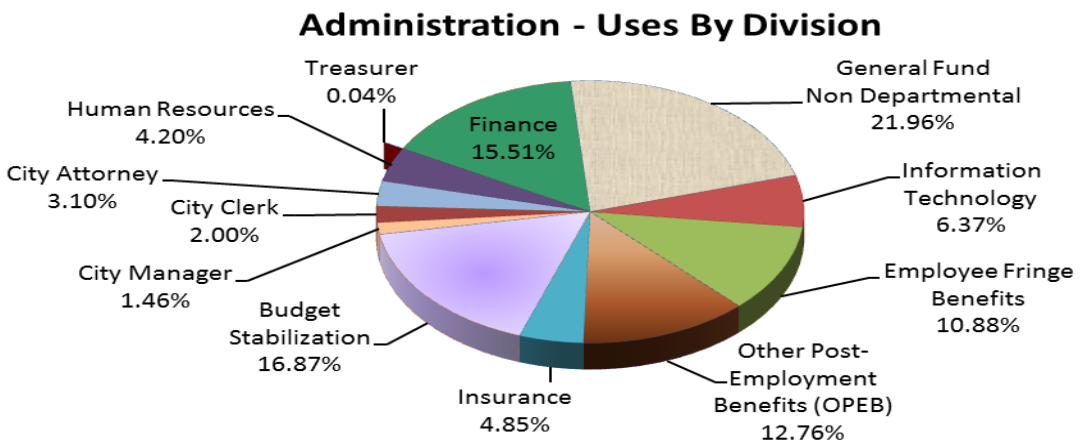
- ✓ Updated the City's website content and site navigation
- ✓ Strengthened the IT infrastructure in the Payment Center to comply with PCI standards, thus ensuring a highly secure Credit Card processing environment for our customers and allowed Utility Billing and Payroll to transition to paper-less statements

FY 2014 - 2015 FULL TIME PERSONNEL ALLOCATIONS
Administration

Department/Division	FY 2012-2013 Adopted Base	FY 2013-2014 Adopted Base	FY 2014-2015 Adopted Base
City Manager	0.30	0.60	0.95
City Clerk	0.55	0.55	1.40
City Attorney	0.00	0.00	0.00
Human Resources	3.10	3.60	3.10
Finance/Accounting	6.95	7.30	7.50
Finance/Utility Billing	5.55	6.55	7.55
Information/Communication Systems	0.60	0.60	0.60
TOTAL:	**17.05**	**19.20**	**21.10**

Detailed Program Budget
Administration

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
AUTHORIZED POSITIONS					
Total Authorized	17.05	19.20	21.10	1.90	9.90 %
SOURCES OF REVENUE					
General Fund	9,380,030	9,511,631	10,353,617	841,986	8.85
Internal Service Funds	5,037,756	5,665,813	5,600,839	(64,974)	-1.15
Special Revenue Funds	2,114,220	390,000	312,500	(77,500)	-19.87
(Addition To)/Reduction in Fund Balance	(1,386,607)	559,934	169,212	(390,722)	-69.78
TOTAL SOURCES OF REVENUE	**$ 15,145,399**	**$ 16,127,378**	**$ 16,436,168**	**$ 308,790**	**1.91 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	1,362,072	1,451,669	1,666,785	215,116	14.82
Attrition Savings	-	(731,459)	(680,285)	51,174	6.99
Maintenance & Operations	1,399,413	1,694,449	1,610,675	(83,774)	-4.94
Workers Compensation	430,603	543,865	765,975	222,110	40.84
Materials & Supplies	312,258	221,794	216,483	(5,311)	-2.39
Pass Through Payments	218,374	327,268	312,513	(14,755)	-4.51
Contracts & Services	2,793,139	5,043,432	4,446,147	(597,285)	-11.84
Fringe Benefits	3,255,716	3,553,851	3,692,617	138,766	3.90
TOTAL USES - OPERATING EXPENDITURES	$ 9,771,575	$ 12,104,869	$ 12,030,910	$ (73,959)	-0.61 %
USES - OTHER EXPENDITURES					
Special Items of Expense	152,366	404,766	125,900	(278,866)	-68.90
TOTAL USES - OTHER EXPENDITURES	$ 152,366	$ 404,766	$ 125,900	$ (278,866)	-68.90 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	13,895	210,755	110,000	(100,755)	-47.81
Capital Outlay - Projects	-	10,000	-	(10,000)	-100.00
TOTAL USES - CAPITAL EXPENDITURES	$ 13,895	$ 220,755	$ 110,000	$ (110,755)	-50.17 %
USES - TRANSFERS-OUT					
Transfers-Out	5,207,563	3,396,988	4,169,358	772,370	22.74
TOTAL USES - TRANSFERS-OUT	$ 5,207,563	$ 3,396,988	$ 4,169,358	$ 772,370	22.74 %
TOTAL USES	**$ 15,145,399**	**$ 16,127,378**	**$ 16,436,168**	**$ 308,790**	**1.91 %**
USES BY PROGRAM RECAP					
City Manager	104,006	171,589	240,223	68,634	40.00
City Clerk	294,503	247,048	329,273	82,225	33.28
City Attorney	595,986	426,766	508,985	82,219	19.27
Human Resources	568,027	689,203	691,039	1,836	0.27
Treasurer	6,619	6,595	6,622	27	0.41
Finance	2,035,502	2,279,975	2,548,939	268,964	11.80
General Fund - Non Departmental	4,306,920	3,895,869	3,609,299	(286,570)	-7.36
Information Technology	872,138	1,367,955	1,047,244	(320,711)	-23.44
Employee Fringe Benefits	2,810,328	1,774,331	1,788,506	14,175	0.80
Other Post-Employment Benefits (OPEB)	-	2,578,283	2,096,905	(481,378)	-18.67
Insurance	841,939	889,764	796,644	(93,120)	-10.47
Budget Stabilization	2,709,431	1,800,000	2,772,489	972,489	54.03
TOTAL USES BY PROGRAM RECAP	**$ 15,145,399**	**$ 16,127,378**	**$ 16,436,168**	**$ 308,790**	**1.91 %**



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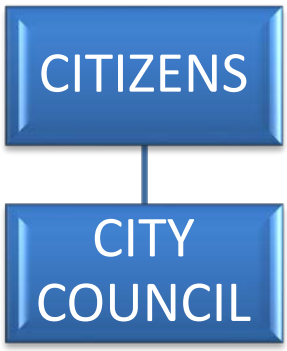
➢ CITY COUNCIL



➢CITY COUNCIL

Overview

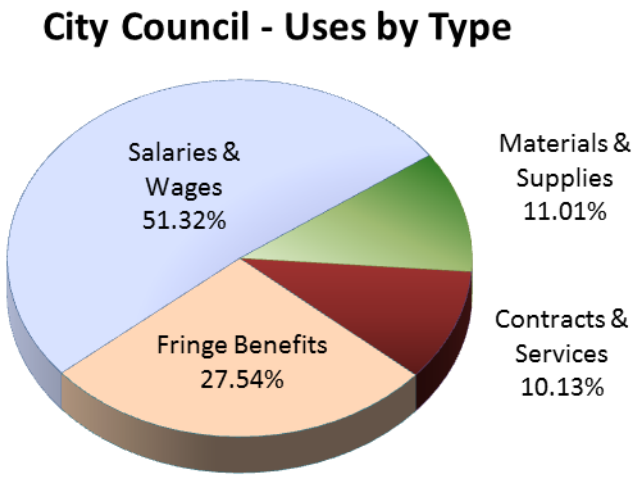
The City of Pittsburg operates under a council manager form of government and derives its authority from both the California constitution and laws enacted by the state legislature. All legislative power is held by the publicly elected, five member City Council, which consists of the Mayor and four Council 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 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

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
AUTHORIZED POSITIONS					
Total Authorized	-	-	-	-	-
SOURCES OF REVENUE					
General Fund	73,672	86,385	77,227	(9,158)	-10.60
(Addition To)/Reduction In Fund Balance	-	-	-	-	-
TOTAL SOURCES OF REVENUE	**$ 73,672**	**$ 86,385**	**$ 77,227**	**$ (9,158)**	**-10.60 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	35,220	35,262	39,630	4,368	12.39
Maintenance & Operations	-	-	-	-	-100.00
Materials & Supplies	5,823	8,500	8,500	-	-
Contracts & Services	700	6,225	7,825	1,600	25.70
Fringe Benefits	31,929	36,398	21,272	(15,126)	-41.56
TOTAL USES - OPERATING EXPENDITURES	$ 73,672	$ 86,385	$ 77,227	$ (9,158)	-10.60 %
TOTAL USES	**$ 73,672**	**$ 86,385**	**$ 77,227**	**$ (9,158)**	**-10.60 %**
USES BY PROGRAM RECAP					
City Council	73,672	86,385	77,227	(9,158)	-10.60
TOTAL USES BY PROGRAM RECAP	**$ 73,672**	**$ 86,385**	**$ 77,227**	**$ (9,158)**	**-10.60 %**



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➢ DEVELOPMENT SERVICES

➢ DEVELOPMENT SERVICES - PLANNING

Overview

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

Service Levels

- Provide inter-departmental coordination for processing private development applications within the City of Pittsburg, through the Planning Commission and City Council
- Provide oversight and direction in implementation and maintenance of the General Plan, Zoning Ordinance and other planning-related documents
- Serve as a resource for coordination and preparation of CEQA documents for both public and private developments within the City of Pittsburg
- Serve 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
- Provide city representation and participation in regional planning activities, such as the East County HCP (Habitat Conservation Plan), Contra Costa County Planning Director's meetings, and meetings with the LAFCO (Local Agency Formation Commission) staff and Bay Point Municipal Advisory Commission, as the need arises
- Receive and respond to complaints of Zoning and Sign ordinance violations, and assists in enforcement of other municipal code provisions
- Accept, process, analyze and evaluate planning applications for conformance with the City of Pittsburg General Plan, Zoning Ordinance, CEQA, Subdivision Ordinance, Sign Ordinance and other state, federal and local planning regulations.

- Provides feedback to surrounding jurisdictions regarding planning applications involving land outside the City of Pittsburg jurisdiction that has the potential to impact the Pittsburg community.

Goals

Citywide Goal 1 – Increase Revenue and Reduce Expenses:

- ✓ Study and present for City Council consideration a General Plan maintenance fee to fund future comprehensive updates of the General Plan.

Citywide Goal 2 – Improve Public Facilities and Infrastructure:

- ✓ Complete environmental analysis and initiate annexation process to facilitate construction of the James Donlon Boulevard extension as a parallel arterial roadway to Buchanan Road.

Citywide Goal 3 – Continue Economic Development, Diversified Housing and Facilitate Growth of Existing Businesses:

- ✓ Facilitate on-line surveys for the public to provide input on city-initiated zoning code amendments
- ✓ Initiate and prepare amendments to the Housing Element

Citywide Goal 5 – Improve the Quality of Life for Pittsburg Residents:

- ✓ Complete zoning amendments/updates for home-based business, tree preservation, telecommunications facilities and establishments that serve alcohol
- ✓ Review and amend the zoning ordinance as necessary in order to identify and remove barriers for alternative energy sources

Accomplishments

- ✓ Planning and Engineering staff worked together to secure a $1.3 million grant for a Kiss and Ride transit drop-off lot planned adjacent to the eBART station
- ✓ Processed 39 discretionary actions through the Planning Commission and Zoning Administrator, for zoning amendments, use permits and design review approval requests. Continued review of pending development applications and project proposals, including six long-range projects requiring environmental impact reports necessary for compliance with the California Environmental Quality Act
- ✓ Maintained customer service levels for residents, potential developers, and Engineering, Code Enforcement and Economic Development staff members requesting information about the city's zoning and sign regulations
- ✓ Increased opportunities for public engagement in local policy-making and planning efforts, through enhanced utilization of the internet as a public outreach tool

➢ DEVELOPMENT SERVICES – 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 level of construction throughout the City of Pittsburg. The Building Division is responsible for managing the construction permitting process. This includes belaying general information and regulating plan submittal, plan review, permit issuance, inspection and document retention. The Building Division administers the City of Pittsburg's Residential Rental Inspection Program. This is accomplished through the identification and registration process, the physical inspection of properties, and the issuance of correction notices and citations in order to gain compliance. The Building Division is also charged with the task of assuring that all additional approvals required by both inside and outside entities are obtained prior to the issuance of both a building permit and receiving final inspection approval.

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 via the web
- Actively investigate citizen complaints regarding municipal code violations

Goals

Citywide Goal 4 - Increase Efficiency of City Operations and Services:

- ✓ Initiate the Rental Inspection software transition and historical migration
- ✓ Provide the ability to register a rental property on line and pay on line
- ✓ Simplify the Rental Inspection fee schedule

Accomplishments

- ✓ Issued permits and provided inspection of 224 new single family homes and 950 additional residential and commercial projects
- ✓ Issued in excess of 1000 permits for the Residential Rental Property Inspection Program

➢ DEVELOPMENT SERVICES – ENVIRONMENTAL AFFAIRS

Overview

The Environmental Affairs Division encompasses the following responsibilities: solid waste/recycling; 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 streetlighting; cable and wireless communications; and environmental compliance and safety.

Service Levels

Solid Waste/Recycling:

- 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
- Implement programs and grants for commercial recycling, construction and demolition disposal reduction, e-waste
- Promote and attract businesses to manufacture recycled products under the Recycling Market Development Zone (RMDZ)
- Provide recycling programs to schools, businesses and government offices
- Promote and provide compliance inspections for the Green Business Program
- 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

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

Sustainability / Climate Change:

- 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

Energy Efficiency:

- Oversee and manage PG&E's franchise
- Install Light Emitting Diode (LED) within City owned streetlights system
  Monitor and audit City facilities and parks for energy efficiency

Cable and Wireless Communications:

- Oversee the City's Cable 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 Channel 24

Environmental Compliance and Safety:

- Inspect hazardous materials inn of City facilities
- Provide annual required safety training, policies, and medical testing (respiratory / hearing) for Public Works and Maintenance personnel

Goals

Citywide Goal 2 – Improve Public Facilities and Infrastructure:

- ✓ Build integrated pest management garden at City Hall

Citywide Goal 4 – Improve the Quality of Life for Pittsburg Residents:

- ✓ Commercial Recycling Program
- ✓ Expand Emergency Operations Center (EOC) preparedness

Accomplishments

- ✓ Plastic bag ordinance adopted, and program began January 15, 2014
- ✓ Staff restructured the Pacific Gas & Electric (PG&E) billing system for City facilities to reduce expenses and insure accuracy of the billings

➢ DEVELOPMENT 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 and information to businesses
- Develop and implement the economic development goals of the City and provide economic information to support job creation, business support, 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 1 – Negotiate New Agreements and Update Existing Agreements and Leases:

✓ Conduct shopping center meetings, broker meetings, and one-on-one business meetings to emphasize business retention

Citywide Goal 3 - Continue Economic Development, Diversified Housing and Facilitation Growth of Existing Businesses:

✓ Retain, improve large sales tax providers with targeted outreach
✓ Explore creation of a Build Pittsburg Fund with CDBG
✓ Become a resource for small businesses providing free training and seminars

Citywide Goal 5 – Improve the Quality of Life for Pittsburg Residents:

- ✓ Host four Neighborhood Improvement Team (NIT) meetings

Accomplishments

- ✓ Goal to retain large sales tax providers included focused outreach to Target, which extended its lease at Century Plaza
- ✓ Staff met with more than 140 businesses at shopping centers and commercial areas throughout the City
- ✓ Four NIT meetings were held during the fiscal year

➢ DEVELOPMENT SERVICES – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Overview

Federal funds are allocated annually to entitlement communities through the U.S. Department of Housing and Urban Development (HUD) to carry out a wide range of community development activities that benefit lower income persons and households.

The City of Pittsburg undertakes a significant number of projects directed at improving the health and wellbeing of its citizens. Through Pittsburg's citizen participation process, projects are identified and implemented in accordance with the goals and objectives of the Five Year Consolidated Plan. The goal of the CDBG program is to provide a wide-range of supportive services to the lower income residents in Pittsburg. Therefore, Pittsburg supports a variety of projects to improve housing, public infrastructure, and health and human services with the allocation received from HUD.

Service Levels

The CDBG program can fund a variety of community development activities, including the following:

- Infrastructure (i.e. water and sewer lines, storm drain systems, road improvements, ADA ramps, and curb gutters)
- Down payment or closing costs assistance
- Public services (i.e. youth and elderly services, health services, and services for persons with disabilities or are affected with HIV/AIDS)
- Fair housing
- Employment training
- Small business development
- Code Enforcement
- CDBG administration
- Housing Rehabilitation
- Temporary housing
- Assistance in the prevention of homelessness
- Business loans
- Commercial rehabilitation
- Extension of infrastructure to businesses
- Elimination of lead-based paint

Goals

Citywide Goal 3 – Continue Economic Development, Diversified Housing and Facilitate Growth of Existing Businesses:

- ✓ Explore creation of a Build Pittsburg Fund for small business with Economic Development

Accomplishments

- ✓ Assistance given to support micro-enterprises that result in job creation
- ✓ Funded job training and placement programs

➢ DEVELOPMENT SERVICES – WATERFRONT OPERATIONS

Overview

The Waterfront Operations and Development Division provides services for existing and prospective Public Trust Lands ("Trust Lands") tenants with questions about leasing and development, property inspections, a one-stop shop for Trust Lands lease applications, marketing and promotion of waterfront property, and development services to prospective tenants and new businesses. 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).

Service Levels

- Manage existing Trust Lands leases, negotiating expired Trust Lands leases, and identifying un-leased areas for which Trust Lands leases are required
- Implement the 2008 Trust Lands Use Plan, and draft a revised Trust Lands Use Plan 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 new tenants that will benefit maritime commerce and create jobs
- Manage federal, state, and local permits related to marina dredging and similar operations
- Design and execute capital projects that implement the Trust Lands Use Plan and enhance the Trust Lands in a manner consistent with the Public Trust Doctrine for purposes of commerce, navigation, and fisheries, recreation, and for other public trust purposes
- Work with State Lands Commission and a survey consultant to survey granted trust lands, existing lease areas, proposed lease areas, and historic high tide line

- Communicate with the local community regarding desires for future waterfront development
- Maintain clear lines of communication with the California State Lands Commission and other federal, state, and local permitting agencies

Goals

Citywide Goal 1 – Increase Revenues and Reduce Expenses:

- ✓ Execute waterfront lease agreements

Accomplishments

- ✓ Executed a lease with Delta Wind Sports for the provision of a water/wind sports retail shop in Plaza Marina. This will improve the quality of life in Pittsburg by facilitating access to participate in water sports on the New York Slough through rentable equipment, lessons, and excursions
- ✓ Completed a dock study to facilitate and expedite the future development and leasing of the Tesoro Trust Lands
- ✓ Received State Lands Commission Approval to execute an updated Trust Lands Lease Agreement with NRG Energy
- ✓ Completed a survey of all existing leases included under SB 551

➢ DEVELOPMENT 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 a launch ramp. The Marina also has a yacht club, privately owned bait shop, and privately owned marine repair yard. Recent projects include a complete re-design of Lowy basin and Central harbor. The re-design provides 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, and live-aboard berthing

Goals

Citywide Goal 2 – Improve Public Facilities and Infrastructure:

- ✓ Complete construction of non-motorized launch ramp
- ✓ Apply for dredging permit for maintenance of Riverview Basin and New York Landing channel
- ✓ Upgrade restroom/shower facilities

Accomplishments

- ✓ Central Harbor renovation is complete and the Pittsburg Yacht Club and their guests are all enjoying the new facility along with the addition of a pump out station

➢ DEVELOPMENT SERVICES – GOLF COURSE

Overview

Delta View Golf Course is a municipally owned golf course consisting of an 18- hole golf course, driving range, practice greens, maintenance building and maintenance yard, clubhouse, and parking lot ("Golf Course"). The Golf Course is leased to Delta View Golf Club, LLC ("Tenant") through October 31, 2025. The Tenant manages the day to day operations and maintains the Golf Course.

The City of Pittsburg may, from time to time, commence with infrastructure projects that impact the Golf Course such as a waterline or storage tank project.

Service Levels

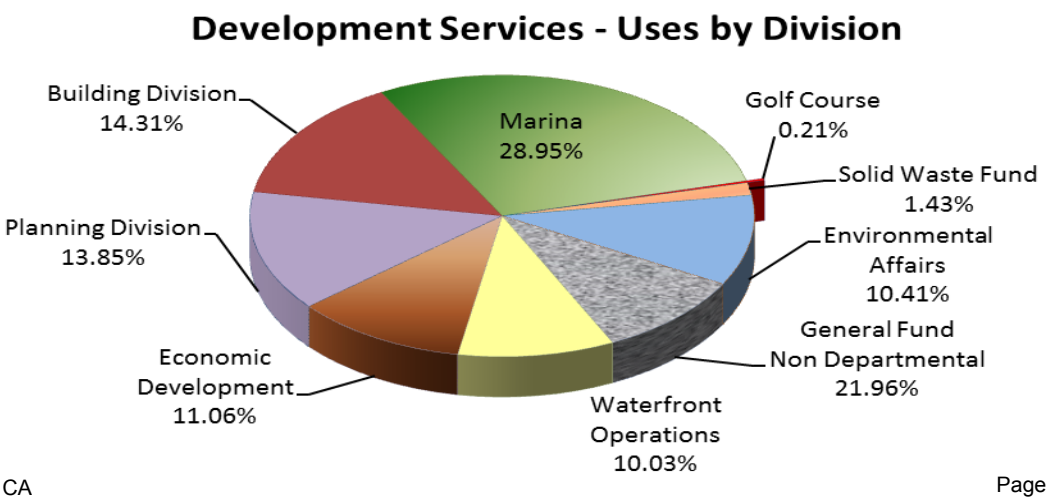
- Provide the Pittsburg community and the surrounding cities access to recreational opportunities for a reasonable fee

FY 2014 - 2015 FULL TIME PERSONNEL ALLOCATIONS
Development Services

Department/Division	FY 2012-2013 Adopted Base	FY 2013-2014 Adopted Base	FY 2014-2015 Adopted Base
Planning	3.31	3.31	3.85
Building - Code Enforcement	4.99	5.99	6.25
Solid Waste	0.50	0.73	0.73
Economic Development	0.65	0.65	0.70
CDBG Entitlements	0.81	0.81	0.45
Waterfront Operations	1.05	2.05	2.05
Marina	6.00	6.00	6.00
TOTAL:	**17.31**	**19.54**	**20.03**

Detailed Program Budget
Development Services

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
AUTHORIZED POSITIONS					
Total Authorized	17.31	19.54	20.03	0.49	2.51 %
SOURCES OF REVENUE					
General Fund	1,395,719	1,135,275	1,314,475	179,200	15.78
Debt Service	377	-	7	7	-100.00
Enterprise Funds	3,833,366	2,761,116	2,982,905	221,789	8.03
Special Revenue Funds	1,603,024	1,689,931	1,762,654	72,723	4.30
(Addition To)/Reduction in Fund Balance	(1,120,419)	2,432,988	1,056,937	(1,376,051)	-56.56
TOTAL SOURCES OF REVENUE	**$ 5,712,067**	**$ 8,019,310**	**$ 7,116,978**	**$ (902,332)**	**-11.25 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	1,517,349	1,717,334	1,846,823	129,489	7.54
Maintenance & Operations	555,867	616,512	716,489	99,977	16.22
Workers Compensation	29,361	40,855	55,743	14,888	36.44
Materials & Supplies	712,463	883,248	824,400	(58,848)	-6.66
Contracts & Services	1,150,759	2,627,117	2,128,757	(498,360)	-18.97
Fringe Benefits	966,283	1,112,520	1,296,496	183,976	16.54
TOTAL USES - OPERATING EXPENDITURES	$ 4,932,082	$ 6,997,586	$ 6,868,708	$ (128,878)	-1.84 %
USES - OTHER EXPENDITURES					
Special Items of Expense	1,517	126,363	40,000	(86,363)	-68.35
TOTAL USES - OTHER EXPENDITURES	$ 1,517	$ 126,363	$ 40,000	$ (86,363)	-68.35 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	1,857	241,841	30,000	(211,841)	-87.60
Capital Outlay - Projects	204,500	115,500	-	(115,500)	-100.00
TOTAL USES - CAPITAL EXPENDITURES	$ 206,357	$ 357,341	$ 30,000	$ (327,341)	-91.60 %
USES - TRANSFERS-OUT					
Transfers-Out	572,111	538,020	178,270	(359,750)	-66.87
TOTAL USES - TRANSFERS-OUT	$ 572,111	$ 538,020	$ 178,270	$ (359,750)	-66.87 %
TOTAL USES	**$ 5,712,067**	**$ 8,019,310**	**$ 7,116,978**	**$ (902,332)**	**-11.25 %**
USES BY PROGRAM RECAP					
Planning Division	694,632	787,698	985,529	197,831	25.12
Building Division	768,434	920,013	1,018,182	98,169	10.67
Marina	1,992,317	2,119,194	2,060,505	(58,689)	-2.77
Golf Course	14,172	90,000	15,000	(75,000)	-83.33
Solid Waste Fund	100,000	101,980	101,980	-	-
Environmental Affairs	388,831	728,137	740,940	12,803	1.76
CDBG Entitlements	555,297	1,195,751	693,826	(501,925)	-41.98
CalHome Program	35,000	-	-	-	-100.00
Waterfront Operations	420,059	799,559	713,566	(85,993)	-10.76
Economic Development	635,046	1,276,978	787,450	(489,528)	-38.33
Business Improvement District (BID)	108,279	-	-	-	-100.00
TOTAL USES BY PROGRAM RECAP	**$ 5,712,067**	**$ 8,019,310**	**$ 7,116,978**	**$ (902,332)**	**-11.25 %**



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➢ ENGINEERING

➢ ENGINEERING

Overview

The Engineering Department provides skilled staff to assure that City owned facilities such as streets, storm drain systems, water distribution networks, sewer collection facilities, and similar improvements are constructed where needed and that the improvements built 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 like signals
- Process and issue the permits for encroachments within the public property, site grading, parking permits, and wide load permits
- Maintain records of the constructed improvements and the description of property and easements within the City
- Serve as the City's Stormwater National Pollutant Detection Elimination System (NPDES) managing section to ensure compliance with the City's Stormwater NPDES permit
- Provide staff to manage and support the Pittsburg Southwest Geological Hazard Abatement District II

Goals

Citywide Goal 1 – Seek Grants to fund City Programs and Construction:

- ✓ Seek grant funds for street, pedestrian and other improvement projects

Citywide Goal 2 – Improve Public Facilities and Infrastructure:

- ✓ Complete all Capital Improvement Program (CIP) projects underway or scheduled for construction in FY 2014-15
- ✓ Continue liaison with BART for initiation of construction of Railroad Ave eBART Station foundation
- ✓ Continue liaison with Hwy 4 construction to minimize traffic impact on City streets

- ✓ Continue cooperative effort with Ambrose Park District for Pool Replacement Project

Citywide Goal 4 – Increase Efficiency of City Operations and Services:

- ✓ Increase cost-efficiency and staff utilization by using in-house staff for infrastructure project design services
- ✓ Update City's GIS data to improve accuracy and efficiency of field personnel

Citywide Goal 5 – Improve the Quality of Life for Pittsburg Residents:

- ✓ Communication with the Pittsburg Unified School District to maximize traffic efficiency at schools
- ✓ Communication with other agencies to coordinate infrastructure projects

Accomplishments

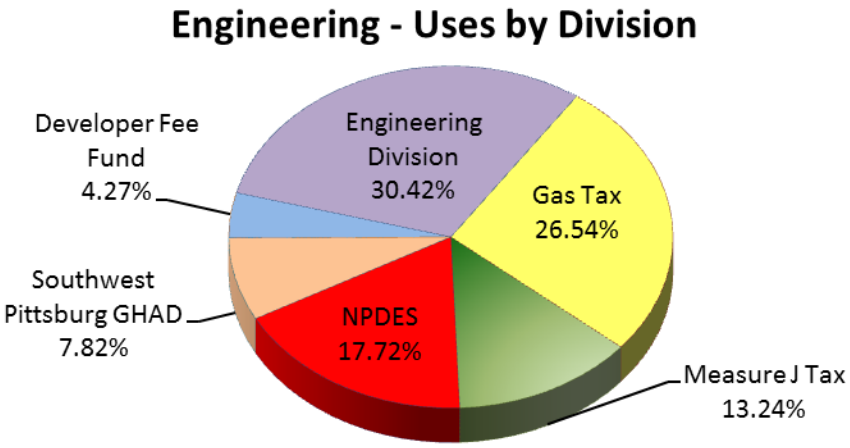
- ✓ To increase revenues and reduce expenses, in FY 2013-14 Engineering received over $3.8 million in grants
- ✓ Worked to improve public facilities and infrastructure, including but not limited to the North Parkside Bicycle and Pedestrian improvements, the Sewer System Project (Heights), Library improvements and the 2013 Pavement Management Project

FY 2014 - 2015 FULL TIME PERSONNEL ALLOCATIONS
Engineering

Department/Division	FY 2012-2013 Adopted Base	FY 2013-2014 Adopted Base	FY 2014-2015 Adopted Base
Engineering	11.12	11.12	11.29
NPDES Administration & Outreach	1.22	1.22	1.26
Southwest Pittsburg GHAD	0.93	0.88	1.10
Local Traffic Mitigation Fee Fund	0.10	0.10	0.10
RDA - Engineering	0.00	0.00	0.00
TOTAL:	**13.37**	**13.32**	**13.75**

Detailed Program Budget
Engineering

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
AUTHORIZED POSITIONS					
Total Authorized	13.37	13.32	13.75	0.43	3.23 %
SOURCES OF REVENUE					
General Fund	933,756	968,115	1,066,540	98,425	10.17
Capital Projects Funds	11,043,945	4,701,590	92,022	(4,609,568)	-98.04
Special Revenue Funds	4,349,079	6,138,274	3,933,904	(2,204,370)	-35.91
(Addition To)/Reduction in Fund Balance	(2,161,732)	8,443,176	757,457	(7,685,719)	-91.03
TOTAL SOURCES OF REVENUE	**$ 14,165,048**	**$ 20,251,155**	**$ 5,849,923**	**$ (14,401,232)**	**-71.11 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	1,556,186	1,930,602	1,322,239	(608,363)	-31.51
Maintenance & Operations	591,858	586,814	393,473	(193,341)	-32.95
Workers Compensation	30,128	42,944	55,286	12,342	28.74
Materials & Supplies	37,642	55,691	56,104	413	0.74
Contracts & Services	206,913	813,619	326,196	(487,423)	-59.91
Fringe Benefits	946,343	987,986	1,166,369	178,383	18.06
TOTAL USES - OPERATING EXPENDITURES	$ 3,369,070	$ 4,417,656	$ 3,319,667	$ (1,097,989)	-24.85 %
USES - OTHER EXPENDITURES					
Special Items of Expense	-	104,304	-	(104,304)	-100.00
TOTAL USES - OTHER EXPENDITURES	$ -	$ 104,304	$ -	$ (104,304)	-100.00 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	70,444	7,500	21,000	13,500	180.00
Capital Outlay - Projects	8,240,928	13,251,123	705,000	(12,546,123)	-94.68
TOTAL USES - CAPITAL EXPENDITURES	$ 8,311,372	$ 13,258,623	$ 726,000	$ (12,532,623)	-94.52 %
USES - TRANSFERS-OUT					
Transfers-Out	2,484,606	2,470,572	1,804,256	(666,316)	-26.97
TOTAL USES - TRANSFERS-OUT	$ 2,484,606	$ 2,470,572	$ 1,804,256	$ (666,316)	-26.97 %
TOTAL USES	**$ 14,165,048**	**$ 20,251,155**	**$ 5,849,923**	**$ (14,401,232)**	**-71.11 %**
USES BY PROGRAM RECAP					
Engineering Division	1,680,404	1,564,498	1,779,645	215,147	13.75
Gas Tax	1,651,731	3,248,986	1,552,560	(1,696,426)	-52.21
Measure J Tax	764,211	3,122,879	774,287	(2,348,592)	-75.21
NPDES	790,984	1,253,521	1,036,387	(217,134)	-17.32
Southwest Pittsburg GHAD	358,521	595,147	457,285	(137,862)	-23.16
Pittsburg CIP	21,970	301,938	-	(301,938)	-100.00
Developer Fee Fund	1,478,959	5,931,419	249,759	(5,681,660)	-95.79
Community Capital Improvements	7,418,268	3,652,767	-	(3,652,767)	-100.00
Infrastructure Repair & Replacement	-	580,000	-	(580,000)	-100.00
TOTAL USES BY PROGRAM RECAP	**$ 14,165,048**	**$ 20,251,155**	**$ 5,849,923**	**$ (14,401,232)**	**-71.11 %**



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➢ HOUSING AUTHORITY

➢ 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 is currently able to assist 1,050 households, which include 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, 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 participants and clients on issues, concern and/or complaints as they relate to our program services

Goals

Citywide Goal 4 – Use Advances in Technology to Improve Service While Reducing Demands for Staff:

✓ Continue implementation of paperless process

Accomplishments

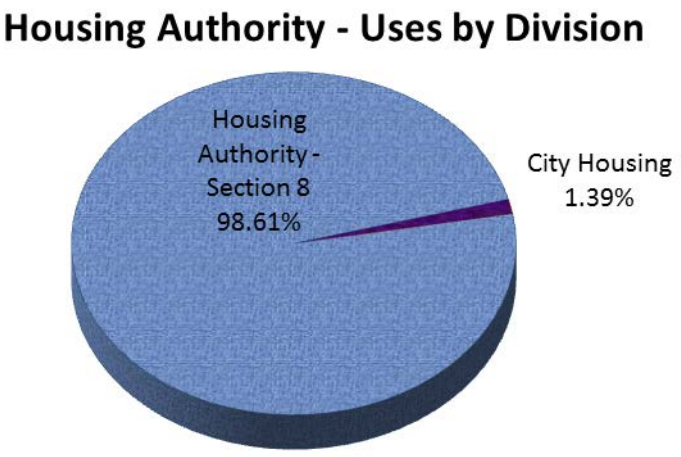
- ✓ Awarded a Certificate of Recognition from the U.S. Department of Housing and Urban Development for being a high-performing housing authority for 2013
- ✓ Began implementation of digital file storage, which is 20% complete. Unfortunately, the loss of federal revenue has hindered our efforts. We have, however, continued to look for ways of streamlining operations through elimination of non-required paperwork and obsolete forms

FY 2014 - 2015 FULL TIME PERSONNEL ALLOCATIONS
Housing Authority

Department/Division	FY 2012-2013 Adopted Base	FY 2013-2014 Adopted Base	FY 2014-2015 Adopted Base
Housing Authority - Section 8	6.99	5.99	5.70
RDA Housing - Administration	0.27	0.27	0.27
TOTAL:	**7.26**	**6.26**	**5.97**

Detailed Program Budget
Housing Authority

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
AUTHORIZED POSITIONS					
Total Authorized	7.26	6.26	5.97	-0.29	-4.63 %
SOURCES OF REVENUE					
Special Revenue Funds	12,102,134	12,402,805	13,445,600	1,042,795	8.41
(Addition To)/Reduction in Fund Balance	2,332,469	1,349,343	84,230	(1,265,113)	-93.76
TOTAL SOURCES OF REVENUE	**$ 14,434,603**	**$ 13,752,148**	**$ 13,529,830**	**$ (222,318)**	**-1.62 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	501,860	444,530	445,984	1,454	0.33
Maintenance & Operations	398,040	210,471	295,419	84,948	40.36
Workers Compensation	9,709	10,448	13,540	3,092	29.59
Materials & Supplies	21,221	18,687	22,901	4,214	22.55
Contracts & Services	11,935,923	12,722,678	12,385,876	(336,802)	-2.65
Fringe Benefits	340,882	326,410	354,396	27,986	8.57
TOTAL USES - OPERATING EXPENDITURES	$ 13,207,635	$ 13,733,224	$ 13,518,116	$ (215,108)	-1.57 %
USES - OTHER EXPENDITURES					
Special Items of Expense	-	210	-	(210)	-100.00
TOTAL USES - OTHER EXPENDITURES	$ -	$ 210	$ -	$ (210)	-100.00 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	-	7,000	-	(7,000)	-100.00
Capital Outlay - Projects	271	-	-	-	-100.00
TOTAL USES - CAPITAL EXPENDITURES	$ 271	$ 7,000	$ -	$ (7,000)	-100.00 %
USES - TRANSFERS-OUT					
Transfers-Out	1,226,697	11,714	11,714	-	-
TOTAL USES - TRANSFERS-OUT	$ 1,226,697	$ 11,714	$ 11,714	$ -	0.00 %
TOTAL USES	**$ 14,434,603**	**$ 13,752,148**	**$ 13,529,830**	**$ (222,318)**	**-1.62 %**
USES BY PROGRAM RECAP					
Housing Authority - Section 8	13,012,017	13,490,560	13,341,918	(148,642)	-1.10
City Housing	1,422,586	261,588	187,912	(73,676)	-28.16
TOTAL USES BY PROGRAM RECAP	**$ 14,434,603**	**$ 13,752,148**	**$ 13,529,830**	**$ (222,318)**	**-1.62 %**



Housing Authority - Uses by Division

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➢ 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, the City has formed a joint powers authority with the City of Lancaster to form the High Desert Power Authority (HDPA). HDPA's initial project is the Antelope Valley (AV) Clearview Transmission Project which connects North Los Angeles County and East Kern County projects into the statewide grid. The AV Clearview Transmission Line is a high voltage underground transmission cable that will stretch nearly 40 miles across the Antelope Valley from Edwards Air Force Base to the Vincent-Lugo transmission line, south of Highway 138. The line will include an above ground connection by way of Windhub and Kramer substation. The project will open extensive areas for future alternative energy development in Los Angeles, Kern, and San Bernardino counties, while being capable of delivering more than 2,000 megawatts of renewable generation from the Antelope Valley and eastern Kern County.

Service Levels

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

Goals

Citywide Goal 1 – Increase Revenues and Reduce Expenses:

- ✓ Complete projects now under construction – complete station H switchgear.
- ✓ Seek partnerships with volunteer organizations to reduce City expenses – continue partnership with STS Academy for after school programs, summer lunch and day camp programs, operation of Teen Center.

Citywide Goal 2 – Improve Public Facilities and Infrastructure:

- ✓ Complete evaluation of potential solar projects for City facilities, implement where appropriate

Citywide Goal 3 – Continue Economic Development, Diversified Housing and Facilitate Growth of Existing Businesses:

- ✓ Retain, improve large sales tax providers with targeted outreach
- ✓ Grow Future Build Program with Workforce Development Board

Accomplishments

- ✓ Completed two cohorts for the Future Build Program
- ✓ Provided funding for the Century Plaza Rehabilitation Project
- ✓ Provided funding and installation of Downtown Wireless Project
- ✓ Provided funding for the reconstruction of City Park Field 1 renovation
- ✓ Provided funding for community programs including STS Academy/Youth and Teen Programs, Farmers Market, and California Theatre

➢ 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 2 – Improve Public Facilities and Infrastructure:

- ✓ Complete Island Energy Station E Improvement project
- ✓ Complete meter replacement program
- ✓ Continue distribution system improvements

Accomplishments

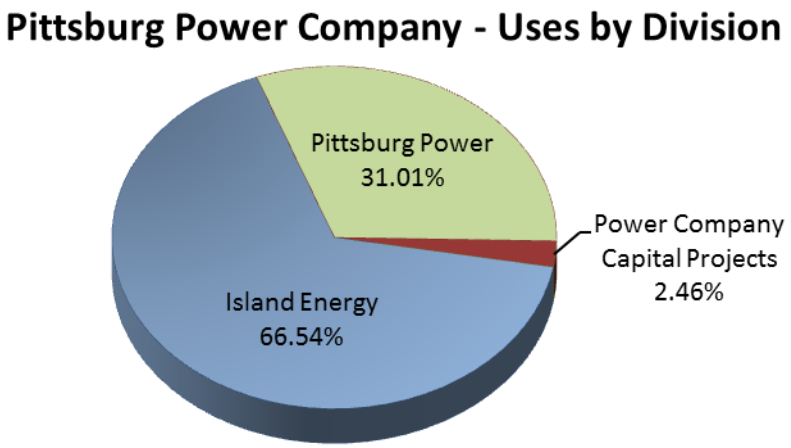
- ✓ Identified sources of losses to electrical system, and reduced those losses from 20% to 15%
- ✓ Completed upgrade to state electricity grid interconnection (Station H)
- ✓ Penetration of solar is amongst the highest in the state
- ✓ First non-REC RPS purchases

FY 2014 - 2015 FULL TIME PERSONNEL ALLOCATIONS
Pittsburg Power Company

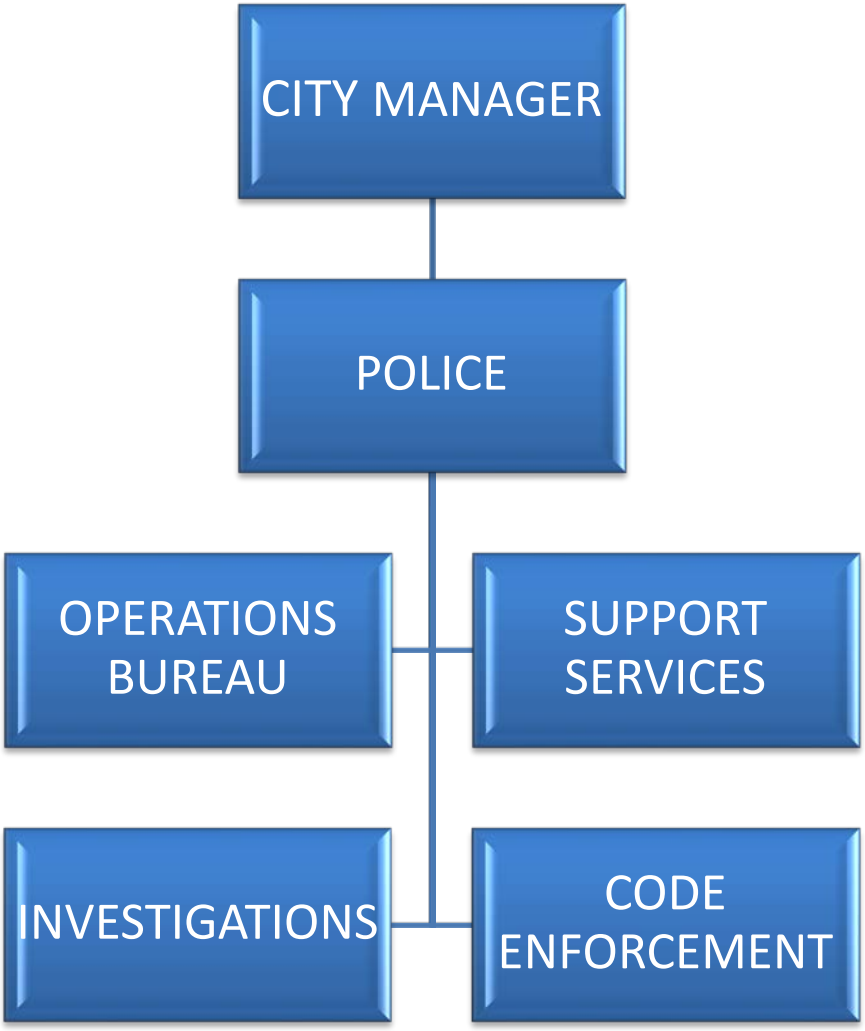
Department/Division	FY 2012-2013 Adopted Base	FY 2013-2014 Adopted Base	FY 2014-2015 Adopted Base
Island Energy	9.55	9.55	9.55
Power Company Capital Projects	0.00	0.00	0.00
Pittsburg Power	1.50	1.50	1.50
TOTAL:	**11.05**	**11.05**	**11.05**

Detailed Program Budget
Pittsburg Power Company

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
AUTHORIZED POSITIONS					
Total Authorized	11.05	11.05	11.05	0.00	0.00 %
SOURCES OF REVENUE					
Enterprise Funds	6,024,211	7,020,965	6,187,198	(833,767)	-11.88
(Addition To)/Reduction in Fund Balance	(525,899)	3,541,008	(84,741)	(3,625,749)	-102.39
TOTAL SOURCES OF REVENUE	**$ 5,498,312**	**$ 10,561,973**	**$ 6,102,457**	**$ (4,459,516)**	**-42.22 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	1,003,275	1,073,656	1,137,288	63,632	5.93
Maintenance & Operations	459,367	541,672	477,468	(64,204)	-11.85
Workers Compensation	19,346	24,890	34,009	9,119	36.64
Materials & Supplies	1,551,387	1,603,260	1,649,821	46,561	2.90
Contracts & Services	853,102	1,448,367	1,040,761	(407,606)	-28.14
Fringe Benefits	622,019	692,174	740,325	48,151	6.96
TOTAL USES - OPERATING EXPENDITURES	$ 4,508,496	$ 5,384,019	$ 5,079,672	$ (304,347)	-5.65 %
USES - OTHER EXPENDITURES					
Special Items of Expense	259,516	882,470	-	(882,470)	-100.00
TOTAL USES - OTHER EXPENDITURES	$ 259,516	$ 882,470	$ -	$ (882,470)	-100.00 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	143,294	1,756,055	100,000	(1,656,055)	-94.31
Capital Outlay - Projects	149,180	1,664,658	90,000	(1,574,658)	-94.59
TOTAL USES - CAPITAL EXPENDITURES	$ 292,474	$ 3,420,713	$ 190,000	$ (3,230,713)	-94.45 %
USES - TRANSFERS-OUT					
Transfers-Out	437,826	874,771	832,785	(41,986)	-4.80
TOTAL USES - TRANSFERS-OUT	$ 437,826	$ 874,771	$ 832,785	$ (41,986)	-4.80 %
TOTAL USES	**$ 5,498,312**	**$ 10,561,973**	**$ 6,102,457**	**$ (4,459,516)**	**-42.22 %**
USES BY PROGRAM RECAP					
Island Energy	3,499,460	4,755,033	4,060,357	(694,676)	-14.61
Pittsburg Power	1,178,584	1,919,953	1,892,100	(27,853)	-1.45
Power Company Capital Projects	820,268	3,886,987	150,000	(3,736,987)	-96.14
TOTAL USES BY PROGRAM RECAP	**$ 5,498,312**	**$ 10,561,973**	**$ 6,102,457**	**$ (4,459,516)**	**-42.22 %**



➢ 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 citizens 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, Evidence/Property Unit, Code Enforcement Division, Records Division, Narcotics/Gangs Division 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

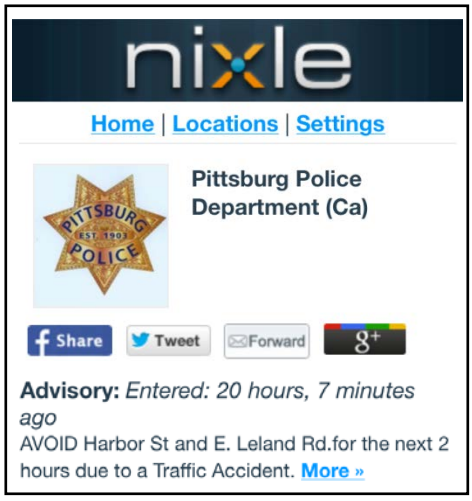
Support Services Bureau:

- 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 4 – Increase Efficiency of City Operations and Services

- ✓ Explore options for citizens to report certain crimes online to increase efficiency, reduce delays
- ✓ Enhance IT infrastructure and media-evidence storage, maximize use of technology to prevent crime
- ✓ Continue to expand community outreach through social media, NIT meetings, Every 15 Minutes
- ✓ Work with businesses, residents to reduce false alarm calls
- ✓ Implement voluntary court-alternative program for qualifying non-violent offenses
- ✓ Reduce backlog of evidence items waiting to be purged



Citywide Goal 5 – Improve the Quality of Life for Pittsburg Residents

- ✓ Continue progress on reducing crime rates
- ✓ Continue specialized enforcement to prevent acts of violence and reduce gang activity
- ✓ Focus on reducing domestic violence incidents
- ✓ Continue aggressive inter-departmental code enforcement effort citywide to reduce blight

Accomplishments

- ✓ Increased patrols at Century Plaza, Wal-Mart and other areas, receiving overwhelmingly positive responses from retailers and citizens

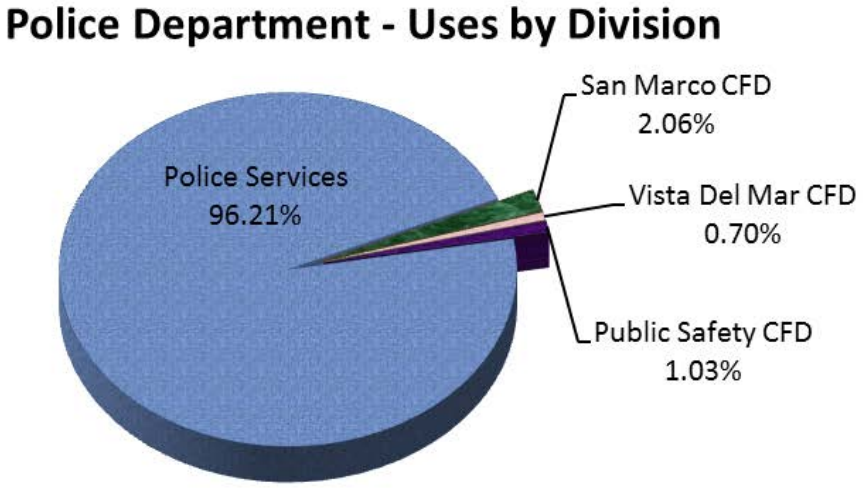
- ✓ PD Facebook followers have doubled in the past year to more than 1,000; PD also has 789 Twitter followers and 785 following through Nixle
- ✓ 2097 code enforcement cases were generated, 2,496 were closed (some from previous year)
- ✓ The City hosted its most successful National Night Out with 956 attendees

FY 2014 - 2015 FULL TIME PERSONNEL ALLOCATIONS
Police Department

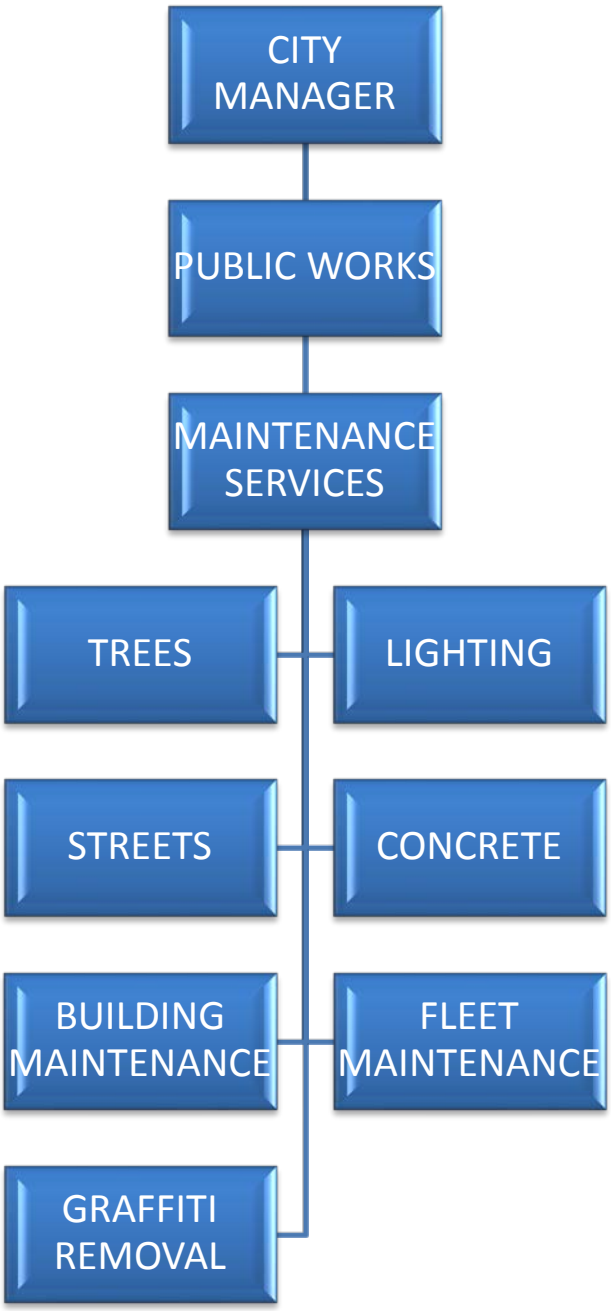
Department/Division	FY 2012-2013 Adopted Base	FY 2013-2014 Adopted Base	FY 2014-2015 Adopted Base
Police - Admin & Support Services	2.00	2.00	2.00
Police - Operations Bureau	53.95	57.50	61.21
Police - Investigations	15.00	15.00	13.00
Police - Support Services	16.50	15.50	16.00
San Marco Police CFD	1.72	2.80	2.08
Vista Del Mar CFD	0.41	0.81	0.70
Public Safety Service CFD 2005-01	1.42	1.39	1.01
TOTAL:	**91.00**	**95.00**	**96.00**

Detailed Program Budget
Police Department

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
AUTHORIZED POSITIONS					
Total Authorized	91.00	95.00	96.00	1.00	1.05 %
SOURCES OF REVENUE					
General Fund	18,670,215	20,379,187	21,676,214	1,297,027	6.36
Special Revenue Funds	1,038,621	958,928	889,433	(69,495)	-7.25
(Addition To)/Reduction in Fund Balance	(8,867)	472,334	(34,400)	(506,734)	-107.28
TOTAL SOURCES OF REVENUE	**$ 19,699,969**	**$ 21,810,449**	**$ 22,531,247**	**$ 720,798**	**3.30 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	9,126,392	9,925,194	10,040,877	115,683	1.17
Maintenance & Operations	1,636,206	1,792,891	1,603,686	(189,205)	-10.55
Workers Compensation	169,233	230,684	305,994	75,310	32.65
Materials & Supplies	272,185	259,300	223,500	(35,800)	-13.81
Contracts & Services	2,023,255	2,349,446	2,316,640	(32,806)	-1.40
Fringe Benefits	6,304,953	6,964,041	7,729,735	765,694	10.99
TOTAL USES - OPERATING EXPENDITURES	$ 19,532,224	$ 21,521,556	$ 22,220,432	$ 698,876	3.25 %
USES - OTHER EXPENDITURES					
Special Items of Expense	1,807	-	-	-	-100.00
TOTAL USES - OTHER EXPENDITURES	$ 1,807	$ -	$ -	$ -	0.00 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	53,769	278,078	300,000	21,922	7.88
TOTAL USES - CAPITAL EXPENDITURES	$ 53,769	$ 278,078	$ 300,000	$ 21,922	7.88 %
USES - TRANSFERS-OUT					
Transfers-Out	112,169	10,815	10,815	-	-
TOTAL USES - TRANSFERS-OUT	$ 112,169	$ 10,815	$ 10,815	$ -	0.00 %
TOTAL USES	**$ 19,699,969**	**$ 21,810,449**	**$ 22,531,247**	**$ 720,798**	**3.30 %**
USES BY PROGRAM RECAP					
Police Services	18,670,215	20,379,187	21,676,214	1,297,027	6.36
San Marco CFD	336,320	561,209	464,975	(96,234)	-17.15
Vista Del Mar CFD	81,659	159,233	158,021	(1,212)	-0.76
Public Safety CFD	271,284	281,414	232,037	(49,377)	-17.55
Asset Forfeitures	9,805	77,345	-	(77,345)	-100.00
Police Grants	330,686	352,061	-	(352,061)	-100.00
TOTAL USES BY PROGRAM RECAP	**$ 19,699,969**	**$ 21,810,449**	**$ 22,531,247**	**$ 720,798**	**3.30 %**



➢ PUBLIC WORKS – MAINTENANCE SERVICES



➢ PUBLIC WORKS - MAINTENANCE SERVICES

Overview

The Public Works Department is responsible for the operation and/or maintenance of City facilities. 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 – Increase Revenues and Reduce Expenditures:

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

Citywide Goal 2 – Improve Public Facilities and Infrastructure:

- ✓ With Engineering, work to make Corporation Yard Administration Building and Parking ADA compliant
- ✓ Continue successful graffiti abatement program
- ✓ Continue CDBG-funded program to install ADA-compliant curb ramps at prioritized locations citywide

Citywide Goal 4 – Increase Efficiency of City Operations and Services:

- ✓ Train additional staff to obtain Class A license to operate larger vehicles when needed after hours

Citywide Goal 5 – Improve the Quality of Life for Pittsburg Residents:

- ✓ Continue CDBG-funded program to install ADA-compliant curb ramps at prioritized locations citywide
- ✓ Improve public safety by installing lighting at Crestview and East Bay Park trail crossing, flashing beacons at high-traffic crosswalks

Accomplishments

- ✓ Completed the Corporation Yard ADA Improvements with Building Maintenance personnel to make it ADA accessible
- ✓ City Park Field #1 reconstruction/improvements project completed in preparation for the new minor league baseball team to begin playing on June 17
- ✓ Installed and tested video camera systems at two 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

➢ PUBLIC WORKS – FLEET MAINTENANCE

Overview

Fleet Maintenance is responsible for the maintenance of a 250 vehicle fleet of predominantly gas-powered trucks, cars, heavy equipment, and other equipment. This includes 25 police patrol cars, 35 sedans, 6 motorcycles, 22 heavy-duty trucks and construction equipment, and 95 light-duty and medium-duty trucks, vans and SUVs, and 29 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 the replacement of vehicles based upon maintenance history and reliability, and subsequently prepares bids and specifications for the replacement of vehicles. 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 ("Park") during the operational season of the Park

➢ PUBLIC WORKS – BUILDING MAINTENANCE

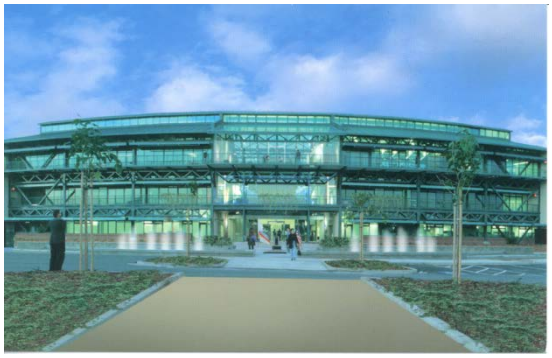
Overview

Building Maintenance maintains and/or oversees maintenance and service contracts for all or part of 18 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 site

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 – Reduce Utility Costs for City Facilities:

- ✓ Continue LED retrofit and HVAC replacement at City buildings and parking

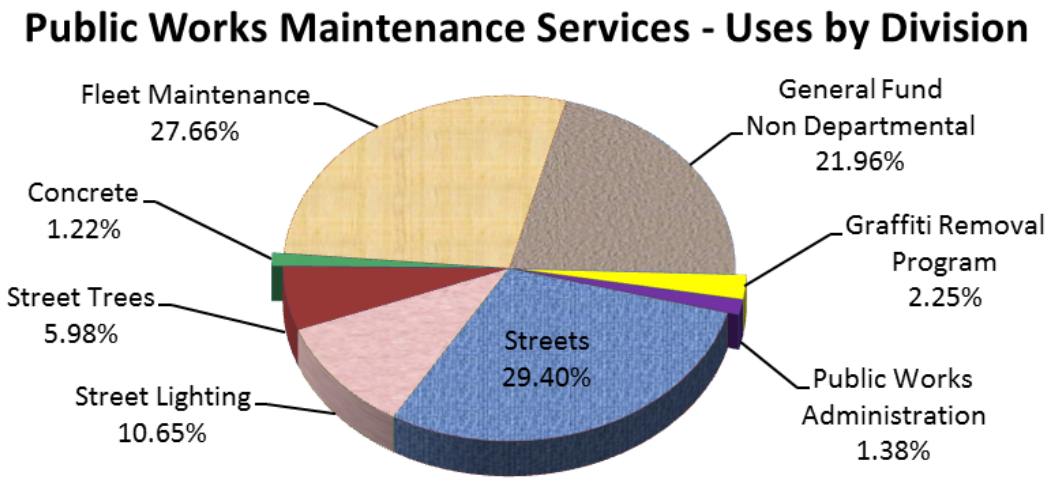
Accomplishments

- ✓ Completed the Corporation Yard ADA Improvements with Streets personnel to make it ADA accessible
- ✓ Building personnel completed work on the California Theatre and Water Payment Counter, reducing project costs and allowing projects' completion
- ✓ The Bocce Building kitchen was remodeled to increase revenue for L and L and General Fund in the first phase of the bocce building overall remodel

FY 2014 - 2015 FULL TIME PERSONNEL ALLOCATIONS
Public Works - Maintenance Services

Department/Division	FY 2012-2013 Adopted Base	FY 2013-2014 Adopted Base	FY 2014-2015 Adopted Base
Graffiti Removal Program	0.25	0.25	1.25
Public Works/Administration	0.25	0.25	0.25
Public Works/Streets	9.55	9.65	12.65
Citywide Street Lighting	1.00	1.00	1.00
Citywide Street Trees	1.70	1.70	1.70
Citywide Concrete Program	0.15	0.15	0.25
NPDES - Storm Drain Clean-Up	2.00	2.00	2.00
Fleet Maintenance	3.60	3.60	3.60
Building Maintenance	3.70	3.60	3.70
RDA Property Maintenance Program	0.00	0.00	0.00
TOTAL:	**22.20**	**22.20**	**26.40**

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
AUTHORIZED POSITIONS					
Total Authorized	22.20	22.20	26.40	4.20	18.92 %
SOURCES OF REVENUE					
General Fund	1,741,107	1,714,155	1,772,902	58,747	3.43
Internal Service Funds	2,955,351	3,494,048	3,036,710	(457,338)	-13.09
Special Revenue Funds	3,329,147	3,326,214	3,498,901	172,687	5.19
(Addition To)/Reduction in Fund Balance	(2,378,802)	(1,573,225)	(934,732)	638,493	-40.59
TOTAL SOURCES OF REVENUE	**$ 5,646,803**	**$ 6,961,192**	**$ 7,373,781**	**$ 412,589**	**5.93 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	1,570,179	1,678,162	1,793,369	115,207	6.87
Maintenance & Operations	1,445,696	1,735,483	1,619,664	(115,819)	-6.67
Workers Compensation	29,432	39,581	53,587	14,006	35.39
Materials & Supplies	948,165	1,105,967	1,188,500	82,533	7.46
Contracts & Services	340,717	803,220	716,323	(86,897)	-10.82
Fringe Benefits	983,955	1,048,421	1,382,480	334,059	31.86
TOTAL USES - OPERATING EXPENDITURES	$ 5,318,144	$ 6,410,834	$ 6,753,923	$ 343,089	5.35 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	215,757	505,000	500,000	(5,000)	-0.99
TOTAL USES - CAPITAL EXPENDITURES	$ 215,757	$ 505,000	$ 500,000	$ (5,000)	-0.99 %
USES - TRANSFERS-OUT					
Transfers-Out	112,902	45,358	119,858	74,500	164.25
TOTAL USES - TRANSFERS-OUT	$ 112,902	$ 45,358	$ 119,858	$ 74,500	164.25 %
TOTAL USES	**$ 5,646,803**	**$ 6,961,192**	**$ 7,373,781**	**$ 412,589**	**5.93 %**
USES BY PROGRAM RECAP					
Public Works Administration	83,895	92,591	101,504	8,913	9.63
Streets	1,710,326	2,002,844	2,167,918	165,074	8.24
Street Lighting	666,189	757,947	785,217	27,270	3.60
Street Trees	353,223	374,261	440,736	66,475	17.76
Concrete	53,892	114,718	89,776	(24,942)	-21.74
Fleet Maintenance	1,539,843	1,995,403	2,039,441	44,038	2.21
Building Maintenance	1,118,539	1,498,912	1,583,613	84,701	5.65
Graffiti Removal Program	120,896	124,516	165,576	41,060	32.98
TOTAL USES BY PROGRAM RECAP	**$ 5,646,803**	**$ 6,961,192**	**$ 7,373,781**	**$ 412,589**	**5.93 %**



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➢ PUBLIC WORKS – WATER & 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 215 miles of water mains, 3,600 isolation valves, 17,500 customer service lines and meters, and 1,300 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 1,259 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
- 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 2 – Improve Public Facilities and Infrastructure:

- ✓ Complete Rossmoor Well replacement with higher capacity well, obtain State Permit to operate

Citywide Goal 4 – Increase Efficiency of City Operations and Services:

- ✓ Continue Year 3 of installation for Automatic Meter Reading System (2,000 meter replacements)

Citywide Goal 5 – Improve the Quality of Life for Pittsburg Residents:

- ✓ Educate public on smart water use through social media, Neighborhood Improvement Team (NIT) meetings.
- ✓ Begin construction of Water Treatment Plant modifications to improve water taste during high algae periods

Accomplishments

- ✓ Completed 2nd year of installation of Automatic Meter Reading System to improve accuracy and efficiency of meter reading. Over 4,000 meters have been changed or converted to AMR.
- ✓ Completed design of first phase of Rossmoor Well replacement. Applied for and received $430,000 grant from State.
- ✓ Evaluated cost, rebates available and payback period for converting external lights and chemical room lights at WTP. Cost effective projects complete.

➢ PUBLIC WORKS – WATER AND SEWER SYSTEM ENTERPRISES - SEWER

Overview

Sewer Maintenance is responsible for the maintenance and repair of 172 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 daily cleaning of various sewer mains and manholes in the sewer system by rotating through twelve 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
- Provide regular cleaning of problem sewer lines, in addition to Preventative Maintenance Program cleaning for sewers that have been identified with chronic or regularly reoccurring problems. Chronic sewer line problems result in increased operating costs, but this added service on weekly, monthly or quarterly basis is intended to prevent overflows until these lines can be replaced under the Capital Improvement Program
- 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

Accomplishments

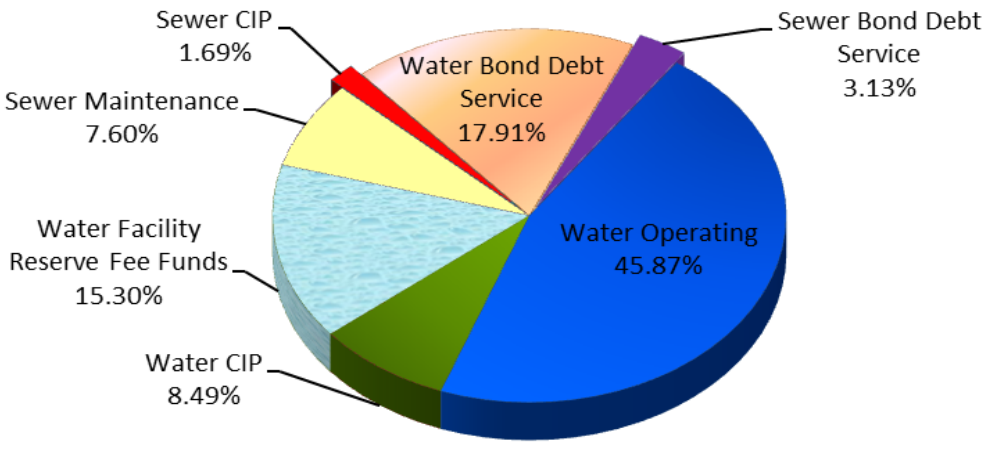
- ✓ Repaired 21 lower sewer laterals
- ✓ Root-foamed 18,000 feet of problem sewer line to reduce potential for sewer back-up

FY 2014 - 2015 FULL TIME PERSONNEL ALLOCATIONS
Public Works - Water and Sewer Systems Enterprises

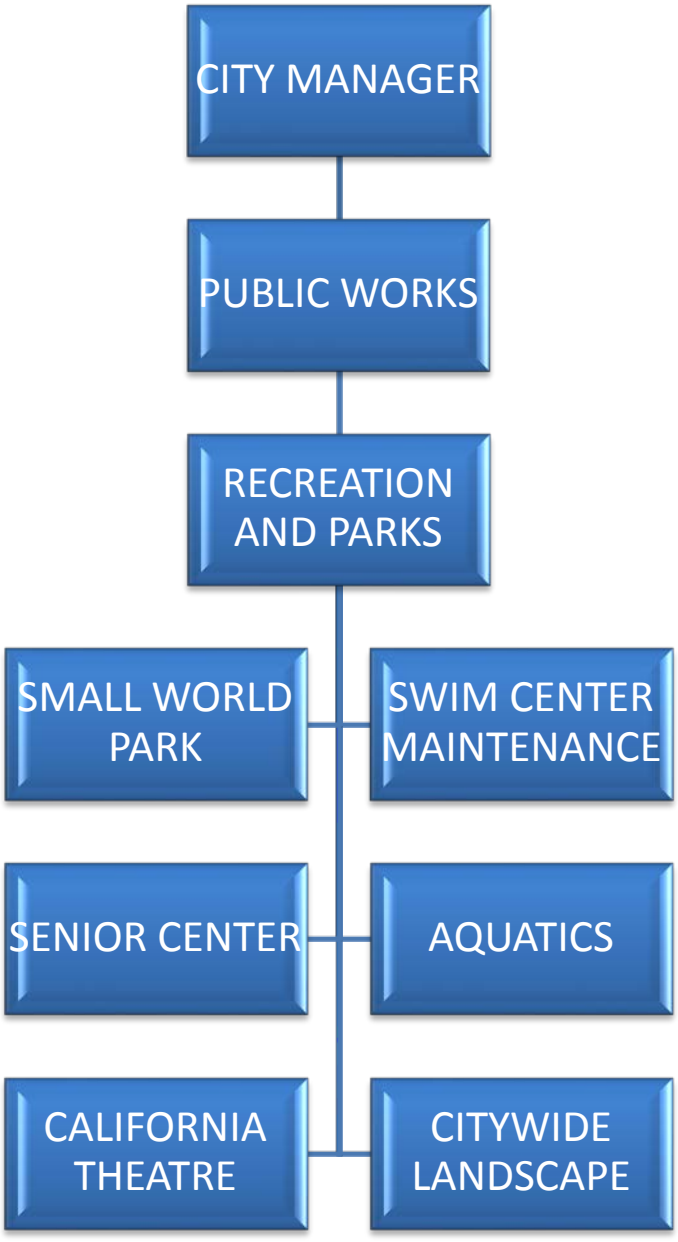
Department/Division	FY 2012-2013 Adopted Base	FY 2013-2014 Adopted Base	FY 2014-2015 Adopted Base
Water Operating	27.26	27.19	28.45
Sewer Maintenance	7.86	6.79	7.65
TOTAL:	**35.12**	**33.97**	**36.10**

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
AUTHORIZED POSITIONS					
Total Authorized	35.12	33.97	36.10	2.13	6.27 %
SOURCES OF REVENUE					
Debt Service	232,843	298,000	66,110	(231,890)	-77.82
Enterprise Funds	25,439,089	24,011,740	26,103,200	2,091,460	8.71
(Addition To)/Reduction in Fund Balance	(103,718)	7,900,629	3,407,085	(4,493,544)	-56.88
TOTAL SOURCES OF REVENUE	**$ 25,568,214**	**$ 32,210,369**	**$ 29,576,395**	**$ (2,633,974)**	**-8.18 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	2,810,376	3,215,003	2,962,060	(252,943)	-7.87
Maintenance & Operations	2,341,324	2,532,558	2,305,093	(227,465)	-8.98
Workers Compensation	53,237	66,249	87,423	21,174	31.96
Materials & Supplies	6,429,047	6,559,312	6,016,650	(542,662)	-8.27
Contracts & Services	443,939	860,186	519,808	(340,378)	-39.57
Fringe Benefits	1,719,310	1,835,384	2,093,975	258,591	14.09
TOTAL USES - OPERATING EXPENDITURES	$ 13,797,233	$ 15,068,692	$ 13,985,009	$ (1,083,683)	-7.19 %
USES - OTHER EXPENDITURES					
Debt Service	3,455,485	3,580,831	3,554,306	(26,525)	-0.74
TOTAL USES - OTHER EXPENDITURES	$ 3,455,485	$ 3,580,831	$ 3,554,306	$ (26,525)	-0.74 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	145,409	233,736	85,000	(148,736)	-63.63
Capital Outlay - Projects	6,073,593	10,680,969	7,476,000	(3,204,969)	-30.01
TOTAL USES - CAPITAL EXPENDITURES	$ 6,219,002	$ 10,914,705	$ 7,561,000	$ (3,353,705)	-30.73 %
USES - TRANSFERS-OUT					
Transfers-Out	2,096,494	2,646,141	4,476,080	1,829,939	69.16
TOTAL USES - TRANSFERS-OUT	$ 2,096,494	$ 2,646,141	$ 4,476,080	$ 1,829,939	69.16 %
TOTAL USES	**$ 25,568,214**	**$ 32,210,369**	**$ 29,576,395**	**$ (2,633,974)**	**-8.18 %**
USES BY PROGRAM RECAP					
Water Operating	12,531,825	14,356,380	13,566,849	(789,531)	-5.50
Water CIP	2,969,034	5,288,366	2,510,000	(2,778,366)	-52.54
Water Facility Reserve Fee Funds	582,858	1,263,649	4,526,210	3,262,561	258.19
Sewer Maintenance	1,792,454	2,089,227	2,249,030	159,803	7.65
Sewer CIP	3,684,171	5,498,803	500,000	(4,998,803)	-90.91
Sewer Facility Reserve Fee Funds	552,387	133,113	-	(133,113)	-100.00
Water Bond Debt Service	2,540,278	2,660,441	5,297,766	2,637,325	99.13
Sewer Bond Debt Service	915,207	920,390	926,540	6,150	0.67
TOTAL USES BY PROGRAM RECAP	**$ 25,568,214**	**$ 32,210,369**	**$ 29,576,395**	**$ (2,633,974)**	**-8.18 %**

Water and Sewer Enterprises- Uses by Division



➢ RECREATION AND PARKS



➢ 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.

The newly renovated Sullenberger Swim Center located in Buchanan Park is open to the public during the summer season for recreational use and aquatics programs for 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 events

Aquatics Program:

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

Swim Center Maintenance:

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

Citywide Landscape:

- Responsible for the grounds care of 232 acres of municipal landscaping that includes:
  Parks – 137.8 acres
  Medians – 65.25 acres
  Right-of-Ways – 16 acres
  Facilities – 12.8 acres

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 – Increase revenues and Reduce Expenses:

- ✓ Increase awareness of Small World Park with multi-media campaign
- ✓ Continue LED retrofit of park lighting
- ✓ Explore grants to expand recreation programs and park infrastructure replacement
- ✓ Solicit public assistance to expand Adopt-a-Spot program
- ✓ Seek additional sources of supplemental labor to complement City landscape maintenance/community service projects in City parks
- ✓ Continue partnership with STS Academy for after school programs, summer lunch and day camp programs, operation of Teen Center

Citywide Goal 2 – Improve Public Facilities and Infrastructure:

- ✓ Seek grant funds to purchase, construct school-age playground apparatus south of Buchanan Community Center
- ✓ Enhance City facilities rented by the public

Citywide Goal 5 – Improve the Quality of Life for Pittsburg Residents:

- ✓ Continue, expand collaboration with local non-profit sport leagues to provide athletic opportunities for local youth and adults
- ✓ Improve recreation opportunities at the City's Small World Park to host corporate events

Accomplishments

- ✓ Added four new play structures to Small World Park
- ✓ Built Pittsburg's first Dog Park located in Highlands Ranch Park
- ✓ Dedicated Stoneman Park to John Henry Johnson, Pro Hall of Fame football player who graduated from Pittsburg High School
- ✓ Constructed a state-of-the-art basketball court in City Park
- ✓ Completed the $250,000 renovation of City Park's primary baseball field in preparation for Pittsburg's new semi-pro baseball team's 2014 season

PARK DEDICATION - NOVEMBER 2, 2013

HIGHLANDS RANCH DOG PARK
GRAND OPENING - MAY 31, 2014

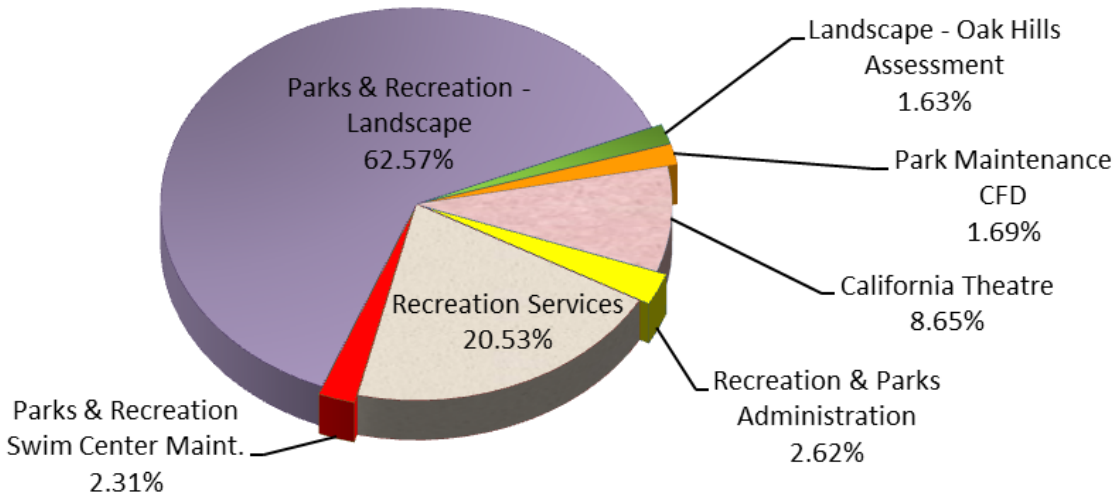
FY 2014 - 2015 FULL TIME PERSONNEL ALLOCATIONS
Recreation and Parks

Department/Division	FY 2012-2013 Adopted Base	FY 2013-2014 Adopted Base	FY 2014-2015 Adopted Base
Recreation-Admin	0.00	0.00	0.00
Recreation - Sports	1.00	1.00	1.15
Recreation - Senior Center	1.00	1.00	2.00
Pittsburg Swim Center Maintenance	0.00	0.00	0.00
Citywide Landscape	6.04	6.04	8.54
Park Maintenance CFD 2007-1	0.16	0.16	0.36
TOTAL:	**8.20**	**8.20**	**12.05**

Detailed Program Budget
Recreation and Parks

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
AUTHORIZED POSITIONS					
Total Authorized	8.20	8.20	12.05	3.85	46.95 %
SOURCES OF REVENUE					
General Fund	685,418	661,213	706,300	45,087	6.82
Special Revenue Funds	174,832	519,421	497,724	(21,697)	-4.18
(Addition To)/Reduction in Fund Balance	2,113,593	2,418,547	2,661,186	242,639	10.03
TOTAL SOURCES OF REVENUE	**$ 2,973,843**	**$ 3,599,181**	**$ 3,865,210**	**$ 266,029**	**7.39 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	1,200,303	1,180,765	1,465,964	285,199	24.15
Maintenance & Operations	900,078	1,093,933	1,034,514	(59,419)	-5.43
Workers Compensation	22,370	30,301	44,079	13,778	45.47
Materials & Supplies	246,081	267,958	269,150	1,192	0.44
Contracts & Services	160,680	560,998	387,402	(173,596)	-30.94
Fringe Benefits	441,126	460,960	659,835	198,875	43.14
TOTAL USES - OPERATING EXPENDITURES	$ 2,970,638	$ 3,594,915	$ 3,860,944	$ 266,029	7.40 %
USES - OTHER EXPENDITURES					
Special Items of Expense	3,205	4,000	4,000	-	-
TOTAL USES - OTHER EXPENDITURES	$ 3,205	$ 4,000	$ 4,000	$ -	0.00 %
USES - TRANSFERS-OUT					
Transfers-Out	-	266	266	-	-
TOTAL USES - TRANSFERS-OUT	$ -	$ 266	$ 266	$ -	0.00 %
TOTAL USES	**$ 2,973,843**	**$ 3,599,181**	**$ 3,865,210**	**$ 266,029**	**7.39 %**
USES BY PROGRAM RECAP					
Recreation & Parks Administration	115,409	125,792	101,086	(24,706)	-19.64
Recreation Services	584,329	650,924	793,506	142,582	21.90
Parks & Recreation - Swim Center Maint.	83,335	80,977	89,281	8,304	10.25
Parks & Recreation - Landscape	2,075,430	2,273,353	2,418,634	145,281	6.39
Landscape - Oak Hills Assessment	50,424	53,801	62,930	9,129	16.97
Park Maintenance CFD	49,222	62,230	65,423	3,193	5.13
Recreation Grants	15,694	17,904	-	(17,904)	-100.00
California Theatre	-	334,200	334,350	150	0.04
TOTAL USES BY PROGRAM RECAP	**$ 2,973,843**	**$ 3,599,181**	**$ 3,865,210**	**$ 266,029**	**7.39 %**

Recreation and Parks - Uses by Division



➢ SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY

➢ SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY

Overview

Since the dissolution of the Redevelopment Agency of the City of Pittsburg ("Agency") on February 1, 2012 pursuant to AB 26, the primary purpose of the Successor Agency is to administer the wind down of the previous Agency's operations.

The Los Medanos Community Development Project Area ("Project Area") and the Pittsburg community have benefited from the efforts made by the previous Agency. By providing funding to various capital improvement projects, the Project Area and community have received infrastructure and City-wide improvements. Finally, the completion of Siena Court, La Almenara, and Santa Fe Commons has added to the affordable housing stock in Pittsburg.

Service Levels

- Continued payment of the Successor Agency's financial obligations which entail payment of debt service and fulfillment of contractual obligations entered into by the Successor Agency prior to the enactment of AB 26
- Maintain properties so that they may yield highest value upon disposition
- Close out of projects preceding AB 26

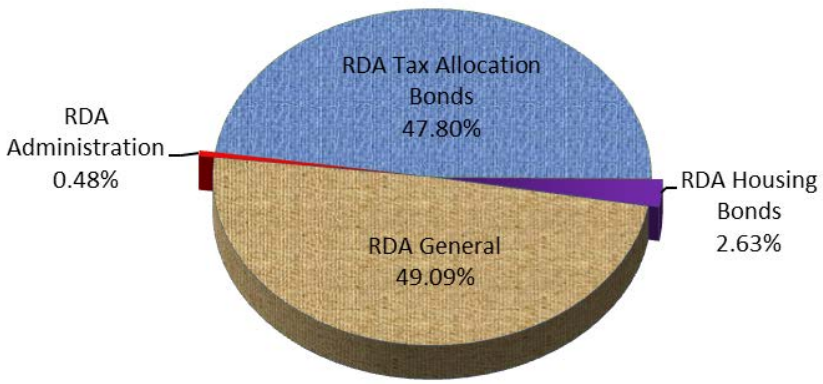
FY 2014 - 2015 FULL TIME PERSONNEL ALLOCATIONS
Successor Agency to Former Redevelopment Agency

Department/Division	FY 2012-2013 Adopted Base	FY 2013-2014 Adopted Base	FY 2014-2015 Adopted Base
RDA Administration	3.44	2.26	1.55
Neighborhood Improvement Program	0.00	0.00	0.00
Bldg Code Enforcement	0.00	0.00	0.00
TOTAL:	**3.44**	**2.26**	**1.55**

Detailed Program Budget
Successor Agency to Former RDA

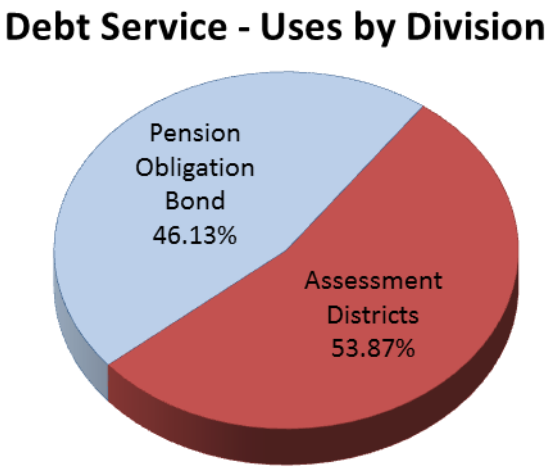
	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
AUTHORIZED POSITIONS					
Total Authorized	3.44	2.26	1.55	-0.71	-31.42 %
SOURCES OF REVENUE					
Capital Projects Funds	2,583,246	1,292,789	-	(1,292,789)	-100.00
Debt Service	51,467,870	36,464,618	37,185,038	720,420	1.98
Redevelopment Agency	43,574,238	37,079,753	37,298,136	218,383	0.59
(Addition To)/Reduction in Fund Balance	807,836	1,580,453	(35,738)	(1,616,191)	-102.26
TOTAL SOURCES OF REVENUE	**$ 98,433,190**	**$ 76,417,613**	**$ 74,447,436**	**$ (1,970,177)**	**-2.58 %**
USES - OPERATING EXPENDITURES					
Salaries & Wages	378,780	317,418	192,588	(124,830)	-39.33
Maintenance & Operations	117,889	90,596	28,048	(62,548)	-69.04
Workers Compensation	7,321	6,300	5,854	(446)	-7.08
Materials & Supplies	1,311	1,000	950	(50)	-5.00
Contracts & Services	509,557	190,812	37,570	(153,242)	-80.31
Fringe Benefits	226,065	162,172	94,230	(67,942)	-41.90
TOTAL USES - OPERATING EXPENDITURES	$ 1,240,923	$ 768,298	$ 359,240	$ (409,058)	-53.24 %
USES - OTHER EXPENDITURES					
Special Items of Expense	200,547	-	-	-	-100.00
Debt Service	35,876,374	36,464,618	37,185,038	720,420	1.98
TOTAL USES - OTHER EXPENDITURES	$ 36,076,921	$ 36,464,618	$ 37,185,038	$ 720,420	1.98 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Projects	2,402,571	1,184,655	-	(1,184,655)	-100.00
TOTAL USES - CAPITAL EXPENDITURES	$ 2,402,571	$ 1,184,655	$ -	$ (1,184,655)	-100.00 %
USES - TRANSFERS-OUT					
Transfers-Out	58,712,775	38,000,042	36,903,158	(1,096,884)	-2.89
TOTAL USES - TRANSFERS-OUT	$ 58,712,775	$ 38,000,042	$ 36,903,158	$ (1,096,884)	-2.89 %
TOTAL USES	**$ 98,433,190**	**$ 76,417,613**	**$ 74,447,436**	**$ (1,970,177)**	**-2.58 %**
USES BY PROGRAM RECAP					
RDA Property Maintenance	-	-	-	-	-100.00
RDA General	42,498,244	36,049,303	36,543,918	494,615	1.37
RDA Administration	894,838	660,198	359,240	(300,958)	-45.59
RDA Capital Projects Fund	2,583,233	1,292,755	-	(1,292,755)	-100.00
RDA Housing - Non Departmental	1,514,121	-	-	-	-100.00
RDA Housing Projects/Programs	203,314	-	-	-	-100.00
RDA Tax Allocation Bonds	48,778,931	36,458,864	35,587,584	(871,280)	-2.39
RDA Housing Bonds	1,960,509	1,956,493	1,956,694	201	0.01
TOTAL USES BY PROGRAM RECAP	**$ 98,433,190**	**$ 76,417,613**	**$ 74,447,436**	**$ (1,970,177)**	**-2.58 %**

Successor Agency to RDA - Uses by Division



Detailed Program Budget
Debt Service

	2012-13 Actual	2013-14 Amended Budget	2014-15 Adopted Budget	Change from 2013-14	% Change
AUTHORIZED POSITIONS					
Total Authorized	-	-	-	-	-
SOURCES OF REVENUE					
Debt Service	7,479,733	7,573,403	9,545,778	1,972,375	26.04
(Addition To)/Reduction in Fund Balance	(981,042)	(128,455)	(702,389)	(573,934)	-446.80
TOTAL SOURCES OF REVENUE	**$ 6,498,691**	**$ 7,444,948**	**$ 9,545,778**	**$ 1,398,441**	**18.78 %**
USES - OPERATING EXPENDITURES					
Maintenance & Operations	2,108	2,150	28,619	26,469	1,231.12
Contracts & Services	485	82,635	-	(82,635)	-100.00
TOTAL USES - OPERATING EXPENDITURES	$ 2,593	$ 84,785	$ 28,619	$ (56,166)	-66.25 %
USES - OTHER EXPENDITURES					
Debt Service	4,763,399	5,385,343	6,947,339	1,561,996	29.00
TOTAL USES - OTHER EXPENDITURES	$ 4,763,399	$ 5,385,343	$ 6,947,339	$ 1,561,996	29.00 %
USES - CAPITAL EXPENDITURES					
Capital Outlay - Equipment	-	8,000	-	(8,000)	-100.00
Capital Outlay - Projects	-	8,263	-	(8,263)	-100.00
TOTAL USES - CAPITAL EXPENDITURES	$ -	$ 16,263	$ -	$ (16,263)	-100.00 %
USES - TRANSFERS-OUT					
Transfers-Out	1,732,699	1,958,557	1,867,431	(91,126)	-4.65
TOTAL USES - TRANSFERS-OUT	$ 1,732,699	$ 1,958,557	$ 1,867,431	$ (91,126)	-4.65 %
TOTAL USES	**$ 6,498,691**	**$ 7,444,948**	**$ 8,843,389**	**$ 1,398,441**	**18.78 %**
USES BY PROGRAM RECAP					
Pension Obligation Bond	1,936,486	2,556,350	4,079,490	1,523,140	59.58
Assessment Districts	4,562,205	4,888,598	4,763,899	(124,699)	-2.55
TOTAL USES BY PROGRAM RECAP	**$ 6,498,691**	**$ 7,444,948**	**$ 8,843,389**	**$ 1,398,441**	**18.78 %**



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➢ 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 2014/15

Project Name	Funding Source	Prior Allocations	New Allocation FY 2014/15
Kiss-N-Ride at Railroad Avenue eBART Station	MJ	1,514,000	75,000
Traffic Calming Projects	MJ	25,000	25,000
2015/16 Citywide Pavement Management Project	GSTX	-	500,000
San Marco Boulevard/Santa Teresa Signal	LTMF	-	105,000
Automatic Water Meter Reading System	WOF	950,000	300,000
24"/20" Main W. Leland (WTP to SW Hills) (SEG 1W, 2W, 3W, 6W)	WFR/2005W	-	4,466,000
2014-15 WTP Sludge Removal	WOF		200,000
WTP Capital Repairs/Filter Rehabilitation	WOF	467,146	400,000
2014/15 Water Main/Service/Valve Replacement Program	WOF	350,000	1,610,000
2014/15 CCTV/Inspection/Sewer Replacement Program	SOF	-	500,000
Convert IE Natural Gas Distribution System to One Pressure	IE	150,000	40,000
RA Switch Removal and Replacement (Phase I)	IE	125,000	50,000
Totals		**$3,164,000**	**$8,271,000**

Total by Funding Source:

Gas Tax – HUTA Fund (GSTX)	500,000
Water Operating Fund (WOF)	2,510,000
Local Traffic Mitigation Fee (LTMF)	105,000
Water Facility Reserve Fund (WFR)	1,796,000
2005 Water Bond (2005W)	2,670,000
Sewer Operating Fund (SOF)	500,000
Island Energy (IE)	90,000
Measure J (MJ)	100,000
Total:	$8,271,000

ST-16: KISS-N-RIDE AT RAILROAD AVENUE eBART STATION

Project No.

2010

Status:

Previous Allocation - $1,514,000
2014/15 Allocation - $75,000

Estimated Project Cost:

$1,589,000

Project Limits:

Railroad Avenue from State Route 4 eastbound ramps intersection to Center Drive

Funding Sources:

Eligible Funding Source: OBAG, Measure J

Identified Funding: $1,300,000 OBAG, $289,000 Measure J

Project Description:

This project will design and construct a kiss-n-ride parking lot for BART patrons along the east side of Railroad Avenue between California Avenue and Center Drive. It will include drop-off and pick-up areas, as well as angled parking stalls for motorists waiting for or dropping off transit riders. It will include bicycle parking (racks and lockers) and a bus pull-out. The project will design and construct walkway improvements from the kiss-n-ride lot to the eBART station platform entrance to be located midway along the east side of the Railroad Avenue SR4 overcrossing. Included with the Project will be a bicycle/pedestrian path from Power Avenue to Railroad Avenue along the Highway 4 right-of-way. A wood fence will be replaced with a soundwall at the property line adjacent to a residence next to California Avenue. The project will be designed to enhance the area's walkability and promote alternative modes of transportation.

Impact on Operating Budget:

No significant impact on the operating budget as the costs to maintain the curb, gutter, sidewalk and pavements would be minimal since the service life of these improvements would be 10 years or more.

ST-85: TRAFFIC CALMING PROJECTS

Project No.
2008

Status:
2014/15 Allocation - $25,000

Estimated Project Cost:
$25,000

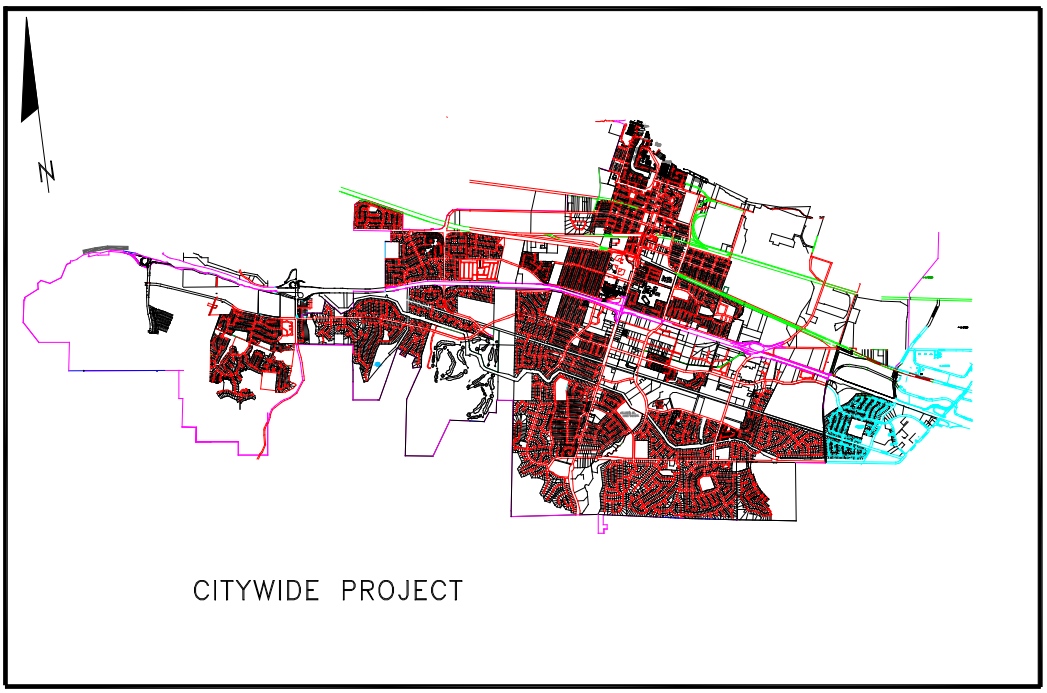
Project Limits:
Citywide

Funding Sources
Eligible Funding Source: Gas tax, Measure J, SR2S
Identified Funding: $50,000 Measure J

Project Description:

This project will construct speed humps and other traffic calming improvements at locations throughout the City to be determined through an application process managed through the Traffic Division of the Engineering Department and other locations as they are approved.

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



ST-93: 2015/16 CITYWIDE PAVEMENT MANAGEMENT PROJECT

Project No.
2204

Status:
2014/15 Allocation - $500,000

Estimated Project Cost:
$500,000

Project Limits:
TBD

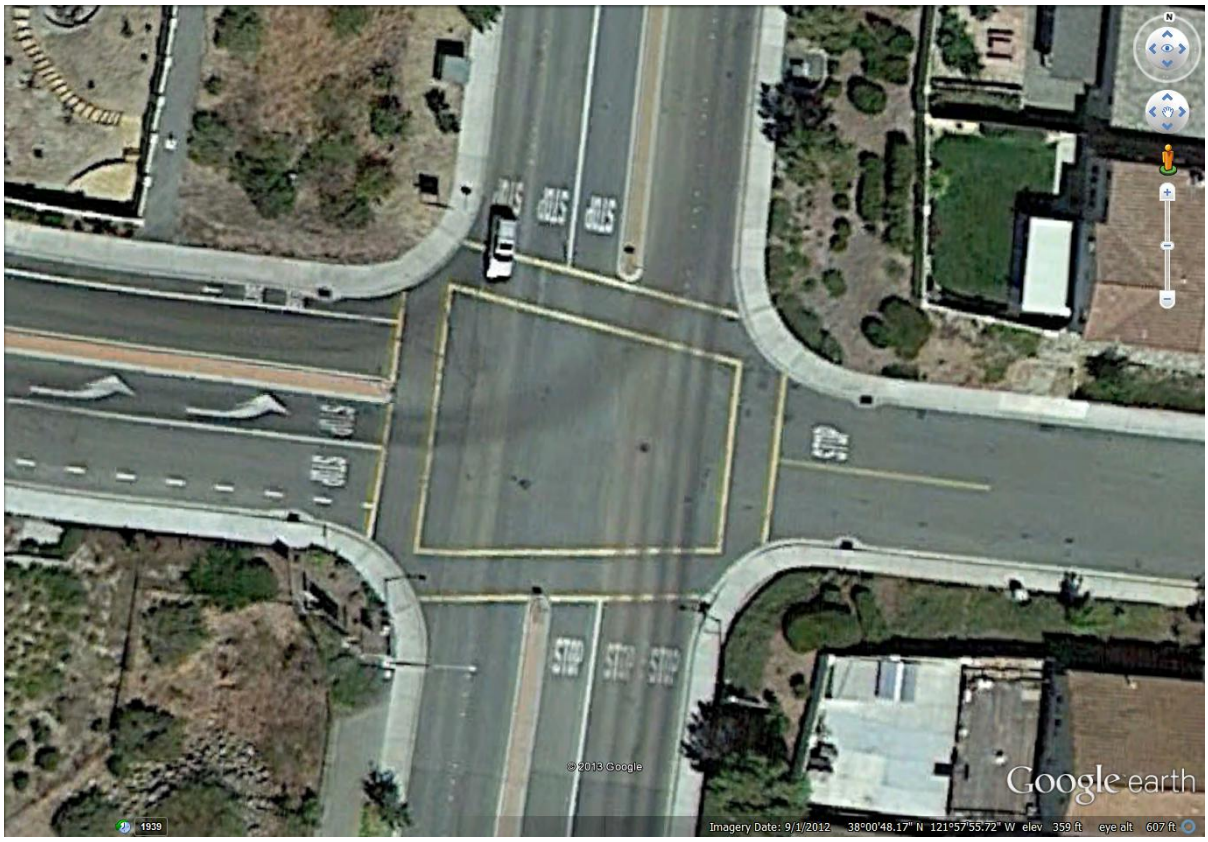
Funding Sources:
Eligible Funding Source: Gas Tax
Identified Funding Source: Gas Tax $500,000

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-7: SIGNAL AT SAN MARCO BOULEVARD/SANTA TERESA DRIVE

Project No.
3012

Status:
2014/15 Allocation - $105,000

Estimated Project Cost:
$210,000

Project Limits:
San Marco Boulevard and Santa Teresa Drive

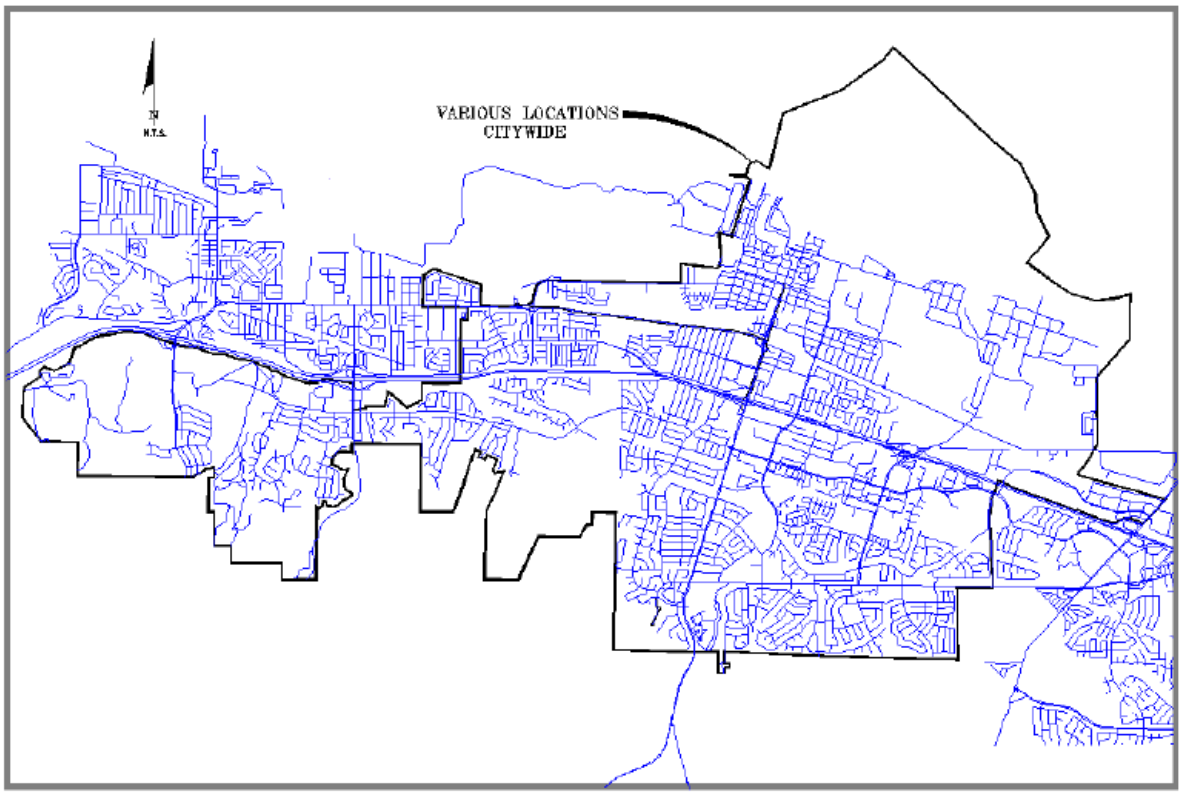
Funding Sources
Eligible Funding Source: Measure J/LTMF, Developer

Identified Funding: $105,000 LTMF, $105,000 Developer

Project Description:

This project will design and construct a fully actuated traffic signal at the intersection of San Marco Boulevard and Santa Teresa Drive in the San Marco Subdivision. The project will replace existing all-way stop sign controls at this intersection.

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



W-11: AUTOMATIC METER READING SYSTEM

Project No.
5030

Status:
Previous Allocation - $950,000
2014/15 Allocation - $300,000

Estimated Project Cost:
$1,950,000

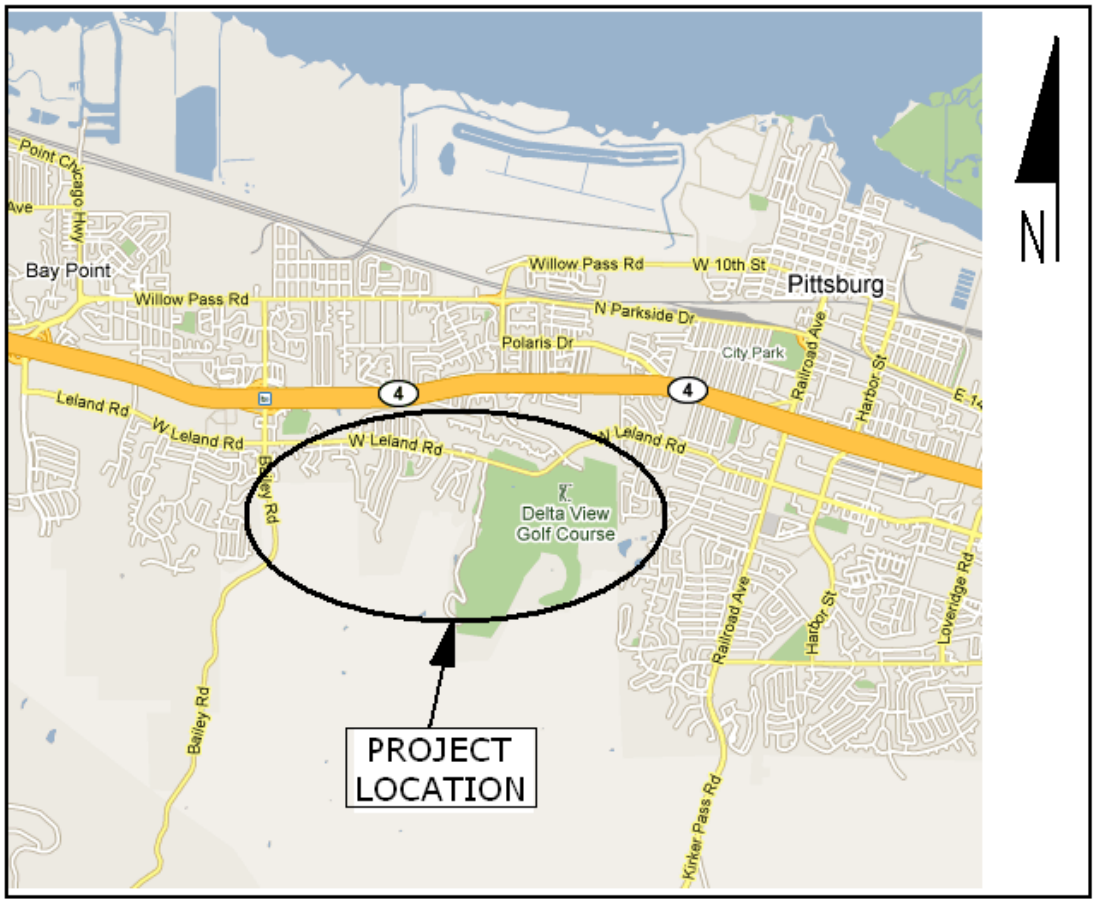
Project Limits:
Water System

Funding Sources
Eligible Funding: Water Operations Fund

Project Description:

Conversion of hard-to-read meters to radio read. Include Automatic Meter Reading system and replacement meters to convert an additional 1,800 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-61: 24" MAIN W. LELAND (WTP to Tomales Bay Dr.)

Project No.
5071

Status:
2014/15 Allocation - $4,466,000

Estimated Project Cost:
$6,100,000

Project Limits:
Water Treatment Plan to Bailey Road

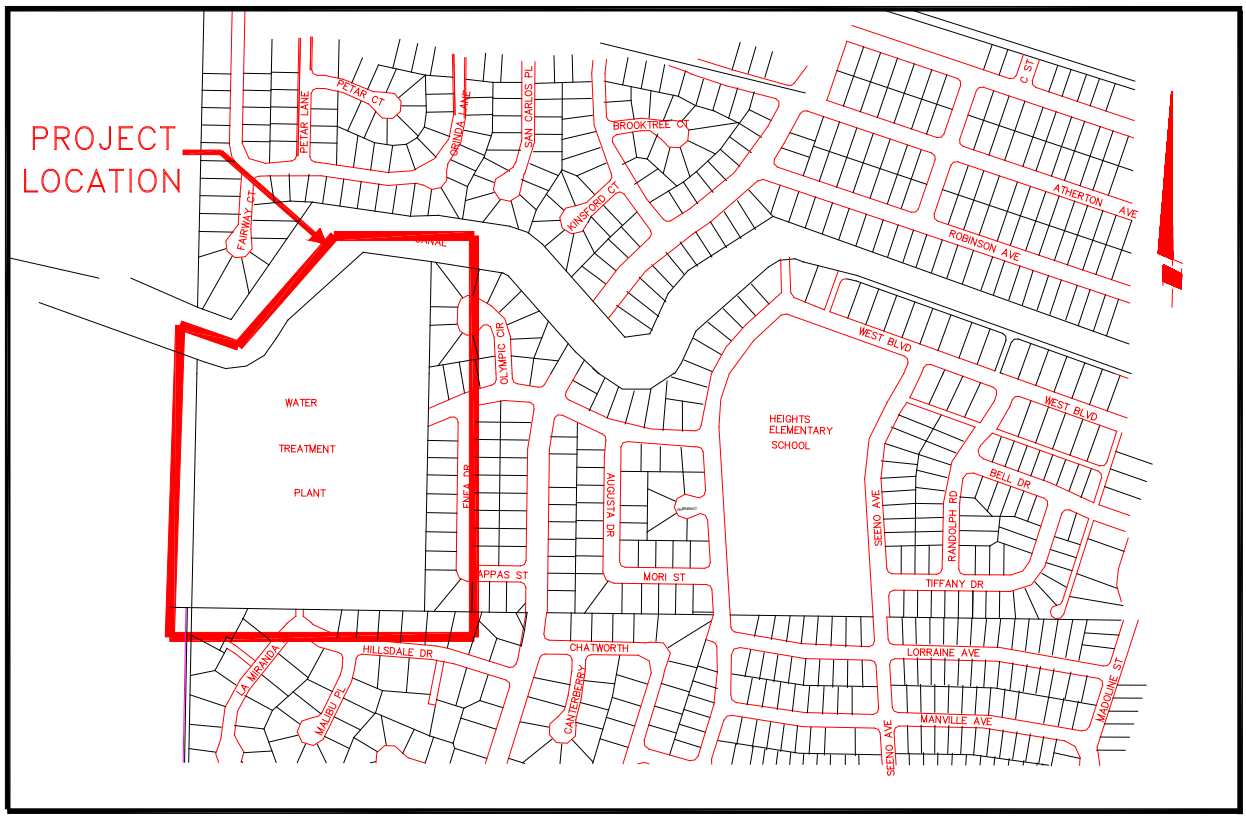
Funding Sources:
Eligible Funding Source: Developer, Water Bonds

Identified funding: $1,796,000 FRC, $2,670,000 2005 Wbond

Project Description:

This project will provide for 14,500 feet of water transmission line to serve new development in the southwest hills. (2010 Water System Master Plan segments 1W, 2W, 3W, 6W).

Impact on Water Operating Budget:
Decreased pumping costs will provide savings of up to $20,000 per year because of lower pipe friction factors.



W-62: 2014/15 WATER TREATMENT PLANT SLUDGE REMOVAL

Project No.
5053

Status:
2014/15 Allocation - $200,000

Estimated Project Cost:
$200,000

Project Limits:
Water Treatment Plant

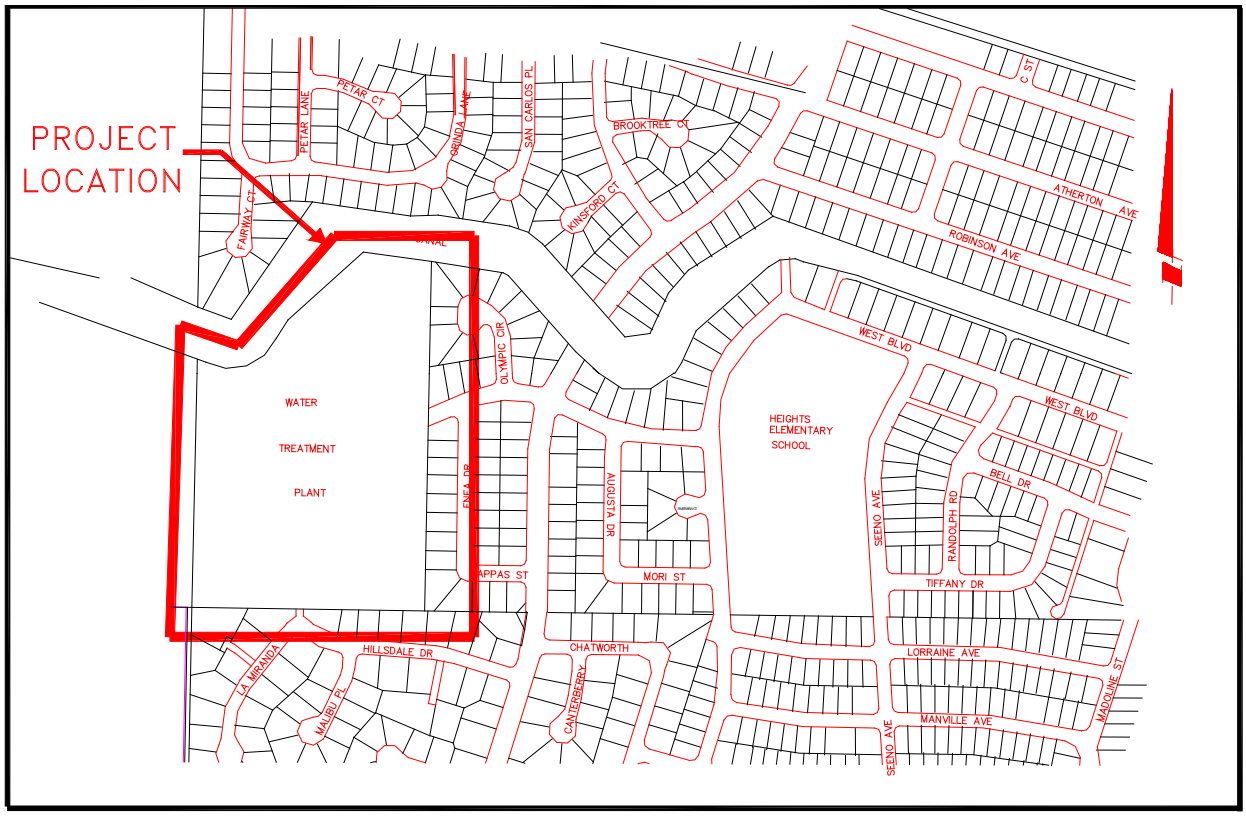
Funding Sources:
Eligible Funding Source: WOF
Identified Funding: WOF $200,000

Project Description:

This project will remove sludge from the Water Treatment Plant.

Impact on Water Operating Budget:

No significant impact on the operating budget since this involves improvements to existing equipment.



W-101: WTP CAPITAL REPAIRS/FILTER REHABILITATION

Project No.
5050

Status:
Previous Allocation - $467,146
2014/15 Allocation - $400,000

Estimated Project Cost:
$1,800,000

Project Limits:
Water Treatment Plant

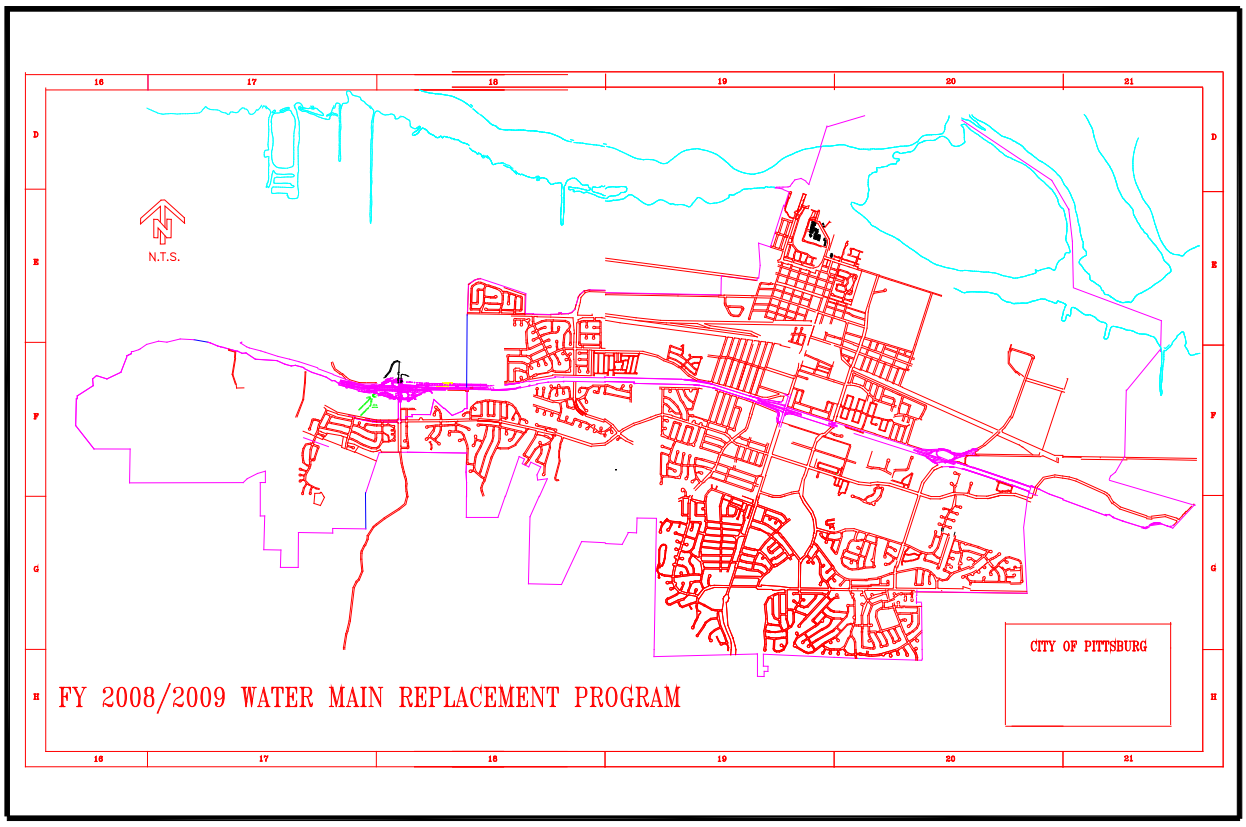
Funding Sources:
Eligible Funding Source: Water Operating Fund
Identified Funding: $200,000 Water Operating Fund

Project Description:

This project will provide upgrades to facilities at the Water Treatment Plant, including rehabilitation of raw water slide gates and one WTP filter per year. Filters were constructed in 1953 and 1973.

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-102: 2013/14 WATER MAIN REPLACEMENT PROGRAM

Project No.
5051

Status:
Previous Allocation - $350,000
2014/15 Allocation - $1,610,000

Estimated Project Cost:
$1,810,000

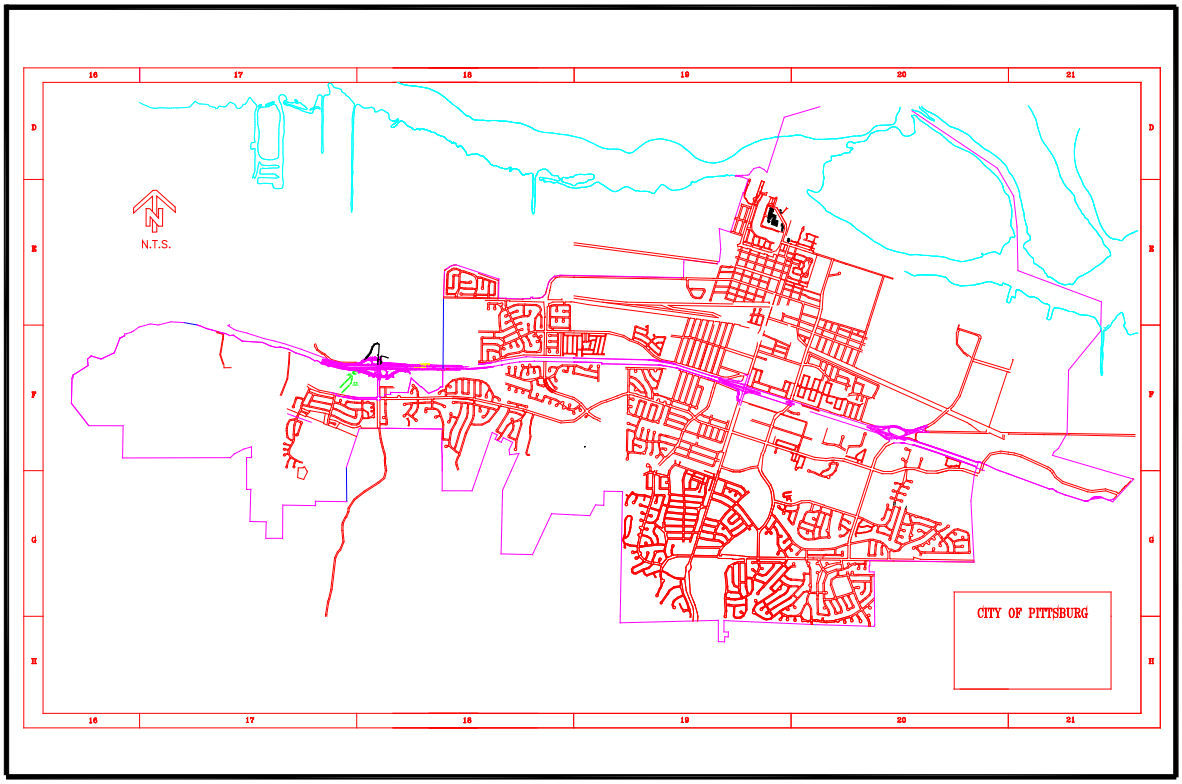
Project Limits:
Various

Funding Sources:
Eligible Funding Source: Water Operating Fund
Identified Funding: $1,810,000 Water Operating Fund

Project Description:

Project will identify and replace water mains, services, and valves that have reached the end of their useful life and have become maintenance problems.

Impact on Water Operating Budget:
No significant impact on the operating budget since this involves replacement of existing inefficient infrastructure.



SS-33: FY 2014/15 SEWER REPLACEMENT PROGRAM

Project No.
5205

Status:
2014/15 Allocation - $500,000

Estimated Project Cost:
$2,500,000

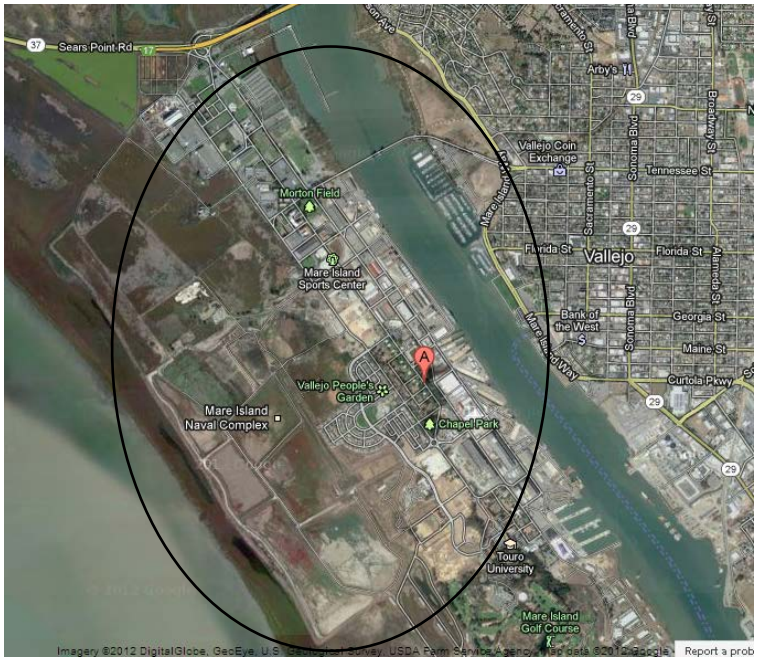
Project Limits:
TBD

Funding Sources:
Eligible Funding Source: Sewer Operations Fund
Identified Funding Source: $500,000 Sewer Operations Fund

Project Description:

Project will replace sewer lines that are maintenance problems. Project could include E. 8th St, West Blvd, W. 10th St, Black Diamond St, W. 11th St, Cutter St, W. 12th St, and W. 13th St

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



Island Energy Natural Gas Distribution System

PP-1: Convert Island Energy Natural Gas Distribution System to One Pressure – 50 psi.

Project No.
5803

Status:
Previous Allocation - $150,000
2014/15 Allocation - $40,000

Estimated Project Cost:
$190,000

Project Limits:
Mare Island

Funding Sources:
System Upgrade loan from PPC with additional funding from IE reinvestment project fund if needed.

Project Description:

Convert Island Energy natural gas distribution system to 50 psi pressure. PG&E connection and 10” main will be reduced from 100 psi to 50 psi. Lateral distribution lines will be increased from 30 psi to 50 psi. Three regulator stations will be removed, one of which will be replaced with a pressure release valve.

Impact on Island Energy Operating Budget:

Minimal savings in the future are anticipated due to a simpler system that will be less expensive to maintain.

PP-5: RA Switch Removal & Replacement (Phase 1)

Project No.
5804

Status:
Previous Allocation - $125,000
2014/15 Allocation - $50,000

Estimated Project Cost:
$175,000

Project Limits:
South End Mare Island

Operation and Maintenance
Project is expected to reduce O&M costs.

Funding Sources
Island Energy reserves $175,000

Project Description:

Remove all south island RA switches, replace some switches, add an extra PME switch at Army to isolate Army and Touro, remove all facilities from building at end of Coast Guard radar pier and add equipment to support radar within radar station. Majority of project will be carried out internally.

Impact on Island Energy Operating Budget:

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

➢ 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 2014/15 fiscal year budget:

Description	Funding Source (Fund)	Total Allocation	Justification
Police Dept Technology Upgrade	General Fund	300,000	Police Dept Server and Data Warehouse upgrades to meet increased technology services which require an extensive amount of server storage and capacity
Plotter/Copier Replacement	General Fund	21,000	Plotter/Copier to replace current plotter in Engineering. Copier maintenance will be reduced to offset this expense.
Equipment for Public Broadcast	Public, Education & Government	30.000	To allow ability to broadcast public, educational and government programs and activities on local programming
Water Treatment Plant Equipment Replacement	Water Operating	60,000	Lab Equipment Replacement, Replacement Pumps, Motors needed for Water Treatment Plant Operations
Closed Circuit Television (CCTV)/ Inspection Equipment	Sewer Operating	25,000	Emergency Response Equipment
Ford F350 or F450 4WD Truck with Utility Panels and Boom Lift Bucket	Island Energy	100,000	New utility truck to replace one utility truck and one bucket truck which are at the end of their life cycle and in constant need of repair. Bucket truck needed to maintain utility poles.
Desktop Replacements	Information & Communication Services	70,000	50 replacement desktops @ $1,400 each
Enhancement of Storage system for the City Servers	Information & Communication Services	30,000	Enhance capacity of centralized SAN storage to meet the growing data storage needs of the City – new storage system will have an additional 10 TB Capacity
Server Upgrades	Information & Communication Services	10,000	Upgrade the City's Operating System to Windows 2012 for two main City servers
Police Vehicles	Fleet Maintenance	256,000	Police Vehicles for Patrol, Investigation, Pursuit Liabilities
Marina Truck	Fleet Maintenance	40,000	Replacement Trucks (2) for City's Marina
Water Plant Truck	Fleet Maintenance	20,000	Replacement Vehicle for Water Plant Facility
Landscape Truck	Fleet Maintenance	20,000	Replacement Vehicle for City Landscape/Trees
Mower	Fleet Maintenance	25,000	Replacement Mower for Environmental Center
Flatbed Truck	Fleet Maintenance	27,000	Replacement Vehicle Environmental Center
Pick-Up Truck	Fleet Maintenance	22,000	Pick-Up Truck Replacement Environmental Center
Air Compressor	Fleet Maintenance	15,000	Public Works - Streets
Hybrid Van	Fleet Maintenance	35,000	Will also be used as part-time motor pool vehicle
Dump Truck Lift Gates	Fleet Maintenance	15,000	For Street Repair Vehicles
Backhoe Buckets/Attachment	Fleet Maintenance	25,000	For Water Line/Sewers/Streets
Totals		**$1,146,000**	

➢ 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 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 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 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.

City Council Adopted Financial Policies

The following is a list and brief description of policies that have been adopted by the City Council through separate resolutions. Each of these policies is included in the Appendix of the FY 2014-15 budget.

Debt Policy

Provides guidelines for issuing and managing the City's debt including selecting the financing team, types of debt the City can issue, and on-going debt administration.

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.

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's Treasurer and City Manager.

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.

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➢ DEBT SERVICE - OVERVIEW

The City and its related entities have combined outstanding principal of $495.5 million including pension obligation bonds, Assessment District bonds, water and sewer revenues bonds, 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 $66.2 million. The City has no bonded indebtedness subject to the legal debt limit.

Debt per Capita

Total debt per capita including RDA bonds, Assessment District Bonds, Water and Sewer revenue bonds, and pension obligation bonds is $7,546 and represents 13% of total personal income.

Debt Policy

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

➢DEBT SERVICE - REVENUE SOURCES

CITY					
- Pension Obligation	**Series**	**Allocated Charges**	**Interest Earnings**		**FY 14-15**
Taxable Pension Funding Bond	2006	$ 2,772,333.80	$ 500.00	$	2,772,833.80
CCCERA Triennial Experience Update	2006	1,306,656.00	-		1,306,656.00
		4,078,989.80	500.00		4,079,489.80
- Assessment District Bonds		**Assessment Collection**			
2011 Reassessment Revenue Refunding Bonds A & B	2011-1	1,733,355.00	24,900.00		1,758,255.00
Century Plaza - AutoMall	2001-03	325,955.25	2,150.00		328,105.25
Community Facilities District - Vista Del Mar	2005-2	787,896.46	14,100.00		801,996.46
Total Assessment Districts:		2,847,206.71	41,150.00		2,888,356.71
- Revenue Bonds - Enterprise Funds		**Sewer/Water Revenues**			
Waste Water Revenue Refunding	2004	918,540.00	8,000.00		926,540.00
Water Revenue Refunding	2008	2,589,766.00	38,000.00		2,627,766.00
Total Revenue Bonds:		3,508,306.00	46,000.00		3,554,306.00
TOTAL CITY DEBT SERVICES:		**10,434,502.51**	**87,650.00**		**10,522,152.51**

REDEVELOPMENT AGENCY	Series	Tax Increment	Interest Earnings	FY 14-15
Tax Allocation Bonds (Refunded by 2006C RDA)	1993B	4,500.00	-	4,500.00
Tax Allocation Bonds (Refunded by 2004A RDA)	1996	-	-	-
Tax Allocation Bonds	1999	1,077,528.00	860.00	1,078,388.00
Tax Allocation Refunding Bonds	2002A	5,090,613.00	30,000.00	5,120,613.00
Tax Allocation Bonds	2003A	6,473,300.00	22,000.00	6,495,300.00
Subordinate Tax Allocation Bonds	2004A	11,008,341.00	340,000.00	11,348,341.00
Subordinate Tax Allocation Bonds	2004B	-		-
Subordinate Tax Allocation Bonds	2006B	5,005,164.00	110,000.00	5,115,164.00
Subordinate Tax Allocation Bonds	2006C	2,050,933.00	75,180.00	2,126,113.00
Subordinate Tax Allocation Bonds	2008A	3,909,925.00	30,000.00	3,939,925.00
Housing Set Aside Tax Allocation Bonds	2004A	1,223,543.00	12,000.00	1,235,543.00
Housing Set Aside Tax Allocation Bonds	2006A	700,071.00	21,080.00	721,151.00
TOTAL RDA DEBT SERVICES:		**36,543,918.00**	**641,120.00**	**37,185,038.00**
GRAND TOTAL CITY and RDA DEBT SERVICES:		**$ 46,978,420.51**	**$ 728,770.00**	**$ 47,707,190.51**

➢ DEBT SERVICE - EXPENDITURE REQUIREMENTS

CITY	Series	Principal	Interest	Other Costs	FY 14-15	Outstanding Principal as of July 1, 2014
- Pension Obligation Bond						
Taxable Pension Funding Bond	2006	$ 1,264,947.80	$ 1,502,886.00	$ 5,000.00	$ 2,772,833.80	$ 37,901,055.85
CCCERA Triennial Experience Update	2006	492,825.11	813,830.59	-	1,306,655.70	11,312,353.00
		1,757,772.91	2,316,716.59	5,000.00	4,079,489.50	49,213,408.85
- Assessment District Bonds						
2011 Reassessment Revenue Refunding Bonds A & B	2011-1	1,020,000.00	662,669.00	75,586.00	1,758,255.00	15,910,000.00
Century Plaza - AutoMall	2001-03	110,000.00	201,133.76	16,971.49	328,105.25	3,540,000.00
Community Facilities District - Vista Del Mar	2005-2	285,000.00	503,697.50	13,298.96	801,996.46	10,365,000.00
Total Assessment Districts:		1,415,000.00	1,367,500.26	105,856.45	2,888,356.71	29,815,000.00
- Revenue Bonds (Enterprise Funds)						
Waste Water Revenue Refunding	2004	670,000.00	249,040.00	7,500.00	926,540.00	6,160,000.00
Water Revenue Refunding	2008	1,035,000.00	34,030.00	1,558,736.00	2,627,766.00	32,610,000.00
Total Revenue Bonds:		1,705,000.00	283,070.00	1,566,236.00	3,554,306.00	38,770,000.00
TOTAL CITY DEBT SERVICES:		**4,877,772.91**	**3,967,286.85**	**1,677,092.45**	**10,522,152.21**	**117,798,408.85**

REDEVELOPMENT AGENCY	Series	Principal	Interest	Other Costs	FY 14-15	Outstanding Principal as of July 1, 2014
Tax Allocation Bonds (Refunded by 2006C RDA)	1993B	-	-	4,500.00	4,500.00	-
Tax Allocation Bonds (Refunded by 2004A RDA)	1996	-	-	-	-	-
Tax Allocation Bonds	1999	740,000.00	331,478.00	6,910.00	1,078,388.00	26,506,353.90
Tax Allocation Refunding Bonds	2002A	4,730,000.00	385,613.00	5,000.00	5,120,613.00	9,710,000.00
Tax Allocation Bonds	2003A	3,060,000.00	3,428,800.00	6,500.00	6,495,300.00	71,175,000.00
Subordinate Tax Allocation Bonds	2004A	4,170,000.00	548,475.00	6,629,866.00	11,348,341.00	109,695,000.00
Subordinate Tax Allocation Bonds	2004B	-	-	-	-	-
Subordinate Tax Allocation Bonds	2006B	3,655,000.00	1,457,664.00	2,500.00	5,115,164.00	29,965,000.00
Subordinate Tax Allocation Bonds	2006C	170,000.00	1,950,733.00	5,380.00	2,126,113.00	45,225,000.00
Subordinate Tax Allocation Bonds	2008A	15,000.00	3,912,925.00	12,000.00	3,939,925.00	60,510,856.25
Housing Set Aside Tax Allocation Bonds	2004A	395,000.00	834,543.00	6,000.00	1,235,543.00	15,390,000.00
Housing Set Aside Tax Allocation Bonds	2006A	220,000.00	499,171.00	1,980.00	721,151.00	9,550,000.00
TOTAL RDA DEBT SERVICES:		**17,155,000.00**	**13,349,402.00**	**6,680,636.00**	**37,185,038.00**	**377,727,210.15**
GRAND TOTAL CITY and RDA DEBT SERVICES:		**$ 22,032,772.91**	**$ 17,316,688.85**	**$ 8,357,728.45**	**$ 47,707,190.21**	**$ 495,525,619.00**

➢ DEBT SERVICE REQUIREMENTS

Taxable Pension Funding Bonds
(Issued in 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, 2014)	$ 37,901,055.85
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.
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 2013-14	FY 2014-15	FY 2013-2015
REVENUE SOURCES			
Allocated Charges	$ 2,044,713.16	$ 2,772,333.80	$ 4,817,046.96
Interest Earnings	3,500.00	500.00	4,000.00
	-	-	-
TOTAL:	**$ 2,048,213.16**	**$ 2,772,833.80**	**$ 4,821,046.96**
EXPENDITURES			
Fiscal Paying Agent Fees	$ 5,900.00	$ 5,000.00	$ 10,900.00
Professional Administrative Fees	-	-	-
Principal Reduction	450,000.00	530,000.00	980,000.00
Interest Expense	1,531,228.00	1,502,886.00	3,034,114.00
Pre-funded Principal	61,086.00	734,947.80	61,086.00
TOTAL:	**$ 2,048,214.00**	**$ 2,772,833.80**	**$ 4,086,100.00**

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 - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2015	530,000.00	1,502,885.56	2,032,885.56
2016	1,280,275.40	1,479,171.16	2,759,446.56
2017	1,272,394.70	1,461,240.76	2,733,635.46
2018	1,269,003.50	1,440,995.36	2,709,998.86
2019	1,271,822.50	1,418,272.36	2,690,094.86
2020	1,280,580.35	1,392,910.56	2,673,490.91
2021	1,291,856.95	1,364,763.36	2,656,620.31
2022	1,310,577.00	1,333,684.16	2,644,261.16
2023	1,357,230.10	1,299,389.11	2,656,619.21
2024	1,385,374.00	1,261,571.51	2,646,945.51
2025	1,419,515.65	1,220,060.78	2,639,576.43
2026	1,456,284.80	1,174,709.20	2,630,994.00
2027	1,188,856.15	1,134,528.00	2,323,384.15
2028	1,212,219.45	1,099,960.35	2,312,179.80
2029	1,237,636.50	1,062,438.20	2,300,074.70
2030	1,270,133.20	1,021,813.83	2,291,947.03
2031	1,308,271.60	977,791.78	2,286,063.38
2032	1,749,024.00	915,008.65	2,664,032.65
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	235,178.20	4,070,178.20
2036	4,125,000.00	243,746.26	4,368,746.26
TOTAL	$ 37,901,055.85	$ 24,393,280.16	$ 62,294,336.01

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

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, 2014)	$ 11,312,353.00
DESCRIPTION:	An additional unfunded accrued pension liability with CCCERA as of December 31, 2012 was $11.3 million. The City amortized the $11.3 million payment over the remaining 14 years with an interest rate of 7.25% per annum, resulting in 14 annual payments of $1,306,656. The next triennial update shall be completed by December 31, 2016.
DUE and PAYABLE ON:	December 31
PAYMENT ENTITY:	Contra Costa County Employees' Retirement Association

DEBT SERVICE REQUIREMENTS

	FY 2013-14	FY 2014-15	FY 2013-2015
REVENUE SOURCES			
Allocated Charges	$ 508,137	$ 1,306,656	$ 1,814,793
Interest Fiscal Agent	$ -	$ -	$ -
	$ 508,137	**$ 1,306,656**	**$ 1,814,793**
EXPENDITURES			
Principal Reduction	$ 253,119	$ 492,825	$ 745,944
Interest Expense	$ 255,018	$ 813,831	$ 1,068,849
TOTAL:	**$ 508,137**	**$ 1,306,656**	**$ 1,814,793**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

CCCERA
(Issued in 2008)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2015	492,825	813,831	1,306,656
2016	528,555	778,101	1,306,656
2017	566,875	739,781	1,306,656
2018	607,974	698,682	1,306,656
2019	652,052	654,604	1,306,656
2020	699,325	607,330	1,306,656
2021	750,027	556,629	1,306,656
2022	804,403	502,252	1,306,656
2023	862,723	443,933	1,306,656
2024	925,270	381,386	1,306,656
2025	992,352	314,304	1,306,656
2026	1,064,298	242,358	1,306,656
2027	1,141,459	165,196	1,306,656
2028	1,224,215	82,441	1,306,656
			-
TOTAL	$ 11,312,353	$ 6,980,827	$ 18,293,180

➢ 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, 2014)	$ 15,910,000.00
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 2013-14	FY 2014-15	FY 2013-2015
REVENUE SOURCES			
Assessment Collection	$ 1,673,797.76	$ 1,733,355.00	$ 3,407,152.76
Interest Earnings	24,250.00	24,900.00	49,150.00
TOTAL:	**$ 1,698,047.76**	**$ 1,758,255.00**	**$ 3,456,302.76**
EXPENDITURES			
Fiscal Paying Agent Fees	$ 3,600.00	$ 3,960.00	$ 7,560.00
Professional Administrative Fees	25,000.00	47,436.00	72,436.00
County Admin. Fees	-	-	-
Cost of Bond Issuance	-	-	
City Admin. Fees	1,054.00	24,190.00	25,244.00
Principal Reduction	980,000.00	1,020,000.00	2,000,000.00
Interest Expense	688,393.76	662,669.00	1,351,062.76
TOTAL:	**$ 1,698,047.76**	**$ 1,758,255.00**	**$ 3,456,302.76**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2015	1,020,000.00	662,668.76	1,682,668.76
2016	1,055,000.00	631,543.76	1,686,543.76
2017	1,080,000.00	599,265.63	1,679,265.63
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	$ 15,910,000.00	$ 5,833,065.68	$21,743,065.68

➢ 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, 2014)	$ 3,540,000.00
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 2013-14	FY 2014-15	FY 2013-2015
REVENUE SOURCES			
Assessment Collection	$ 318,848.00	$ 325,955.25	$ 644,803.25
Interest Earnings	2,150.00	2,150.00	4,300.00
TOTAL:	**$ 320,998.00**	**$ 328,105.25**	**$ 649,103.25**
EXPENDITURES			
Fiscal Paying Agent Fees	$ -	$ -	$ -
Professional Administrative Fees	8,000.00	12,242.49	20,242.49
County Admin. Fees	300.00	300.00	600.00
City Admin. Fees	1,054.00	4,429.00	5,483.00
Principal Reduction	105,000.00	110,000.00	215,000.00
Interest Expense	206,644.00	201,133.76	407,777.76
TOTAL:	**$ 320,998.00**	**$ 328,105.25**	**$ 649,103.25**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2001-03 CENTURY PLAZA AUTO MALL PHASE I ASSESSMENT DISTRICT BONDS

(Issued in 2002)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2015	110,000.00	201,133.76	311,133.76
2016	115,000.00	195,253.76	310,253.76
2017	120,000.00	188,966.26	308,966.26
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	$ 3,540,000.00	$ 2,301,693.29	$ 5,841,693.29

➢ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	**CITY OF PITTSBURG** **Vista Del Mar CFD Special Tax Bonds 2005-02**
DATE OF ISSUES:	November 3, 2005
AMOUNT OF ISSUE:	$ 12,115,000.00
AMOUNT OUTSTANDING: (June 30, 2014)	$ 10,365,000.00
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.
PAYMENT DATES:	September 1 and March 1
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2013-14	FY 2014-15	FY 2013-2015
REVENUE SOURCES			
Assessment Collection	$ 787,300.00	$ 787,896.46	$ 1,575,196.46
Interest Earnings	14,000.00	14,100.00	28,100.00
TOTAL:	**$ 801,300.00**	**$ 801,996.46**	**$ 1,603,296.46**
EXPENDITURES			
Fiscal Paying Agent Fees	$ -	$ -	$ -
Professional Administrative Fees	10,000.00	12,598.96	22,598.96
County Admin. Fees	700.00	700.00	1,400.00
Principal Reduction	275,000.00	285,000.00	560,000.00
Interest Expense	515,600.00	503,697.50	1,019,297.50
TOTAL:	**$ 801,300.00**	**$ 801,996.46**	**$ 1,603,296.46**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2015	285,000.00	503,697.50	788,697.50
2016	300,000.00	490,970.00	790,970.00
2017	310,000.00	477,395.00	787,395.00
2018	320,000.00	463,020.00	783,020.00
2019	335,000.00	447,747.50	782,747.50
2020	350,000.00	431,562.50	781,562.50
2021	365,000.00	414,125.00	779,125.00
2022	385,000.00	395,375.00	780,375.00
2023	400,000.00	375,750.00	775,750.00
2024	420,000.00	355,250.00	775,250.00
2025	440,000.00	333,750.00	773,750.00
2026	460,000.00	311,250.00	771,250.00
2027	485,000.00	287,625.00	772,625.00
2028	505,000.00	262,875.00	767,875.00
2029	530,000.00	237,000.00	767,000.00
2030	555,000.00	209,875.00	764,875.00
2031	580,000.00	181,500.00	761,500.00
2032	610,000.00	151,750.00	761,750.00
2033	635,000.00	120,625.00	755,625.00
2034	665,000.00	88,125.00	753,125.00
2035	700,000.00	54,000.00	754,000.00
2036	730,000.00	18,250.00	748,250.00
TOTAL	$ 10,365,000.00	$ 6,611,517.50	$ 16,976,517.50

➢ DEBT SERVICE REQUIREMENTS

2004 WASTE WATER REVENUE REFUNDING BONDS
(Issued in 2004)

BOND ISSUES:	**CITY OF PITTSBURG** **Waste Water Revenue Refunding Bonds 2004**
DATE OF ISSUES:	March 1, 2004
AMOUNT OF ISSUE:	$ 11,950,000.00
AMOUNT OUTSTANDING: (June 30, 2014)	$ 6,160,000.00
DESCRIPTION:	The Bonds were issued by the City of Pittsburg Public Financing Authority to refund all of the Waste Water Revenue Refunding Bonds Series 1994 outstanding principal of $11,545,000, to fund a reserve account, and to pay costs of bonds issuance incurred in connection with issuance, sale and delivery of the 2004 Bonds.
PAYMENT DATES:	June 1 and December 1.
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2013-14	FY 2014-15	FY 2013-2015
REVENUE SOURCES			
Sewer Charge Revenues	$ 912,390.00	$ 918,540.00	$ 1,830,930.00
Interest Earnings	8,000.00	8,000.00	16,000.00
TOTAL:	**$ 920,390.00**	**$ 926,540.00**	**$ 1,846,930.00**
EXPENDITURES			
Professional Administrative Fees	$ 8,950.00	$ 7,500.00	$ 16,450.00
Principal Reduction	640,000.00	670,000.00	1,310,000.00
Interest Expense	271,440.00	249,040.00	520,480.00
TOTAL:	**$ 920,390.00**	**$ 926,540.00**	**$ 1,846,930.00**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2004 WASTE WATER REVENUE REFUNDING BONDS
(Issued in 2004)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2015	670,000.00	249,040.00	919,040.00
2016	695,000.00	224,585.00	919,585.00
2017	725,000.00	198,175.00	923,175.00
2018	750,000.00	169,900.00	919,900.00
2019	780,000.00	139,525.00	919,525.00
2020	810,000.00	107,545.00	917,545.00
2021	845,000.00	73,525.00	918,525.00
2022	885,000.00	37,612.50	922,612.50
TOTAL	$ 6,160,000.00	$ 1,199,907.50	$7,359,907.50

➢ 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, 2014)	$ 32,610,000.00
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.
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 2013-14	FY 2014-15	FY 2013-2015
REVENUE SOURCES			
Water Charge Revenues	$ 2,620,441.00	$ 2,589,766.00	$ 5,210,207.00
Interest Earnings	40,000.00	38,000.00	78,000.00
TOTAL:	**$ 2,660,441.00**	**$ 2,627,766.00**	**$ 5,288,207.00**
EXPENDITURES			
Professional Administrative Fees	$ 50,000.00	$ 50,000.00	100,000.00
Arbitrage Rebate Liability	3,000.00	3,000.00	6,000.00
Letter of Credit Fees	365,000.00	367,014.00	732,014.00
Swap Fees	1,085,000.00	1,138,722.00	2,223,722.00
Principal Reduction	1,010,000.00	1,035,000.00	2,045,000.00
Interest Expense (1)	147,441.00	34,030.00	181,471.00
TOTAL:	**$ 2,660,441.00**	**$ 2,627,766.00**	**$ 5,288,207.00**

(1) Variable interest rates.

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2008 WATER REVENUE REFUNDING BONDS
(Issued in 2008)

FISCAL YEAR	PRINCIPAL	INTEREST*	LOC & Remarketing FEES	TOTAL
				-
2015	1,035,000	1,172,751.52	367,013.15	2,574,764.67
2016	1,090,000	1,134,433.38	356,244.83	2,580,678.21
2017	1,140,000	1,094,169.70	343,083.19	2,577,252.89
2018	1,165,000	1,055,146.37	330,247.97	2,550,394.34
2019	1,215,000	1,013,148.47	317,129.36	2,545,277.83
2020	1,265,000	986,390.62	304,205.62	2,555,596.24
2021	1,315,000	921,337.92	289,203.49	2,525,541.41
2022	1,365,000	875,587.66	274,396.28	2,514,983.94
2023	1,415,000	826,389.39	259,026.21	2,500,415.60
2024	1,465,000	774,857.21	243,700.43	2,483,557.64
2025	1,515,000	734,342.31	226,597.49	2,475,939.80
2026	1,565,000	667,109.00	209,538.83	2,441,647.83
2027	1,615,000	610,710.79	191,917.32	2,417,628.11
2028	1,690,000	552,136.71	174,164.98	2,416,301.69
2029	1,740,000	490,833.14	154,702.29	2,385,535.43
2030	1,815,000	429,017.72	135,108.77	2,379,126.49
2031	1,890,000	369,362.67	114,670.95	2,374,033.62
2032	1,965,000	294,059.84	93,622.37	2,352,682.21
2033	2,040,000	223,069.47	71,262.46	2,334,331.93
2034	2,115,000	149,962.42	48,291.77	2,313,254.19
2035	2,190,000	73,746.00	24,476.80	2,288,222.80
	-	-	-	-
TOTAL	32,610,000	$ 14,448,562.31	$ 4,528,604.56	$ 51,587,166.87

**** Variable interest rates & SWAP Fees***

➢ DEBT SERVICE REQUIREMENTS

1993B (RDA) TAX ALLOCATION BONDS
(Issued in 1993) *Refunded by 2006C (RDA)

BOND ISSUES:	**REDEVELOPMENT AGENCY** **Tax Allocation Bonds Series 1993B**
DATE OF ISSUES:	November 16, 1993
AMOUNT OF ISSUE:	$ 40,000,000.00
AMOUNT OUTSTANDING: (June 30, 2011)	$ -
DESCRIPTION:	The proceeds of the 1993B TABs were used to provide money for certain capital improvements located within the Los Medanos Community Development Project Area of the Agency, to fund a Reserve Account, and to pay costs of bonds issuance. This bond issue was refunded by 2006C (RDA).
PAYMENT DATES:	N/A
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2013-14	FY 2014-15	FY 2013-2015
REVENUE SOURCES			
Tax Increment	$ -	$ 4,500.00	$ 4,500.00
TOTAL:	**$ -**	**$ 4,500.00**	**$ 4,500.00**
EXPENDITURES			
Professional Administrative Fees	4,700.00	4,500.00	$ 9,200.00
TOTAL:	**$ 4,700.00**	**$ 4,500.00**	**$ 9,200.00**

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➢ 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, 2014)	$ 26,506,353.90
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.
PAYMENT DATES:	August 1 and February 1
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2013-14	FY 2014-15	FY 2013-2015
REVENUE SOURCES			
Tax Increment	$ 1,066,310.00	$ 1,077,528.00	$ 2,143,838.00
Interest Earnings	6,500.00	860.00	7,360.00
TOTAL:	**$ 1,072,810.00**	**$ 1,078,388.00**	**$ 2,151,198.00**
EXPENDITURES			
Professional Administrative Fees	$ 6,500.00	$ 6,910.00	$ 13,410.00
Principal Reduction	695,000.00	740,000.00	1,435,000.00
Interest Expense	371,310.00	331,478.00	702,788.00
TOTAL:	**$ 1,072,810.00**	**$ 1,078,388.00**	**$ 2,151,198.00**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2015	740,000.00	331,477.50	1,071,477.50
2016	790,000.00	288,242.50	1,078,242.50
2017	1,440,000.00	224,327.50	1,664,327.50
2018	1,525,000.00	138,702.50	1,663,702.50
2019	1,615,000.00	1,834,237.25	3,449,237.25
2020	1,576,000.00	3,619,935.00	5,195,935.00
2021	1,484,127.00	3,716,471.75	5,200,598.75
2022	1,382,929.50	5,154,622.13	6,537,551.63
2023	2,212,826.25	6,605,318.13	8,818,144.38
2024	2,081,537.50	6,731,565.23	8,813,102.73
2025	1,960,332.05	6,863,701.13	8,824,033.18
2026	1,822,265.70	6,984,698.40	8,806,964.10
2027	1,713,337.50	7,248,531.03	8,961,868.53
2028	1,684,600.45	7,510,285.53	9,194,885.98
2029	1,584,828.50	7,607,131.08	9,191,959.58
2030	1,490,909.35	7,698,215.28	9,189,124.63
2031	1,402,660.10	3,871,169.95	5,273,830.05
TOTAL	$ 26,506,353.90	$ 76,428,631.85	$ 102,934,985.75

➢ DEBT SERVICE REQUIREMENTS

2002A (RDA) TAX ALLOCATION REFUNDING BONDS (Issued in 2002)

BOND ISSUES:	**REDEVELOPMENT AGENCY** **Tax Allocation Refunding Bonds, Series 2002A**
DATE OF ISSUES:	March 12, 2002
AMOUNT OF ISSUE:	$ 59,970,000.00
AMOUNT OUTSTANDING: (June 30, 2014)	$ 9,710,000.00
DESCRIPTION:	The proceeds of the TABs 2002A were used to refund all the Tax Allocation Refunding Bonds Series 1992s for the outstanding amount of $58,460,000 and to pay all the bonds issuance costs.
PAYMENT DATES:	August 1 and February 1
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2013-14	FY 2014-15	FY 2013-2015
REVENUE SOURCES			
Tax Increment	$ 5,122,768.75	$ 5,090,613.00	$ 10,213,381.75
Interest Earnings	6,000.00	30,000.00	36,000.00
TOTAL:	**$ 5,128,768.75**	**$ 5,120,613.00**	**$ 10,249,381.75**
EXPENDITURES			
Professional Administrative Fees	$ 6,000.00	$ 5,000.00	$ 11,000.00
Principal Reduction	4,495,000.00	4,730,000.00	9,225,000.00
Interest Expense	627,768.75	385,613.00	1,013,381.75
TOTAL:	**$ 5,128,768.75**	**$ 5,120,613.00**	**$ 10,249,381.75**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2002A (RDA) TAX ALLOCATION REFUNDING BONDS
(Issued in 2002)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2015	4,730,000.00	385,612.50	5,115,612.50
2016	4,980,000.00	130,725.00	5,110,725.00
TOTAL	$ 9,710,000.00	$ 516,337.50	$ 10,226,337.50

➢ DEBT SERVICE REQUIREMENTS

2003A (RDA) TAX ALLOCATION BONDS
(Issued in 2003)

BOND ISSUES:	**REDEVELOPMENT AGENCY** **Tax Allocation Bonds Series 2003A**
DATE OF ISSUES:	May 21, 2003
AMOUNT OF ISSUE:	$ 88,375,000.00
AMOUNT OUTSTANDING: (June 30, 2014)	$ 71,175,000.00
DESCRIPTION:	The proceeds of the 2003A TABs were used to refund all of the outstanding Series 1993A TARBs, to fund a Reserve Account, capitalized interest on a portion of the Series 2003A bonds, and to pay costs of bonds issuance. A portion of the bonds in the amount of $4,365,000 were refunded by 2008A.
PAYMENT DATES:	August 1 and February 1
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2013-14	FY 2014-15	FY 2013-2015
REVENUE SOURCES			
Tax Increment	$ 6,498,300.00	$ 6,473,300.00	$ 12,971,600.00
Interest Earnings	8,000.00	22,000.00	30,000.00
TOTAL:	**$ 6,506,300.00**	**$ 6,495,300.00**	**$ 13,001,600.00**
EXPENDITURES			
Fiscal Paying Agent Fees	$ -	$ -	$ -
Professional Administrative Fees	8,000.00	6,500.00	14,500.00
Principal Reduction	2,920,000.00	3,060,000.00	5,980,000.00
Interest Expense	3,578,300.00	3,428,800.00	7,007,100.00
TOTAL:	**$ 6,506,300.00**	**$ 6,495,300.00**	**$ 13,001,600.00**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2003A (RDA) TAX ALLOCATION BONDS
(Issued in 2003)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2015	3,060,000.00	3,428,800.00	6,488,800.00
2016	3,200,000.00	3,272,300.00	6,472,300.00
2017	7,995,000.00	2,992,425.00	10,987,425.00
2018	8,395,000.00	2,582,675.00	10,977,675.00
2019	8,815,000.00	2,152,425.00	10,967,425.00
2020	5,815,000.00	1,786,675.00	7,601,675.00
2021	6,105,000.00	1,488,675.00	7,593,675.00
2022	6,410,000.00	1,175,800.00	7,585,800.00
2023	3,125,000.00	941,331.25	4,066,331.25
2024	2,415,000.00	809,756.25	3,224,756.25
2025	2,525,000.00	692,431.25	3,217,431.25
2026	2,645,000.00	569,643.75	3,214,643.75
2027	2,775,000.00	440,918.75	3,215,918.75
2028	2,510,000.00	315,400.00	2,825,400.00
2029	2,630,000.00	193,325.00	2,823,325.00
2030	2,755,000.00	65,431.25	2,820,431.25
TOTAL	$ 71,175,000.00	$ 22,908,012.50	$ 94,083,012.50

➢ DEBT SERVICE REQUIREMENTS

2004A (RDA) SUBORDINATE TAX ALLOCATION BONDS
(Issued in 2004)

BOND ISSUES:	**REDEVELOPMENT AGENCY** **Subordinate Tax Allocation Bonds, Series 2004A**
DATE OF ISSUES:	December 29, 2004
AMOUNT OF ISSUE:	$ 117,615,000.00
AMOUNT OUTSTANDING: (June 30, 2014)	$ 109,695,000.00
DESCRIPTION:	The STABs 2004A are subordinate to four prior issues of the Agency bonds (Series 1992, 1993A, 1993B and 1996). The bond proceeds were used to refund, on an advance basis, a portion of the outstanding STABs 1996, to fund redevelopment activities, to fund capitalized interest on a portion of the STABs 2004A through September 1, 2007, to make a deposit to debt service reserve account and to pay the costs of bonds issuance.
PAYMENT DATES:	* Monthly interest payment, with the first principal due on September 1, 2012.
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2013-14	FY 2014-15	FY 2013-2015
REVENUE SOURCES			
Tax Increment	$ 10,066,100.00	$ 11,008,341.00	$ 21,074,441.00
Interest Earnings	570,000.00	340,000.00	910,000.00
TOTAL:	**$ 10,636,100.00**	**$ 11,348,341.00**	**$ 21,984,441.00**
EXPENDITURES			
Fiscal Paying Agent Fees	$ -	$ -	$ -
Professional Administrative Fees	70,000.00	78,871.00	148,871.00
Swap Fee	3,467,475.00	3,344,601.00	6,812,076.00
Remarketing & Liquidity Fees	100,000.00	94,097.00	194,097.00
Letter of Credit Fees	2,400,000.00	3,112,297.00	5,512,297.00
Principal Expense	4,030,000.00	4,170,000.00	8,200,000.00
Interest Expense	568,625.00	548,475.00	1,117,100.00
TOTAL:	**$ 10,636,100.00**	**$ 11,348,341.00**	**$ 21,984,441.00**

** Variable interest rates*

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2004A (RDA) SUBORDINATE TAX ALLOCATION BONDS
(Issued in 2004)

FISCAL YEAR	PRINCIPAL	SWAP & INTEREST	REMARKETING & LOC FEES	TOTAL
	-			-
2015	4,170,000.00	3,893,076.00	3,206,394.00	11,269,470.00
2016	4,330,000.00	3,745,082.00	2,874,131.00	10,949,213.00
2017	4,495,000.00	3,591,411.00	2,189,349.00	10,275,760.00
2018	4,660,000.00	3,431,883.00	2,087,965.00	10,179,848.00
2019	4,835,000.00	3,266,500.00	1,988,750.00	10,090,250.00
2020	5,025,000.00	3,094,905.00	1,885,823.00	10,005,728.00
2021	5,160,000.00	2,916,568.00	1,783,513.00	9,860,081.00
2022	5,070,000.00	2,733,440.00	1,668,845.00	9,472,285.00
2023	5,270,000.00	2,553,506.00	1,559,909.00	9,383,415.00
2024	6,320,000.00	2,366,473.00	1,447,756.00	10,134,229.00
2025	4,840,000.00	2,142,176.00	1,319,641.00	8,301,817.00
2026	5,020,000.00	1,970,405.00	1,207,114.00	8,197,519.00
2027	5,215,000.00	1,792,245.00	1,100,242.00	8,107,487.00
2028	5,410,000.00	1,607,165.00	989,248.00	8,006,413.00
2029	5,605,000.00	1,415,164.00	876,325.00	7,896,489.00
2030	5,815,000.00	1,216,242.00	754,731.00	7,785,973.00
2031	8,915,000.00	1,009,868.00	630,939.00	10,555,807.00
2032	4,010,000.00	693,475.00	451,379.00	5,154,854.00
2033	4,170,000.00	551,160.00	348,304.00	5,069,464.00
2034	4,330,000.00	403,166.00	258,691.00	4,991,857.00
2035	4,490,000.00	249,495.00	166,527.00	4,906,022.00
2036	2,540,000.00	90,145.00	70,935.00	2,701,080.00
TOTAL	$ 109,695,000.00	$ 44,733,550.00	$ 28,866,511.00	$ 183,295,061.00

➢ DEBT SERVICE REQUIREMENTS

2006B (RDA) SUBORDINATE TAX ALLOCATION BONDS (Issued in 2006)

BOND ISSUES:	**REDEVELOPMENT AGENCY** **Subordinate Tax Allocation Bonds, Series 2006B (Taxable)**
DATE OF ISSUES:	December 14, 2006
AMOUNT OF ISSUE:	$ 36,840,000.00
AMOUNT OUTSTANDING: (June 30, 2014)	$ 29,965,000.00
DESCRIPTION:	The proceeds of the STABs 2006B were used to finance certain public capital improvements within the Project Area, to fund capitalized interest on the 2006 Series B Bonds through September 1, 2009, to make a deposit to a debt service reserve account and to pay the costs of issuance.
PAYMENT DATES:	September 1 and March 1, with the first principal due on September 1, 2011.
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2013-14	FY 2014-15	FY 2013-2015
REVENUE SOURCES			
Tax Increment	$ 5,034,497.13	$ 5,005,164.00	$ 10,039,661.13
Capitalized Interest	-	-	-
Interest Earnings	72,760.00	110,000.00	182,760.00
TOTAL:	**$ 5,107,257.13**	**$ 5,115,164.00**	**$ 10,222,421.13**
EXPENDITURES			
Professional Administrative Fees	$ 2,500.00	$ 2,500.00	$ 5,000.00
Principal Reduction	3,465,000.00	3,655,000.00	7,120,000.00
Interest Expense	1,639,757.13	1,457,664.00	3,097,421.13
TOTAL:	**$ 5,107,257.13**	**$ 5,115,164.00**	**$ 10,222,421.13**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2006B (RDA) SUBORDINATE TAX ALLOCATION BONDS
(Issued in 2006)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2015	3,655,000.00	1,457,663.13	5,112,663.13
2016	3,840,000.00	1,265,978.50	5,105,978.50
2017	4,040,000.00	1,064,447.50	5,104,447.50
2018	4,250,000.00	850,305.75	5,100,305.75
2019	4,475,000.00	622,801.38	5,097,801.38
2020	4,700,000.00	383,563.25	5,083,563.25
2021	5,005,000.00	130,505.38	5,135,505.38
2022			
TOTAL	$ 29,965,000.00	$ 5,775,264.88	$ 35,740,264.88

➢ DEBT SERVICE REQUIREMENTS

2006C (RDA) SUBORDINATE TAX ALLOCATION BONDS (Issued in 2006)

BOND ISSUES:	**REDEVELOPMENT AGENCY** **Subordinate Tax Allocation Refunding Bonds, Series 2006C**
DATE OF ISSUES:	December 14, 2006
AMOUNT OF ISSUE:	$ 46,660,000.00
AMOUNT OUTSTANDING: (June 30, 2014)	$ 45,225,000.00
DESCRIPTION:	The STABs 2006C were issued to refund, on an advance basis, the Agency's 1993B Bonds, to make a deposit to a debt service reserve account and to pay the costs of issuance.
PAYMENT DATES:	September 1 and March 1
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2013-14	FY 2014-15	FY 2013-2015
REVENUE SOURCES			
Tax Increment	$ 2,076,907.50	$ 2,050,933.00	$ 4,127,840.50
Interest Earnings	45,000.00	75,180.00	120,180.00
TOTAL:	**$ 2,121,907.50**	**$ 2,126,113.00**	**$ 4,248,020.50**
EXPENDITURES			
Professional Administrative Fees	$ 5,000.00	$ 5,380.00	$ 10,380.00
Principal Reduction	160,000.00	170,000.00	330,000.00
Interest Expense	1,956,907.50	1,950,733.00	3,907,640.50
TOTAL:	**$ 2,121,907.50**	**$ 2,126,113.00**	**$ 4,248,020.50**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2006C (RDA) SUBORDINATE TAX ALLOCATION BO
(Issued in 2006)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2015	170,000.00	1,950,732.50	2,120,732.50
2016	175,000.00	1,943,820.00	2,118,820.00
2017	180,000.00	1,935,832.50	2,115,832.50
2018	190,000.00	1,928,338.75	2,118,338.75
2019	195,000.00	1,921,238.75	2,116,238.75
2020	205,000.00	1,913,585.00	2,118,585.00
2021	210,000.00	1,905,387.50	2,115,387.50
2022	220,000.00	1,896,787.50	2,116,787.50
2023	230,000.00	1,887,787.50	2,117,787.50
2024	240,000.00	1,878,267.50	2,118,267.50
2025	250,000.00	1,868,191.25	2,118,191.25
2026	260,000.00	1,857,575.00	2,117,575.00
2027	270,000.00	1,846,445.00	2,116,445.00
2028	280,000.00	1,834,700.00	2,114,700.00
2029	295,000.00	1,822,225.00	2,117,225.00
2030	305,000.00	1,809,206.25	2,114,206.25
2031	320,000.00	1,795,643.75	2,115,643.75
2032	9,660,000.00	1,579,156.25	11,239,156.25
2033	10,080,000.00	1,150,956.25	11,230,956.25
2034	10,515,000.00	704,212.50	11,219,212.50
2035	10,975,000.00	238,062.50	11,213,062.50
TOTAL	$ 45,225,000.00	$ 35,668,151.25	$ 80,893,151.25

➢ DEBT SERVICE REQUIREMENTS

2008A (RDA) SUBORDINATE TAX ALLOCATION REFUNDING BONDS (Issued in 2008)

BOND ISSUES:	**REDEVELOPMENT AGENCY** **Subordinate Tax Allocation Refunding Bonds 2008 Series A**
DATE OF ISSUES:	November 6, 2008
AMOUNT OF ISSUE:	$ 61,660,856.25
AMOUNT OUTSTANDING: (June 30, 2014)	$ 60,510,856.25
DESCRIPTION:	The 2008 Series A Bonds were issued by the Agency to refund prior bonds including all outstanding 2006A bonds and a portion of 2003A bonds, to fund a reserve fund, to fund the termination payment for the swap entered into in connection with the Prior Bonds and to pay the costs of issuance incurred in connection with the issuance, sale and delivery of the 2008 Series A Bonds
PAYMENT DATES:	March 1 and September 1 of each year
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

DEBT SERVICE REQUIREMENTS

	FY 2013-14	FY 2014-15	FY 2013-2015
REVENUE SOURCES			
Tax Increment	$ 3,865,281.25	$ 3,909,925.00	$ 7,775,206.25
Interest Earnings	60,000.00	30,000.00	90,000.00
TOTAL:	**$ 3,925,281.25**	**$ 3,939,925.00**	**$ 7,865,206.25**
EXPENDITURES			
Professional Administrative Fees	12,000.00	12,000.00	24,000.00
Principal Reduction	-	15,000.00	15,000.00
Interest Expense	3,913,281.25	3,912,925.00	7,826,206.25
TOTAL:	**$ 3,925,281.25**	**$ 3,939,925.00**	**$ 7,865,206.25**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2008A (RDA) SUBORDINATE TAX ALLOCATION REFUNDING BONDS
(Issued in 2008)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2015	15,000.00	3,912,925.00	3,927,925.00
2016	40,000.00	3,911,568.75	3,951,568.75
2017	65,000.00	3,908,862.50	3,973,862.50
2018	90,000.00	3,904,681.25	3,994,681.25
2019	120,000.00	3,898,756.25	4,018,756.25
2020	150,000.00	3,890,806.25	4,040,806.25
2021	185,000.00	3,880,640.63	4,065,640.63
2022	5,775,000.00	3,687,287.50	9,462,287.50
2023	6,170,000.00	3,299,075.00	9,469,075.00
2024	6,335,000.00	2,892,662.50	9,227,662.50
2025	8,500,000.00	2,410,525.00	10,910,525.00
2026	9,085,000.00	1,839,012.50	10,924,012.50
2027	8,090,000.00	1,280,825.00	9,370,825.00
2028	8,650,000.00	736,775.00	9,386,775.00
2029	7,010,000.00	649,896.88	7,659,896.88
2030	230,856.25	422,071.88	652,928.13
TOTAL	$ 60,510,856.25	$ 44,526,371.88	$ 105,037,228.13

➢ DEBT SERVICE REQUIREMENTS

2004 A (RDA) HOUSING SET ASIDE TAX ALLOCATION BONDS (Issued in 2004)

BOND ISSUES:	**REDEVELOPMENT AGENCY - HOUSING SET ASIDE Tax Allocation Bonds, Series 2004A**
DATE OF ISSUES:	December 16, 2004
AMOUNT OF ISSUE:	$ 18,270,000.00
AMOUNT OUTSTANDING: (June 30, 2014)	$ 15,390,000.00
DESCRIPTION:	The proceeds of the Housing Set Aside TABs 2004A were issued to fund the low and moderate income housing projects within or of benefit to the RDA's development projects, 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 2013-14	FY 2014-15	FY 2013-2015
REVENUE SOURCES			
Tax Increment	$ 1,224,452.50	$ 1,223,543.00	$ 2,447,995.50
Interest Earnings	15,000.00	12,000.00	27,000.00
TOTAL:	**$ 1,239,452.50**	**$ 1,235,543.00**	**$ 2,474,995.50**
EXPENDITURES			
Professional Administrative Fee	$ 6,000.00	$ 6,000.00	$ 12,000.00
Principal Reduction	380,000.00	395,000.00	775,000.00
Interest Expense	853,452.50	834,543.00	1,687,995.50
TOTAL:	**$ 1,239,452.50**	**$ 1,235,543.00**	**$ 2,474,995.50**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

2004A (RDA) HOUSING SET ASIDE TAX ALLOCATION BONDS
(Issued in 2004)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2015	395,000.00	834,542.50	1,229,542.50
2016	415,000.00	814,218.25	1,229,218.25
2017	440,000.00	792,202.00	1,232,202.00
2018	460,000.00	769,027.00	1,229,027.00
2019	485,000.00	744,135.50	1,229,135.50
2020	510,000.00	717,370.00	1,227,370.00
2021	540,000.00	689,125.00	1,229,125.00
2022	565,000.00	659,287.50	1,224,287.50
2023	595,000.00	627,851.50	1,222,851.50
2024	630,000.00	594,654.00	1,224,654.00
2025	665,000.00	559,559.50	1,224,559.50
2026	700,000.00	522,218.00	1,222,218.00
2027	740,000.00	482,474.00	1,222,474.00
2028	780,000.00	440,522.00	1,220,522.00
2029	820,000.00	396,362.00	1,216,362.00
2030	870,000.00	349,283.00	1,219,283.00
2031	915,000.00	299,124.50	1,214,124.50
2032	970,000.00	246,156.00	1,216,156.00
2033	1,020,000.00	190,237.00	1,210,237.00
2034	1,080,000.00	131,227.00	1,211,227.00
2035	1,140,000.00	68,845.00	1,208,845.00
2036	655,000.00	18,405.50	673,405.50
TOTAL	$ 15,390,000.00	$ 10,946,826.75	$ 26,336,826.75

➢ 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, 2014)	$ 9,550,000.00
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 2013-14	FY 2014-15	FY 2013-2015
REVENUE SOURCES			
Tax Increment	$ 682,040.00	$ 700,071.00	$ 1,382,111.00
Interest Earnings	35,000.00	21,080.00	56,080.00
TOTAL:	**$ 717,040.00**	**$ 721,151.00**	**$ 1,438,191.00**
EXPENDITURES			
Professional Administrative Fees	$ 2,000.00	$ 1,980.00	$ 3,980.00
Principal Reduction	205,000.00	220,000.00	425,000.00
Interest Expense	510,040.00	499,171.00	1,009,211.00
TOTAL:	**$ 717,040.00**	**$ 721,151.00**	**$ 1,438,191.00**

➢ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2015	220,000.00	499,170.40	719,170.40
2016	230,000.00	487,661.65	717,661.65
2017	240,000.00	475,641.40	715,641.40
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	$ 9,550,000.00	$ 7,066,597.85	$ 16,616,597.85

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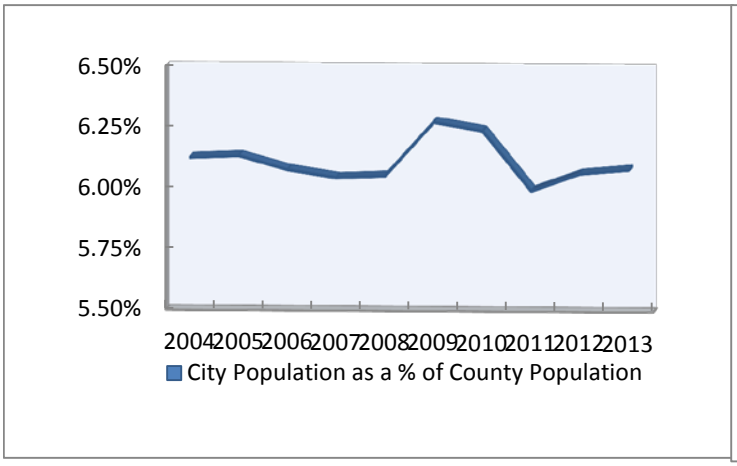
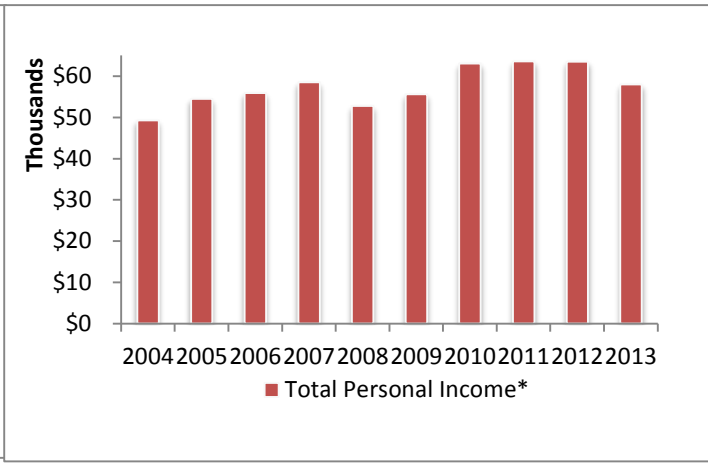
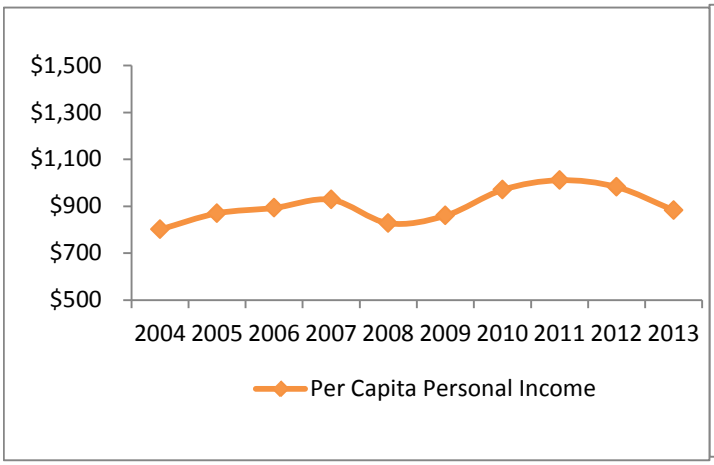
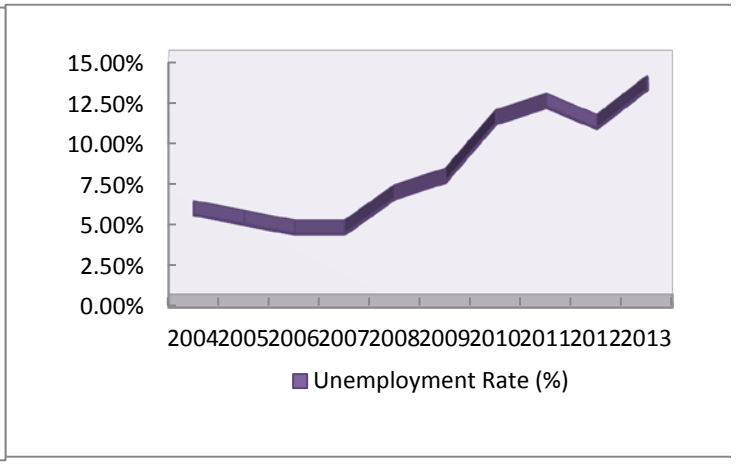
CITY OF PITTSBURG
Demographic and Economic Statistics
Last Ten Fiscal Years









Fiscal Year	City Population	Total Personal Income*	Per Capita Personal Income	Unemployment Rate (%)	Contra Costa County Population	Pittsburg Population % of County
2004	61,481	49,276	801	5.7%	1,003,909	6.12%
2005	62,605	54,472	870	5.1%	1,020,898	6.13%
2006	62,547	55,873	893	4.5%	1,029,377	6.08%
2007	63,004	58,479	928	4.5%	1,042,341	6.04%
2008	63,652	52,730	828	6.7%	1,051,674	6.05%
2009	64,600	55,580	860	7.7%	1,029,703	6.27%
2010	64,967	63,039	970	11.3%	1,041,274	6.24%
2011	62,877	63,570	1,011	12.3%	1,049,025	5.99%
2012	64,660	63,513	982	11.0%	1,066,096	6.07%
2013	65,664	57,965	883	13.4%	1,079,597	6.08%

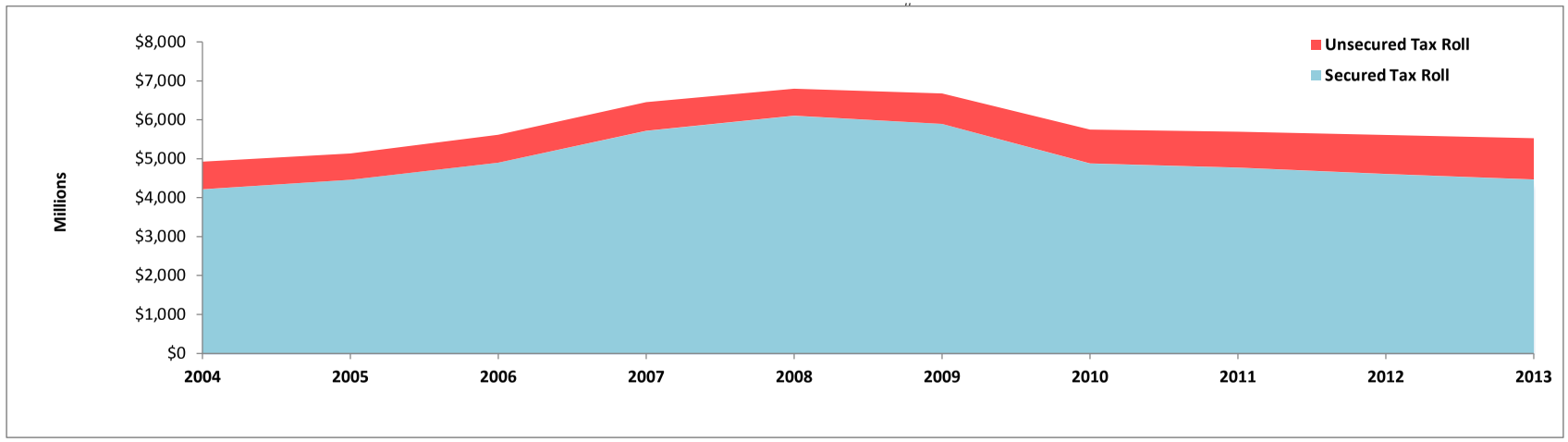
Source: On-line factfinder.census.gov
*US Department of Commerce - Bureau of Economic Analysis (Contra Costa County)
Pittsburg Chamber of Commerce

CITY OF PITTSBURG
Principal Employers
Current Year and Nine Years Ago

	2012-13			2003-04	
Employer	**Number of Employees**	**Rank**	**Percentage of Total City Employment**	**Number of Employees**	**Rank**
Pittsburg Unified School District	1,147	1	3.3%		
USS - Posco Industries	694	2	2.0%	1,000	1
Los Medanos Community College	525	3	1.5%		
Dow Chemical Company	400	4	1.2%	380	2
Mi Pueblo Foods	168	8	0.5%		
City of Pittsburg	220	6	0.6%		
Angelica Corporation (Laundry)	175	7	0.5%		
Ramar Foods	130	10	0.4%	120	8
Walmart	250	5	0.7%	220	3
WinCo Foods	148	9	0.4%		
Home Depot				180	4
Target	100			170	5
Safeway	94			150	6
American Color Graphics	Closed			140	7
Best Buy	Closed			100	9
Redwood Painting	105			100	9
Subtotal	4,156		12.0%	2,560	
Employees in the City of Pittsburg	34,525				

Source: Telephone Survey by Finance Administrative Assistant
2002-03 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)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Land	Improvements	Personal Property			HOPTR (1)	Others			
2004	1,046,503,726	3,147,462,227	20,945,073	709,095,037	4,924,006,063	69,854,212	66,462,042	4,787,689,809	4,787,689,809	0.73468
2005	1,214,874,628	3,226,664,477	17,393,708	675,820,760	5,134,753,573	69,378,527	69,291,313	4,996,083,733	4,996,083,733	0.74275
2006	1,417,629,819	3,461,480,941	19,005,669	717,030,128	5,615,146,557	68,931,232	66,144,479	5,480,070,846	5,480,070,846	0.73642
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	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	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	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	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	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	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	5,297,435,249	0.72809

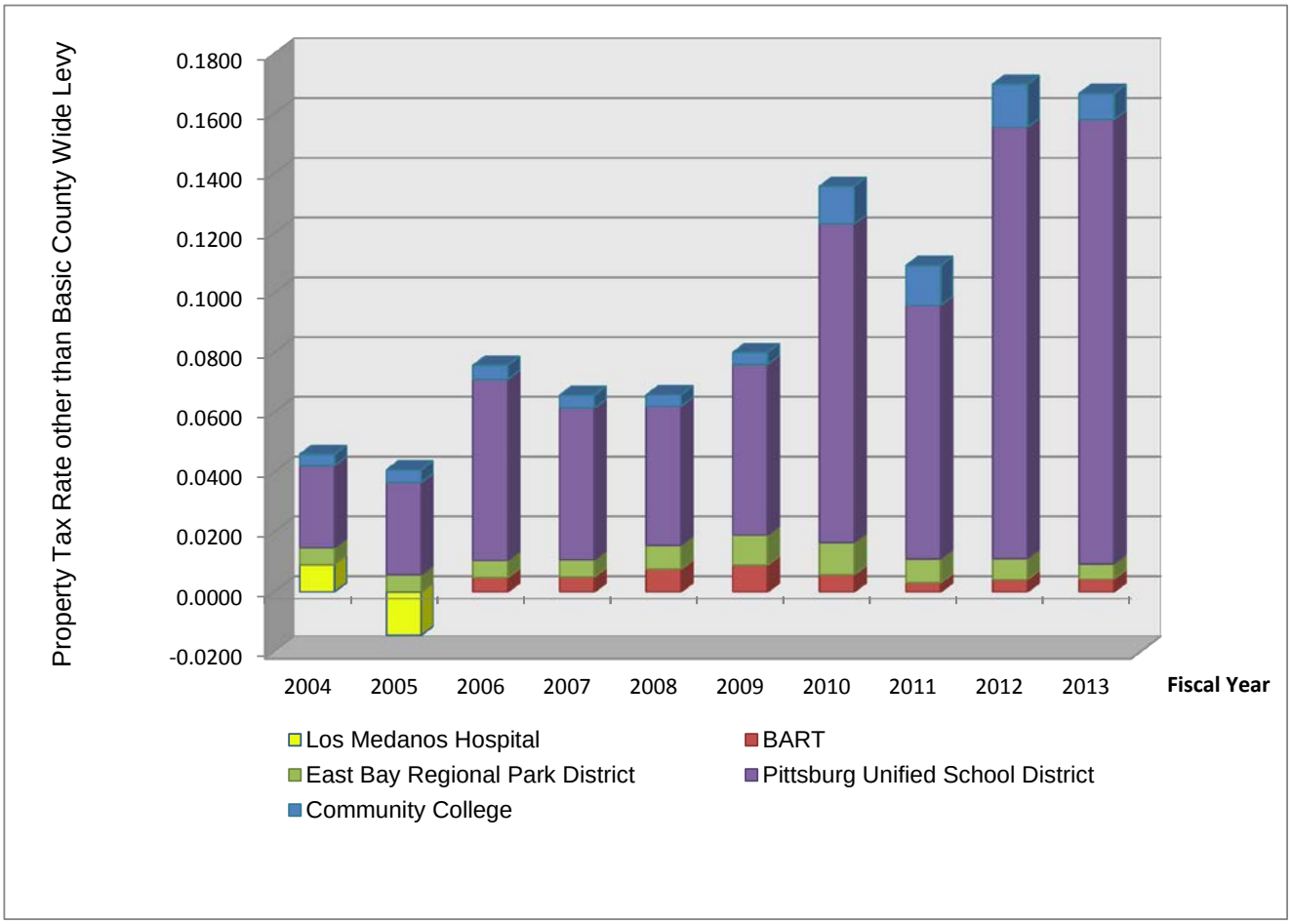
Source: Contra Costa County Auditor Controller Office Certificate of Assessed Valuations

(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.

(1) Homeowners' Property Tax Relief

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
2004	1.0000	0.73468	0.0091	-	0.0057	0.0274	0.0038	1.7807
2005	1.0000	0.74275	-0.0144	-	0.0057	0.0309	0.0042	1.7691
2006	1.0000	0.73642	0.0000	0.0048	0.0057	0.0606	0.0047	1.8074
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

* Pittsburg Direct Rate = the weighted average of City's Share of 1% levy & Redevelopment Rate
Source: Contra Costa County Assessors Office & Hdl Coren & Cone

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

	2012-13			2003-04		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
Delta Energy Center	$ 381,500,000	1	7.12%	563,700,000	1	13.57%
Calpine Corporation	355,971,000	2	6.64%			
Dow Agrosciences LLC	306,423,254	3	5.72%	107,439,351	3	2.59%
USS - Posco Industries	261,840,867	4	4.89%	369,458,045	2	8.89%
United Spiral Pipe LLC	136,521,792	5	2.55%			
K2 Pure Solution	123,879,034	6	2.31%			
Sierra Pacific Properties	99,532,196	7	1.86%	64,905,652	4	1.56%
Century Plaza Corporation	63,403,742	8	1.18%			
Kirker Creek Limited Partnership	54,488,307	9	1.02%	41,460,518	6	1.00%
San Marco Properties LLC	53,247,252	10	0.99%			
GWF Power System Limited Partner				33,972,208	8	0.82%
National Energy				37,073,029	7	0.89%
Praxair						
ACG-Pittsburg Investors LLC						
Albert D. Seeno Construction Co.				61,831,791	5	1.49%
Franklin Los Medanos Association				17,176,175	9	0.41%
Ronald P and Maureen Ashley				16,000,330	10	0.39%
Subtotal	$1,836,807,444		34.28%	$1,313,017,099		31.61%

Total Net Assessed Valuation:
Fiscal Year 2012-13 $5,358,557,216
Fiscal Year 2003-2004 $4,153,604,077

Source: Hdl Coren & Cone

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➢ GLOSSARY OF BUDGET TERMS

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

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.

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

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.

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.

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 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.

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.

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.

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

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.

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.

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.

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.

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.

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

CITY OF PITTSBURG

CAPITAL ASSET POLICIES AND PROCEDURES

1. PURPOSE

1.1. The purpose of these Administrative Regulations is to establish a set of standard policies and procedures required to implement an effective capital asset system. The capital asset inventory system shall be maintained in accordance with generally accepted accounting principles and in compliance with governmental auditing practices.

1.2. The Finance Department is charged with the responsibility and authority for developing, maintaining, and administering the City of Pittsburg's and Pittsburg Redevelopment Agency's fixed asset policies and procedures.

2. CAPITALIZATION POLICY

2.1. Definition

Capital Assets are defined as tangible items to be used over a period of time greater than three years and having a value greater than or equal to Five thousand dollars ($5,000) for general fixed assets and Twenty-five thousand dollars ($25,000) for buildings, improvements and infrastructures. The City departments have to maintain assets costing less than thirty-five thousand dollars in their Inventory Control System for property control purposes (see Controlled Assets).

2.2 Capital Asset Classifications

In addition to the consideration given up to acquire a capital asset, ancillary costs associated with preparing the property for its intended use shall be capitalized.

LAND: This account includes the cost of land itself and the cost of preparing land for its intended use. Examples of ancillary costs include the search costs, attorney's fees, liens assumed, taxes assumed, grading costs, and land improvements with an indefinite life.

BUILDINGS: This account includes the cost of construction or purchase of buildings, attorney's fees, architect's fees, inspection and building permits. All costs incurred starting with excavation completion of the building are considered part of the building costs. Also, anything fixed (non-detachable) to the floor, ceilings, and walls are considered part of the building.

IMPROVEMENTS OTHER THAN BUILDINGS: This account is used for permanent (i.e., non-detachable) improvements that add value to land (e.g., fences, retaining walls). This account also is used for leasehold improvements.

MACHINERY & EQUIPMENT: This account includes office equipment, machinery, furniture and fixtures, furnishing and similar capital assets. The cost of such assets includes the purchase price, freight charges, installation costs and set-up costs.

INFRASTRUCTURES: This is defined, for purposes of financial reporting, as any capital asset that is immovable and of value only

to the City and the Redevelopment Agency. Examples include roads, gutters, bridges, traffic signals, sewer pipelines, water lines, storm drainage system, monuments, electrical lines, etc.

CONSTRUCTION IN PROGRESS: This account is used for capturing amounts expended on uncompleted buildings, pipelines, or other capital construction project. When the project is complete, the cumulative costs are then transferred to the appropriate capital asset accounts.

2.3. Controlled Assets

Controlled assets are property items that fail the capitalization policy, but are catalogued in the individual department's Inventory Control Records. 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. A copy of the Department's Inventory Control Records should be provided to the Finance Department. This allows the City and Redevelopment Agency 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.

2.4. 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 recorded as capitalizable assets and 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 value of the leased property.

2.5. 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.

2.6. Interest Capitalization

Capital assets, which require a period of time to get them ready

for their intended use, are subject to interest capitalization. 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.

2.7. Repair and Maintenance

Ordinary repairs and maintenance are expenditures made to maintain assets in good operating condition. Replacement of minor parts, lubricating and adjusting of equipment, repainting, and cleaning, are examples of normal maintenance and are treated as normal operating expenses. The major consideration in determining whether an expenditure should be treated as an expense or an improvement is if the expenditure increases the future service potential of the asset. If a major repair will extend the life of the asset several years it should be handled as an improvement. 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. Expenditures to repair and maintain a capital asset in efficient operating condition without extending the asset's normal accounting life should be expensed.

3. ACCOUNTING AND FINANCIAL REPORTING

3.1. Accounting Methods

Capital assets shall be accounted for at cost, if the cost is not practicably determinable, at estimated cost. Capital assets related to specific proprietary funds shall be accounted for through those funds. All other capital assets of the City and Redevelopment

Agency shall be accounted for through the General Fixed Asset Account Group (GFAAG). The City uses the straight-line method of depreciation.

3.2. 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.

3.3. Accounting for Capital Assets in Governmental Funds

Capital assets, other than those accounted for in proprietary funds shall be reported in the GFAAG. The GFAAG is not a fund but simply a list of the City's and Redevelopment Agency'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.

3.4. GASB Statement 34

The Governmental Accounting Standards Board (GASB) approved Statement 34 requiring capital assets, including infrastructures to be reported at historical cost, net of depreciation. Infrastructure assets are long-lived capital assets that normally are stationary in Nature and normally can be preserved for a significantly greater number of years than most capital assets. Capital assets should be depreciated over their estimated useful lives unless they are inexhaustible (land).

3.5. Reporting Changes of Capital Assets

Prior to the issuance of GASB 34, a government's capital assets were reported in the general fixed asset account group (GFAAG) for financial reporting purposes and infrastructure was not required to be reported as a capital asset. In addition, depreciation of General Fund capital assets was not required because the GFAAG had no effect on the government's net assets. GASB Statement 34 eliminates the requirement to report the general fixed asset account group (GFAAG) and the general long-term debt account group (GLTDAG). All capital assets and long-term debt are required to be reported in the government-wide statement of net assets. It is imperative for the City and Redevelopment Agency to develop a comprehensive approach for the determination of the cost and accumulated depreciation of their capital assets including infrastructure in order to avoid a significant decrease in net assets.

3.6 Depreciation

Depreciation designates that portion of the asset or other carrying value of the tangible fixed assets, less salvage, that expires and is charged to expense during the fiscal year.

Land is not subject to depreciation.

The City and Redevelopment Agency use the Straight-line Method. The theory underlying this method is that depreciation is related principally to the passage of time. Equal periodic depreciation charges are therefore recognized over the life of the capital asset.

The annual depreciation is obtained by using the following formula:

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

3.7. Number of Years of Estimated Life

The life of the fixed asset is expressed in terms of years of life. In estimating useful life of a fixed asset, the following factors are considered:

a) Operating conditions- an asset which is used 8 hours a day may have a longer physical life than one used 24 hours.

b) Previous experience- is a useful guide in estimating probable life of newly acquired assets.

c) Policy of repairs- means that if the assets are maintained in good condition, their physical lives would be lengthened.

d) Inadequacy or obsolescence- may require depreciating the asset over a period less than its physical life.

The City used some of the estimated life recommended in 1986 by American Appraisal Associates. Later on, changes were made on some of these estimates to arrive at a more realistic and conservative means of determining the useful life of the assets.

These changes were applied on newly-acquired assets only.

The estimated life of capital assets are classified as follows:

a) Five Year Property- generally includes assets with a class life of more than four years and less than ten years. Examples are: cars, light and heavy general-purpose trucks, office machineries, certain furniture and equipment, traffic signs, etc.

b) Ten Year Property- is property with a class life of 10 years and less than 15 years, such as vessels, heavy machineries, dredger, heavy trucks, etc.

c) Fifteen Year Property- includes property with a class life of 15 years but less than 20 years. These includes dump trucks, backhoes, fuel pumps, fuel tanks, turbine pumps, etc.

d) Twenty Year Property- is property with a class life of 20 years or more but less than 25 years, such as Improvements Other Than Buildings, etc.

e) Twenty-five Year Property- one with a class life of 25 years or more but less than 30 years, such as Traffic Signals, etc.

e) Thirty year Property- is property with a class life of 30 years but less than 45 years. The properties falling under this category are parks, road pavement, sidewalk, curbs, gutters, electric lines, gas lines, street lights, etc.

f) Forty-five Year Property- some examples under this category are office buildings, recreation buildings, swimming pools, piers and floats, etc.

g) Fifty Year Property- includes electric transformers, electric substations and buildings, medians, certain sewer pipelines, etc.

h) Sixty Year Property- includes sanitary sewer structures.

i) Sixty-five Year Property- pertains to water pipelines and water structures.

j) Seventy-five Year Property- are for infrastructures like bridges, sanitary sewer pipelines, storm drain pipelines, storm drain structures and storm drain channels/culverts.

k) One hundred Year Property- includes entryways and monuments.

4. CAPITAL OUTLAY

4.1. Screening

Pre-purchase screening should be performed. Such pre-purchase screening involves searching lists of similar assets to determine whether an asset already is available within the City. Items that are stocked new, stored in surplus, or available for loan checked before approval is granted to acquire a new asset. This type of screening is done at the requisition stage.

4.2. Shared Usage

Whenever more than one department agrees to use the same asset, one department is designated as the lender and one as the borrower. The lender is recorded as the responsible department on the fixed asset system.

5. TAGGING

5.1. The supply of pre-numbered asset tags shall be maintained by the Finance Department. Tags are distributed to Departments as items are received and shall be tagged by the departments. Items shipped directly to the departments shall be tagged immediately.

5.2. The department shall have the responsibility of recording the asset tag number, location, person responsible, manufacturer, model and serial number and submitting this information to Finance Department.

6. RISK MANAGEMENT

The City's risk management program must ensure that its assets are insured adequately to cover losses incurred. In addition, the program must ensure that these assets can be replaced and the City can continue to function with minimal interruption. The amount of insurance coverage purchased from third parties is based to large extent upon the fixed asset record. Therefore, replacement cost as well as historical cost must be recorded for each asset.

7. PHYSICAL INVENTORY

The objectives of a physical inventory are to ensure that the fixed assets recorded in the system physically exists: to detect whether unrecorded or improperly recorded transactions have occurred, and to identify any excess, defective or obsolete assets on hand.

7.1 Frequency and Type of Inventories

The Finance Department shall handle the transfer or disposition of all non-motor vehicle fixed assets as noted previously. In addition, Departments shall notify the Finance Department of all related transactions such as trade-ins, returns, and items disposed of as junk.

A complete physical inventory of all the City's assets shall be conducted at least once every year. More frequent inventories may be performed of assets that are susceptible to errors or other irregularities. All such physical inventories shall be directed by or in cooperation with the Accounting Services Division.

7.2. Inventory Procedures

The physical inventory shall use pre-numbered tags to facilitate the process. The results of the inventory shall be compared to the fixed asset general ledger. Any differences between the Fixed Asset Subsidiary ledger and the inventory shall be reconciled by the operating division in cooperation with Finance Department, and corrections made as necessary.

8. TRANSFERS AND DISPOSITIONS

8.1. Transfers are defined as any movement of an asset by virtue of change in location, either by account, department, building, floor or room. All items sold, traded-in, scrapped, abandoned or in any way removed from service during the current fiscal year are classified as disposals.

8.2. Property shall not be transferred, turned-in or disposed of without prior approval of the proper Department Head or Director of Finance/Accounting Manager. The operating departments shall be responsible to initiate transfer/disposition processing. The form "Request to Transfer/Retire Surplus Property" shall be completed by the operating department and submitted to Finance Department. See Exhibit A. **The operating department should also coordinate with the Purchasing Analyst for possible relocation, exchange, trade-in, or sale of the surplus property.** The actual transfer/ removal or destruction of property should be witnessed by two City employees from other departments, particularly from Finance.

8.3. The Department then arranges the disposition or transfer of the fixed asset. Each disposal shall be recorded with the date, method, and authorization for such disposition. The Department shall then report the transfer or disposition of the asset as well as any assets held in storage to Finance Department. The Department Head must acknowledge receipt of any fixed asset transferred to his/her department.

8.4. City Owned Motor Vehicles
The procedures for transfers and dispositions are to be followed as noted above.

9. RESPONSIBILITIES OF THE FINANCE DEPARTMENT

9.1. The Finance Department has the responsibility of ensuring that the capital asset policies and procedures as stated within these regulations are in compliance with generally accepted accounting principles and audit dictates.

9.2. The Finance Department staff members assigned the task of maintaining the City's fixed asset records must work in close cooperation with each of the departments in order to be informed of all additions, transfers, and disposals of any assets that are included in the fixed asset inventory records.

9.3. The Finance Department is responsible for administering and maintaining the fixed asset inventory records and documentation.

10. RESPONSIBILITIES OF THE OPERATING DEPARTMENT

10.1. The operating departments shall be held accountable for the property issued to or purchased by their respective departments. In addition, each of the operating departments shall be responsible for maintaining accurate information of their fixed assets in the fixed asset inventory records. The inventory records should include information such as type and description of asset, model, serial number, amount, date of acquisition, location, tag number, etc.

10.2. Each of the departments and divisions must designate a 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.

10.4. A 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 steward's 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.

10.5. The 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 steward must ensure this information is processed per the guidelines established for surplus inventory. The steward must ensure that departmental fixed assets are kept up-to-date in the Inventory records and notify Finance Department of any corrections which need to be made.

11. 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.

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

11.2. Finance Department will provide two copies of the fixed asset listing to the department property steward. This listing will include all the property for which the department is responsible. The department steward shall verify the listing, reconcile any discrepancies. The listing shall be signed by the steward and approved by the Department Head and then returned to Finance Department. A copy shall be retained by the department property steward for their files.

11.3. At the end of the fiscal year, Finance Department will provide to the department property steward listings of fixed assets including those purchased, transferred, or disposed of during the fiscal year. 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. This process should be completed and the original signed copy with noted changes returned to Finance Department within ten (10) working days.

11.4. 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 Finance Department within thirty (30) days after the appointment for the new property steward.

APPROVED:_____ DATE:_____

EXHIBIT A

REQUEST TO TRANSFER/ RETIRE SURPLUS PROPERTY

DEPARTMENT: _____

DEPARTMENT LOCATION: _____

DESCRIPTION OF SURPLUS PROPERTY _____

_____

_____

ACCOUNT NO. CHARGED: _____

SERIAL/ MODEL/ I.D. NO.: _____

TAG NO.: _____

DATE ACQUIRED: _____

APPROXIMATE COST WHEN ACQUIRED: _____

REASON OF TRANSFER/DISPOSAL: _____

_____

IF MERE TRANSFER, INDICATE WHERE ASSET WILL BE TRANSFERRED:

_____

IF TRADED-IN, WHAT TRADE –IN VALUE RECEIVED: _____

IF TRADED-IN, WHICH ASSET IS BEING PURCHASED: _____

_____

_____

Department Head / Supervisor's Signature

_____

Director of Finance/Acctg Manager.

PLEASE SEND ORIGINAL COPY TO FINANCE DEPARTMENT

City of Pittsburg
Debt Management Policy
June 2012

I. INTRODUCTION

The City of Pittsburg has established this Debt Management Policy to provide clear and comprehensive guidelines for the issuance and financial management of the City of Pittsburg's debt portfolio. This policy supports the City of Pittsburg's Mission of providing responsive and high quality public services for its citizens and ensures that the City of Pittsburg is financially self-sustaining and fiscally strong. Finally, this Debt Policy requires that the City Council specifically authorize each debt financing by resolution.

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 (Section VI)
- To ensure that any debt instrument utilized be fully understood by Staff (Section V)
- To ensure that all debt obligations will be met in a timely & efficient manner (Section IV #4)
- To mandate that the City comply with all debt covenants (Section IV)
- 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. The City of Pittsburg's Director of Finance is the Director of Finance and Administration. This City Debt Management Policy grants the Director of Finance and Administration 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 and Administration 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 Debt Financing Team consists of:

1. *Financial 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
   - 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 sale and delivery of the bonds, as well as coordination of 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 of Bond Purchase Contract for the Bonds and review or draft the 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* –
   - 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
   - As the escrow agent holds the investments acquired with the proceeds of an advance refunding and uses those funds for payments on those investments to pay debt service on the refunding bonds
   - 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

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

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 City's credit quality, 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 a financial advisor 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 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 that 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. 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. General Obligation (GO) Bonds
   In California, GO Bonds require a supermajority voter approval. Most GO bonds are backed by the issuer's ability to level ad valorem tax in amounts sufficient to meet debt service requirements.

8. Certificate of Participation
   Also known as 'COP', this security that represents a share of an issuer's lease payment. When a City finances a public facility through a lease-purchase transaction, the interest in that City's lease payment often is assigned to a third party that issues certificates of participation. The certificates represent a share of the lease payment to be received by the investor.

Comparison of Financing Methods

General Obligation Bonds

* Strong market acceptance
* Significant structuring flexibility
* Favorable interest rates
* No reserve fund requirement
* No trustee required
* Voter approval usually required
* Pledge of general credit required
* Difficult to enter market

Revenue Bonds

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

Special Assessment Bonds

* Voter approval usually not required
* Debt limits may not apply
* Debt is secured by beneficiaries
* Complexity greater than GO's
* Market concerns about defaults
* Limited revenues to secure debt
* Higher interest costs due to higher risk

Certificates of anticipation

* Voter approval usually 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 various 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.

Derivative Products

Because of their complexity, unless otherwise amended, Derivative Products such as *Interest Rate Swaps*, *Inverse Floaters*, and other hybrid securities are prohibited from the City of Pittsburg's Debt Management Policy.

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. 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	Standard & Poor's Corporation	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. Standard & Poor's and Fitch use "=" and "-" to indicate relative strength or weakness in the "BBB", "A", and "AA" categories.

VIII. MARKET RELATIONSHIPS

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

IX. ON-GOING DEBT ADMINISTRATION

The Director of Finance and Administration 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 Consultant(s) to comply with the Securities and Exchange Commission Rule 15c2 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 and Administration 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.

X. DEBT MANAGEMENT POLICY REVIEW

The Director of Finance and Administration 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.

XI. SOURCES for this Debt Policy

-California Debt Issuance Primer, California Debt and Investment Advisory Commission 9CDIAC)

-Debt Issuance and Management Guide for Smaller Governments, Governmental Finance Officers Association (GFOA)

-Debt Management Polices from:

- Bay Area Toll Authority
- City of Pasadena
- City of San Luis Obispo
- Port Commission of the City and County of San Francisco
- San Diego Water Authority

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. Given the complexity of derivative products, the City of Pittsburg and its related entities will no longer utilize derivative products in its debt issuances.

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 generally are required in connection with competitive sales and sometimes in connection with negotiated 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. The negotiated sale method is often used when the issue is: a first time sale by a particular issuer, a complex security structure, such as a variable rate transaction, an unusually large issue, or in a highly volatile or congested market.

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.

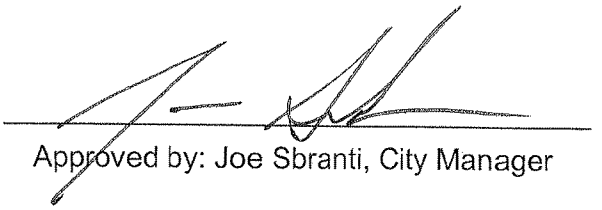
Subordinate Lien Debt: Debt whose terms require it to be repaid with pledged revenues net of the amount necessary to make debt service payments on senior lien debt.

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 Adding)
Chapter 3.26 to the Pittsburg Municipal) ORDINANCE NO. 12-1363
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.

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 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. However, the City Council shall, on a best efforts basis, take such steps as necessary to achieve the minimum Budget Stabilization Fund 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 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 eight percent (8%) 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 additional funding for 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 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 December 17, 2012 and was adopted and ordered published at a meeting of the City Council held on January 22, 2013 by the following vote:

AYES:	Casey, Evola, Johnson, Longmire, Parent
NOES:	None
ABSENT:	None
ABSTAINED:	None

Nancy L. Parent, 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.

STATEMENT OF INVESTMENT POLICY
FOR
THE CITY OF PITTSBURG
(January 2012)

I. INTRODUCTION

This statement is intended to provide guidelines for the prudent investment of surplus funds and bond proceeds of the City of Pittsburg (the "City"), and to outline the policies for maximizing the efficiency of the City's cash management system. The ultimate goal is to enhance the economic status of the City while protecting its funds.

II. SCOPE

This investment policy applies to the City's pooled investment fund, which encompasses the following:

- General Fund
- Special Revenue Funds
- Enterprise Funds
- Trust and Agency Funds
- Capital Project Funds

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

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 of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.

2. **Liquidity**: The portfolio will be structured with sufficient liquidity to allow the City to meet anticipated cash requirements.

3. **Yield**: A competitive market rate of return is the third objective of the investment program after the fundamental requirements of safety and liquidity have been met.

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

All persons authorized to make investment decisions on behalf of the City are trustees and therefore fiduciaries subject to the prudent investor standard: "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

Authorized individuals acting in accordance with this Policy and written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion.

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 internal controls should address: Delegation of authority to subordinate staff members, control of collusion, separation of transaction authority

from accounting and record keeping, written confirmations of transactions, reconciliation of custody statements, and wire transfer procedures and agreements.

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 and shall in his discretion report his 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. provide 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. These include Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Small Business Administration (SBA) Loans, Federal Home Loan Mortgage Corporation (FHLMC), Aid for International Development (AID), and debentures of Tennessee Valley Authority (TVA). 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 federallylicensed 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 a nationally recognized statistical-rating organization . A maximum of 30 percent of the City's portfolio may be invested in this category.

11. **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.

12. **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.

13. **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	50% 15%/issuer [2]	None	5 Years	5 Years
Bankers Acceptances	A1/P1	None	40% 15%/issuer [2]	40% 30%/issuer	180 Days	180 Days
State and Local Obligations	"A-" rated obligation	None	30%	None	5 years	5 years
Commercial Paper	A1/P1/F1	A1/P1/F1	25% 15%/issuer [2]	25%	270 Days	270 Days
Negotiable Certificates of Deposits	Aa/AA-rated financial institutions	None	30% 15%/issuer [2]	30%	5 Years	5 Years
Certificates of Deposit	"A" rated financial institutions	None	30% 15%/issuer [2]	None	1 Year	None
Repurchase Agreements	"A" rated primary dealers	None	15% 15%/issuer [2]	None	90 Days	1 Year
Medium-Term Notes	A	A	30% 15%/issuer [2]	30%	5 Years	5 Years
Money Market Funds	Multiple[3]	Multiple[3]	20%	20%	N/A	N/A
Local Agency Investment Fund	None	None	$50 million[4]	$50 million	N/A	N/A

CAMP[5]	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 and authorized pools, to no more than 15 percent of the portfolio.
3. 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.
4. There is a $50 million cap for the City of Pittsburg funds and another $50 million cap for the Pittsburg Redevelopment Agency.
5. 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 15 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 either 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

The following investment reports shall be provided to the City Council, City Manager, and Finance Director.

1. Monthly Transactions Report: A monthly report of investment transactions shall be submitted to the City Council as included with the quarterly Investment Report.

2. Quarterly Investment Report: 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
   - 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 feature 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 Principals (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 to be 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.

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 which 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 which mature between 1 year and 10 years. Bonds are long-term obligations which 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

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CITY OF PITTSBURG
PURCHASING POLICIES

1 Authority Provided

The City Council adopts the following Purchasing Policies in conformance to the authority provided by Pittsburg Municipal Code Chapter 2.85, Purchasing System. The City Council may add, rescind, or otherwise amend any purchasing policy through the adoption of a resolution or motion.

The City Council further directs the Chief Purchasing Officer to develop and adopt purchasing procedures which implement these Purchasing Policies.

2 Delegation of Purchasing Authority

Except as specified below, no purchase may be made without the City Council's prior approval.

For purposes of this Policy, "Executive Team Member" shall mean the Assistant City Managers, Police Chief, Director of Finance, City Clerk and Director of Power.

Excluding purchases whose term exceeds one (1) year, the Chief Purchasing Officer is authorized to make the following purchases without the City Council's prior approval and may delegate this authority to any Executive Team Member, or Executive Team Member's assignee(s):

	Supplies	General Services	Professional Services	Public Works Projects
Executive Team Member	$75,000 or Less	$75,000 or Less	$75,000 or Less	$75,000 or less.
City Manager	$150,000 or Less	$150,000 or less	$150,000 or less	$150,000 or less.

Supplies are the purchase or lease of goods and equipment in the general conduct of the City's business, except supplies for a public works project which is regulated under the California Public Contracts Code.

General Services are services such as uniform cleaning, maintenance or other services which do not require any unique skill, special background, training, and obtaining such services at the lowest cost is the highest weighted factor in selection, as opposed to personal performance.

Professional Services are services from a vendor who possesses a high degree of professional or technical skill. Professional services include legal, data processing and programming, planning, environmental,

financial, architecture, engineering, etc. The selection must be based on demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services. State law does not require competitive bidding for these types of services.

Public Works Project is a project for the erection, improvement, painting or repair of public buildings and works; work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow; street or sewer work except maintenance or repair; and/or furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.

3 Informal Bidding Permitted

The Chief Purchasing Officer is authorized to permit informal bidding, as defined through administrative procedures, with the following limitations:

	Supplies	General Services	Professional Services	Public Works Project
Suggestion of soliciting comparable quotes.	$10,000 or less	$10,000 or less	$10,000 or less	See Public Works Project "Informal Bidding Procedure"
Must solicit comparable quotes/informal proposals.	$10,001 to $50,000 must solicit a minimum of three quotes	$10,001 to $50,000 must solicit a minimum of three quotes	$10,001 to $50,000 must solicit a minimum of one quote	See Public Works Project "Informal Bidding Procedure"
Must solicit formal proposals/bids.	$50,001 or more	$50,001 or more	$50,001 or more *	More than $125,000

* State law does not require competitive bidding for Professional Services; however, to promote fairness, the City strongly encourages the solicitation of competitive proposals for these services.

4 Informal Bidding Procedure, not a Public Works Project

4.1 Informal Bidding Procedures

The Chief Purchasing Officer shall develop and adopt administrative procedures outlining the requirements of informal bidding procedures for the purchase of supplies, general services, and professional services. Such procedures shall assure continuity and uniformity of the City's purchasing practices.

4.2 Emergency Purchasing

In the event of an emergency for a non-public works project, the City Manager or designee may waive any purchasing procedure. An emergency is defined to mean any of the following:

- There is a great public calamity.
- There is immediate need to prepare for national or local defense.

- There is a breakdown in machinery or an essential service that requires the immediate purchase of supplies or services to protect the public health, welfare or safety, or to prevent financial loss, or for the continued conduct of City services.

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

4.3 Cooperative Purchasing

The Chief Purchasing Officer may authorize the use of an agreement for supplies or services negotiated by another governmental agency ("Cooperative Agreement") if: (a) the Cooperative Agreement was awarded by a public agency situated within the State of California utilizing a quotation or bid procedure substantially similar to the City's required procedures for a contract of the same type and dollar amount; or (b) the Cooperative Agreement is identified on the California Multiple Award Schedules ("CMAS") listing maintained by the State of California Department of General Services – Procurement Division.

5 Informal Bidding Procedure, Public Works Projects

This item is regulated in accordance with **Municipal Code Chapter 2.86, Informal Bidding Procedures**, which is reflected as follows:

5.1 Purpose (Municipal Code 2.86.010)
This section is enacted under the authority of the California Public Contract Code section 22034 which requires a city which elects to become subject to the uniform construction cost accounting procedures as set forth in Public Contract Code sections 22000 through 22044 to enact an ordinance governing informal bidding procedures for the selection of contractors to perform public works projects.

5.2 Definitions (Municipal Code 2.86.020)
In this section, unless the context otherwise requires:

A. "Commission" means the California Uniform Construction Cost Accounting Commission under Public Contract Code Section 22010, et seq.

B. "Public project" means a project defined in Section 20161 of the Public Contract Code which reads as follows:

(a) A project for the erection, improvement, painting or repair of public buildings and works.
(b) Work in or about streams, bays, waterfronts, embankments or other work for protection against overflow.
(c) Street or sewer work except maintenance or repair.
(d) Furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.

5.3 Informal Bidding Procedures (Municipal Code 2.86.030)
A public project of one hundred seventy five thousand dollars ($175,000.00) or less may be let to contract by the informal procedure as set forth in Section 22032 et seq. of the Public Contract code.

5.4 Contractors List (Municipal Code 2.86.040)
The City Manager or designee(s) shall develop and maintain a list of qualified contractors identified according to categories which comply with Section 22034 of the Public Contract Code and criteria adopted by the commission. During November of each year the City Manager or his/her designee(s) shall develop the contractors list by mailing a written notice to construction trade journals designated by the commission under Section 22036 inviting all licensed contractors to submit the name of their firm to the city for inclusion on the contractors list of qualified bidders for the following calendar year.

5.5 Size of Project – Methods for Bidding (Municipal Code 2.86.050)
A. Where public project of thirty thousand dollars ($45,000.00) or less is to be performed, the City may perform it by its employees, by force account, by negotiated contract or by purchase order, or the City may elect to follow the informal bidding procedure prescribed in subsection B of this section and as amended in Public Contract Code Sections 22032 and 22034.

B. Where a public project of one hundred seventy five thousand dollars ($175,000.00) or less is to be performed, not less than ten (10) days before the bids are due, the City Manager or his/her designee shall mail a written notice inviting informal bids to (1) all contractors for the category of work to be bid as shown on the contractors list developed in accordance with PMC 2.86.040, and/or (2) all construction trade journals designated by the commission under Public Contract Code Section 22036. Additional contractors and construction trade journals may be notified at the discretion of the City Manager or designee.

C. If there is no list of qualified contractors for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the commission.

5.6 Award of Contracts (Municipal Code 2.86.060)

A. The City Manager or his/her designee(s) is authorized to award informal contracts under this chapter in accordance with City Council policy.

B. If all bids received on a public project under this procedure set forth in this section are in excess of one hundred seventy five thousand dollars ($175,000.00), the City Council may award the contract at one hundred eighty seven thousand, five hundred dollars ($187,500.00) or less to the lowest responsible bidder if the Council determines that the City's original cost estimate was reasonable.

5.7 Alternate Bidding Procedure (Municipal Code 2.86.070)

The procedure set forth in this section is an alternate to the procedure set forth in Public Contract Code Sections 20160 – 20174.

6 Formal Bids

6.1 For Supplies, General Services, and Professional Services

All purchases of supplies, general services, or professional services which may not be purchased under the City's informal bid thresholds shall be procured using a formal bid process. (The Chief Purchasing Officer may direct and/or require those purchases which fall within the informal bid thresholds to be formally bid, although there is no policy requirement for such a formal bid.)

Formal bids for supplies, general services, or professional services shall contain the following elements and the Chief Purchasing Officer shall develop administrative procedures which adhere to these elements:

- Shall be prepared using a Request for Proposal (RFP) or a Request for Quote (RFQ) format; and
- Shall solicit potential vendors through the use of informal and/or formalized bidders lists; and
- Shall advertise the RFP or RFQ through an invitation to bid in a newspaper of general circulation, or through direct mailing, or through notices posted on the City's website; and
- Shall be publicly opened when required, in accordance with State Law, by the City Clerk or his/her designee or assignee; and
- For supplies, shall be awarded to the lowest responsive bidder; or
- For general services, shall be awarded based on best value to the City; or

- For professional services, shall be awarded in accordance with State law.

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

The Chief Purchasing Officer and/or City Council may waive formal bidding requirements for the purchase of supplies, general services or professional services when utilizing a Cooperative Agreement as identified in Section 4.3 above.

6.2 For Public Works Projects

Public Works Project purchases (including emergency purchases) which exceed the informal bid threshold shall be made in conformance with the California Public Contract Code.

7 Local Preference

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 2014-15 for the City of) RESOLUTION NO. 14-12135
Pittsburg and Appropriation of Funds)
for Fiscal Year 2014-15)

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 2014-15 to the City Council for its consideration; and

WHEREAS, the City prepares and adopts the Preliminary Operating Budget for Fiscal Year 2014-15 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 5, 2014 the City Council held a meeting for the purpose of reviewing the Preliminary Operating Budget for Fiscal Year 2014-15 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 2014-15 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 2014-15 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 2014-15.

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 2014-15.

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 2014-15.

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 16th day of June, 2014, by the following vote:

AYES:	Casey, Johnson, Longmire, Parent, Evola
NOES:	None
ABSTAINED:	None
ABSENT:	None

Salvatore N. Evola, Mayor

ATTEST:

Alice E. Evenson, City Clerk

Summary of Fund Condition

	[1]Estimated Reserves June 30, 2014	Projected Revenues 2014-15	Transfers-In	Projected Expenditures 2014-15	Transfers-Out	Estimated Balance June 30, 2015
General Fund						
General Fund	7,218,305	30,349,612	6,540,436	35,579,112	1,310,936	7,218,305
Subtotal, General Fund	$ 7,218,305	$ 30,349,612	$ 6,540,436	$ 35,579,112	$ 1,310,936	$ 7,218,305
Internal Service Funds						
Building Maintenance	699,679	1,431,058	-	1,572,974	10,639	547,124
Fleet Maintenance	895,473	1,605,652	-	2,023,558	15,883	461,684
Fringe Benefits	1,239,666	1,767,290	-	1,706,898	81,608	1,218,450
Information Communication Services	471,010	940,000	-	1,042,919	4,325	363,766
Insurance	534,436	796,644	-	796,644	-	534,436
Other Post-Employment Benefits (OPEB)	1,214,283	1,430,150	666,755	2,096,905	-	1,214,283
Subtotal, Internal Service Funds	$ 5,054,547	$ 7,970,794	$ 666,755	$ 9,239,898	$ 112,455	$ 4,339,743
Enterprise Funds						
Golf Course	392	-	15,000	15,000	-	392
Island Energy	1,400,860	4,350,428	-	4,104,853	45,504	1,600,931
Marina	202,549	2,127,095	-	2,039,379	21,126	269,139
Pittsburg Power	3,313,197	1,786,770	50,000	1,164,819	787,281	3,197,867
Sewer Utility	3,538,651	4,812,050	-	2,948,714	726,856	4,675,131
Water Front Operations	(9,408)	840,810	-	713,566	-	117,836
Water Utility	12,268,920	18,548,350	2,808,910	22,151,601	3,749,224	7,725,355
Subtotal, Enterprise Funds	$ 20,715,161	$ 32,465,503	$ 2,873,910	$ 33,137,932	$ 5,329,991	$ 17,586,651
Special Revenue Funds						
Assets Seizure	19,262	705	-	-	-	19,967
Budget Stabilization	9,148,953	-	312,500	-	2,772,489	6,688,964
CA Energy Conservation Program	-	-	74,500	74,500	-	-
CalHome Program	33,369	240	-	-	-	33,609
California Theatre	-	84,350	250,000	334,350	-	-
City Housing Fund	544,792	161,682	-	187,912	-	518,562
Economic Development	512,687	311,282	80,000	733,700	53,750	116,519
Gas Tax	210,106	1,698,900	-	500,000	1,052,560	356,446
Hillview Jr. High Athletic Field	88,977	25,420	-	-	-	114,397
Housing Authority-Section 8	837,326	13,283,678	-	13,330,204	11,714	779,086
HUD Community Development Block Grant	26,253	692,630	-	692,412	1,414	25,057
Lighting and Landscape	235,465	2,803,600	695,301	3,641,027	93,336	3
Lighting and Landscaping Oak Hills	20,646	34,099	10,000	62,930	-	1,815
Marina Vista Field Replacement	165,492	32,890	-	-	-	198,382
Measure J Tax Fund	500,533	725,500	-	100,000	674,287	451,746
Miscellaneous Grants	12,507	1,615	-	14,115	-	7
Neighborhood Stabilization	43,202	240	-	-	-	43,442
Park Maintenance CFD 2007-1	(142,289)	60,965	-	65,157	266	(146,747)
Public Safety CFD 2005-1	(13,745)	247,523	-	228,809	3,228	1,741
Public, Education & Gov't Fees (PEG)	217,007	146,420	-	124,000	-	239,427
San Marco CFD 2004-1	(5,882)	474,982	-	458,253	6,722	4,125
Small Cities Grant	20,481	67	-	-	-	20,548
Solid Waste	275,600	457,300	-	528,325	101,980	102,595
Southwest Pittsburg GHAD II	2,378,096	639,200	-	450,855	6,430	2,560,011
Storm Water Utility NPDES	294,990	770,270	100,000	982,036	54,351	128,873
Traffic Congestion Relief	5,302	34	-	-	-	5,336
Vista Del Mar CFD 2005-2	(3,580)	164,823	-	157,156	865	3,222
Subtotal, Special Revenue Funds	$ 15,425,550	$ 22,818,415	$ 1,522,301	$ 22,665,741	$ 4,833,392	$ 12,267,133
Capital Projects Funds						
Bailey Road Maintenance	458,671	-	-	-	-	458,671
Capital Improvement	361,145	3,600	-	-	-	364,745
Community Capital Improvement	15,992	-	-	-	-	15,992
Inclusionary Housing	380,978	2,250	-	-	-	383,228
Infrastructure Repair & Replacement	1,082,573	10,000	-	-	-	1,092,573
Kirker Creek Drainage Fees	447,730	7,800	-	-	16,628	438,902
Park Dedication	175,654	13,000	-	53,763	-	134,891
Proposition 1B Local ST Road Impr.	1860	12	-	-	-	1872

	Estimated Reserves June 30, 2014	Projected Revenues 2014-15	Transfers-In	Projected Expenditures 2014-15	Transfers-Out	Estimated Balance June 30, 2015
Regional Traffic Mitigation	5,248,547	35,900	-	-	-	5,284,447
Traffic Impact Fair Share	502,989	2,960	-	-	-	505,949
Traffic Mitigation	2,199,782	16,500	-	179,368	-	2,036,914
Subtotal, Capital Projects Funds	$ 10,874,061	$ 92,022	$ -	$ 233,131	$ 16,628	$ 10,716,312
Successor Agency to RDA Funds						
RDA-Tax Increment	84,489	394,978	359,240	359,240	-	479,467
Redevelopment Obligation Retirement Fund	-	36,543,918	-	-	36,543,918	-
Subtotal, Successor Agency to RDA Funds	$ 84,489	$ 36,938,896	$ 359,240	$ 359,240	$ 36,543,918	$ 479,467
Debt Service Funds						
Assessment Districts Fund	4,397,665	3,596,363	1,867,431	2,896,468	1,867,431	5,097,560
Pension Obligations	1,622,635	4,081,991	-	4,079,490	-	1,625,136
RDA Debt Service and Bond Funds	87,225,926	608,040	34,620,304	35,228,344	359,240	86,866,686
RDA Housing Debt Service and Bond Funds	3,701,286	33,080	1,923,614	1,956,694	-	3,701,286
[2]**Subtotal, Debt Service Funds**	$ 96,947,512	$ 8,319,474	$ 38,411,349	$ 44,160,996	$ 2,226,671	$ 97,290,668
Total, All Funds	$ 156,319,625	$ 138,954,716	$ 50,373,991	$ 145,376,050	$ 50,373,991	$ 149,898,279

1. Represents working capital and does not include fixed assets, inventory, long term advances or loans.
2. Debt Service fund balances include debt service reserves held by trustee.

Summary of Revenues and Expenditures - All Funds

	2012-13 Actual	2013-14 Amended Budget	2014-15 Proposed Budget	Change from 2013-14	% Change
Revenue					
General Fund	32,806,245	34,369,576	36,890,048	2,520,472	7.33
Internal Service Funds	7,993,107	9,159,861	8,637,549	(522,312)	-5.70
Enterprise Funds	35,296,666	33,793,821	35,273,303	1,479,482	4.38
Special Revenue Funds	24,711,057	25,425,573	24,340,716	(1,084,857)	-4.27
Capital Projects Funds	13,627,191	5,994,379	92,022	(5,902,357)	-98.46
Successor Agency to RDA Funds	43,574,238	37,079,753	37,298,136	218,383	0.59
Debt Service Funds	59,180,823	44,336,021	46,796,933	2,460,912	5.55
Total, Revenues	$ 217,189,327	$ 190,158,984	$ 189,328,707	$ (830,277)	-0.44 %
Expenditure					
Capital Outlay - Equipment	644,425	3,247,965	1,146,000	(2,101,965)	-64.72
Capital Outlay - Projects	17,071,043	26,915,168	8,271,000	(18,644,168)	-69.27
Contracts & Services	20,419,169	27,508,735	24,313,305	(3,195,430)	-11.62
Debt Service Funds	44,095,258	45,430,792	47,686,683	2,255,891	4.97
Fringe Benefits	15,838,581	17,180,317	19,231,730	2,051,413	11.94
Maintenance & Operations	9,847,846	10,897,529	10,113,148	(784,381)	-7.20
Materials & Supplies	10,537,583	10,984,717	10,476,959	(507,758)	-4.62
Pass Through Payments	218,374	327,268	312,513	(14,755)	-4.51
Salaries & Wages	21,061,992	22,969,595	22,913,607	(55,988)	-0.24
Attrition Savings	-	(731,459)	(680,285)	51,174	6.99
Special Items of Expense	618,958	1,522,113	169,900	(1,352,213)	-88.84
Transfers-Out	72,695,842	49,953,244	50,373,991	420,747	0.84
Workers Compensation	800,740	1,036,117	1,421,490	385,373	37.19
Total, Expenditures	$ 213,849,811	$ 217,242,101	$ 195,750,041	$ (21,492,060)	-9.89 %

Revenue Source by Category and Object

	2012-13 Actual	2013-14 Amended Budget	2014-15 Proposed Budget	Change from 2013-14	% Change
General Fund					
Fines & Forfeitures	585,134	564,200	510,870	(53,330)	-9.45
Franchise Fees	3,313,351	3,483,000	3,549,224	66,224	1.90
Intergovernmental Revenue	984,756	1,111,400	1,339,802	228,402	20.55
Other Revenues	2,252,459	1,917,937	2,442,271	524,334	27.34
Other Taxes	5,459,931	5,330,000	5,731,249	401,249	7.53
Permits, Licenses & Fees	1,440,204	1,244,900	1,515,511	270,611	21.74
Property Taxes	2,177,000	2,874,788	2,712,987	(161,801)	-5.63
Sales Taxes	10,676,597	9,745,800	10,006,156	260,356	2.67
Service Fees	1,573,069	1,825,295	1,950,678	125,383	6.87
Transfers-In	4,200,773	5,675,656	6,540,436	864,780	15.24
Use of Money & Property	142,971	596,600	590,864	(5,736)	-0.96
Subtotal, General Fund	$ 32,806,245	$ 34,369,576	$ 36,890,048	$ 2,520,472	7.33 %
Internal Service Funds					
Other Revenues	4,092,454	4,611,333	4,699,573	88,240	1.91
Service Fees	3,309,843	3,862,273	3,271,221	(591,052)	-15.30
Transfers-In	577,358	666,755	666,755	-	-
Use of Money & Property	13,452	19,500	-	(19,500)	-100.00
Subtotal, Internal Service Funds	$ 7,993,107	$ 9,159,861	$ 8,637,549	$ (522,312)	-5.70 %
Enterprise Funds					
Debt Service	35,573	40,000	46,000	6,000	15.00
Franchise Fees	580,000	580,000	580,000	-	-
Intergovernmental Revenue	254,684	815,486	-	(815,486)	-100.00
Other Revenues	3,233,917	3,081,279	2,373,311	(707,968)	-22.98
Service Fees	30,059,452	27,609,846	28,052,896	443,050	1.60
Transfers-In	618,787	887,310	2,813,700	1,926,390	217.10
Use of Money & Property	514,253	779,900	1,407,396	627,496	80.46
Subtotal, Enterprise Funds	$ 35,296,666	$ 33,793,821	$ 35,273,303	$ 1,479,482	4.38 %
Special Revenue Funds					
Fines & Forfeitures	18,775	-	-	-	-100.00
Franchise Fees	219,869	140,000	145,000	5,000	3.57
Intergovernmental Revenue	12,130,958	14,469,267	13,127,686	(1,341,581)	-9.27
Other Revenues	1,767,146	1,060,555	1,375,409	314,854	29.69
Other Taxes	2,764,599	2,627,268	2,525,500	(101,768)	-3.87
Permits, Licenses & Fees	-	45,000	25,000	(20,000)	-44.44
Sales Taxes	49,839	69,000	111,750	42,750	61.96
Service Fees	122,885	109,300	112,102	2,802	2.56
Special Assessments	4,693,492	4,864,586	5,146,922	282,336	5.80
Transfers-In	2,740,729	1,693,914	1,522,301	(171,613)	-10.13
Use of Money & Property	202,765	346,683	249,046	(97,637)	-28.16
Subtotal, Special Revenue Funds	$ 24,711,057	$ 25,425,573	$ 24,340,716	$ (1,084,857)	-4.27 %
Capital Projects Funds					
Intergovernmental Revenue	1,090,989	2,991,330	-	(2,991,330)	-100.00
Other Revenues	1,301,952	119,384	-	(119,384)	-100.00
Permits, Licenses & Fees	21,971	-	-	-	-100.00
Service Fees	3,041,593	9,816	-	(9,816)	-100.00
Transfers-In	8,090,090	2,772,934	-	(2,772,934)	-100.00
Use of Money & Property	80,596	100,915	92,022	(8,893)	-8.81
Subtotal, Capital Projects Funds	$ 13,627,191	$ 5,994,379	$ 92,022	$ (5,902,357)	-98.46 %
Successor Agency to RDA Funds					
Intergovernmental Revenue	837,333	599,185	-	(599,185)	-100.00
Other Revenues	618,701	368,058	234,478	(133,580)	-36.29
Property Taxes	37,580,423	35,450,118	36,543,918	1,093,800	3.09
Transfers-In	4,334,387	550,000	359,240	(190,760)	-34.68
Use of Money & Property	203,394	112,392	160,500	48,108	42.80
Subtotal, Successor Agency to RDA Funds	$ 43,574,238	$ 37,079,753	$ 37,298,136	$ 218,383	0.59 %

	2012-13 Actual	2013-14 Amended Budget	2014-15 Proposed Budget	Change from 2013-14	% Change
Debt Service Funds					
Debt Service	990,808	1,048,500	608,320	(440,180)	-41.98
Service Fees	2,537,860	2,495,265	4,139,491	1,644,226	65.89
Special Assessments	3,224,572	3,077,581	3,555,406	477,825	15.53
Transfers-In	52,133,720	37,706,675	38,471,559	764,884	2.03
Use of Money & Property	293,863	8,000	22,157	14,157	176.96
Subtotal, Debt Service Funds	$ 59,180,823	$ 44,336,021	$ 46,796,933	$ 2,460,912	5.55 %
Total, All Funds	$ 217,189,327	$ 190,158,984	$ 189,328,707	$ (830,277)	-0.44 %

Summary of Expenditures by Program

	2012-13 Actual	2013-14 Amended Budget	2014-15 Proposed Budget	Change from 2013-14	% Change
City Council					
City Council	73,672	86,385	77,227	(9,158)	-10.60
Subtotal, City Council	$ 73,672	$ 86,385	$ 77,227	$ (9,158)	-10.60 %
Administration					
City Manager	104,006	171,589	240,223	68,634	40.00
City Clerk	294,503	247,048	329,273	82,225	33.28
City Attorney	595,986	426,766	508,985	82,219	19.27
Human Resources	568,027	689,203	691,039	1,836	0.27
Treasurer	6,619	6,595	6,622	27	0.41
Finance	2,035,502	2,279,975	2,548,939	268,964	11.80
General Fund - Non Departmental	4,306,920	3,895,869	3,609,299	(286,570)	-7.36
Information Technology	872,138	1,367,955	1,047,244	(320,711)	-23.44
Employee Fringe Benefits	2,810,328	1,774,331	1,788,506	14,175	0.80
Other Post-Employment Benefits (OPEB)	-	2,578,283	2,096,905	(481,378)	-18.67
Insurance	841,939	889,764	796,644	(93,120)	-10.47
Budget Stabilization	2,709,431	1,800,000	2,772,489	972,489	54.03
Subtotal, Administration	$ 15,145,399	$ 16,127,378	$ 16,436,168	$ 308,790	1.91 %
Police Department					
Police Services	18,670,215	20,379,187	21,676,214	1,297,027	6.36
San Marco CFD	336,320	561,209	464,975	(96,234)	-17.15
Vista Del Mar CFD	81,659	159,233	158,021	(1,212)	-0.76
Public Safety CFD	271,284	281,414	232,037	(49,377)	-17.55
Asset Forfeitures	9,805	77,345	-	(77,345)	-100.00
Police Grants	330,686	352,061	-	(352,061)	-100.00
Subtotal, Police Department	$ 19,699,969	$ 21,810,449	$ 22,531,247	$ 720,798	3.30 %
Development Services					
Planning Division	694,632	787,698	985,529	197,831	25.12
Building Division	768,434	920,013	1,018,182	98,169	10.67
Marina	1,992,317	2,119,194	2,060,505	(58,689)	-2.77
Golf Course	14,172	90,000	15,000	(75,000)	-83.33
Solid Waste Fund	100,000	101,980	101,980	-	-
Environmental Affairs	388,831	728,137	740,940	12,803	1.76
CDBG Entitlements	555,297	1,195,751	693,826	(501,925)	-41.98
CalHome Program	35,000	-	-	-	-100.00
Waterfront Operations	420,059	799,559	713,566	(85,993)	-10.76
Economic Development	635,046	1,276,978	787,450	(489,528)	-38.33
Business Improvement District (BID)	108,279	-	-	-	-100.00
Subtotal, Development Services	$ 5,712,067	$ 8,019,310	$ 7,116,978	$ (902,332)	-11.25 %
Engineering					
Engineering Division	1,680,404	1,564,498	1,779,645	215,147	13.75
Gas Tax	1,651,731	3,248,986	1,552,560	(1,696,426)	-52.21
Measure J Tax	764,211	3,122,879	774,287	(2,348,592)	-75.21
NPDES	790,984	1,253,521	1,036,387	(217,134)	-17.32
Southwest Pittsburg GHAD	358,521	595,147	457,285	(137,862)	-23.16
Pittsburg CIP	21,970	301,938	-	(301,938)	-100.00
Developer Fee Fund	1,478,959	5,931,419	249,759	(5,681,660)	-95.79
Community Capital Improvements	7,418,268	3,652,767	-	(3,652,767)	-100.00
Infrastructure Repair & Replacement	-	580,000	-	(580,000)	-100.00
Subtotal, Engineering	$ 14,165,048	$ 20,251,155	$ 5,849,923	$ (14,401,232)	-71.11 %
Public Works - Maintenance Services					
Public Works Administration	83,895	92,591	101,504	8,913	9.63
Streets	1,710,326	2,002,844	2,167,918	165,074	8.24
Street Lighting	666,189	757,947	785,217	27,270	3.60
Street Trees	353,223	374,261	440,736	66,475	17.76
Concrete	53,892	114,718	89,776	(24,942)	-21.74
Fleet Maintenance	1,539,843	1,995,403	2,039,441	44,038	2.21
Building Maintenance	1,118,539	1,498,912	1,583,613	84,701	5.65
Graffiti Removal Program	120,896	124,516	165,576	41,060	32.98
Subtotal, Public Works - Maintenance Services	$ 5,646,803	$ 6,961,192	$ 7,373,781	$ 412,589	5.93 %
Recreation and Parks					
Recreation & Parks Administration	115,409	125,792	101,086	(24,706)	-19.64
Recreation Services	584,329	650,924	793,506	142,582	21.90

	2012-13 Actual	2013-14 Amended Budget	2014-15 Proposed Budget	Change from 2013-14	% Change
Parks & Recreation - Swim Center Maint.	83,335	80,977	89,281	8,304	10.25
Parks & Recreation - Landscape	2,075,430	2,273,353	2,418,634	145,281	6.39
Landscape - Oak Hills Assessment	50,424	53,801	62,930	9,129	16.97
Park Maintenance CFD	49,222	62,230	65,423	3,193	5.13
Recreation Grants	15,694	17,904	-	(17,904)	-100.00
California Theatre	-	334,200	334,350	150	0.04
Subtotal, Recreation and Parks	$ 2,973,843	$ 3,599,181	$ 3,865,210	$ 266,029	7.39 %
Public Works - Water and Sewer Enterprises					
Water Operating	12,531,825	14,356,380	13,566,849	(789,531)	-5.50
Water CIP	2,969,034	5,288,366	2,510,000	(2,778,366)	-52.54
Water Facility Reserve Fee Funds	582,858	1,263,649	4,526,210	3,262,561	258.19
Sewer Maintenance	1,792,454	2,089,227	2,249,030	159,803	7.65
Sewer CIP	3,684,171	5,498,803	500,000	(4,998,803)	-90.91
Sewer Facility Reserve Fee Funds	552,387	133,113	-	(133,113)	-100.00
Water Bond Debt Service	2,540,278	2,660,441	5,297,766	2,637,325	99.13
Sewer Bond Debt Service	915,207	920,390	926,540	6,150	0.67
Subtotal, Public Works - Water & Sewer Enterprises	$ 25,568,214	$ 32,210,369	$ 29,576,395	$ (2,633,974)	-8.18 %
Housing Authority					
Housing Authority - Section 8	13,012,017	13,490,560	13,341,918	(148,642)	-1.10
City Housing	1,422,586	261,588	187,912	(73,676)	-28.16
Subtotal, Housing Authority	$ 14,434,603	$ 13,752,148	$ 13,529,830	$ (222,318)	-1.62 %
Pittsburg Power Company					
Island Energy	3,499,460	4,755,033	4,060,357	(694,676)	-14.61
Pittsburg Power	1,178,584	1,919,953	1,892,100	(27,853)	-1.45
Power Company Capital Projects	820,268	3,886,987	150,000	(3,736,987)	-96.14
Subtotal, Pittsburg Power Company	$ 5,498,312	$ 10,561,973	$ 6,102,457	$ (4,459,516)	-42.22 %
Successor Agency to Former RDA					
RDA Property Maintenance	-	-	-	-	-100.00
RDA General	42,498,244	36,049,303	[(1)]36,543,918	494,615	1.37
RDA Administration	894,838	660,198	359,240	(300,958)	-45.59
RDA Capital Projects Fund	2,583,233	1,292,755	-	(1,292,755)	-100.00
RDA Housing - Non Departmental	1,514,121	-	-	-	-100.00
RDA Housing Projects/Programs	203,314	-	-	-	-100.00
RDA Tax Allocation Bonds	48,778,931	36,458,864	[(1)]35,587,584	(871,280)	-2.39
RDA Housing Bonds	1,960,509	1,956,493	[(1)]1,956,694	201	0.01
Subtotal, Successor Agency to Former RDA	$ 98,433,190	$ 76,417,613	$ 74,447,436	$ (1,970,177)	-2.58 %
Debt Service Funds					
Pension Obligation Bond	1,936,486	2,556,350	4,079,490	1,523,140	59.58
Assessment Districts	4,562,205	4,888,598	4,763,899	(124,699)	-2.55
Subtotal, Debt Service Funds	$ 6,498,691	$ 7,444,948	$ 8,843,389	$ 1,398,441	18.78 %
Total, Uses by Program	$ 213,849,811	$ 217,242,101	$ 195,750,041	$ (21,492,060)	-9.89 %

(1) Includes transfers between funds in the Successor Agency program budget to pay debt obligation in the amount of $36,543,918; therefore uses appear to be overstated by $36,543,918.

General Fund Revenues and Expenditures

	2012-13 Actual	2013-14 Amended Budget	2014-15 Proposed Budget	Change from 2013-14	% Change
General Fund Reserves[1]	7,218,305	7,218,305	7,218,305	-	0.00
Revenues					
Fines & Forfeitures	585,134	564,200	510,870	(53,330)	-9.45
Franchise Fees	3,313,351	3,483,000	3,549,224	66,224	1.90
Intergovernmental Revenue	984,756	1,111,400	1,339,802	228,402	20.55
Other Revenues	2,252,459	1,917,937	2,442,271	524,334	27.34
Other Taxes	5,459,931	5,330,000	5,731,249	401,249	7.53
Permits, Licenses & Fees	1,440,204	1,244,900	1,515,511	270,611	21.74
Property Taxes	2,177,000	2,874,788	2,712,987	(161,801)	-5.63
Sales Taxes	10,676,597	9,745,800	10,006,156	260,356	2.67
Service Fees	1,573,069	1,825,295	1,950,678	125,383	6.87
Transfers-In	4,200,773	5,675,656	6,540,436	864,780	15.24
Use of Money & Property	142,971	596,600	590,864	(5,736)	-0.96
Total, General Fund Revenues	$ 32,806,245	$ 34,369,576	$ 36,890,048	$ 2,520,472	7.33 %
Expenditures					
Administration	7,911,563	7,706,675	7,934,380	227,705	2.95
City Council	73,672	86,385	77,227	(9,158)	-10.60
Development Services	1,571,345	1,707,711	2,003,711	296,000	17.33
Engineering	1,680,404	1,564,498	1,779,645	215,147	13.75
Police Department	18,670,215	20,379,187	21,676,214	1,297,027	6.36
Public Works	1,915,117	2,219,951	2,434,998	215,047	9.69
Recreation and Parks	783,073	857,693	983,873	126,180	14.71
Total, General Fund Expenditures	$ 32,605,389	$ 34,522,100	$ 36,890,048	$ 2,367,948	6.86 %

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

City of Pittsburg
65 Civic Avenue • Pittsburg, California 94565

Date: June 6, 2014

To: Honorable Mayor and Council Members

From: Joe Sbranti, City Manager

Subject: FY 2014-15 Budget – Budget Message

Overview

The City of Pittsburg's economy continues to show signs of recovery: Measure P sales tax revenues and property values are increasing and the City's unemployment rate is declining. Unfortunately, the City's pension obligation bond ("POBs") debt service and Contra Costa County Employee Retirement Association ("CCCERA") liability are sharply increasing in FY 2014-15 putting a damper on the revenue upside. Nonetheless, the FY 2014-15 budget includes funding for 7.0 new full-time equivalent ("FTE") positions that we eliminated during the great recession that will restore important City services. In addition, we are also giving net wage increases of between 1% and 2% to the City's employees. And, as discussed in more detail below, we are still on target to have a structurally balanced General Fund budget by FY 2018-19.

FY 2014-15 General Fund Budget

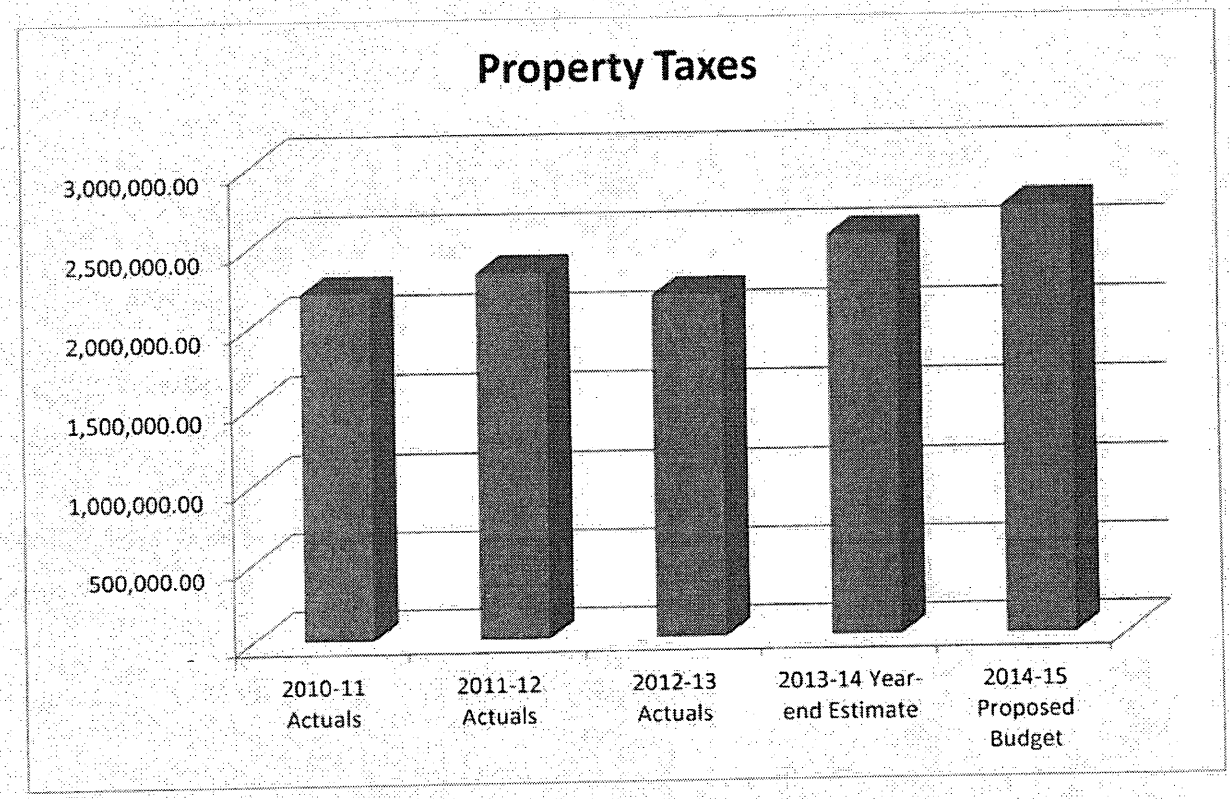
	FY 2013-14 Year-end Estimate	FY 2014-15 Budget	Difference	Percent Difference
Revenues	$34,659,455	$34,891,648	$232,193	0.67%
Expenditures	35,583,071	36,890,048	1,306,977	3.67%
Surplus/(Deficit)	(923,616)	(1,998,400)	(1,074,784)	
Use of Budget Stabilization Fund	923,616	1,998,400	1,074,784	

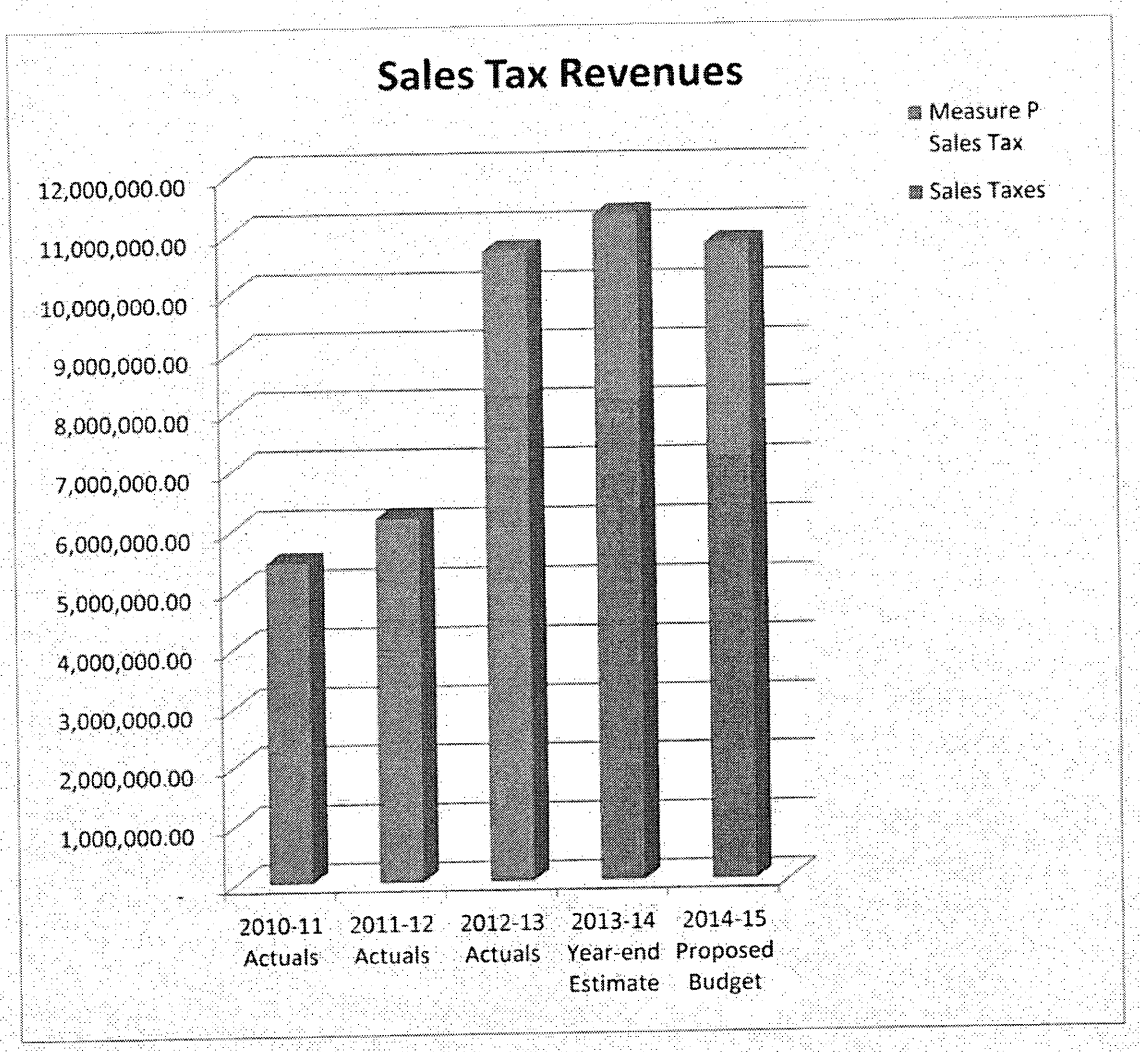
Revenues

The City's General Fund FY 2014-15 operating revenues are projected to be $34,891,648 or $232,193 greater than the FY 2013-14 year-end estimate. The most significant change from FY 2013-14 is a reduction in one-time sales tax

revenues of $700,000 received in FY 2013-14 compared to $312,500 in one-time sales tax revenues we expect to receive in FY 2014-15. It is important to note that those one-time sales tax revenues are transferred out to the Budget Stabilization Fund and therefore do not affect the General Fund operating revenues.

However, off-setting the decrease in one-time sales tax revenues is a significant increase of $454,500 or 14% in Measure P non-one time sales tax revenues. Actual FY 2013-14 Measure P sales tax revenues are projected to be $905,000 or 41% over budget which will result in reduced use of the Budget Stabilization Fund to balance the FY 2013-14 budget. In addition, the City's non-Redevelopment areas' Assessed Valuation ("AV") increased by 10.6% between FY 2012-13 and 2013-14 which is much more than the 3% staff assumed in the FY 2013-14 budget. We do not know what the AV will be for FY 2014-15 but we budgeted 7% based on the continued increases in Pittsburg's median home values. It is possible that the actual AV will be greater than 7%.



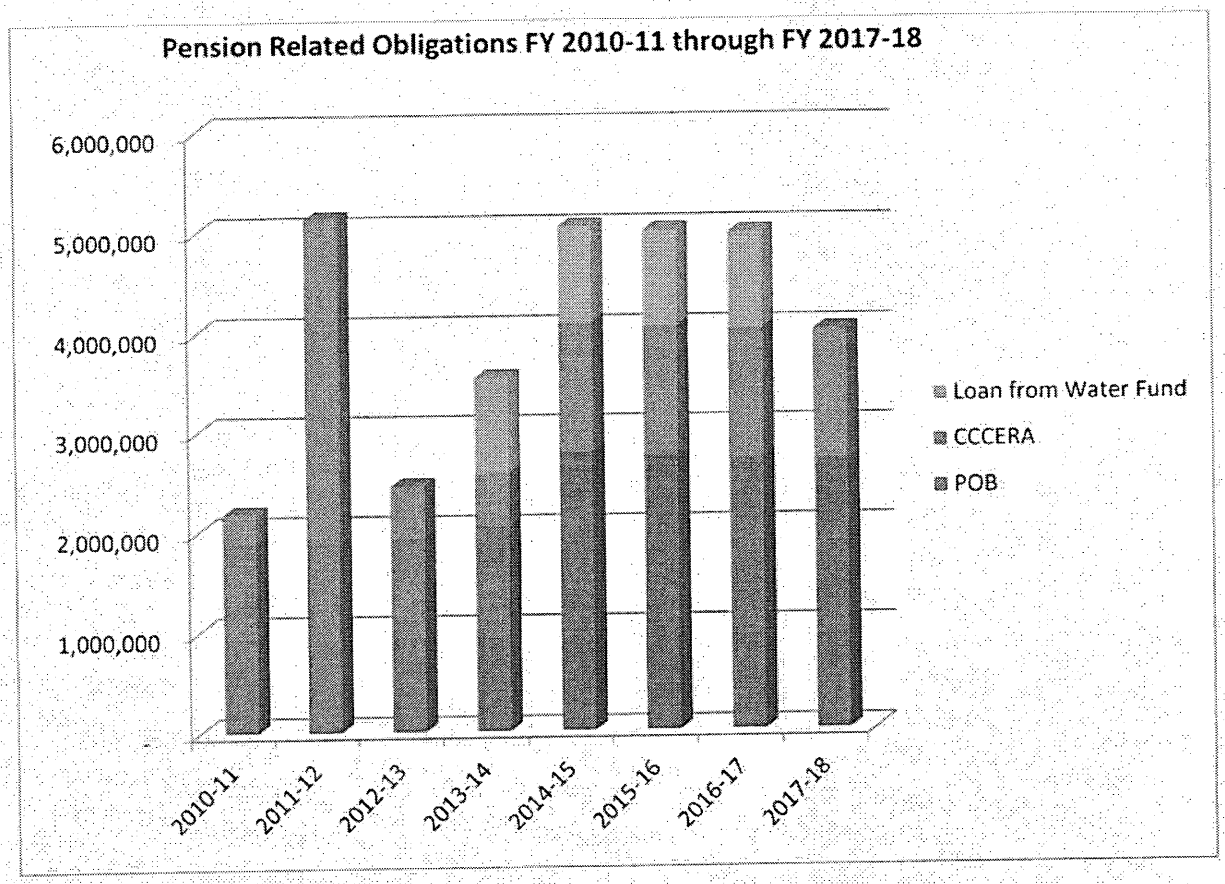


Expenditures

Pension Related Cost Increases - Unfortunately, the growth in the Measure P sales tax and property tax revenues is off-set by an unanticipated increase in the City's unfunded Contra Costa County Employee Retirement Association ("CCCERA") liability of $11.3 million that results in an annual payment of $798,519 of which the General Fund's portion is $607,044. In addition, while expected, the City's Pension Obligation Bond ("POB") debt service is increasing by $724,621 of which the General Fund portion is $550,865. In FY 2014-15, staff will work on a plan to cover the increased CCCERA liability such that the annual payments will be less than $798,519.

As described in the chart below, while the increased CCCERA annual payment has increased pension related obligations, the inter-fund loan from the Water Fund

used to repay a prior CCCERA liability will be fully repaid by FY 2017-18 which will reduce the City's pension related annual payments by $953,000.



Wage Increases - After several years of employee wage and benefit concessions, the City's Memorandums of Understandings ("MOUs") with employee unions include moderate annual net raises of between 1% and 2% for its employees in FY 2014-15. Finally, we are adding 7.0 full-time positions back to the City's budget that we had eliminated during the great recession that will restore important City services.

The net result of the increased revenues and expenses is a General Fund FY 2014-15 shortfall of approximately $2 million that will be covered by the City's Budget Stabilization Fund.

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

7-year General Fund Balancing Plan - FY 2014-15 is year four in the 7-year General Fund Balancing Plan ("Plan") that is included in the FY 2014-15 budget book. As described in that Plan based on relatively conservative revenue and expenditure assumptions and a total of $1.7 million in additional expenditures reductions and/or new revenues, we will have a structurally balanced budget where total operating revenues equal operating expenses by FY 2018-19 and use approximately $5.3 million from the Budget Stabilization Fund. Every year since FY 2011-12 when we began using the Plan to develop and manage the City's budgets, actual expenditures have been less than projected and actual revenues have been greater than projected. As a result, through FY 2012-13 we have used a total of $196,705 from the Budget Stabilization Fund to balance the General Fund budget which is significantly less than the over $5 million we estimated to require to balance those budgets. However, we are learning to be more accurate in our revenue and expenditure projections. As a result, we don't anticipate that there to be a material difference in the actual amount of Budget Stabilization funds we will require to balance the FY 2014-15 budget than the $2 million budgeted. We are currently estimating to require $923,616 to balance the FY 2013-14 budget which is about half of the $1.8 million we budgeted to balance the FY 2013-14 budget.

Fiscal Sustainability Ordinance - This is the second fiscal year that we developed the City's General Fund budget under the requirements outlined in the City's Fiscal Sustainability Ordinance. Specifically, as required by the Fiscal Sustainability Ordinance, we are (1) depositing one-time sales tax revenues of $312,500 into the Budget Stabilization Fund, (2) the balance of the Budget Stabilization Fund by the end of FY 2014-15 is estimated to be $6.7 million which is greater than the $2 million minimum balance, and (3) operating reserves have been increasing such that we will meet the 30% of operating expenses requirement by FY 2017-18.

In addition, in FY 2013-14, the Budget Stabilization Fund balance was $10,209,431 or $2,709,431 more than the maximum of $7.5 million allowed in the Fiscal Sustainability Ordinance. As required, we allocated that $2,709,431 as follows: $500,000 to General Fund reserves, $1,657,073 to the Infrastructure and Repair and Replacement Fund, and $552,358 to the Other Post-Employment Benefits ("OPEB") fund which is used to pre-fund retiree health benefits. This is in addition to the $666,755 that was included in the FY 2013-14 budget to pre-fund the City's OPEB liability for a total of $1,219,113 to pre-fund OPEB liability in FY 2013-14. In January 2014, the City established an account at CalPERS to pre-fund OPEB with

an initial deposit of $1,219,113. The FY 2014-15 budget includes a total of $666,755 to pre-fund OPEB that will also be deposited into the City's OPEB account at CalPERS. In short, we are making progress towards retiring the City's unfunded OPEB liability of $12.4 million.

Fitch and Standard and Poor's 2014 Ratings of Pittsburg's POBs

A few months ago Standard and Poor's ("S&P") and Fitch rating agencies rated the City of Pittsburg's POBs. While Fitch affirmed the City's A+ rating with a stable outlook, S&P raised the rating from A- to A+ with a stable outlook. The following are some of the excerpts from the rating agencies' reports that reflect the improvements in Pittsburg's financial condition and financial management practices since the start of the great recession:

"The city's financial position is solid as exhibited by high fund balances, recent voter approval of a new sales tax, years of prudent cost cutting, and a manageable path to structural balance. Nonetheless, further cost cutting will be required to maintain balanced general fund operations." (Fitch 2/24/14)

"Seasoned financial management and policymakers have a record of prudent fiscal actions. Institutionalized financial practices are impressive, including a high minimum fund balance policy, new OPEB pre-funding requirements, multi-year forecasting, and a budget stabilization reserve requirement." (Fitch 2/24/14)

"Supporting the city's finances is liquidity we consider very strong, with total primary government cash and investments exceeding 15% of total governmental fund expenditures and 120% of total governmental funds debt service. Due to multiple debt issuances within the past 20 years, we believe the city has strong access to external liquidity" (S&P 2/20/2014)

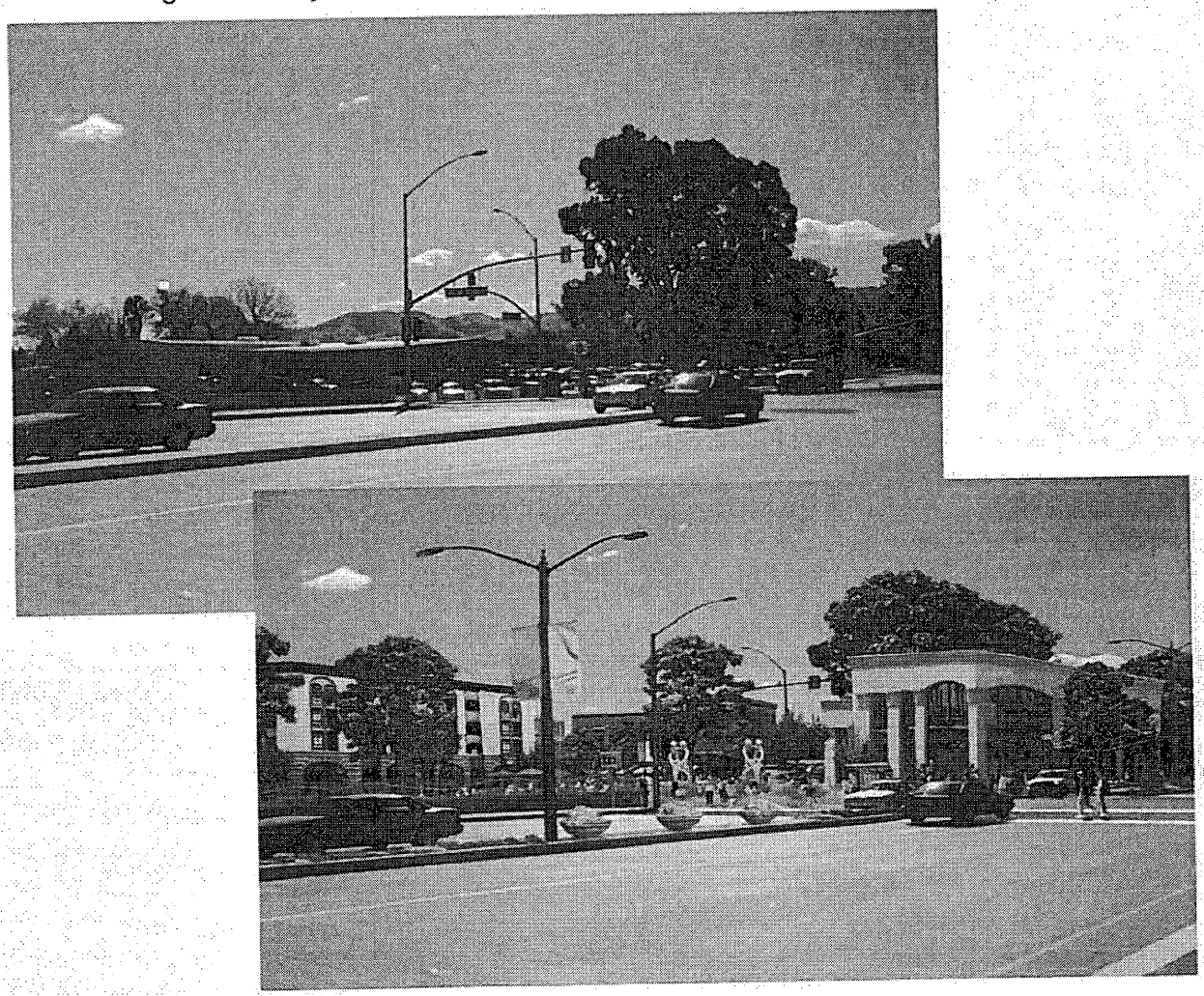
We should all feel proud that our efforts these past four years to stabilize the City's finances have been recognized by the rating agencies.

Looking Forward

Capital Projects - Through its former Redevelopment Agency, Pittsburg made great strides in redeveloping the City's infrastructure and downtown areas as well as building new fire stations, new parks and renovating the City's library. We are continuing these efforts in FY 2014-15 with the construction of a new park in Old Town Pittsburg, a Kite Board ramp near the City's Marina, renovation of the City's

Water Treatment Plant and related water facilities, and pavement renovation projects.

eBART Extension and Civic Center Station - The most significant project to begin construction in FY 2014-15, however, is the eBART extension from the Pittsburg/Bay Point BART station to Hillcrest Avenue in Antioch. The eBART extension project includes a new station at Railroad Avenue and Highway 4 in Pittsburg also referred to by BART as the Civic Center Station ("CCS"). In FY 2013-14, the City formed a Community Facilities District ("CFD") in the surrounding area to help fund construction of the Civic Center Station. It is expected that the Civic Center Station will spur transit oriented development ("TOD") in the area such as higher density mixed-use housing and commercial development.



Images above: before and after rendering of expected redevelopment of area adjacent to the Civic Center eBART Station.

Crime Rates - In 2013, reported Part I crimes in Pittsburg dropped 2.3% from the previous year. Pittsburg continues to maintain record-low crime levels. In the past 53 years, the only year that saw a lower per-capita crime rate was 2011, and Pittsburg continues to compare very well with nearby cities:

2013 comparison with surrounding cities per 1,000 residents:

Violent Crime

Walnut Creek	1.2 (down from 1.3)
Brentwood	1.7 (up from 1.6)
Pittsburg	**2.8 (up from 2.4)**
Pleasant Hill	3.2 (up from 2.8)
Concord	3.3 (up from 3.1)
Antioch	9.1 (down from 10.7)

Total Part I Crime

Brentwood	24.5 (up from 20.5)
Walnut Creek	33.6 (up from 32.4)
Pittsburg	**34.2 (down from 35.5)**
Pleasant Hill	45.9 (down from 49.6)
Concord	49.1 (up from 36.8)
Antioch	52.4 (down from 57.0)

Housing Development – Pittsburg's residential and commercial development has been picking up to pre-recession levels of adding approximately 200 new housing units annually. As described in the table below, there are currently 3,283 approved but unbuilt housing units in Pittsburg and 16,623 square feet of commercial development approved but unbuilt. With the anticipated new development, the City will receive additional property tax revenues as well as Lighting and Landscaping and public safety CFDs, all of which will help reduce the City's General Fund structural deficit.

Residential Projects

Project	SF Unit Count	MF Unit Count	Total Unit Count
Alves Ranch	167	373	540
Bancroft Gardens II	28	--	28
Los Medanos Apartments	--	30	30
Mariner Walk (remaining units)	88	--	88
San Marco (remaining units)	775	1000	1775
Sunnyside Estates	33	--	33
Vista del Mar (remaining units)	125	--	125
Sky Ranch	415	--	415
Bailey Estates	249	--	249
Totals	**1,880**	**1,403**	**3,283**

Commercial/Industrial Projects

Project	Commercial Sq. Ft.	Industrial Sq. Ft.	Total Sq. Ft.
Columbia Solar *	n/a	n/a	n/a
Delta Gateway Pad 12	10,623	--	10,623
San Marco Gas Station	6,000	--	6,000
Totals	**16,623**	**--**	**16,623**

* No buildings are proposed with the 115-acre Columbia Solar project. Initial valuation and ongoing annual revenues of the operation are anticipated to exceed $1M.

20-year General Fund Projections - While the 7-year General Fund Balancing Plan has been a great tool for City management and City Council to help manage the City's budget to structural balance, we would like to develop a longer-term 20-year forecast of the City's General Fund that incorporates anticipated revenues from increased development as well as decreased expenses associated with paying down the City's CCCERA, POBs, and OPEB liability. We will present a draft of the 20-year forecast to the Finance Committee in the fall of 2014 with the goal of incorporating it in the FY 2015-16 budget document.

Conclusion

I would like to thank the Finance Department as well as other department staff for all of their efforts in developing and balancing the City's budget. However, I would like to give special thanks to Tina Olson, the Finance and Administration Director, and Diane Agar, the Finance Accounting and Budget Manager, for their work on the City's budget. They have created a streamlined and yet comprehensive process to develop and review the

City's budget that has resulted in the City receiving the Government Financial Officers Association ("GFOA") Distinguished Budget Presentation award for the past two years. I also want to thank the City Council for their continued support of me and City staff as we work to balance the City's budget.

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

DATE: 5/28/2014

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Approval of the City of Pittsburg's Operating Budget for Fiscal Year 2014-15 and Appropriation of Funds for Fiscal Year 2014-15

MEETING DATE: 6/16/2014

EXECUTIVE SUMMARY

On May 5, 2014, a budget workshop meeting was held to review and receive public input and discussion regarding the Draft Operating Budget for Fiscal Year 2014-15. The Fiscal Year 2014-15 budget must be appropriated by July 1, 2014 to provide on-going funding for the City of Pittsburg activities during the next fiscal year.

FISCAL IMPACT

The City of Pittsburg Fiscal Year 2014-15 operating budget for all City funds are set forth in Attachment I, Summary of Fund Condition and Attachment II Summary of Revenues and Expenditures All Funds. The projected revenues are set forth in Attachment III, Revenue Source by Category and Object and Attachment IV includes the Summary of Expenditures by Program. The FY 2014-15 General Fund Revenues and Expenditures is included in Attachment V. These attachments reflect the recommended total Citywide budget of $195.8 million including a General Fund budget of $36.9 million, Internal Services Budget of $9.4 million, Enterprise Funds budget of $38.5 million, Special Revenue funds budget of $27.5 million (including Housing Authority and Geological Abatement funds (GHAD)), Debt Service and Project Funds budget of $46.6 million, and the Successor Agency to the former Pittsburg Redevelopment Agency of $36.5 million. The Fiscal Year 2014-15 City Manager Budget Message is set forth as Attachment VI.

RECOMMENDATION

Adopt the budget for the City of Pittsburg for the Fiscal Year 2014-15.

BACKGROUND

The City's proposed FY 2014-15 Operating Budget was presented to the City Council at a Budget Workshop held on May 5, 2014.

The proposed FY 2014-15 budget is scheduled to be adopted at the City Council meeting on June 16, 2014. 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 2014-15 will be on the City's website before the June 16, 2014 City Council meeting and can be located by navigating to Departments/Finance/Financial/Fiscal Year 2014-15. A hard copy of the same document will be filed at the Contra Costa County Library, Pittsburg Branch.

SUBCOMMITTEE FINDINGS

On March 25, 2014 and April 30, 2014 the City Council Finance Committee met to review the Draft FY 2014-15 Operating Budget.

STAFF ANALYSIS

The City Manager's attached Budget Message provides an overview of the City's FY 2014-15 General Fund budget as well as a description of the City's financial challenges.

ATTACHMENTS: Resolution
Attachment I; Summary of Fund Condition for FY 2014-15
Attachment II; Summary of Revenues and Expenditures All Funds
Attachment III; Revenue Source by Category and Object
Attachment IV: Summary of Expenditures by Program
Attachment V: General Fund Revenues and Expenditures
Attachment VI: Fiscal Year 2014-15 City Manager Budget Message

Report Prepared By: Diane Agar, Division Manager – Accounting
Reviewed by: Tina Olson, Director of Finance and Administration

BEFORE THE CITY OF PITTSBURG HOUSING AUTHORITY

In the Matter of:

Approval of the Budget for Fiscal Year 2014-15 for the City of Pittsburg Housing Authority and Appropriation Of Funds for Fiscal Year 2014-15

RESOLUTION NO. 14-280

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 2014-15 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 5, 2014 for the purpose of reviewing and discussing the Pittsburg Housing Authority budget for the Fiscal Year 2014-15 and recommend estimated revenues in the amount of $13,283,678 and a spending plan of $13,341,918.

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 2014-15 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 2014-15.

C. Those funds are hereby and shall be appropriated in the estimated revenue amount of $13,283,678 and a spending plan of $13,341,918.

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 16th day of June, 2014, by the following vote:

AYES:	Casey, Johnson, Longmire, Parent, Evola
NOES:	None
ABSTAINED:	None
ABSENT:	Alvergue, Mingo

Salvatore N. Evola

Salvatore N. Evola, Chair

ATTEST:

Alice E. Evenson

Alice E. Evenson, Agency Secretary

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

DATE: 5/28/2014

TO: Chair and Agency Members

FROM: Joe Sbranti, Executive Director

SUBJECT: Approval of the Operating Budget Plan for Fiscal Year 2014-15 for the City of Pittsburg Housing Authority and Appropriation of Funds for Fiscal Year 2014-15

MEETING DATE: 6/16/2014

EXECUTIVE SUMMARY

On May 5, 2014, a budget workshop meeting was held to review and receive public input regarding the Preliminary Operating Budget for Fiscal Year 2014-15 including the Housing Authority budget. The budget must be appropriated for Fiscal Year 2014-15 by July 1, 2014 to provide on-going financing for the Pittsburg Housing Authority activities during the next fiscal year.

FISCAL IMPACT

The Pittsburg Housing Authority budget for Fiscal Year 2014-15 recommends revenues in the amount of $13,283,678 and a spending plan of $13,341,918 for all of the Housing Authority funds including the Successor Agency Housing Fund. Consistent with instructions from the federal Department of Housing and Urban Development (HUD), the Housing Authority's FY 2014-15 budget will use $58,240 from its fund balance to fully fund its programs.

RECOMMENDATION

Approve the Operating Budget for Fiscal Year 2014-15 and adopt the budget for the Pittsburg Housing Authority, for the Fiscal Year 2014-15.

BACKGROUND

The Preliminary Operating Budget for Fiscal Year 2014-15 for the Pittsburg Housing Authority was presented to the City Council at a budget workshop meeting held on May 5, 2014. A complete copy of the detailed Preliminary Operating Budget document for Fiscal Year 2014-15 will be placed on the City's website before the June 16, 2014 City Council

meeting and can be located by navigating to Departments/Finance/Financial/Fiscal Year 2014-15. 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 2014-15 was presented to the Finance Committee on March 25, 2014 and April 30, 2014. 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 approximately one month of operating expenses. According to HUD's Calendar Year 2014 Renewal Funding, PHA has approximately $1,710,604 fund balance available as of 12-31-2013 to supplement PHA's funding.

The FY 2014-15 budget revenue projection is based on the HUD's Calendar Year 2014 Renewal Funding annual increment. The administrative funding is based on HUD's funding letter, which was prorated to 75% of eligibility to the FY 2012-13 funding. As a result of the 2013 sequestration, we estimate utilizing $ 64,484 and $58,240 in reserves to balance PHA's FY 2013-14 and 2014-15 budget respectively.

It's been a challenge for the PHA to maintain the level of service with a significant reduction of administrative fees. The PHA's plan is to increase the leasing of units in order to compensate for the lowered administrative fees, however, the PHA will still anticipate a net loss in program revenue should HUD make further reductions in the administrative fee proration.

ATTACHMENTS: Resolution

Report Prepared By: Karen Chang, Finance Division Manager - Reporting
Reviewed by: Tina Olson, Director of Finance and Administration

BEFORE THE PITTSBURG POWER COMPANY OF THE CITY OF PITTSBURG

In the Matter of:

Approval of the Budget for Fiscal Year 2014-15 for the Pittsburg Power Company and Appropriation of Funds For Fiscal Year 2014-15

RESOLUTION NO. 14-293

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 2014-15 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 5, 2014 for the purpose of reviewing and discussing the Preliminary Operating Budget for Fiscal Year 2014-15, 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 2014-15 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 2014-15 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 2014-15.

C. Those funds are hereby and shall be appropriated in the estimated revenue amount of $1,836,770 and a spending plan of $1,952,100 for the Pittsburg Power Fund. In addition, the budget recommends estimated revenues in the amount of $4,350,428 and a spending plan of $4,150,357 for the Island Energy Fund for Fiscal Year 2014-15.

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 16th day of June, 2014, by the following vote:

AYES: Casey, Johnson, Longmire, Parent, Evola
NOES: None
ABSTAINED: None
ABSENT: None

Salvatore N. Evola

Salvatore N. Evola, Chair

ATTEST:

Alice E. Evenson

for Joe Sbranti, Executive Secretary

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

DATE: 5/28/2014

TO: Mayor/Chair and Council/Agency Members

FROM: Joe Sbranti, City Manager/Executive Director

SUBJECT: Approval of the Budget for Fiscal Year 2014-15 for the Pittsburg Power Company and Appropriation of Funds for Fiscal Year 2014-15

MEETING DATE: 6/16/2014

EXECUTIVE SUMMARY

On May 5, 2014 a budget workshop meeting was held to review the Preliminary Operating Budget for Fiscal Year 2014-15 including the proposed Pittsburg Power Company Budget. The budget must be appropriated for Fiscal Year 2014-15 before July 1, 2014 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 2014-15 recommends estimated revenues in the amount of $1,836,770 and a spending plan of $1,952,100 for the Pittsburg Power Fund. In addition, the budget recommends estimated revenues in the amount of $4,350,428 and a spending plan of $4,150,357 for the Island Energy Fund.

RECOMMENDATION

Approve the Operating Budget Plan for Fiscal Year 2014-15 and adopt the budget for the Pittsburg Power Company for the Fiscal Year 2014-15.

BACKGROUND

The Preliminary Operating Budget for Fiscal Year 2014-15 for the City of Pittsburg, including the Pittsburg Power Company, was presented to the City Council at a budget workshop meeting held on May 5, 2014.

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 2014-15 will be placed on the City's website before the June 16, 2014 City Council meeting and can be located by navigating to

Departments/Finance/Financial/Fiscal Year 2014-15. 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 2014-15 was presented to the Finance Subcommittee on March 25, 2014 and April 30, 2014. The Finance Subcommittee did not have any comments or changes to the Pittsburg Power FY 2014-15 budget.

STAFF ANALYSIS

None

ATTACHMENTS: Resolution

Report Prepared By: Diane Agar, Division Manager – Accounting
Reviewed By: Tina Olson, Director of Finance and Administration

BEFORE THE SOUTHWEST PITTSBURG GEOLOGIC HAZARD ABATEMENT DISTRICT II

In the Matter of:

Approval of the Budget Plan for Fiscal Year 2014-15 for the Southwest Pittsburg Geologic Hazard Abatement District II (GHAD II) and Appropriation of Funds for Fiscal Year 2014-15

RESOLUTION NO. 14-047

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 2014-15 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 16, 2014 for the purpose of reviewing and discussing the Southwest Pittsburg GHAD II budget for the Fiscal Year 2014-15 and recommend estimated revenues in the amount of $639,200 and a spending plan of $457,285.

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 2014-15 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 2014-15.

C. Those funds are hereby and shall be appropriated in the estimated revenue amount of $639,200 and a spending plan of $457,285.

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 16th day of June, 2014, by the following vote:

AYES: Casey, Johnson, Longmire, Parent, Evola
NOES: None
ABSTAINED: None
ABSENT: None

Salvatore N. Evola

Salvatore N. Evola, Chair

ATTEST:

Alice E. Evenson

Alice E. Evenson, Clerk of the Board

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

DATE: 5/28/2014

TO: Mayor/Chair and Council/Agency Members

FROM: Joe Sbranti, City Manager/Executive Director

SUBJECT: Approval of the Budget for Fiscal Year 2014-15 for the Southwest Pittsburg Geologic Hazard Abatement District II (GHAD II) and Appropriation of Funds for Fiscal Year 2014-15

MEETING DATE: 6/16/2014

EXECUTIVE SUMMARY

On May 5, 2014 a budget workshop meeting was held to review the Preliminary FY 2014-15 Operating Budget including the GHAD II budget. The FY 2014-15 budget must be appropriated before July 1, 2014 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 2014-15 estimates revenues in the amount of $639,200 and a spending plan of $457,285.

RECOMMENDATION

Approve the Operating Budget for Fiscal Year 2014-15 and adopt the budget for the Southwest GHAD II, for the Fiscal Year 2014-15.

BACKGROUND

The Preliminary Operating Budget Plan for Fiscal Year 2014-15 for the Southwest GHAD II was presented to the GHAD II Board of Directors at a budget workshop meeting held on May 5, 2014. A complete copy of the detailed Preliminary Operating Budget document for Fiscal Year 2014-15 will be placed on the City of Pittsburg's website before the June 16, 2014 City Council/GHAD Board meeting and can be located by navigating to Departments/Finance/Financial/Fiscal Year 2014-15. 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 2014-15 was presented to the Finance Subcommittee on March 25, 2014 and April 30, 2014. 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: Tina Olson, Director of Finance and Administration

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Adopt Resolution Establishing the Appropriations Limit for the Fiscal Year 2014-2015 in Accordance with Proposition III and Article XIII (B)

RESOLUTION NO. 14-12142

The Pittsburg City Council DOES RESOLVE as follows:

Whereas, Article XIII (B) of the California Constitution Proposition IV 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 City'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-twenty-seven million, six-hundred-ninety-eight thousand, one-hundred-forty-five Dollars ($127,698,145); 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 authorized and approve that the Fiscal Year 2014-15 Appropriations Limit of the City of Pittsburg is established at $127,698,145 using the City'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 16th of June, 2014, by the following vote:

AYES: Casey, Johnson, Longmire, Parent, Evola

NOES: None

ABSTAINED: None

ABSENT: None

Salvatore N. Evola

Salvatore N. Evola, Mayor

ATTEST:

Alice E. Evenson

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 2014

Dear Fiscal Officer:

Subject: Price and Population Information

Appropriations Limit
The California Revenue and Taxation Code, section 2227, mandates 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, 2014, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2014-15. 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 2014-15 appropriations limit. Attachment B provides city and unincorporated county population percentage change. Attachment C provides 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. Consult the Revenue and Taxation Code section 2228 for further information regarding the appropriations limit. Article XIII B, section 9(C), of the State 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 issue should be referred to their respective county for clarification, or to their legal representation, or to 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, 2014.**

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:

KEELY M. BOSLER
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 2014-15 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2014-15	-0.23

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2014-15 appropriation limit.

2014-15:

Per Capita Cost of Living Change = -0.23 percent
Population Change = 0.95 percent

Per Capita Cost of Living converted to a ratio: $\frac{-0.23 + 100}{100} = 0.9977$

Population converted to a ratio: $\frac{0.95 + 100}{100} = 1.0095$

Calculation of factor for FY 2014-15:

$0.9977 \times 1.0095 = 1.0072$

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2013 to January 1, 2014 and Total Population, January 1, 2014

County City	Percent Change 2013-2014	--- Population Minus Exclusions --- 1-1-13	 1-1-14	Total Population 1-1-2014
Contra Costa				
Antioch	1.12	105,272	106,455	106,455
Brentwood	2.60	53,356	54,741	54,741
Clayton	0.82	11,109	11,200	11,200
Concord	0.54	123,725	124,388	124,656
Danville	0.85	42,783	43,146	43,146
El Cerrito	0.59	23,945	24,087	24,087
Hercules	0.55	24,438	24,572	24,572
Lafayette	1.28	24,347	24,659	24,659
Martinez	0.58	36,526	36,739	36,842
Moraga	0.54	16,260	16,348	16,348
Oakley	2.06	37,308	38,075	38,075
Orinda	0.77	17,951	18,089	18,089
Pinole	0.55	18,692	18,794	18,794
Pittsburg	1.43	65,435	66,368	66,368
Pleasant Hill	0.56	33,682	33,872	33,872
Richmond	0.40	105,715	106,138	106,138
San Pablo	0.53	29,309	29,465	29,465
San Ramon	1.10	76,429	77,270	77,270
Walnut Creek	0.61	65,780	66,183	66,183
Unincorporated	1.25	163,912	165,964	166,048
County Total	0.98	1,075,974	1,086,553	1,087,008

*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 2014-2015
Gann Appropriations Limit Calculations

	City Population Change		County Population Change
Population Change as of January 1, 2014	**1.43** (1)		0.98 (1)

	Per Capita Change		Consumer Price Index CPI of Contra Costa County
Cost of Living FY 2014-15	**0.9977** (1)		0.020 (2)

FY 14-15 Gann Limit Growth Factor 1 + Larger of County and City Population		1.0143
1 + Larger of Per Capita Change and 12-Month Change in CPI for County	x	0.9977
INCREASE in City's Appropriations Limit for FY 2014-15 -		**1.011967**
FY 2013-14 Appropriations Limit		$ 126,188,039 (3)
Growth Factor	x	1.011967
FY 2014-15 APPROPRIATIONS LIMIT		**$ 127,698,145**

NOTE:
(1) California Department of Finance Letter Dated May, 2014
(2) Contra Costa County Consumer Pirce Index Average
(3) FY2013-14 General Fund Appropriations Limit

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

DATE: 5/28/2014

TO: Mayor and Council Members

FROM: Joe Sbranti, City Manager

SUBJECT: Adopt Resolution Establishing the Appropriations Limit for the 2014-2015 Fiscal Year in Accordance with Proposition III and Article XIII (B)

MEETING DATE: 6/16/2014

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 2014-15 Appropriations Limit is $127,698,145 and will exceed the estimated General Fund spending plan of $36.9 Million.

RECOMMENDATION

Staff recommends that the City Council adopt this Resolution in compliance of 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 2014-15 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 Appropriations subject to limitations for FY2014-15 is $127,698,145.

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 2014 –2015 is $36,890,048 against the calculated limit of $127,698,145.

Appropriations subject to the limit for fiscal year 2013-14 totaled $34,522,100 against the Adopted Limit of $126,188,069 for that same year.

ATTACHMENTS: Resolution
California Department of Finance Letter dated May, 2014
Gann Calculations

Report Prepared By: Diane Agar, Division Manager – Accounting
Reviewed by: Tina Olson, Director of Finance and Administration