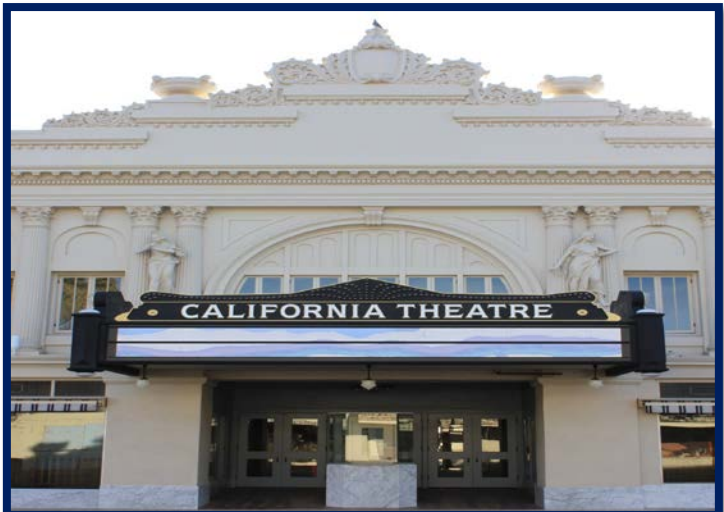


# Adopted Annual Budget

Fiscal Year  
2016-2017



City of  
Pittsburg,  
California



On The Cover:  
City of Pittsburg, Civic Center  
Youth Sports in Pittsburg  
California Theatre  
Sullenberger Swim Center at Buchanan Park

## ➤ **ACKNOWLEDGEMENTS**

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### **City Council**

Ben Johnson, Mayor  
Will Casey, Vice Mayor  
Merl Craft, Council Member  
Pete Longmire, Council Member  
Salvatore Evola, Council Member

### **Other Elected Officials**

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

### **City Attorney**

Ruthann G. Ziegler, Esquire, City Attorney

### **Management Staff**

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

## ➤ **ACKNOWLEDGEMENTS**

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### **Prepared by the Finance Department:**

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Karen Chang, Finance Division Manager, Reporting

Margaret Padua, Finance Division Manager, Revenue and Collections

Krista Nuxoll, Financial Analyst

Glescher Pinder, Accounting Technician

Rhonda Caldwell, Administrative Assistant

### **Special Thanks to City Department Staff:**

Jill Hecht, City Manager's Office

Ron Nevels, Engineering

Joyce Lowe, Police Department



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Pittsburg  
California**

For the Fiscal Year Beginning

**July 1, 2015**

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Pittsburg for the Annual Budget beginning July 1, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

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City of Pittsburg  
 65 Civic Avenue  
 Pittsburg, California 94565

June 20, 2016

Honorable Mayor and Members of the City Council:

I am pleased to submit the Fiscal Year 2016-17 Annual Budget for the City of Pittsburg (City), which provides a comprehensive financial framework for the coming year. The City's total revenues (excluding Transfers) are \$149.6 million, of which 23.48 percent comprises the General Fund. The City's total expenditure budgets (excluding Transfers and Capital) are \$143.7 million, of which 27.8 percent is the General Fund, the City's main source of unrestricted funds. This proposed budget funds 265 full-time equivalent employees, an increase of one full-time position over FY 2015-16 approved staffing levels. Before the recent economic recession, the City budget had 308 full-time equivalent positions. This Budget reflects the continuing commitment to provide quality services to residents, while maintaining the City's long-term financial sustainability target of having a structurally balanced General Fund by fiscal year 2018-19.

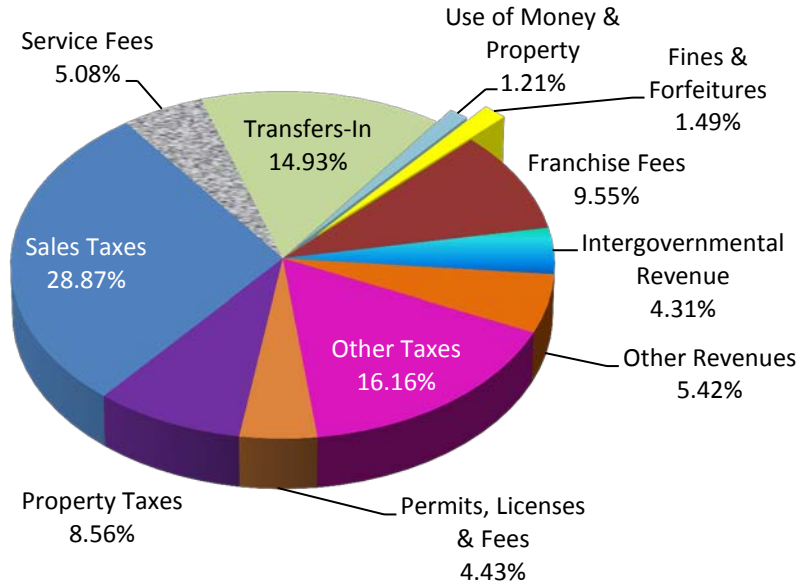
**Overview of the General Fund Proposed Operating Budget for FY 2016-17**

	FY 2015-16 Year-End Estimate	FY 2016-17 Budget	Difference	Percent Difference
Revenues	38,791,327	39,909,594	1,118,267	2.88%
Expenditures	39,991,999	41,298,217	1,306,218	3.27%
Surplus (Deficit)	(1,200,672)	(1,388,623)	(187,951)	15.65%
Use of Budget Stabilization Fund	1,200,672	1,388,623	187,951	

**Revenues**

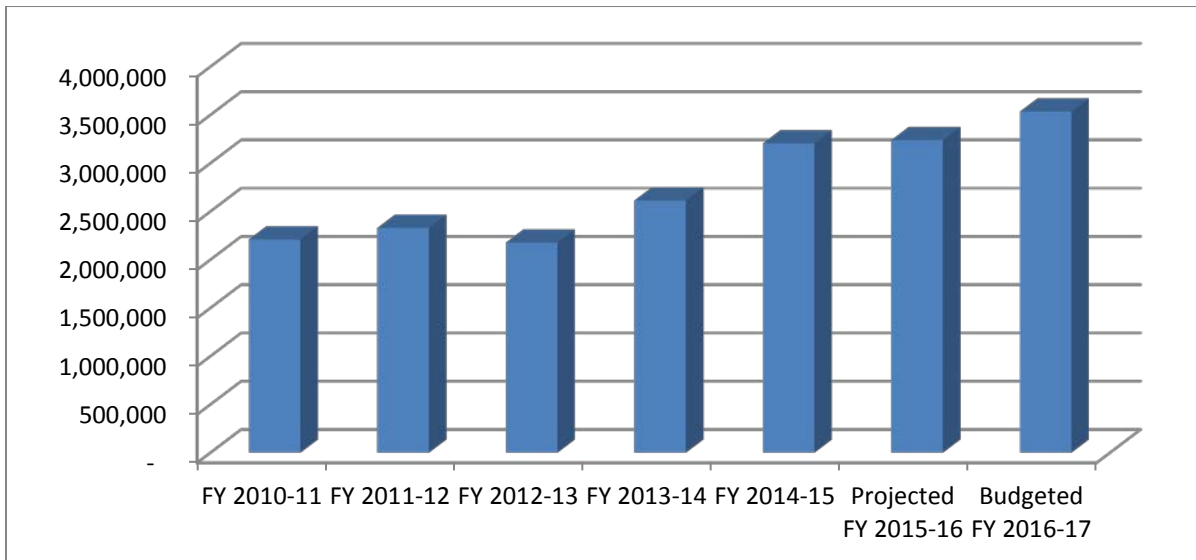
The City's revenue streams are influenced by overall economic conditions. Total General Fund revenues projected for FY 2016-17 are approximately \$39.9 million or 2.88 percent greater than FY 2015-16 year-end estimates. The General Fund's major revenue sources include property and sales taxes, transfers and vehicle taxes, and franchise taxes. Together these sources comprise 74 percent of total general fund revenues for FY 2016-17, as shown on the graph below. The remaining 26 percent includes revenues such as departmental revenues, cost reimbursements from other funds and interest revenues.

## General Fund Revenues



The City continues to see signs of improvement through increases in both property tax and sales tax revenues. Property Tax revenue projections increased approximately \$294,000 from year-end estimates; a 9.1 percent estimated increase and are due to additional single family and commercial construction, and recovering property values.

## Property Taxes

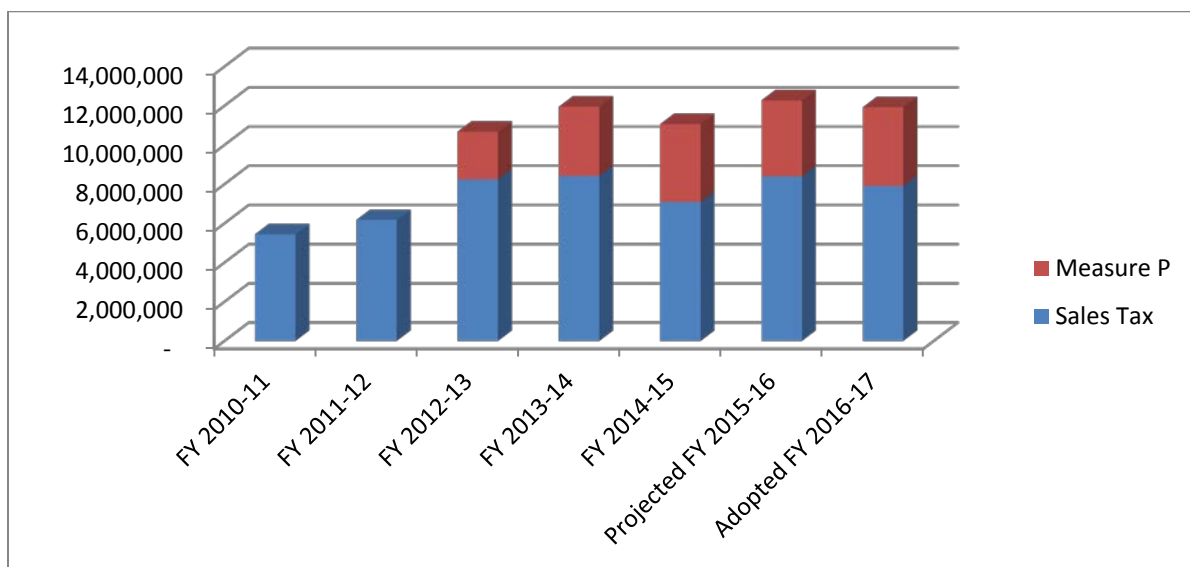


FY 2016-17 Sales Tax revenue projections are lower by \$353,000 over FY 2015-16 year-end estimates, a 2.9 percent decline. Sales tax revenue reductions are occurring at a lower rate than in previous years due to the one time catch-up and overlap known as the “triple flip” unwound in FY 2015-16. The “triple flip” was a mechanism adopted in 2004 to fund the state’s economic recovery bond program and balance the state’s deficit. Looking forward, the City is projecting normal Sales Tax revenue to increase approximately two percent per year as the economy continues to recover.

As of this writing, Measure P Sales Tax is scheduled to reduce by 50% in FY 2017-18 to .25% per dollar spent before expiring in early FY 2021-22. In anticipation of the future Measure P reductions, the City placed Measure M on the June 2016 ballot, to extend Measure P at the current one-half percent (.5%) rate until June 2035. The residences of Pittsburg voted their support for the measure, which passed by 81 percent. Staff and the City Council are grateful for the community’s support, and will continue to manage the City’s resources very carefully to use these funds as the measure intends.

However, due to the timing of the Measure M vote so near the date for City Council consideration for adoption of the FY 2016-17 spending and revenue plan, this budget and the future projections presented in this document have not incorporated the impacts of the voters’ approval of Measure M.

### Sales Taxes



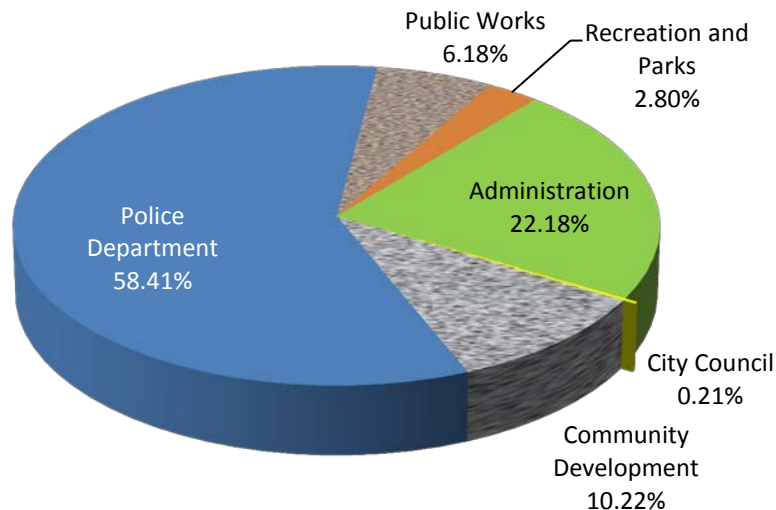
### Expenditures

General Fund projected expenditures have increased by \$1.4 million in FY 2016-17 over FY 2015-16. While revenues have improved, the costs to deliver current services are also growing. The increases are primarily due to increased personnel costs and increased retirement and health insurance rates. The increase assumes full staffing for the entire fiscal year and the full

financial impacts associated with the current Memoranda of Understanding (MOUs) between the City and employee groups. For example, current MOUs call for salary increases of four percent in the current year. In addition, costs are increasing for current benefits for staff and retirees.

In order to maintain efficient operations while serving both residents and the business community in a growing economy, the City is restructuring the use of part-time personnel in order to add one FTE position to the existing Council approved positions. This will result in the funding of 265 full-time equivalent positions for FY 2016-17.

### 2016-17 General Fund Expenditures



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

The current City budget is in the sixth year of the original 7-year General Fund Balancing Plan (Plan) that originally started in FY 2011-12. The Plan assumes relatively conservative revenue projections and expenditure assumptions, with the underlining goal of obtaining a structurally balanced budget in FY 2018-19. Since the inception of the Plan, actual revenues and expenses have been favorable most years. These favorable years have resulted in the use of approximately \$1.7 million from the Budget Stabilization Fund to balance the General Fund through FY 15-16, an amount that is significantly less than the \$7 million originally projected to balance those budgets.

**Fiscal Sustainability Ordinance** – This is the fourth year that the City’s budget has been developed under the guidelines of the City’s Fiscal Sustainability Ordinance. The Budget Stabilization Fund projected balance at the end of FY 2016-17 is \$5.3 million, and will exceed the \$2 million or five percent of operating expenditures as required by the Ordinance. Staff is currently estimating that \$1.39 million will be utilized in FY 2016-17 to balance the budget.

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

**CCCERA** – In 2001, the City terminated participation in the Contra Costa County Employees Retirement Association (CCCERA) and converted to the CalPERS retirement system. The termination agreement with CCCERA required the City to cover unfunded pension liabilities for former employees receiving a pension from CCCERA. In FY 2013-14, the City reduced its CCCERA unfunded liability by \$5.8 million by self-funding and borrowing \$3.8 million from the City’s Water Fund balance. The City will have the loan paid in full during FY 2017-18 after making two additional payments of \$1.3 million in both FY 2016-17 and FY 2017-18.

**Pension** - One of the benefits offered to City employees is participation in the CalPERS pension program. Following significant losses during the recession, CalPERS has recovered lost funds through rate increases. In addition to the loss recovery, several actuarial assumption changes also substantially increased projected pension costs for the City.

Assembly Bill (AB) 340 pension reform created the Public Employees’ Pension Reform Act (PEPRA) that implemented new benefit formulas and the final compensation period, as well as new contribution requirements for new employees hired on or after January 1, 2013 who meet the definition of a new member under PEPRA. This created a second tier for the City’s pension plan. The impacts of the second tier will be realized as the City experiences employee attrition. The City is working on reducing this liability through employee attrition, negotiated employee contributions, and additional City contributions.

**OPEB Liabilities** – In December 2013, the City established an agreement with the California Public Employees’ Retirement System (CalPERS) to set aside funds and deposit into the California Employer’s Retiree Benefit Trust (CERBT) fund to accumulate and distribute assets for the exclusive benefit of retirees and their beneficiaries. Plan assets are irrevocable and may not be used for any purpose other than funding post-retirement healthcare. The City continues to deposit funds with CERBT each year to reduce its unfunded OPEB liability. The City’s CERBT account had a balance of \$1.3 million as of June 30, 2015 and a projected balance of approximately \$2.5 million on June 30, 2016. The proposed FY 2016-17 Budget contains a contribution of \$523,962 towards these future OPEB costs.

## **Looking Forward**

Staff will continue to streamline the City’s organization and strive to optimize the existing workforce to meet the needs of residents throughout the City. By continuing to improve efficiency and focus on achieving the City’s 7-Year General Fund Balancing Plan and long-term 20-year forecast for the City’s General Fund, staff feels the City, residents, business leaders and community partners will continue to invest in and strengthen the community.

**Crime Rates** –Over the past year, the City saw increases in both Violent and Part I Crimes, but remains at some of the lowest levels in decades and continues to compare very well with nearby cities.

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

CITY/YEAR	2014	2015
Walnut Creek	1.1	1.4
Brentwood	1.9	1.9
Pleasant Hill	2.6	2.6
Pittsburg	2.7	3.3
Concord	3.7	3.9
Antioch	8.0	7.1

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

CITY/YEAR	2014	2015
Brentwood	24.8	24.8
Pittsburg	38.5	39.3
Walnut Creek	38.2	39.5
Antioch	47.7	43.6
Concord	45.4	54.1
Pleasant Hill	50.4	55.4

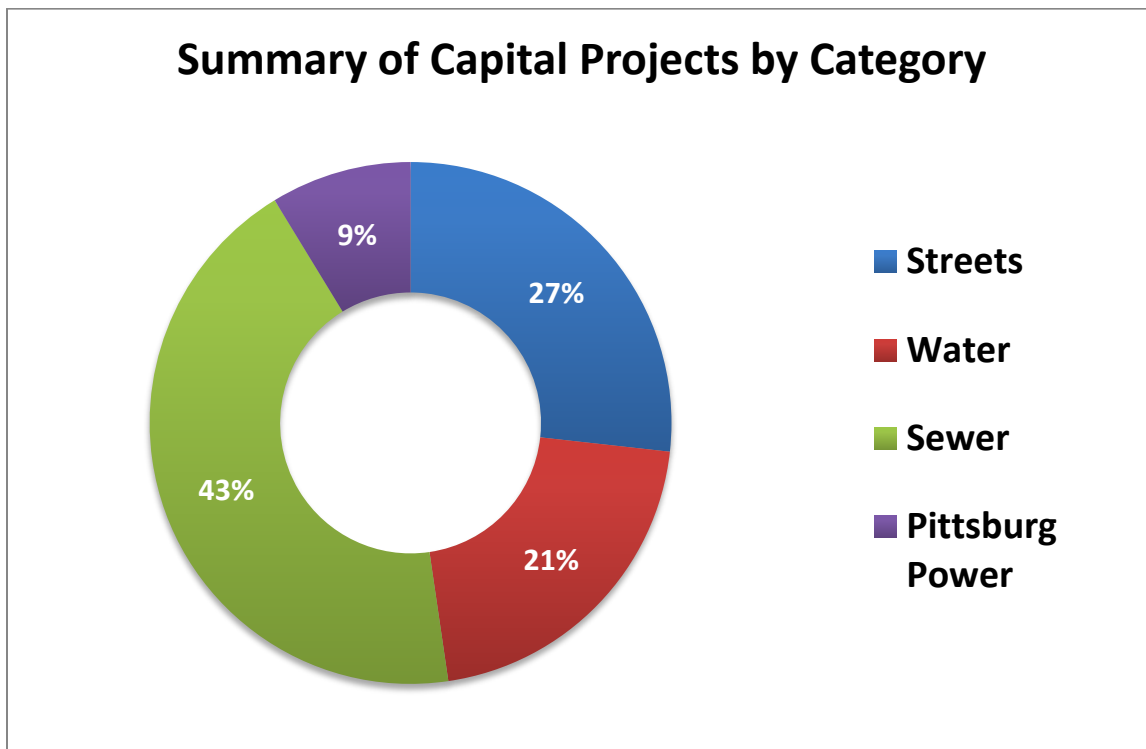
Violent Crime includes: Murder, Rape, Robbery and Aggravated Assault

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

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

The proposed Capital Projects budget for FY 2016-17 is approximately \$6.9 million, as summarized on the chart below. A majority of the capital projects involve improvements to the City’s water distribution and sewer systems. Funds for infrastructure projects come from water and sewer operations funds, developer fees, grants and regional fees for storm drainage and fuel taxes.

Category	Project Name	Allocation FY2016/17
<b>Streets</b>	Frontage Road, Class I Bicycle Lane	\$125,000
	Multimodal Transfer Facility BART Station	200,000
	San Marco Boulevard Class I Trail	265,000
	West Leland Road Pavement Markers/Markings and Speed Signage	376,800
	West Leland High Friction Surface Treatment Project	608,800
	West Leland Road Pavement Delineation, Warning Signage, High Visibility Crosswalk	265,900
<b>Water</b>	Automatic Water Reading System	300,000
	2016/17 WTP Sludge Removal	250,000
	2016/17 Water Main Installation	890,000
<b>Sewer</b>	2016/17 Sewer Replacement/Rehabilitation Program	3,000,000
<b>Pittsburg Power</b>	Gas Line Removal and Replacement	100,000
	2016/17 Cable Replacement	500,000
<b>Totals</b>		<b>\$6,881,500</b>



**BART – (Bay Area Rapid Transit)** Construction is underway on the \$463 million extension of the BART system from the Pittsburg-Bay Point station to Hillcrest Avenue in Antioch. The extension will use diesel trains to transport passengers to and from eastern Contra Costa County and main BART system. The \$12 million Pittsburg Center Station, scheduled to open in spring 2018 will be accessible through a station located in the freeway median at the Railroad Avenue overcrossing. The City will construct a passenger drop-off and pick-up area at the northeast corner of Railroad and California Avenues that will also be a hub for bicycle trails and public transit in close proximity to the BART station. The facility is scheduled to open in early 2018.



## Conclusion

The FY 2016-17 Annual Budget reflects the short and long-term financial capacity of the City. It balances a variety of wants against needs, while reflecting the goals, strategic direction and plans prioritized by the Council as this community moves forward.

I would like to thank the City Council for their guidance and support throughout the development of this proposed budget. In addition, I would like to thank the Finance Department Budget staff and staff in all other City Departments who contributed to the Fiscal Year 2016-17 budget. I would like to give special thanks to Brad Farmer, Finance Director and to Diane Agar, Finance Accounting and Budget Manager for their work and expertise throughout this year's budget process.

Joe Sbranti  
City Manager



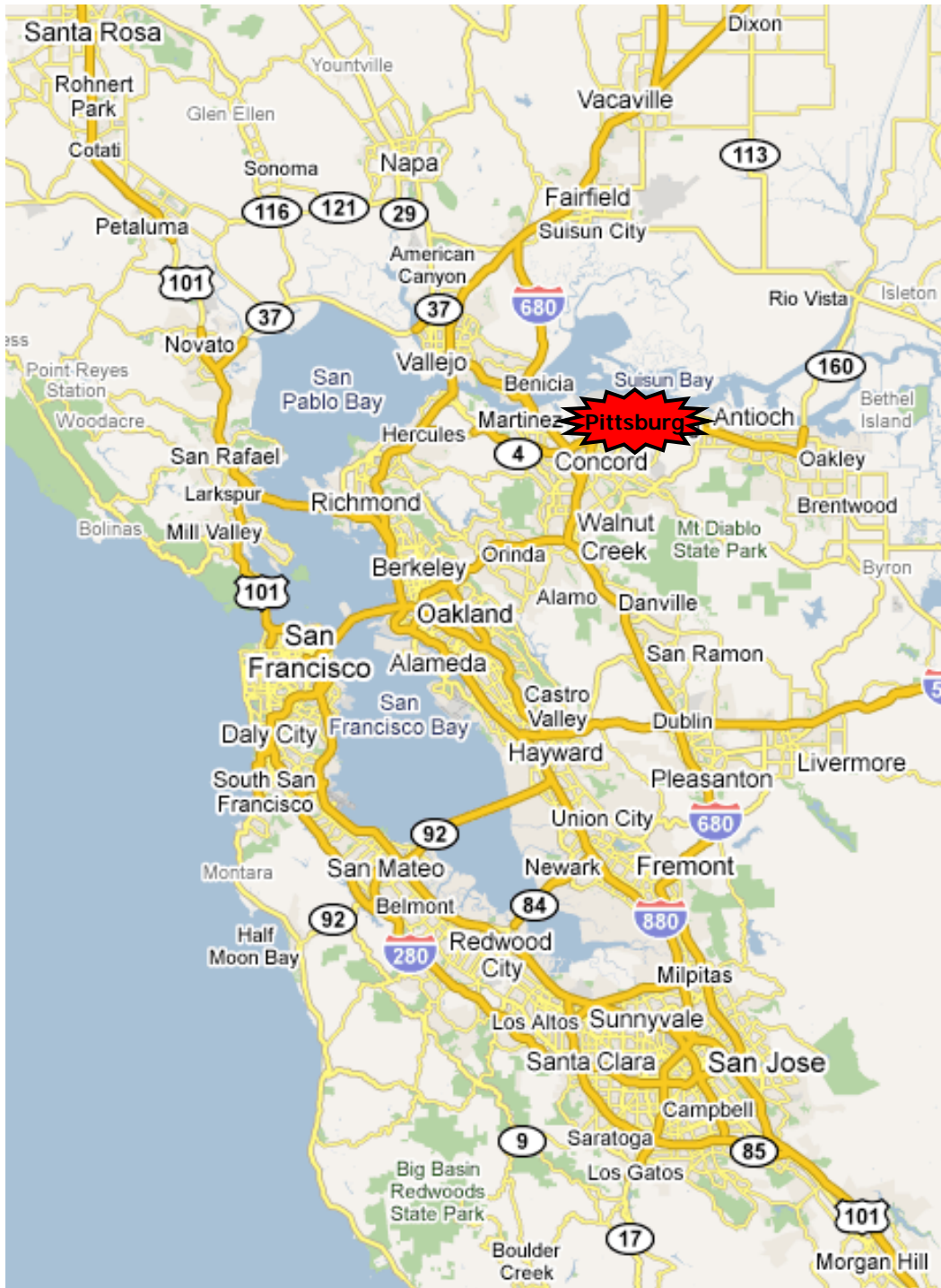
## ➤ MISSION STATEMENT

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

### **Our Continuing Values:**

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



## ➤ CITY OF PITTSBURG – OUR HISTORY

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

### [1800's]

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

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

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

### [1900 – 1929]

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

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

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

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

1920's – Pittsburg High School opens

1927 – USS Steel purchased Columbia Geneva Steel Company

### [1930 – 1960's]

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

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

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



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

**[1970's – 1990's]**

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

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

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

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

**[2000 – 2010]**

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

2003 – Pittsburg's Centennial Celebration

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

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



**[2011 – Present]**

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

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

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

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

Source: Pittsburg Chamber of Commerce

Historical Photo Courtesy of Ralph Soliz

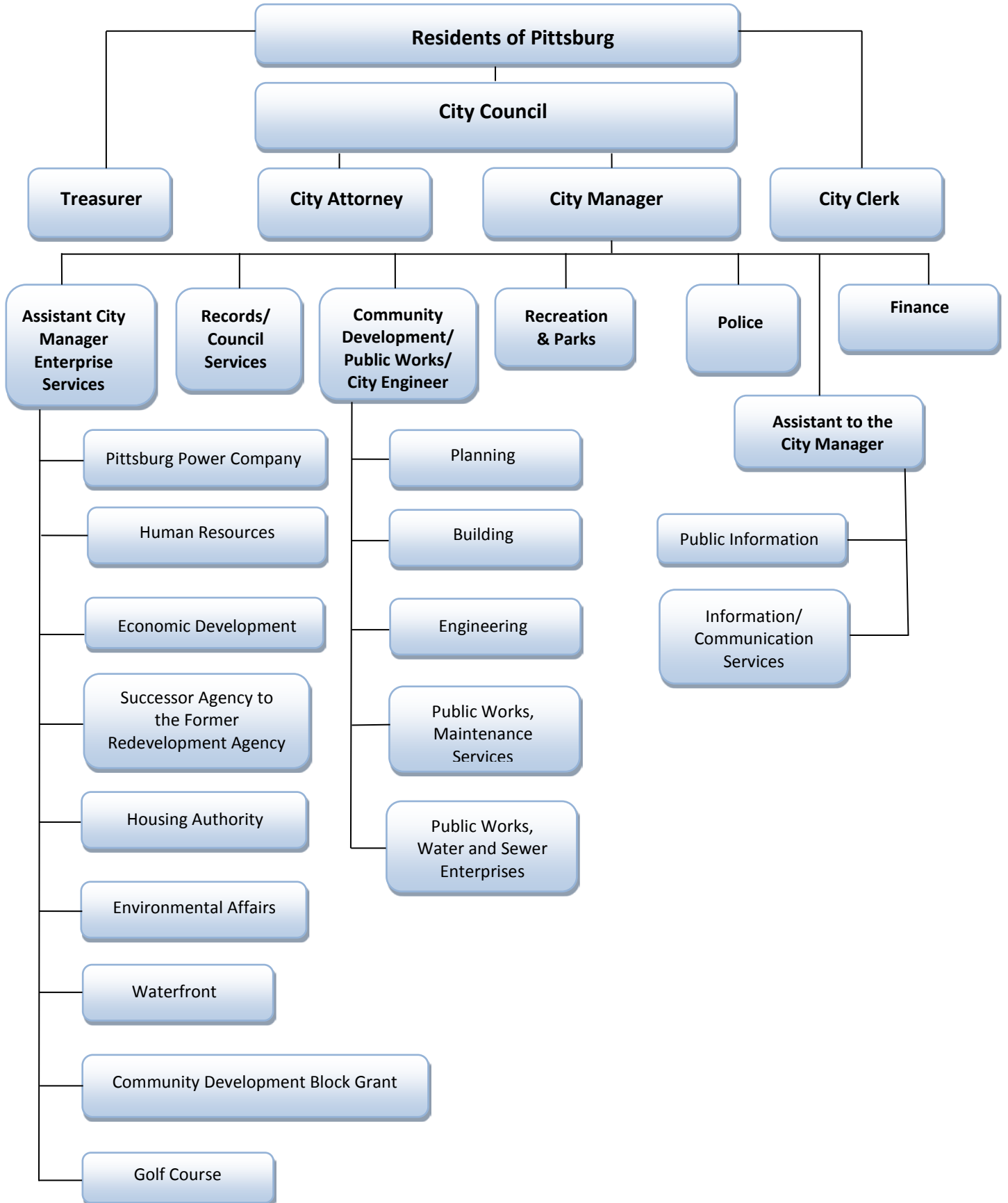
# ➤ LONG TERM/SHORT TERM GOALS

LONG TERM GOALS	SHORT TERM GOALS	IMPLEMENTATION THROUGH DEPARTMENTS AND PROGRAMS
<p>Goal 1</p> <p>Achieve and Maintain a Structurally Balanced Budget</p>	<p>Cost recovery agreements, sustainable revenues to pay ongoing expense, budgets consistent with Fiscal Sustainability Ordinance, consider multi-year budgets, Issue banking RFP, reduce water account write-offs, strive to increase City's credit rating, reduce pension UAL, seek grant funds, bldg. permit surcharge for General Plan updates, new trust land leases, energy efficiency strategies, revenue generating projects/programs, volunteer assistance</p>	<p>City Attorney, Finance, Planning, Waterfront Operations, Environmental Affairs, Pittsburg Power, Island Energy, Public Works, Parks and Recreation</p>
<p>Goal 2</p> <p>Prioritize Public Safety</p>	<p>Continue progress on crime rate reduction, continue specialized enforcement, expand Citizens Police Academy, establish crime-free housing program, interdepartmental code enforcement to reduce blight, finalize formation of Police Activities League, expand tech-based community engagement to increase trust, access and prevent crime, park infrastructure upgrade, tree pruning</p>	<p>Police, Parks and Recreation</p>
<p>Goal 3</p> <p>Improve Public Facilities and Infrastructure</p>	<p>Upgrade Council Chamber equipment and software, continue to develop James Donlon Blvd. extension, improve traffic operations on SR4 within City limits, continue cooperative efforts with other agencies and City departments regarding project construction, complete hydrographic survey of marina, determine cost estimates for dredging at Marina, upgrade berths at Marina, park improvements, increase traffic signal reliability</p>	<p>City Clerk, Engineering, Planning, Marina, Public Works, Parks and Recreation</p>
<p>Goal 4</p> <p>Continue Economic Development, Diversified Housing and Facilitate Growth and Retention of Existing Businesses</p>	<p>Evaluate progress/effectiveness of local preference policy for City purchases, identify zoning changes that promote small business growth/ attraction, targeted outreach to large employers, seek non-traditional business financing, coordinate small business seminars, launch economic development website, conduct shopping center/business meetings to retain businesses, continue waterfront opportunities, work with agencies to address homelessness</p>	<p>Finance, Planning, Economic Development, Waterfront Operations, Successor Agency – Housing,</p>
<p>Goal 5</p> <p>Increase Efficiency of City Operations and Services</p>	<p>Coordinate admin. of special election, complete implementation of updated software systems, citywide training, regulation development, recruit quality staff, review and revise departmental practices and performance mgmt. tools, automation to increase efficiencies, expand GIS, plan to reduce incomplete planning app. submittals, model ordinance to streamline industrial project development, promote harmony between industry and recreation, educate community on environmental issues</p>	<p>City Clerk, City Attorney, Human Resources, Finance, Building Code Enforcement, Engineering, Planning, Economic Development, Housing Authority, Police, Public Works, Parks and Recreation</p>

## ➤ LONG TERM/SHORT TERM GOALS

LONG TERM GOALS	SHORT TERM GOALS	IMPLEMENTATION THROUGH DEPARTMENTS AND PROGRAMS
<p>Goal 6</p> <p>Improve the Quality of Life for Pittsburg Residents</p>	<p>Monitor legal developments, continue joint code enforcement efforts of all departments, continue housing quality inspections, reduce traffic delays on City streets, evaluate local contracting policy, promote higher density mixed use development, increase retail near San Marco subdivision, strive for land use and urban designs that benefit all, home ownership opportunities, maintain housing program integrity, expand partnership with local non-profits, sponsor events</p>	<p>City Attorney, Building Code Enforcement, Engineering, Planning, Housing Authority, Recreation and Parks</p>

# ➤ CITY GOVERNMENT ORGANIZATION



## ➤ BUDGET PROCESS AND BASIS OF BUDGETING

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### **BUDGET PROCESS**

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

#### **Mid Year Budget Review**

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

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

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

#### **Revenue Estimates**

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

#### **Budget Preparation**

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



Recommendations and revisions from review sessions are incorporated into the proposed operating budget. The Finance Subcommittee reviews, makes revisions as necessary, and 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 approval by the two committees, the City Council holds Public Workshops to obtain input from the public. After giving due consideration to the public input, the City Council finalizes and adopts the budget by June 30th.

### **5-Year Capital Improvement Program**

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

### **Budget Amendments**

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

#### Items Requiring Council/Agency Action

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

#### Items Delegated to the City Manager/Executive Director

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

## Items Delegated to Department Heads

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

## **BASIS OF BUDGETING**

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

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

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

# ➤ FY 2016/17 Budget Development Calendar

Jan 2016						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
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31						

- 1/1 Winter Break - City Offices Closed
- 1/13 Distribution of Mid-Year Reports for Dept. Year-End Estimates
- 1/18 City Holiday - Martin Luther King - City Offices Closed
- 1/22 Department Year End Estimates Due to Finance
- 1/25 - 1/29 Finance Staff Review and Reporting of Year-End Estimates
- 1/28 Oversight Board - Successor Agency to Former RDA Review and approval of Proposed 2016/17 Operating Budget

Jul 2016						
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Feb 2016						
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- 2/2 City Manager Review and Approval of Year-End Estimates
- 2/4 7-Year General Fund Balancing Plan and 20 Yr Projections Update
- 2/11 Budget Kickoff Meeting/Distribution of Budget Packets
- 2/11 Finance Subcommittee Meeting - Mid Year Budget Review
- 2/12 City Holiday - Lincoln's Birthday - City Offices Closed
- 2/15 City Holiday - Washington's Birthday - City Offices Closed
- 2/29 Goals Workshop - City Council

Aug 2016						
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Mar 2016						
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- 3/4 Staff Operating Budgets due to Finance
- 3/7 - 3/11 Finance Staff Analysis and Preparation of Draft Budget
- 3/14 7-Year General Fund Balancing Plan and 20 Yr Projections Update
- 3/18 Department Narratives due to Finance
- 3/16 - 3/25 Senior Management and City Manager Begin Review of Budget
- 3/21 FY 2015/16 Mid Year Budget Review to City Council
- 3/31 City Holiday - Cesar Chavez Day - City Offices Closed

Sep 2016						
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- 4/1 - 4/4 City Manager's Review - Operating Budget & 20 Yr Plan
- 4/7 Measure P Oversight Committee 1st Mtg/Intro/Responsibilities
- 4/7 Finance Committee Review - Operating Budget & 20 Yr Plan
- 4/18 Public Workshop on Proposed FY 2016/17 Operating Budget
- 4/25 Update General Fund 20 Year Balancing Plan
- 4/29 Measure P Oversight Committee Mtg - 2nd Mtg/Proposed Budget

Oct 2016						
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May 2016						
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- 5/5 - 6/3 Budget Staff's Compilation of Proposed Budget Document
- 5/16 Public Workshop - Proposed FY 2016/17 Operating Budget
- 5/16 Measure P Presentation to City Council
- 5/30 City Holiday - Memorial Day - City Offices Closed

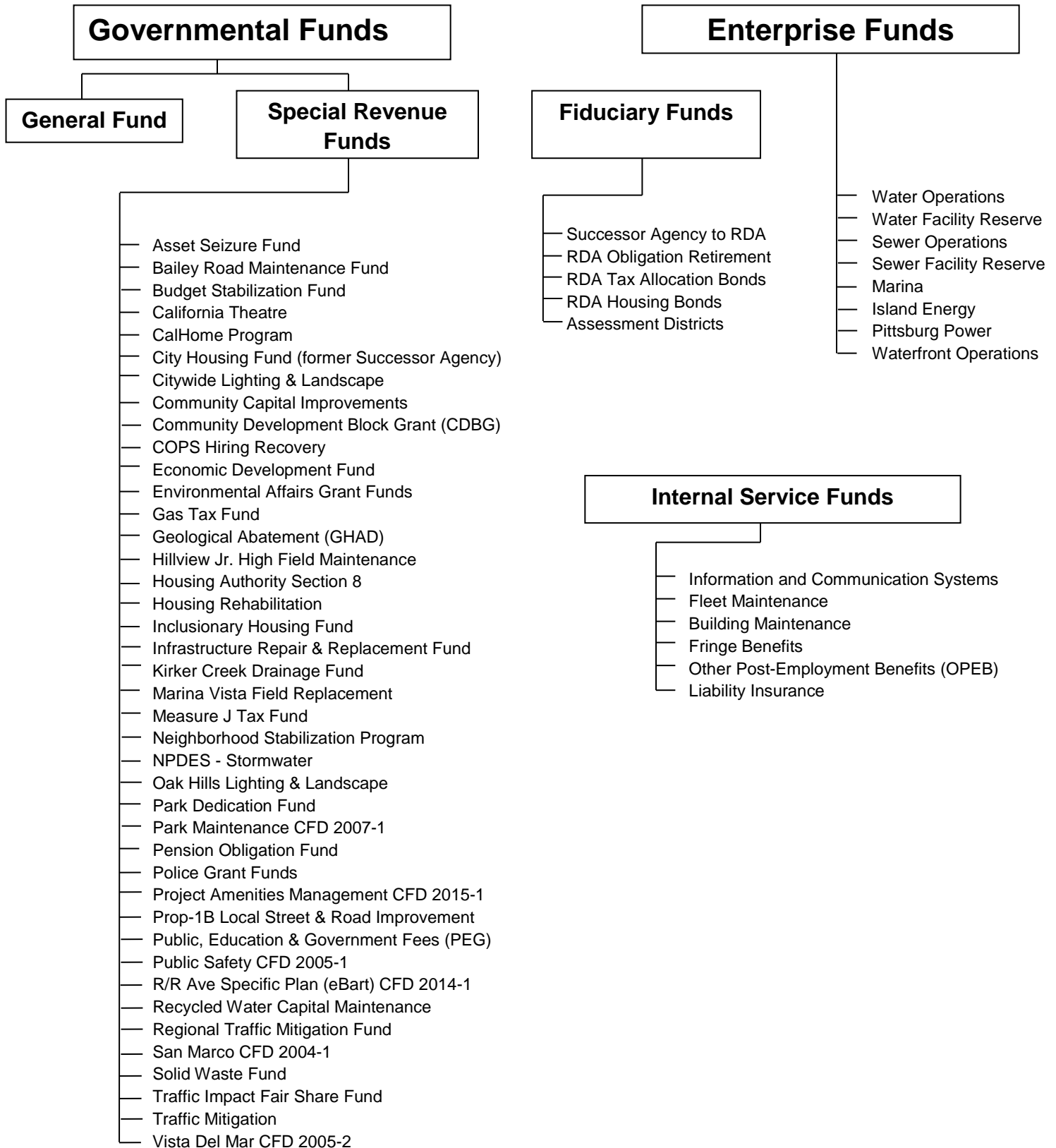
Nov 2016						
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Jun 2016						
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- 6/9 Distribution of Proposed Budgets to Council & Senior Mgrs.
- 6/20 Adoption of Gann Spending Limit
- 6/20 Public Hearing and Adoption of the FY 2016/17 Budget
- 6/23 Final Adopted Budget Posted to City Website
- 7/18 2016/17 Capital Improvement Program to Council
- 9/8 Update General Fund 7 Yr Balancing Plan & 20 Yr Projections
- 9/20 End of FY 2016/17 Reports to CM (Actual Expenses/Revenues)
- 9/22 Proposed Finance Committee Meeting - Year End Reporting

Dec 2016						
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# ➤ BUDGETARY FUND STRUCTURE



## ➤ MAJOR REVENUE SOURCES – GENERAL FUND

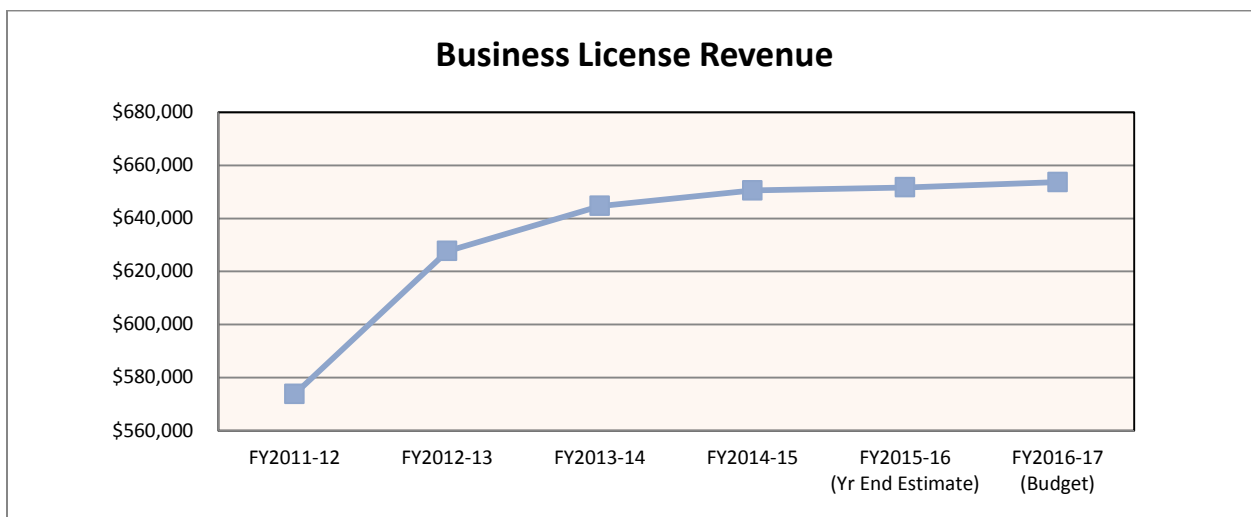
The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this fund are property taxes, sales taxes, unrestricted revenues from the state (e.g., motor vehicle-in-lieu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

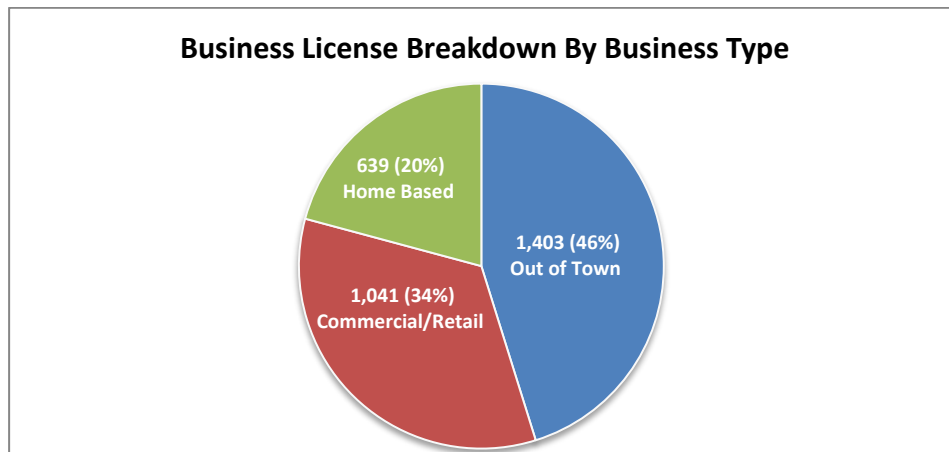
### Administrative Recoveries

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

### Business License Tax

This is an annual tax on local businesses, based upon either gross receipts (under progressive tax rates) or flat fees, depending on the type of business. Generally, retail businesses, service providers, and contractors pay based on gross receipts, while professionals (e.g., accountants, lawyers, dentists) pay under a flat fee. The rates are established by City Ordinance. The City currently has 3,083 active business licenses of which 1,680 are businesses located within the City and 1,403 businesses located outside of the City. As a result of aggressive recovery and discovery efforts by City staff, business license tax revenue dramatically increased by 12 percent (\$574,000 to \$645,000) from FY2011-12 through FY2013-14. Revenue increased slightly thereafter to \$650,000 in FY2014-15 and estimate FY2015-16 at \$652,000. With no anticipated major change in the economy and business additions which could impact the City's business license revenue, staff estimate revenue of \$653,700 in FY2016-17.





**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 Operator, Republic Services, Inc. is in the process of 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. Anticipated increases in solid waste tonnage resulting from an improving economy, and solid waste company contracts did not materialize so staff estimates revenues to remain consistent with prior year at \$980,000 in FY2016-17.

**Development Service Fees**

These revenues, which consist of design review charges, plan check services and building permits from the Engineering, Planning and Building Departments are directly dependent upon the level of residential and commercial construction taking place in the community. These fees are generally collected during the planning and/or building permit process and are used to recover the costs of operating the City’s development service functions such as planning, engineering, and building.

**Franchise Fees on Cable**

Cable service was originally regulated by local franchising authority and awarded non-exclusive franchises to serve local communities. This authority was transferred to the State Public Utilities Commission in 2007 with the passage of the Digital Infrastructure and Video Competition Act (DIVCA). The state franchise requires channels be set aside for public, educational, and government programming and a Franchise Fee, typically five percent, to be paid to the local host community. The City receives five percent franchise fees on gross receipts from Comcast Cable and AT&T U-Verse. Based on FY2015-16 actual gross receipts reported for the last three quarters, staff estimates gross receipts to increase slightly due to

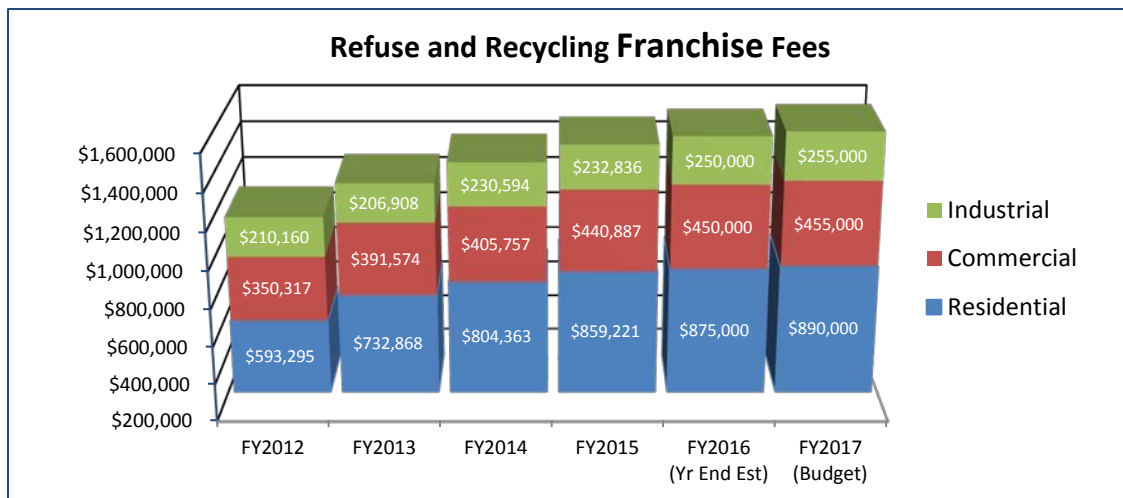
the anticipated growth in the community bringing calculated franchise fees of \$798,000 (of which \$615,000 is from Comcast and \$183,000 from AT&T) in FY2016-17.

**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 FY2016-17 will be \$893,000 based on prior year’s results with an estimated annual CPI inflation factor of 3 percent. In addition, a Solid Waste Recycling and Inspection Fee of \$1.50 per ton plus CPI (now at \$1.72 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. With anticipated tonnage of approximately 284,000 tons based from the recent three quarters reported, we expect solid waste recycling and inspection fees at \$460,000 in revenues for FY2016-17.

**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. Because of previous adopted rate increases by Pittsburg Disposal (initially 15 percent in 2012 then subsequent 5 percent increases in 2013 and in 2014), their gross receipts have increased. As a result, the City’s refuse and recycling franchise fees has increased an average of 4 percent for the past 3 years and anticipate similar increase in FY2016-17 to \$1.6 million in revenues. In addition, the Community Benefit and Services Fee which began in 2011, has generated approximately \$2.0 million over the four year period. The Community Benefit and City Services Fee for FY2016-17 is \$564,300 with an estimated annual CPI inflation factor of 2.5 percent. For these various fees to the City, Pittsburg Disposal Service has the exclusive right to collect refuse and recycling from all sectors in the community.



### **Franchise Fees on Utilities**

This Franchise Fee is paid by Pacific Gas & Electric Company for the purpose of using City right-of-ways for the transmission and distribution of electricity and natural gas to its customers. The Franchise Fee is a percentage of gross receipts; the Electricity Franchise is 5.0 percent and the Gas Franchise is 1.0 percent. In addition, the City is paid a Surcharge on electricity and natural gas to replace Franchise Fees lost due to deregulation. The reported gross receipt for electricity in FY2015-16 is 22% higher than the previous year. City staff expects this increase to continue and estimate the City's portion to be \$636,000 in FY2016-17.

### **Investment Earnings**

The City utilizes a strict cash management program to ensure that all available funds are invested to earn the maximum yield consistent with safety and liquidity. Investment income is subject to extreme fluctuation making it difficult to analyze and predict trends. The continued persistence of historically low interest rates has greatly reduced the City's ability to earn a strong investment return. Based on the recent interest rates earned on our investments, staff estimates FY2016-17 to be slightly lower at \$140,000.

### **Motor Vehicle In-Lieu Fees (VLF)**

State residents pay a fee to the State each year that is computed as a percent of the depreciated value of their motor vehicles. Each city and county in California receives a portion of the total motor vehicle license fee collected through the State based on the assessed valuation growth or decline within a community. As of Fiscal Year 2010-11, this source of revenue was shifted to fund State Law Enforcement Grants. Cities and counties are only entitled to funding if total revenues are in excess of \$14 million which would be allocated and distributed annually. Although we received \$27,287 in excess revenue last year, this excess revenue is not guaranteed so we did not estimate any revenue for FY2016-17.

### **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. Because of the nature of these fees and how they are derived, it is difficult to predict how much activities and revenue will come so estimates are based on the prior year's projected revenues.

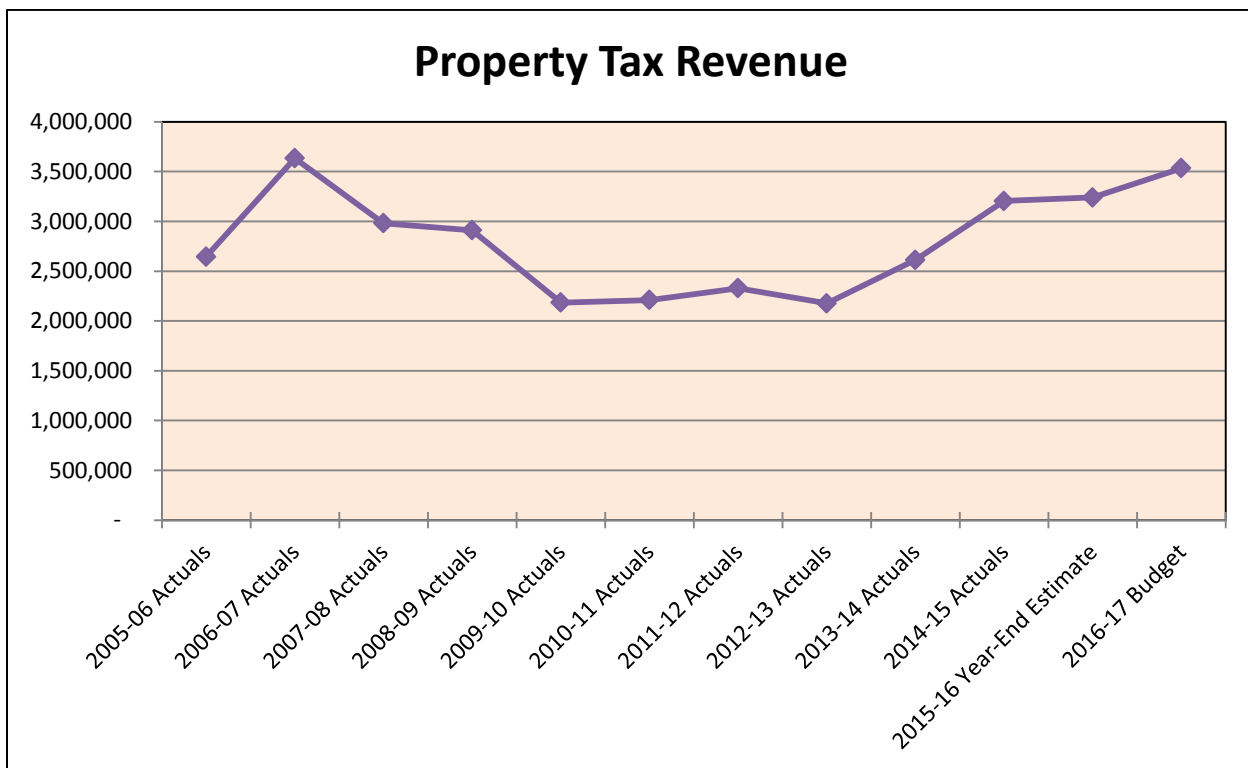
### **Property Tax**

Homes, businesses, and other taxable real and personal property are subject to a property tax rate of 1 percent of assessed value. Assessed value is based on the 1975 value of property with subsequent increases limited to 2 percent 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 percent of the 1 percent property tax (on secured, unsecured and supplemental taxes) that homeowners pay to the County. For every \$100 paid the City receives approximately \$15.00. However, due to the fact that over 70 percent of the City is within the Successor Agency to the former Redevelopment Agency project area, the County has calculated that the City receives less than 5 percent of the net 1 percent 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.



Based on the Property Assessment Value (AV) report from the County and foreseen increases in property values as housing demand picks up within the City, Staff estimates property taxes to increase by 9 percent (\$294,000) at \$3.5 million in FY2016-17. Also, Staff expects a decline in prior year adjustments/appeals for reductions of Property Assessment Value (AV) as property values continue to increase.

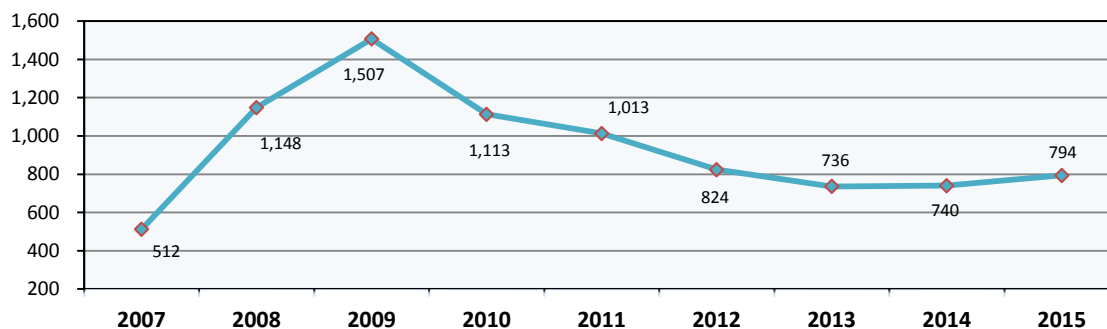
HISTORICAL ASSESSMENT VALUATION					
Fiscal Year	Land	Improvements	Personal Prop	Gross	( percent) PrYr Var
FY2000-01	719,493,211	2,316,291,798	96,055,194	\$ 3,131,840,203	25.6 percent
FY2001-02	762,338,829	3,065,067,577	104,985,233	\$ 3,932,391,639	11.7 percent
FY2002-03	863,942,493	3,404,046,164	123,237,922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

Source: Contra Costa County Assessor

### 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. Staff anticipates revenues of \$280,000 for FY2016-17.

# of Single Family Residential Sales



<b>Average Price</b>	\$474,809	\$251,209	\$178,765	\$195,332	\$177,390	\$184,601	\$252,932	\$340,774	\$372,612
<b>Median Price</b>	\$450,000	\$235,000	\$163,500	\$185,000	\$165,000	\$175,500	\$245,000	\$325,000	\$335,000

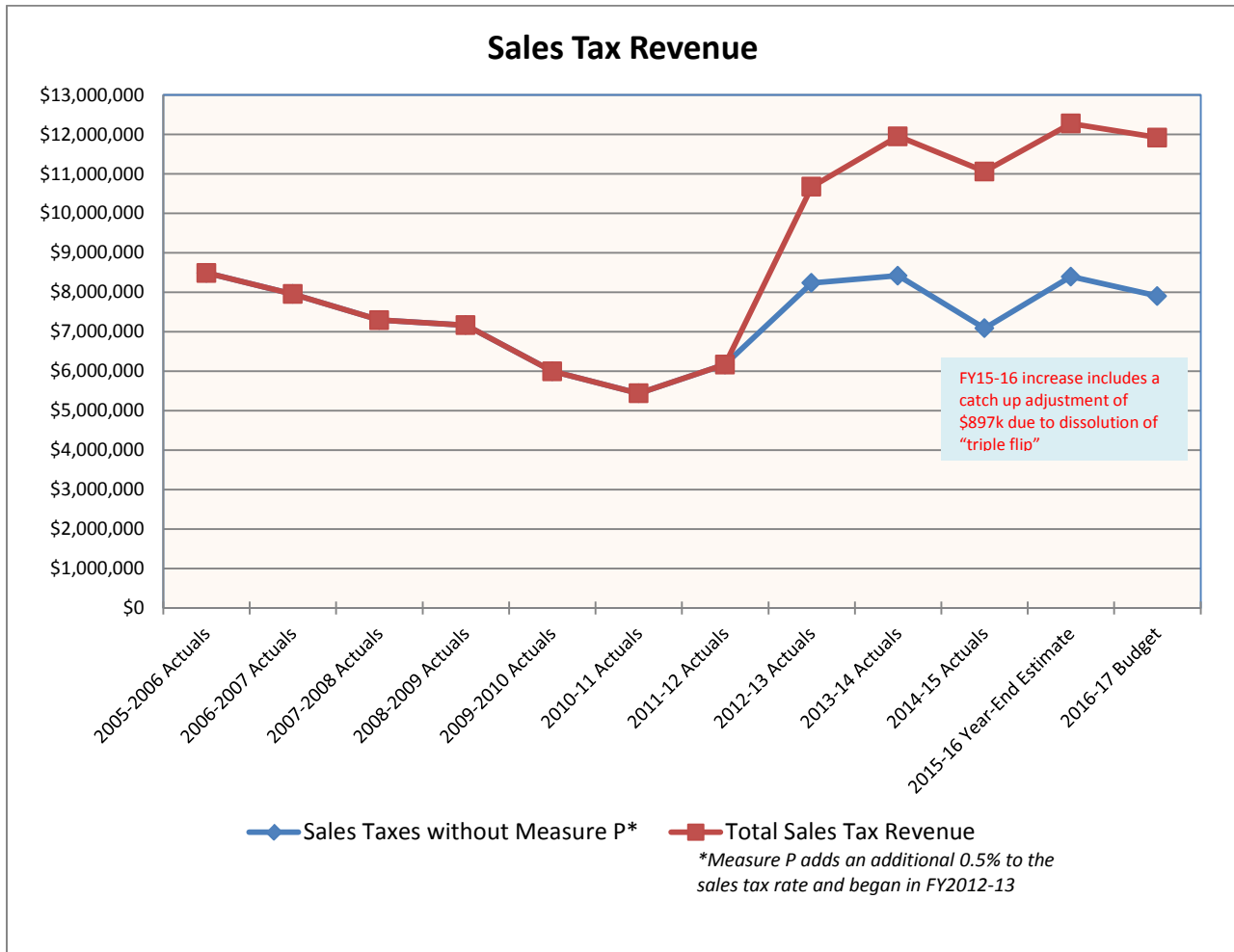
Source: Contra Costa County Assessor

**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.

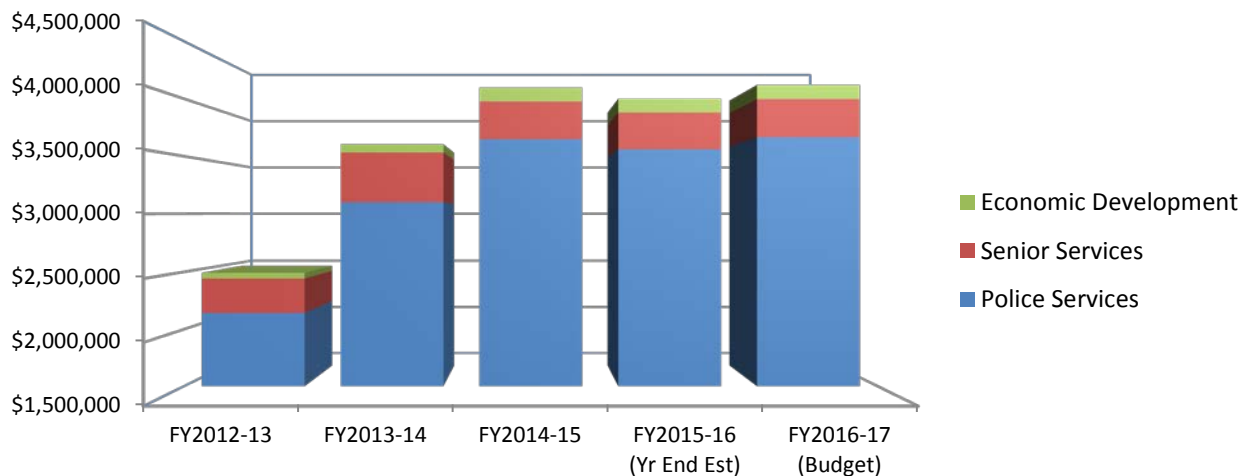
**Sales Tax**

Sales tax is levied on goods and services at the point-of-sale. Sales tax in Pittsburg is 9 percent of which 1 percent is returned to Pittsburg. In January 2016, with the elimination of the “triple flip” where 0.25 percent of the City and County portion is reduced to fund the State Department of Finance Economic Recovery Bond program, the City received a catch-up adjustment increasing the sales tax revenue by \$897,000 in FY2015-16. With the return of the full 1 percent of sales and use tax due to the City and a projected growth of 3.5%, City staff estimates the sales tax revenue at \$543,000 in FY2016-17.



### **Measure P – Temporary Sales Tax Increase**

On June 5, 2012 the residents of Pittsburg approved Measure P, the Pittsburg Preservation of Citywide Services Temporary Funding Transactions and Use Tax Ordinance. The ordinance established a one-half of one percent (0.5 percent) use and transaction tax for the first five (5) years. It will decline to 0.25 percent for the subsequent five years. At the end of the 10-year term, the sales tax increase will be eliminated. The implementation of Measure P requires the establishment of a Citizens Oversight Committee charged with making recommendations to the City Council for the use of the Measure P tax revenue. For FY 2016-17, revenue will remain to be allocated at 89 percent to support police services, 8 percent for senior services and the remaining 3 percent for the City’s economic development. The transportation industry, mainly auto sales activities and construction will continue to drive the increases in this portion of the City’s sales tax revenue. Staff anticipates a 3.5% increase in FY2016-17 bringing revenue at \$4,140,000.



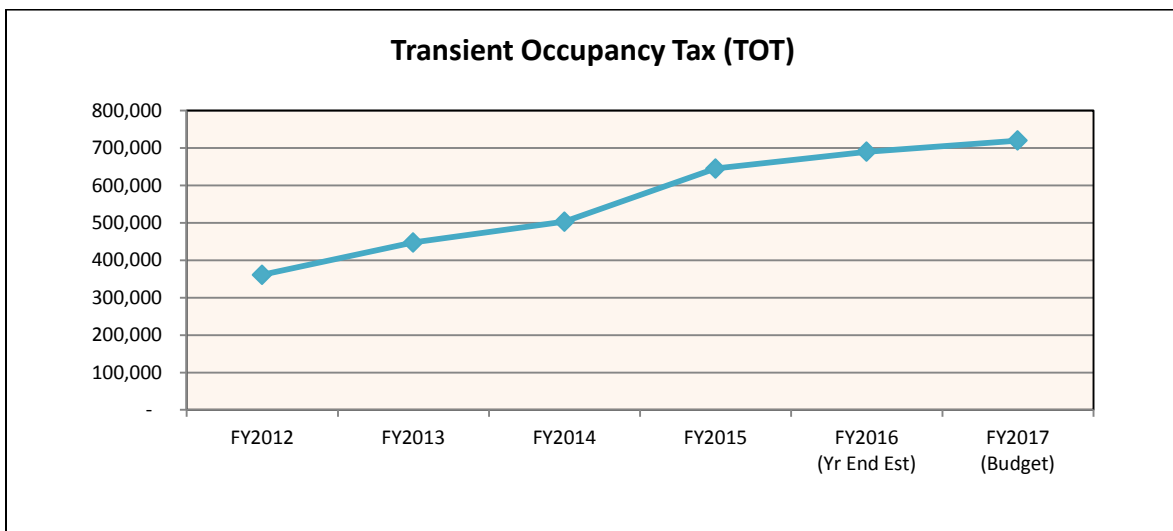
As of this writing, Measure P Sales Tax is scheduled to reduce by 50% in FY 2017-18 to .25% per dollar spent before expiring in early FY 2021-22. In anticipation of the future Measure P reductions, the City placed Measure M on the June 2016 ballot, to extend Measure P at the current one-half percent (.5%) rate until June 2035.

### **Transfer-in from other Funds**

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 percent that is assessed upon the guests staying in any of the City’s four (4) hotels. This rate was increased from 8 percent effective January 1, 2012. TOT revenue has increased from \$361,000 in FY2011-12 to a projected \$690,000 in FY2015-16. This increase is attributable to increased construction activity for the Highway 4 infrastructure repair and widening. The Hampton Inn, which is centrally located within the construction area contributes almost 58 percent of the total TOT revenue. Staff expects the Highway 4 construction activity to continue and occupancy rates to become stable at or slightly above current occupancy as the construction project moves forward. Staff therefore estimates TOT revenues to increase at \$720,000 for FY2016-17.



## ➤ MAJOR REVENUE SOURCES – INTERNAL SERVICE FUNDS

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

### **Building Maintenance Fund**

The Building Maintenance Division of the Department of Public Works (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 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). Charges to City departments are based on the number of employees and claims received.

### **Information and Communications Fund**

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

## ➤ MAJOR REVENUE SOURCES – ENTERPRISE FUNDS

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

### **Marina Fund**

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

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

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

Island Energy 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. The estimated gross revenue in FY2016-17 is \$5.8 million of which \$4.9 million is revenue from the electric operation.

### **Sewer Operating Fund**

The City maintains the collection system that transports the sewage to the treatment plant at Delta Diablo Sanitation District. The City charges water customers who use the City's sewer system sewer fees to cover the cost to operate and maintain the system. The monthly sewer charge for a residential family is a flat fee. The non-single family and non-residential fees are based on a flat fee multiplied by their water consumption. The City's sewer fixed fees has remained the same since March 2014. The annual operation of the Sewer Fund generates approximately \$4.8 million in gross revenue and \$2.7 million in operating expenses.

### **Waterfront Operations Fund**

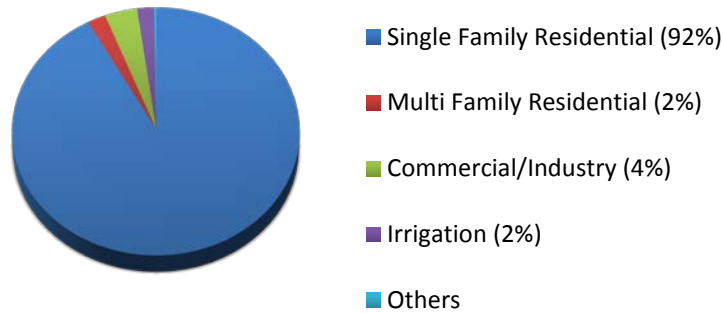
The Waterfront Operations Department manages existing Trust Land leases, negotiating expired Trust Lands leases, and identifying un-leased areas for which Trust Lands leases are required. Staff estimates lease revenue of \$1.4 million in FY2016-17.

### **Water Operating Fund**

The City operates and maintains its own water treatment plant. The City charges water customers fees for water usage to cover the cost to procure water as well as operate and maintain the City's water system. Currently the City provides water service to approximately

18,341 customers of which 94 percent (17,256) of these accounts are for residential locations. The annual operation of the Water Fund generates approximately \$18.3 million in gross revenue and \$12.4 million in operating expenses.

### Water Account By Customer Type



### Water and Sewer Facility Reserve Charge Funds

A Facility Reserve Charge (FRC) or development impact mitigation fee is a charge to pay for public facilities in existence at the time the charge is imposed and 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.

Water Facility Reserve Charge Funds:

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

Sewer Facility Reserve Charge Funds:

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

## ➤ MAJOR REVENUE SOURCES – SPECIAL REVENUE FUNDS

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

### **Budget Stabilization Fund**

This fund was established by the City Council on October 18, 2004 for the purpose of covering General Fund budget shortfalls or other future unexpected contingencies. Year-end General Fund surpluses as well as one-time revenues and projected recurring revenues that exceed eight percent (8 percent) or more from previous fiscal years are deposited into the fund.

### **Economic Development Fund**

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

During Fiscal Year 2004-05, the City Council adopted Resolution No. 02-9703 that transferred \$6 million from the General Fund reserve to the newly created Economic Development Fund to provide financing for economic development activities within the City. In addition, Economic Development had other funding sources coming from the Business Improvement District Tax (BID) collected on business license applications; the appropriated 3 percent of the City's Measure P (Pittsburg Preservation of Citywide Services Temporary Funding Transactions and Use Tax); and from rental income. The operating revenue which includes a \$90,000 transfer from the Pittsburg Power Company is estimated at \$419,240 in FY2016-17.

### **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

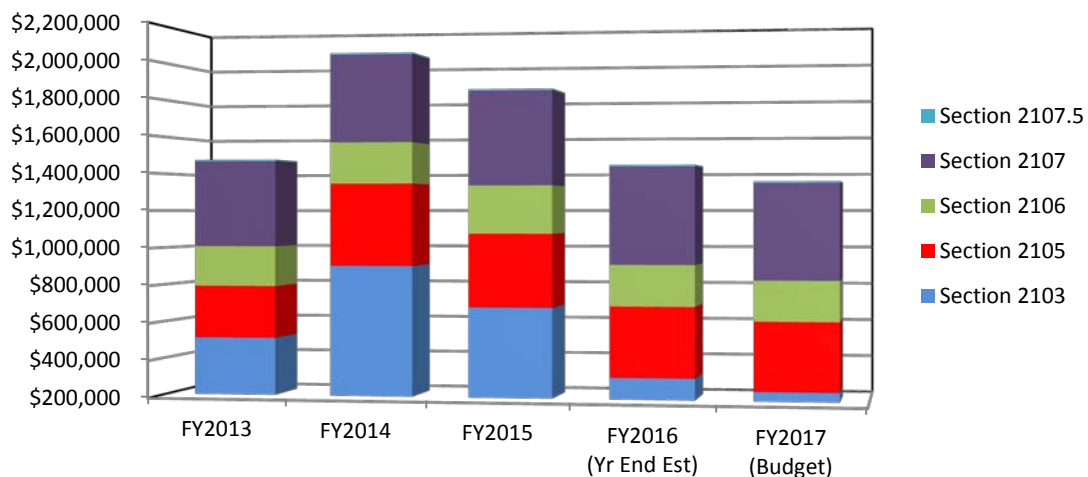
collected at the point of sale. The use of gas tax funds is restricted to street expenditures by State and Federal legislation.

Beginning in Fiscal Year 2010, Section 2103 was added to allocate funds from a new motor vehicle fuel excise tax that replace previous city and county allocation from the Proposition 42 sales tax on gasoline. This is the change known as the “fuel tax swap of 2010.” Section 2103 funds are allocated to cities on a per capita basis and to counties at 75 percent based on the proportion of registered vehicles and 25 percent based on the proportion of maintained county road miles. The revenue from Section 2103 has significantly increased since its inception, making up an average of 40 percent total revenue in the Gas Tax Fund. In February of each year, the State Board of Equalization (BOE) adjusts the variable fuel tax rate effective the following July 1.

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

*\*(Rate per Gallon)*

For FY2016-17, BOE approved a 2.2 cent per gallon decrease in the variable tax from 12 cents to 9.8 cents. This will result in another decrease in the gas tax revenues received by the cities. Staff estimates the gas tax revenue to decrease by 7% (\$88,000) at \$1,352,500 in FY2016-17.



### **Housing Authority Fund**

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

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

### **Kirker Creek Drainage Fund**

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

### **Lighting and Landscape District**

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

- Park maintenance, including park related structures (restrooms, park facilities, etc.)
- Street median and right-of-way landscaping maintenance
- Street tree maintenance
- Sidewalk repair related to street tree damage only
- Street light energy maintenance and replacement costs

The assessments collected are estimated to be \$2,963,052.96. This amount reflects the increase approved by voters in June 2007 of \$25 per benefit factor for each residential land use, resulting in a total assessment of \$102.18 per residential unit and \$77.18 for commercial, institutional, churches, parking lots and nonprofit parcels.

### **Measure J Fund**

In 1988, the Contra Costa County voters approved a 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. City staff estimates allocation from the county at \$725,000 in FY2016-17.

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

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

This revenue is used to fund its pro-rata share of the Clean Water Program's staffing and overhead costs as well as local level activities necessary to comply with provisions of the joint Municipal Regional Permit (MRP). Contra Costa County collects a property assessment of \$30 per Equivalent Runoff Unit each year on behalf of the City to fund its clean water activities. The fee cannot be increased without a two-thirds majority vote of property owners. This special assessment is estimated at \$905,000 in FY2016-17.

### **Oak Hills Assessment District**

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

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

The assessments collected are estimated to be \$33,960. The assessment per benefit factor is \$77.18. There are 440 single family parcels in the district.

### **Park Dedication Fee Fund**

The City Pittsburg Park Dedication Fees from developers of properties and deposits these monies in this separate special revenue fund. These funds may be used for the design, development and construction of new parks 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. There are a

total of 909 parcels in the district. In FY2015-16 the revenues are estimated to be \$51,213 and \$53,112 in FY2106-17 with maximum special tax rate per residential unit of \$56.34.

### **Public, Education & Government Fees (PEG)**

The California Public Commission (CPUC) administers certain provisions of the state franchises under the Digital Infrastructure and Video Competition Act (DIVCA). Administration of some areas of DIVCA are designated to the City's control, specifically, the collection of franchise fee, PEG issuance, and enforcement of customer service standards. Each state franchise holder shall remit to the City a fee to support public, educational and governmental access PEG channel facilities in the amount of one percent (1%) of the gross revenues of the state franchise holder. All revenue collected shall be only expended for the purpose of supporting PEG channel facilities. The City receives one percent on gross receipts from Comcast Cable and AT&T U-Verse. Staff estimates revenue to come in at \$155,000 in FY2015-16 and \$157,000 in FY2016-17.

### **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. There are a total of 407 residential and non-residential parcels. In FY2015-16 the revenues are estimated to be \$272,491 and \$294,199 in FY2016-17 with maximum special tax rate per residential unit of \$555.86 and \$1,111.72 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. There is a total of 1,082 units (284 units = 1 parcel) in the district. In FY2015-16 revenues are estimated to be \$601,441 and \$697,183 in FY2016-17 with maximum special tax rate of \$555 per unit.

### **Solid Waste Fund**

Under the Recycling Center and Transfer Stations (RCTS) operating agreement with the Contra Costa Waste Service, Inc., the City receives a Recycling and Inspection Fee of a flat rate of \$1.72/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 percent waste diversion requirements leading to the eventual 'zero-waste' formula). With anticipated tonnage of approximately 284,000 tons based from the recent three quarters reported, Staff expects solid waste recycling and inspection fees of \$460,000 for FY2016-17.

### **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 2,401 parcels included in the district, most are single-family units under two acres in Oak Hills and San Marco and are assessed \$242.82 per year. Detached single family unit parcels located in the Vista Del Mar subdivision are assessed \$419.62 per year. This fund centralizes the accounting for the revenues and expenses associated with GHAD as required by law.

### **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.

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

On November 15, 2005, special tax bonds were issued on behalf of CFD No. 2005-2 to finance a portion of the costs to acquire certain public infrastructure improvements, including certain development impact fees. The improvements consist generally of roadway, water, and other infrastructure improvements necessary for development of property as well as park improvements within the District. The special tax levy consists of a services special tax at a rate of \$555.86 per unit and a facilities special tax with maximum rate of \$2,500 per single family detached property or maximum of \$9,700 per acre for non-single family property including undeveloped property. For FY2015-16, the revenue are estimated at \$983,457 and \$1,040,660 for FY2016-17.

## ➤ MAJOR REVENUE SOURCES – FIDUCIARY FUNDS

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

AB1X 26, adopted in June 2011, required redevelopment agencies to be dissolved and replaced with Successor Agencies responsible for winding down the affairs of the redevelopment agencies including disposing of their assets. The City is the Successor Agency to the former Pittsburg Redevelopment Agency. Successor Agencies must adopt Recognized Obligation Payment Schedules (ROPS) 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.



## ➤ **General Fund 7-Year Balancing Plan and 20-Year Forecast**

In 2004, the City Council established a Budget Stabilization Fund (BSF) to assist with the balancing of City's Funds, but primarily the City's General Fund in the event revenues decline or the City experiences unexpected and/or uncontrollable cost escalations due to changes in the economy. When the BSF was established, Council ensured funding by requiring one-time General Fund monies be deposited into the BSF. Again, in 2012, Council made modifications affecting the BSF by implementing Financial Sustainability Ordinance (FSO) # 12-1363. The requirements of the FSO are that the City's General, Infrastructure Repair and Replacement, Internal Service and Enterprise Funds be structurally balanced and maintain minimum reserve balances by FY 18-19. Despite the slow recovery from the great recession, the City has and is continuing to work toward meeting the obligation of the FSO by balancing these Funds without the assistance of the BSF by FY 2018-19. By the end of FY 16-17, the BSF is projected to be approximately \$5.36 million.

In 2011, staff developed both a General Fund 7-Year Balancing Plan and a 20-Year Forecast. The 7-Year General Fund Balancing Plan is a great tool for Management and Council to develop current fiscal year budgets while establishing a longer-range forecast that incorporate anticipated fluctuations of revenues and expenditures over the next 20 years. For example, staff anticipates growth in Property Tax Revenues due to new residential and commercial development while at the same time projecting a decrease in Sales tax due to the expiration of the Measure P temporary sales tax. Additionally, the City should realize the long-term benefit savings associated with the City's continued effort to prefund its CCCERA, Pension Obligation and OPEB liabilities.

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

<u>Revenue Assumptions</u>	<u>Expenditure Assumptions</u>
<ul style="list-style-type: none"> <li>• Annual Increase in Operating Revenues of 2%</li> <li>• Administrative recoveries grow by 1% annually</li> <li>• RDA pass-through started in FY 15-16</li> <li>• Measure P Sales Tax Revenue will decrease by .25% in October 2017 and end in September 2022</li> <li>• Increases in Housing, Commercial and Industrial revenues starting in FY 17-18</li> </ul>	<ul style="list-style-type: none"> <li>• Salary increases for 16-17 &amp; 17-18 are per the current MOUs</li> <li>• Salary increases 1% from FY 18-19 to 29-30, then 2% thereafter</li> <li>• Salary Savings - 3% vacancy rate with additional Public Safety CFD savings</li> <li>• Staffing held consistent between FY 17-18 and FY 22-23</li> <li>• Additional OPEB Liability Reduction – reset to \$100,000/year in FY 17-18</li> <li>• Other Expenses – average increase of 2% annually</li> <li>• CCCERA Water loan paid in FY 17-18</li> </ul>

<b>City of Pittsburg</b>						
<b>20-year General Fund Forecast</b>						
	<b>YE Estimate FY</b>					
	<b>2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>Annual Revenues</b>						
Annual Revenues (taxes, fees, fines & interest earnings)	28,134,602	30,069,231	30,909,952	31,831,089	32,927,409	33,675,718
One-time revenues		450,000	-	-	-	-
Transfers-in from Other City Funds to fund administration and other General Fund services (except Budget Stabilization Fund)	5,651,289	4,129,263	4,129,263	4,129,263	4,129,263	4,129,263
RDA Pass-through Payments	376,000	484,000	430,000	491,000	395,000	435,000
Community Benefit and City Services Fees	552,436	564,300	581,229	598,666	616,626	635,125
Measure P Sales Tax	3,880,000	4,015,800	2,622,062	2,391,565	2,492,868	2,598,396
<b>Total Annual Revenues</b>	<b>38,594,327</b>	<b>39,712,594</b>	<b>38,672,506</b>	<b>39,441,583</b>	<b>40,561,166</b>	<b>41,473,502</b>
<b>Potential New Revenues</b>						
DOJ Grant - 3 Year Project	125,000	125,000	125,000	-	-	-
ABC Revenue - from Fund 299	72,000	72,000		72,000	-	-
Increased Revenues from Commercial and Industrial Development	-	-	177,640	279,743	473,917	1,377,503
Increased Property Taxes from Housing Development Projects	-	-	87,865	112,647	112,647	112,647
<b>Total Potential New Revenues</b>	<b>197,000</b>	<b>197,000</b>	<b>462,505</b>	<b>464,390</b>	<b>586,564</b>	<b>1,490,150</b>
<b>Total Revenues</b>	<b>38,791,327</b>	<b>39,909,594</b>	<b>39,135,011</b>	<b>39,905,973</b>	<b>41,147,730</b>	<b>42,963,652</b>
<b>Annual Expenses</b>						
Salaries - Misc	5,448,832	6,377,031	6,632,112	6,698,433	6,765,418	6,833,072
Salaries - Sworn	8,316,461	8,777,342	8,952,889	9,042,418	9,132,842	9,224,170
Salaries - Part-time	578,703	597,227	621,116	627,327	633,601	639,937
Salaries - Overtime	1,106,474	1,031,197	1,031,197	1,031,197	1,031,197	1,031,197
Salaries - Step Increases & Other Adjustments	-	-	125,000	126,250	127,513	128,788
Pension - Non-sworn (combined)	791,292	1,010,067	1,134,091	1,156,773	1,179,908	1,203,507
Pension - Sworn	2,262,753	2,379,410	3,115,605	3,177,917	3,241,476	3,306,305
Health Care (combined)	2,605,238	2,857,474	3,028,922	3,210,658	3,403,297	3,607,495
FICA & Medicare (combined)	601,102	670,449	703,971	718,051	732,412	747,060
Assume \$75k toward new non-sworn position	200,000	200,000	-	-	-	-
Expected Attrition Savings at 3% Vacancy Rate	(97,000)	(636,664)	(710,778)	(723,915)	(737,486)	(751,512)
Add'l Attrition Savings Public Safety	-	(194,537)	(416,273)	(724,577)	(982,806)	(1,253,946)
CCCERA Water Fund Loan Pmt, CCCERA Liab. & Pension Bonds	4,206,507	4,271,595	3,363,847	3,395,995	3,433,149	3,468,409
OPEB Liability Reduction (5%)	200,000	200,000	100,000	100,000	100,000	100,000
Building Maintenance Reserves	-	40,000	40,000	40,000	40,000	40,000
Retiree Health	940,252	1,035,313	1,118,138	1,229,952	1,352,947	1,488,242
EBRCSA Costs	94,920	95,000	95,000	95,000	96,900	98,838
Other Expenses	12,736,465	12,587,313	12,471,289	12,602,313	12,810,071	13,021,587
Mandatory OPEB Funding from BSF per Ordinance	-	-	-	-	-	-
Mandatory Infrastructure Funding from BSF per Ordinance	-	-	-	-	-	-
<b>Total Annual Expenses</b>	<b>39,991,999</b>	<b>41,298,217</b>	<b>41,406,128</b>	<b>41,803,793</b>	<b>42,360,438</b>	<b>42,933,148</b>
<b>Proposed Adjustments</b>						
FY 2017-18 Cuts and/or New Revenues Not Yet Identified			(795,000)	(795,000)	(795,000)	(795,000)
FY 2018-19 Cuts and/or New Revenues Not Yet Identified				(1,500,000)	(750,000)	(100,000)
<b>Total Proposed Adjustments</b>	<b>-</b>	<b>-</b>	<b>(795,000)</b>	<b>(2,295,000)</b>	<b>(1,545,000)</b>	<b>(895,000)</b>
Total Annual Expense + Proposed Adjustments	39,991,999	41,298,217	40,611,128	39,508,793	40,815,438	42,038,148
<b>Surplus/(Deficit) (Revenues - Expenditures)</b>	<b>(1,200,672)</b>	<b>(1,388,623)</b>	<b>(1,476,117)</b>	<b>397,180</b>	<b>332,292</b>	<b>925,504</b>
Available Balance of BSF	6,671,333	5,257,710	3,756,593	2,153,773	2,236,065	2,431,569
5th 6th and 7th year of 7-Year General Fund Balancing Plan						
Indicates significant change						
Fiscal Sustainability Ordinance requires a minimum of \$2 million or %5 of operating expense						

<b>City of Pittsburg</b>						
<b>20-year General Fund Forecast</b>						
	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>
<b>Annual Revenues</b>						
Annual Revenues (taxes, fees, fines & interest earnings)	34,370,837	35,089,490	35,586,422	36,092,990	36,609,395	37,135,842
One-time revenues	-	-	-	-	-	-
Transfers-in from Other City Funds to fund administration and other General Fund services (except Budget Stabilization Fund)	4,129,263	4,129,263	4,129,263	4,129,263	4,129,263	4,129,263
RDA Pass-through Payments	429,000	481,000	403,000	428,000	454,000	480,000
Community Benefit and City Services Fees	654,178	673,804	694,018	714,838	736,284	758,372
Measure P Sales Tax	1,354,196	-	-	-	-	-
<b>Total Annual Revenues</b>	<b>40,937,474</b>	<b>40,373,557</b>	<b>40,812,703</b>	<b>41,365,092</b>	<b>41,928,942</b>	<b>42,503,477</b>
<b>Potential New Revenues</b>						
DOJ Grant - 3 Year Project	-	-	-	-	-	-
ABC Revenue - from Fund 299	-	-	-	-	-	-
Increased Revenues from Commercial and Industrial Development	1,497,690	2,771,344	3,509,271	3,652,856	3,734,313	3,817,400
Increased Property Taxes from Housing Development Projects	112,647	187,745	201,488	239,525	161,461	75,098
<b>Total Potential New Revenues</b>	<b>1,610,337</b>	<b>2,959,089</b>	<b>3,710,759</b>	<b>3,892,381</b>	<b>3,895,774</b>	<b>3,892,498</b>
<b>Total Revenues</b>	<b>42,547,811</b>	<b>43,332,646</b>	<b>44,523,461</b>	<b>45,257,473</b>	<b>45,824,716</b>	<b>46,395,975</b>
<b>Annual Expenses</b>						
Salaries - Misc	6,901,403	6,970,417	7,040,121	7,110,522	7,181,627	7,253,443
Salaries - Sworn	9,316,412	9,409,576	9,503,672	9,598,709	9,694,696	9,791,643
Salaries - Part-time	646,336	652,799	659,327	665,921	672,580	679,306
Salaries - Overtime	1,031,197	1,031,197	1,031,197	1,031,197	1,031,197	1,031,197
Salaries - Step Increases & Other Adjustments	130,076	131,376	132,690	134,017	135,357	136,711
Pension - Non-sworn (combined)	1,227,577	1,252,128	1,277,171	1,302,714	1,328,769	1,355,344
Pension - Sworn	3,372,431	3,439,880	3,508,678	3,578,851	3,650,428	3,723,437
Health Care (combined)	3,823,945	4,053,381	4,296,584	4,554,379	4,827,642	5,117,301
FICA & Medicare (combined)	762,001	777,241	792,786	808,642	824,815	841,311
Assume \$75k toward new non-sworn position	-	-	200,000	275,000	350,000	425,000
Expected Attrition Savings at 3% Vacancy Rate	(766,015)	(781,020)	(796,551)	(812,635)	(829,300)	(846,576)
Add'l Attrition Savings Public Safety	(1,591,369)	(1,879,062)	(2,282,150)	(2,636,573)	(2,970,976)	(3,258,275)
CCCERA Water Fund Loan Pmt, CCCERA Liab. & Pension Bonds	3,505,075	3,583,754	3,622,638	3,662,411	3,702,972	3,539,649
OPEB Liability Reduction (5%)	100,000	100,000	100,000	100,000	100,000	100,000
Building Maintenance Reserves	40,000	40,000	40,000	40,000	40,000	40,000
Retiree Health	1,562,654	1,640,787	1,722,826	1,808,967	1,899,415	1,994,386
EBRCSA Costs	100,815	102,831	104,888	106,985	109,125	111,308
Other Expenses	13,236,934	13,456,183	13,679,410	13,906,688	14,138,096	14,373,711
Mandatory OPEB Funding from BSF per Ordinance	-	-	-	-	-	-
Mandatory Infrastructure Funding from BSF per Ordinance	-	-	-	-	-	-
<b>Total Annual Expenses</b>	<b>43,399,471</b>	<b>43,981,470</b>	<b>44,633,287</b>	<b>45,235,796</b>	<b>45,886,443</b>	<b>46,408,895</b>
<b>Proposed Adjustments</b>						
FY 2017-18 Cuts and/or New Revenues Not Yet Identified	(795,000)	(667,100)	(379,418)	(379,418)	(379,418)	(379,418)
FY 2018-19 Cuts and/or New Revenues Not Yet Identified	-	-	-	-	-	-
<b>Total Proposed Adjustments</b>	<b>(795,000)</b>	<b>(667,100)</b>	<b>(379,418)</b>	<b>(379,418)</b>	<b>(379,418)</b>	<b>(379,418)</b>
Total Annual Expense + Proposed Adjustments	42,604,471	43,314,370	44,253,869	44,856,378	45,507,025	46,029,477
<b>Surplus/(Deficit) (Revenues - Expenditures)</b>	<b>(56,660)</b>	<b>18,276</b>	<b>269,593</b>	<b>401,095</b>	<b>317,691</b>	<b>366,497</b>
<b>Available Balance of BSF</b>	<b>2,374,909</b>	<b>2,393,186</b>	<b>2,465,623</b>	<b>2,533,972</b>	<b>2,651,663</b>	<b>2,743,160</b>
5th 6th and 7th year of 7-Year General Fund Balancing Plan						
Indicates significant change						
Fiscal Sustainability Ordinance requires a minimum of \$2 million or %5 of operating expense						

<b>City of Pittsburg</b>						
<b>20-year General Fund Forecast</b>						
	<b>FY 2027-28</b>	<b>FY 2028-29</b>	<b>FY 2029-30</b>	<b>FY 2030-31</b>	<b>FY 2031-32</b>	<b>FY 2032-33</b>
<b>Annual Revenues</b>						
Annual Revenues (taxes, fees, fines & interest earnings)	37,672,538	38,219,697	38,777,537	45,981,057	46,971,725	47,990,476
One-time revenues	-	-	-	-	-	-
Transfers-in from Other City Funds to fund administration and other General Fund services (except Budget Stabilization Fund)	4,129,263	4,129,263	4,129,263	4,129,263	4,129,263	4,129,263
RDA Pass-through Payments	507,000	534,000	562,000	-	-	-
Community Benefit and City Services Fees	781,123	804,557	828,694	853,554	879,161	905,536
Measure P Sales Tax	-	-	-	-	-	-
<b>Total Annual Revenues</b>	<b>43,089,924</b>	<b>43,687,517</b>	<b>44,297,494</b>	<b>50,963,874</b>	<b>51,980,149</b>	<b>53,025,275</b>
<b>Potential New Revenues</b>						
DOJ Grant - 3 Year Project	-	-	-	-	-	-
ABC Revenue - from Fund 299	-	-	-	-	-	-
Increased Revenues from Commercial and Industrial Development	3,902,148	3,988,590	4,245,762	4,339,078	4,430,811	4,524,380
Increased Property Taxes from Housing Development Projects	38,300	-	-	-	-	-
<b>Total Potential New Revenues</b>	<b>3,940,448</b>	<b>3,988,590</b>	<b>4,245,762</b>	<b>4,339,078</b>	<b>4,430,811</b>	<b>4,524,380</b>
<b>Total Revenues</b>	<b>47,030,372</b>	<b>47,676,108</b>	<b>48,543,256</b>	<b>55,302,952</b>	<b>56,410,961</b>	<b>57,549,655</b>
<b>Annual Expenses</b>						
Salaries - Misc	7,325,978	7,399,238	7,473,230	7,622,695	7,775,149	7,930,652
Salaries - Sworn	9,889,559	9,988,455	10,088,339	10,290,106	10,495,908	10,705,826
Salaries - Part-time	686,099	692,960	699,889	713,887	728,165	742,728
Salaries - Overtime	1,031,197	1,031,197	1,031,197	1,082,757	1,136,895	1,193,739
Salaries - Step Increases & Other Adjustments	138,078	139,459	140,853	143,670	146,544	149,474
Pension - Non-sworn (combined)	1,382,451	1,410,100	1,438,302	1,467,068	1,496,409	1,526,337
Pension - Sworn	3,797,905	3,873,864	3,951,341	4,030,368	4,110,975	4,193,195
Health Care (combined)	5,424,339	5,749,799	6,094,787	6,460,474	6,848,103	7,258,989
FICA & Medicare (combined)	858,137	875,300	892,806	910,662	928,875	947,453
Assume \$75k toward new non-sworn position	500,000	575,000	650,000	725,000	800,000	875,000
Expected Attrition Savings at 3% Vacancy Rate	(864,493)	(883,086)	(902,390)	(927,751)	(954,059)	(981,358)
Add'l Attrition Savings Public Safety	(3,748,084)	(4,074,238)	(4,416,700)	(4,776,285)	(5,153,849)	(5,550,291)
CCCERA Water Fund Loan Pmt, CCCERA Liab. & Pension Bonds	3,577,343	3,613,028	3,653,403	2,732,098	2,764,206	2,769,485
OPEB Liability Reduction (5%)	100,000	100,000	100,000	500,000	500,000	500,000
Building Maintenance Reserves	40,000	40,000	40,000	50,000	50,000	50,000
Retiree Health	2,094,106	2,198,811	2,308,751	2,424,189	2,545,398	2,672,668
EBRCSA Costs	113,534	115,804	118,121	120,483	122,893	125,350
Other Expenses	14,613,614	14,857,886	15,106,611	15,359,872	15,617,756	15,880,352
Mandatory OPEB Funding from BSF per Ordinance	-	-	-	-	-	-
Mandatory Infrastructure Funding from BSF per Ordinance	-	-	-	-	-	-
<b>Total Annual Expenses</b>	<b>46,959,762</b>	<b>47,703,575</b>	<b>48,468,541</b>	<b>48,929,293</b>	<b>49,959,367</b>	<b>50,989,600</b>
<b>Proposed Adjustments</b>						
FY 2017-18 Cuts and/or New Revenues Not Yet Identified	(375,000)	(175,000)	(125,000)	-	-	-
FY 2018-19 Cuts and/or New Revenues Not Yet Identified	-	-	-	-	-	-
<b>Total Proposed Adjustments</b>	<b>(375,000)</b>	<b>(175,000)</b>	<b>(125,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total Annual Expense + Proposed Adjustments	46,584,762	47,528,575	48,343,541	48,929,293	49,959,367	50,989,600
<b>Surplus/(Deficit) (Revenues - Expenditures)</b>	<b>445,610</b>	<b>147,532</b>	<b>199,715</b>	<b>6,373,659</b>	<b>6,451,593</b>	<b>6,560,055</b>
<b>Available Balance of BSF</b>	<b>2,838,770</b>	<b>2,836,302</b>	<b>2,836,017</b>	<b>6,209,677</b>	<b>12,111,270</b>	<b>18,271,325</b>
5th 6th and 7th year of 7-Year General Fund Balancing Plan						
Indicates significant change						
Fiscal Sustainability Ordinance requires a minimum of \$2 million or %5 of operating expense						

<b>City of Pittsburg</b>		
<b>20-year General Fund Forecast</b>		
	<b>FY 2033-34</b>	<b>FY 2034-35</b>
<b>Annual Revenues</b>		
Annual Revenues (taxes, fees, fines & interest earnings)	49,038,306	50,116,255
One-time revenues	-	-
Transfers-in from Other City Funds to fund administration and other General Fund services (except Budget Stabilization Fund)	4,129,263	4,129,263
RDA Pass-through Payments	-	-
Community Benefit and City Services Fees	932,702	960,683
Measure P Sales Tax	-	-
<b>Total Annual Revenues</b>	<b>54,100,271</b>	<b>55,206,201</b>
<b>Potential New Revenues</b>		
DOJ Grant - 3 Year Project	-	-
ABC Revenue - from Fund 299	-	-
Increased Revenues from Commercial and Industrial Development	4,619,820	4,747,169
Increased Property Taxes from Housing Development Projects	-	-
<b>Total Potential New Revenues</b>	<b>4,619,820</b>	<b>4,747,169</b>
<b>Total Revenues</b>	<b>58,720,092</b>	<b>59,953,370</b>
<b>Annual Expenses</b>		
Salaries - Misc	8,089,265	8,251,050
Salaries - Sworn	10,919,943	11,138,342
Salaries - Part-time	757,583	772,734
Salaries - Overtime	1,253,426	1,316,098
Salaries - Step Increases & Other Adjustments	152,464	155,513
Pension - Non-sworn (combined)	1,556,864	1,588,001
Pension - Sworn	4,277,058	4,362,600
Health Care (combined)	7,694,528	8,156,200
FICA & Medicare (combined)	966,402	985,730
Assume \$75k toward new non-sworn position	950,000	1,025,000
Expected Attrition Savings at 3% Vacancy Rate	(1,009,696)	(1,039,123)
Add'l Attrition Savings Public Safety	(5,966,556)	(6,403,634)
CCCERA Water Fund Loan Pmt, CCCERA Liab. & Pension Bonds	2,808,664	2,850,595
OPEB Liability Reduction (5%)	500,000	500,000
Building Maintenance Reserves	50,000	50,000
Retiree Health	2,806,302	2,946,617
EBRCSA Costs	127,857	130,415
Other Expenses	16,147,749	16,420,038
Mandatory OPEB Funding from BSF per Ordinance	1,380,981	-
Mandatory Infrastructure Funding from BSF per Ordinance	4,142,944	-
<b>Total Annual Expenses</b>	<b>57,605,779</b>	<b>53,206,175</b>
<b>Proposed Adjustments</b>		
FY 2017-18 Cuts and/or New Revenues Not Yet Identified	-	-
FY 2018-19 Cuts and/or New Revenues Not Yet Identified	-	-
<b>Total Proposed Adjustments</b>	<b>-</b>	<b>-</b>
Total Annual Expense + Proposed Adjustments	57,605,779	53,206,175
<b>Surplus/(Deficit) (Revenues - Expenditures)</b>	<b>1,114,313</b>	<b>6,747,195</b>
<b>Available Balance of BSF</b>	<b>13,511,713</b>	<b>19,708,908</b>
5th 6th and 7th year of 7-Year General Fund Balancing Plan		
Indicates significant change		
Fiscal Sustainability Ordinance requires a minimum of \$2 million or %5 of operating expense		

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

In January 2012, the Department of Housing and Urban Development (HUD) implemented a new cash management policy aimed at reducing the amount of excess Net Restricted Assets (“NRA”) or fund balance retained by individual public housing authorities. As a result of this policy, the Housing Authority of the City of Pittsburg's fund balance has decreased to less than one month of operating expenses. According to HUD’s Calendar Year 2015 Renewal Funding, as of 12-31-2015, the Housing Authority has approximately \$1,738,572 fund balance available to supplement the Pittsburg Housing Authority’s (PHA) funding from HUD.

The FY 2016-17 budget revenue projection is based on the HUD’s Calendar Year 2016 Renewal Funding increment. The administrative funding is based on HUD’s funding letter, which has prorated the Housing Authority's eligibility to 80% of the FY 2015-16 funding. As a result of HUD's cash management policy, we estimate utilizing \$ 36,924 and \$ 58,381 in reserves to balance the Housing Authority’s FY 2015-16 and FY 2016-17 budgets respectively.

It continues to be a challenge for the Housing Authority to maintain the level of service with significant reductions of earned administrative fees. The Housing Authority's plan is to increase the leasing of units in order to compensate for the prorated administrative fee rate. However, the Housing Authority may still anticipate a net loss in program revenue should HUD make future reductions to the current administrative fee proration.

The attached 7-year forecast helps City management and City Council to plan and manage the Housing Authority’s budget such that the Housing Authority does not end a fiscal year with a negative fund balance. The 7-year forecast anticipates using the existing fund balance from the Housing Authority and HUD to supplement the shortfall through the end of FY 2016-17 at which point the Housing Authority anticipates HUD will increase funding by at least 1%. There will be no sequestration in funding for the federal FY2016-2017.

It should also be noted that the FY 2016-2017 House appropriations bill provides the needed funding increase to cover any anticipated negative fund balance, and would supplement shortfalls through the FY 2021-2022 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:

<b>Revenue Assumptions</b>		<b>Expenditure Assumptions</b>	
<b>Annual Increase in Operating Revenues</b>		<b>Annual Increase in Operating Expenditures</b>	
FYs 2016-17 through 2021-22	1%	1% increase in Program	
		3% increase in Personnel Costs	
		1%-3% increase in Other Admin. Expenses	
Estimate Avail. Ending Fund Bal in PHA @ 6/30/16	699,375		

## Section 8 HCV and VASH program 7 year Forecast

Model:	Projected						
	YE Estimate FY 15-16	Proposed Budget FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
<b>Annual Revenue</b>							
Program Revenue from HUD	\$ 12,291,298	\$ 13,012,695	\$ 13,142,822	\$ 13,274,250	\$ 13,406,993	\$ 13,541,063	\$ 13,676,473
<b>Operating Expenses</b>							
Program Expenses	(12,172,080)	(13,014,000)	(13,144,140)	(13,275,581)	(13,408,337)	(13,542,421)	(13,677,845)
<b>Net Operating Income / (Loss)</b>	<b>119,218</b>	<b>(1,305)</b>	<b>(1,318)</b>	<b>(1,331)</b>	<b>(1,345)</b>	<b>(1,358)</b>	<b>(1,372)</b>
<b>Administrative Revenue</b>							
Administrative Overhead from HUD	\$ 1,161,141	\$ 1,259,485	\$ 1,272,100	\$ 1,284,800	\$ 1,297,600	\$ 1,310,600	\$ 1,323,700
Other Svcs fee (incl. Port In & Unreported Income)	\$ 50,000	\$ 26,026	\$ 26,286	\$ 26,549	\$ 26,815	\$ 27,083	\$ 27,354
Interest Income	\$ 3,052	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Rental Income	\$ 57,266	\$ 57,266	\$ 57,839	\$ 58,417	\$ 59,001	\$ 59,591	\$ 60,187
<b>Total Admin. Revenue</b>	<b>\$ 1,271,459</b>	<b>\$ 1,344,777</b>	<b>\$ 1,358,225</b>	<b>\$ 1,371,766</b>	<b>\$ 1,385,416</b>	<b>\$ 1,399,274</b>	<b>\$ 1,413,241</b>
<b>Annual Expenses</b>							
Salaries and Benefits	\$ (681,369)	\$ (738,577)	\$ (760,734)	\$ (783,556)	\$ (799,227)	\$ (815,212)	\$ (831,516)
Retirement	\$ (174,334)	\$ (182,112)	\$ (187,575)	\$ (193,203)	\$ (197,067)	\$ (201,008)	\$ (205,028)
Pension Bonds & CCCERA Loan Payment	\$ (42,696)	\$ (48,573)	\$ (50,516)	\$ (52,537)	\$ (54,638)	\$ (56,824)	\$ (59,096)
Admin. O/H for Port Out	\$ (112,679)	\$ (120,370)	\$ (121,574)	\$ (122,789)	\$ (124,017)	\$ (125,258)	\$ (126,510)
Rental Property Expenses	\$ (8,340)	\$ (8,340)	\$ (8,423)	\$ (8,508)	\$ (8,593)	\$ (8,679)	\$ (8,765)
Other Admin. Exps	\$ (288,965)	\$ (303,881)	\$ (310,579)	\$ (317,491)	\$ (324,624)	\$ (331,987)	\$ (339,588)
<b>Total Admin. Expenses</b>	<b>\$ (1,308,383)</b>	<b>\$ (1,401,853)</b>	<b>\$ (1,439,402)</b>	<b>\$ (1,478,084)</b>	<b>\$ (1,508,167)</b>	<b>\$ (1,538,967)</b>	<b>\$ (1,570,505)</b>
<b>Sub-total Surplus / (Deficit) Admin.</b>	<b>(36,924)</b>	<b>(57,076)</b>	<b>(81,177)</b>	<b>(106,318)</b>	<b>(122,751)</b>	<b>(139,693)</b>	<b>(157,264)</b>
<b>Total Surplus / (Deficit) (Revenues - Expenditure)</b>	<b>82,294</b>	<b>(58,381)</b>	<b>(82,495)</b>	<b>(107,649)</b>	<b>(124,095)</b>	<b>(141,051)</b>	<b>(158,636)</b>
<b>Available Beginning Fund Balance</b>	<b>\$ 617,081</b>	\$ 699,375	\$ 640,994	\$ 558,499	\$ 450,850	\$ 326,754	\$ 185,703
<b>Use of Fund Balance</b>	\$ 82,294	\$ (58,381)	\$ (82,495)	\$ (107,649)	\$ (124,095)	\$ (141,051)	\$ (158,636)
<b>Net Surplus / (Deficit)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Available Ending Fund Balance</b>	\$ 699,375	\$ 640,994	\$ 558,499	\$ 450,850	\$ 326,754	\$ 185,703	\$ 27,068



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**Summary of Fund Conditions**  
**Table 1**

	<sup>1</sup> Estimated Reserves June 30, 2016	Projected Revenues 2016-17	Transfers-In	Projected Expenditures 2016-17	Transfers-Out	Estimated Balance June 30, 2017
<b>General Fund</b>						
General Fund	8,909,640	35,132,806	6,165,411	40,053,463	1,244,754	8,909,640
<b>Subtotal, General Fund</b>	<u>\$ 8,909,640</u>	<u>\$ 35,132,806</u>	<u>\$ 6,165,411</u>	<u>\$ 40,053,463</u>	<u>\$ 1,244,754</u>	<u>\$ 8,909,640</u>
<b>Internal Service Funds</b>						
Building Maintenance	610,514	1,624,459	20,000	1,707,321	10,893	536,759
Fleet Maintenance	886,414	1,741,140	-	2,068,827	9,189	549,538
Fringe Benefits	775,597	1,620,008	-	1,615,703	284,905	494,997
Information Communication Services	631,075	1,364,412	-	1,360,079	251,575	383,833
Insurance	322,319	1,067,651	-	1,067,964	-	322,006
Other Post-Employment Benefits (OPEB)	79,267	1,631,192	481,221	2,093,413	-	98,267
<b>Subtotal, Internal Service Funds</b>	<u>\$ 3,305,186</u>	<u>\$ 9,048,862</u>	<u>\$ 501,221</u>	<u>\$ 9,913,307</u>	<u>\$ 556,562</u>	<u>\$ 2,385,400</u>
<b>Enterprise Funds</b>						
Island Energy	1,754,645	5,958,451	-	5,730,152	27,043	1,955,901
Marina	808,783	2,138,325	-	2,220,879	15,885	710,344
Pittsburg Power	1,904,584	2,065,944	50,000	1,346,916	807,408	1,866,204
Sewer Utility	4,383,534	5,297,380	-	5,951,908	784,398	2,944,608
Water Front Operations	466,746	1,396,779	-	1,268,379	4,726	590,420
Water Utility	8,049,931	20,901,002	1,645,510	18,960,768	2,672,670	8,963,005
<b>Subtotal, Enterprise Funds</b>	<u>\$ 17,368,223</u>	<u>\$ 37,757,881</u>	<u>\$ 1,695,510</u>	<u>\$ 35,479,002</u>	<u>\$ 4,312,130</u>	<u>\$ 17,030,482</u>
<b>Special Revenue Funds</b>						
Assets Seizure	17,651	-	-	-	-	17,651
Budget Stabilization	6,771,333	-	-	-	1,413,623	5,357,710
CA Energy Conservation Program	38,408	-	44,500	74,498	-	8,410
CalHome Program	33,741	-	-	-	-	33,741
California Theatre	43,841	78,572	250,000	328,572	-	43,841
COPS Hiring Recovery	-	125,000	-	-	125,000	-
Economic Development	162,781	357,340	115,000	582,555	51,182	<sup>3</sup> 1,384
Gas Tax	(121,419)	1,910,620	-	608,800	1,095,083	85,318
Golf Course	8,769	-	40,000	38,600	-	10,169
Hillview Jr. High Athletic Field Maintenance	157,287	14,620	-	-	-	171,907
Housing Authority-Section 8	882,129	14,357,472	-	14,399,537	17,591	822,473
HUD Community Development Block Grant	56,010	683,890	-	527,287	154,332	58,281
Lighting and Landscape	124,916	2,875,520	1,105,002	4,029,604	75,376	458
Lighting and Landscaping Oak Hill	679	33,959	-	32,406	-	2,232
Marina Vista Field Replacement	227,575	30,830	-	-	-	258,405
Measure C Tax Fund	229,868	911,110	200,000	605,000	701,530	34,448
Miscellaneous Grants	-	77,000	-	5,000	72,000	-
Neighborhood Stabilization	43,526	-	-	-	-	43,526
Park Maintenance CFD 2007-1	59,795	81,322	-	80,368	761	59,988
Public Safety CFD 2005-1	14,089	294,199	-	303,907	2,914	1,467
Public, Education & Gov't Fees (PEG)	335,137	159,060	-	195,000	-	299,197
R/R Ave Specific Plan (E-BART) CFD	21	-	-	-	-	21
San Marco CFD 2004-1	45,423	697,443	-	731,315	7,982	3,569
Small Cities Grant	2,115	72	-	-	-	2,187
Solid Waste	155,081	461,275	-	492,111	101,917	22,328
Southwest Pittsburg GHAD II	3,011,593	794,904	-	723,424	3,256	3,079,817
Storm Water Utility NPDES	11,067	906,186	100,000	954,696	60,409	2,148
Successor Agency Housing Fund	867,513	284,131	-	387,071	709	763,864
Vista Del Mar CFD 2005-2	69,176	302,241	-	368,750	2,232	435
<b>Subtotal, Special Revenue Funds</b>	<u>\$ 13,249,258</u>	<u>\$ 25,436,766</u>	<u>\$ 1,854,502</u>	<u>\$ 25,468,501</u>	<u>\$ 3,885,897</u>	<u>\$ 11,186,128</u>
<b>Capital Projects Funds</b>						
Bailey Road Maintenance	854,504	150,000	-	-	-	1,004,504
Capital Improvement	8,391	642,700	-	642,700	-	8,391
Community Capital Improvement	176,912	2,100	-	-	-	179,012
Inclusionary Housing	383,375	-	-	-	-	383,375
Infrastructure Repair & Replacement	375,264	-	-	-	200,000	175,264
Kirker Creek Drainage Fees	366,443	-	-	-	17,301	349,142
Park Dedication	521,751	-	-	56,472	-	465,279
RDA - Project Fund	86,395	-	-	-	-	86,395
Recycled Water Capital Maintenance	30,555	-	-	-	-	30,555
Regional Traffic Mitigation	1,772,018	-	-	-	-	1,772,018

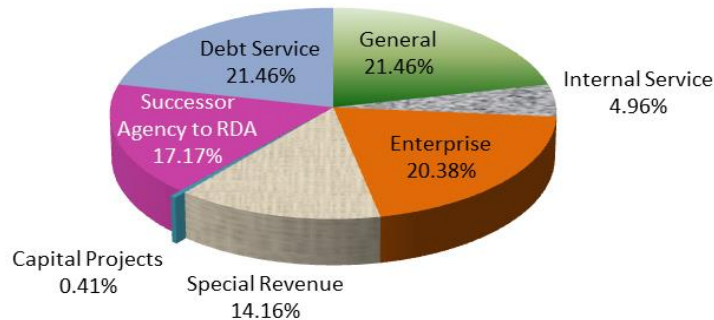
	<sup>1</sup> Estimated Reserves June 30, 2016	Projected Revenues 2015-16	Transfers-In	Projected Expenditures 2015-16	Transfers-Out	Estimated Balance June 30, 2017
Traffic Impact Fair Share	479,716	-	-	-	-	479,716
Traffic Mitigation	2,011,057	-	-	79,620	-	1,931,437
<b>Subtotal, Capital Projects Funds</b>	<u>\$ 7,066,381</u>	<u>\$ 794,800</u>	<u>\$ -</u>	<u>\$ 778,792</u>	<u>\$ 217,301</u>	<u>\$ 6,865,088</u>
<b>Successor Agency to RDA Funds</b>						
RDA-Tax Increment	227,681	397,080	300,000	395,888	-	528,873
Redevelopment Obligation Retirement Fund	-	32,345,988	-	-	32,345,988	-
<b>Subtotal, Successor Agency to RDA Funds</b>	<u>\$ 227,681</u>	<u>\$ 32,743,068</u>	<u>\$ 300,000</u>	<u>\$ 395,888</u>	<u>\$ 32,345,988</u>	<u>\$ 528,873</u>
<b>Debt Service Funds</b>						
Assessment Districts Fund	4,389,598	3,721,710	-	2,798,959	-	5,312,349
Pension Obligations	2,704,165	4,854,964	-	4,854,654	-	2,704,475
RDA – Debt Service and Bond Funds	91,536,325	90,055	30,530,692	30,545,747	300,000	91,311,325
RDA - Housing Debt Service and Bond Funds	978,629	40,000	1,815,296	1,855,597	-	978,328
<b><sup>2</sup>Subtotal, Debt Service Funds</b>	<u>\$ 99,608,717</u>	<u>\$ 8,706,729</u>	<u>\$ 32,345,988</u>	<u>\$ 40,054,957</u>	<u>\$ 300,000</u>	<u>\$ 100,306,477</u>
<b>Total, All Funds</b>	<u>\$ 149,735,086</u>	<u>\$ 149,620,912</u>	<u>\$ 42,862,632</u>	<u>\$ 152,143,910</u>	<u>\$ 42,862,632</u>	<u>\$ 147,212,088</u>

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.
3. Decreased fund balance is due to a loan agreement between the City of Pittsburg and Century Plaza Development Corporation. Loan disbursements of \$150,000 in FY 2015/16 and \$150,000 in 2016/17 will maintain current anchor tenant structure and occupants in the Shopping Center which in turn will save jobs, increase value of property, retain the sales tax base, and add overall economic vitality of the City.

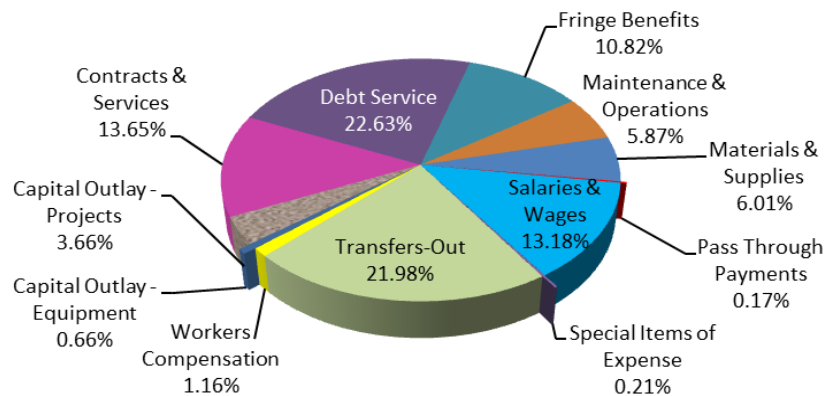
**Summary of Revenues and Expenditures – All Funds**  
Table 2

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>Revenue</b>					
General Fund	39,556,141	39,719,186	41,298,217	1,579,031	3.98
Internal Service Funds	8,981,974	10,012,085	9,550,083	(462,002)	-4.61
Enterprise Funds	37,942,350	59,421,920	39,232,599	(20,189,321)	-33.98
Special Revenue Funds	25,883,706	29,507,459	27,251,268	(2,256,191)	-7.65
Capital Projects Funds	1,968,484	3,866,975	794,800	(3,072,175)	-79.45
Successor Agency to RDA Funds	41,571,043	36,317,002	33,043,068	(3,273,934)	-9.01
Debt Service Funds	65,477,497	44,028,754	41,313,509	(2,715,245)	-6.17
<b>Total, Revenues</b>	<b>\$ 221,381,195</b>	<b>\$ 222,873,381</b>	<b>\$ 192,483,544</b>	<b>\$ (30,389,837)</b>	<b>-13.64 %</b>
<b>Expenditure</b>					
Capital Outlay - Equipment	1,844,987	2,963,825	1,294,000	(1,669,825)	-56.34
Capital Outlay - Projects	10,807,110	43,447,173	7,131,500	(36,315,673)	-83.59
Contracts & Services	28,104,959	27,590,195	26,615,710	(974,485)	-3.53
Debt Service Funds	53,948,596	46,549,712	44,132,846	(2,416,866)	-5.19
Fringe Benefits	18,867,200	20,159,462	21,098,356	938,894	4.66
Maintenance & Operations	9,612,014	11,541,513	11,453,625	(87,888)	-0.76
Materials & Supplies	10,961,792	11,893,027	11,718,845	(174,182)	-1.46
Pass Through Payments	278,617	331,640	321,893	(9,747)	-2.94
Salaries & Wages	23,466,627	25,978,739	25,700,500	(278,239)	-1.07
Special Items of Expense	58,593	758,017	409,000	(349,017)	-46.04
Transfers-Out	60,458,495	59,576,379	42,862,632	(16,713,747)	-28.05
Workers Compensation	1,403,090	1,650,216	2,269,373	619,157	37.52
<b>Total, Expenditures</b>	<b>\$ 219,812,080</b>	<b>\$ 252,439,898</b>	<b>\$ 195,006,542</b>	<b>\$ (57,433,356)</b>	<b>-22.75 %</b>

**2016-17 Revenues by Fund Type**



**2016-17 Expenditures by Category**



**Revenue Source by Category and Object – All Funds**  
**Table 3**

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>General Fund</b>					
Fines & Forfeitures	576,309	645,623	616,600	(29,023)	-4.50
Franchise Fees	3,688,106	3,635,003	3,943,000	307,997	8.47
Intergovernmental Revenue	1,388,398	1,236,078	1,779,242	543,164	43.94
Other Revenues	2,223,960	2,743,889	2,237,269	(506,620)	-18.46
Other Taxes	6,117,213	6,519,598	6,675,000	155,402	2.38
Permits, Licenses & Fees	1,545,333	1,643,293	1,827,667	184,374	11.22
Property Taxes	3,204,966	3,237,582	3,534,000	296,418	9.16
Sales Taxes	11,062,257	12,174,602	11,921,771	(252,831)	-2.08
Service Fees	2,067,389	2,072,145	2,097,527	25,382	1.22
Transfers-In	7,181,889	5,289,439	6,165,411	875,972	16.56
Use of Money & Property	500,321	521,934	500,730	(21,204)	-4.06
<b>Subtotal, General Fund</b>	<b>\$ 39,556,141</b>	<b>\$ 39,719,186</b>	<b>\$ 41,298,217</b>	<b>\$ 1,579,031</b>	<b>3.98 %</b>
<b>Internal Service Funds</b>					
Other Revenues	5,310,417	5,720,778	4,903,808	(816,970)	-14.28
Service Fees	2,929,802	3,767,345	4,145,054	377,709	10.03
Transfers-In	741,755	523,962	501,221	(22,741)	-4.34
<b>Subtotal, Internal Service Funds</b>	<b>\$ 8,981,974</b>	<b>\$ 10,012,085</b>	<b>\$ 9,550,083</b>	<b>\$ (462,002)</b>	<b>-4.61 %</b>
<b>Enterprise Funds</b>					
Debt Service	19,570	20,000	20,000	-	-
Franchise Fees	580,000	580,000	580,000	-	-
Intergovernmental Revenue	-	11,703,524	-	(11,703,524)	-100.00
Other Revenues	2,373,640	2,600,987	2,586,533	(14,454)	-0.56
Service Fees	31,003,399	29,647,583	32,629,108	2,981,525	10.06
Transfers-In	2,432,558	12,908,834	1,480,000	(11,428,834)	-88.53
Use of Money & Property	1,533,183	1,960,992	1,936,958	(24,034)	-1.23
<b>Subtotal, Enterprise Funds</b>	<b>\$ 37,942,350</b>	<b>\$ 59,421,920</b>	<b>\$ 39,232,599</b>	<b>\$ (20,189,321)</b>	<b>-33.98 %</b>
<b>Special Revenue Funds</b>					
Fines & Forfeitures	12,884	-	-	-	-100.00
Franchise Fees	155,404	150,000	157,000	7,000	4.67
Intergovernmental Revenue	12,932,832	15,840,374	15,085,904	(754,470)	-4.76
Other Revenues	1,473,484	1,640,393	1,438,547	(201,846)	-12.30
Other Taxes	2,660,368	2,240,986	2,187,500	(53,486)	-2.39
Sales Taxes	122,944	113,460	124,200	10,740	9.47
Service Fees	171,638	127,800	97,726	(30,074)	-23.53
Special Assessments	5,149,968	5,549,531	5,924,374	374,843	6.75
Transfers-In	2,732,080	3,560,715	1,814,502	(1,746,213)	-49.04
Use of Money & Property	472,104	284,200	421,515	137,315	48.32
<b>Subtotal, Special Revenue Funds</b>	<b>\$ 25,883,706</b>	<b>\$ 29,507,459</b>	<b>\$ 27,251,268</b>	<b>\$ (2,256,191)</b>	<b>-7.65 %</b>
<b>Capital Projects Funds</b>					
Intergovernmental Revenue	441,131	2,069,242	792,700	(1,276,542)	-61.69
Other Revenues	9,000	316,199	-	(316,199)	-100.00
Service Fees	486,219	236,816	-	(236,816)	-100.00
Transfers-In	899,034	1,229,918	-	(1,229,918)	-100.00
Use of Money & Property	133,100	14,800	2,100	(12,700)	-85.81
<b>Subtotal, Capital Projects Funds</b>	<b>\$ 1,968,484</b>	<b>\$ 3,866,975</b>	<b>\$ 794,800</b>	<b>\$ (3,072,175)</b>	<b>-79.45 %</b>
<b>Successor Agency to RDA Funds</b>					
Intergovernmental Revenue	40,000	-	-	-	-100.00
Other Revenues	662,119	437,058	215,155	(221,903)	-50.77
Property Taxes	40,387,530	34,586,951	32,345,988	(2,240,963)	-6.48
Transfers-In	311,409	1,225,000	300,000	(925,000)	-75.51
Use of Money & Property	169,985	67,993	181,925	113,932	167.56
<b>Subtotal, Successor Agency to RDA Funds</b>	<b>\$ 41,571,043</b>	<b>\$ 36,317,002</b>	<b>\$ 33,043,068</b>	<b>\$ (3,273,934)</b>	<b>-9.01 %</b>
<b>Debt Service Funds</b>					
Debt Service	10,514,249	741,910	76,487	(665,423)	-89.69
Service Fees	4,974,710	4,868,351	4,929,654	61,303	1.26
Special Assessments	3,668,915	3,697,920	3,695,216	(2,704)	-0.07
Transfers-In	46,159,773	34,702,453	32,601,498	(2,100,955)	-6.05
Use of Money & Property	159,850	18,120	10,654	(7,466)	-41.20
<b>Subtotal, Debt Service Funds</b>	<b>\$ 65,477,497</b>	<b>\$ 44,028,754</b>	<b>\$ 41,313,509</b>	<b>\$ (2,715,245)</b>	<b>-6.17 %</b>
<b>Total, All Funds</b>	<b>\$ 221,381,195</b>	<b>\$ 222,873,381</b>	<b>\$ 192,483,544</b>	<b>\$ (30,389,837)</b>	<b>-13.64 %</b>

**Summary of Expenditures by Program – All Funds**  
Table 4

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>City Council</b>					
City Council	80,834	82,857	88,161	5,304	6.40
<b>Subtotal, City Council</b>	<b>\$ 80,834</b>	<b>\$ 82,857</b>	<b>\$ 88,161</b>	<b>\$ 5,304</b>	<b>6.40 %</b>
<b>Administration</b>					
City Manager	249,969	272,139	244,091	(28,048)	-10.31
City Clerk	274,097	518,767	501,447	(17,320)	-3.34
City Attorney	543,899	413,592	406,541	(7,051)	-1.70
Human Resources	833,365	938,412	921,156	(17,256)	-1.84
Treasurer	12,444	7,924	6,536	(1,388)	-17.52
Finance	2,411,061	2,840,614	3,035,749	195,135	6.87
General Fund - Non Departmental	6,458,317	4,560,171	4,046,093	(514,078)	-11.27
Information Technology	804,188	1,286,932	1,611,654	324,722	25.23
Employee Fringe Benefits	1,764,132	1,463,342	1,900,608	437,266	29.88
Other Post-Employment Benefits (OPEB)	3,168,098	3,183,554	2,093,413	(1,090,141)	-34.24
Insurance	737,615	973,753	1,067,964	94,211	9.68
Budget Stabilization	3,677,248	1,381,231	1,413,623	32,392	2.35
<b>Subtotal, Administration</b>	<b>\$ 20,934,433</b>	<b>\$ 17,840,431</b>	<b>\$ 17,248,875</b>	<b>\$ (591,556)</b>	<b>-3.32 %</b>
<b>Police Department</b>					
Police Services	21,560,001	22,693,633	24,121,516	1,427,883	6.29
San Marco CFD	341,439	686,115	739,297	53,182	7.75
Vista Del Mar CFD	153,193	198,811	370,982	172,171	86.60
Public Safety CFD	228,949	259,964	306,821	46,857	18.02
Asset Forfeitures	41,887	-	-	-	-100.00
Police Grants	245,920	650,846	197,000	(453,846)	-69.73
<b>Subtotal, Police Department</b>	<b>\$ 22,571,389</b>	<b>\$ 24,489,369</b>	<b>\$ 25,735,616</b>	<b>\$ 1,246,247</b>	<b>5.09 %</b>
<b>Enterprise Services</b>					
Marina	1,957,851	2,315,818	2,236,764	(79,054)	-3.41
Golf Course	160,428	167,710	38,600	(129,110)	-76.98
R/R Ave e-BART CFD	52,247	3,484,043	-	(3,484,043)	-100.00
Environmental Affairs	812,582	1,021,358	863,526	(157,832)	-15.45
Housing Rehab Loans - CDBG	125,853	-	-	-	-100.00
CDBG Entitlements	602,267	1,400,331	681,619	(718,712)	-51.32
CalHome Program	18	-	-	-	-100.00
Waterfront Operations	901,051	995,823	1,273,105	277,282	27.84
Economic Development	890,517	629,431	633,737	4,306	0.68
<b>Subtotal, Enterprise Services</b>	<b>\$ 5,502,814</b>	<b>\$ 10,014,514</b>	<b>\$ 5,727,351</b>	<b>\$ (4,287,163)</b>	<b>-0.43 %</b>
<b>Community Development</b>					
Planning Division	978,179	1,007,920	1,089,669	81,749	8.11
Building Division	982,377	1,044,446	1,130,218	85,772	8.21
Engineering Division	1,944,196	2,134,010	1,999,632	(134,378)	-6.30
Gas Tax	2,564,073	3,383,557	1,703,883	(1,679,674)	-49.64
Measure J Tax	1,148,385	4,002,472	1,306,530	(2,695,942)	-67.36
NPDES	977,093	1,343,918	1,015,105	(328,813)	-24.47
Southwest Pittsburg GHAD	405,591	563,026	726,680	163,654	29.07
Pittsburg CIP	469,222	603,980	642,700	38,720	6.41
Developer Fee Fund	3,656,061	4,968,548	153,393	(4,815,155)	-96.91
Prop 1B Local Street & Road Impr.	1,891	-	-	-	-100.00
Community Capital Improvements	166,750	1,461,273	-	(1,461,273)	-100.00
Project Amenities Mgmt CFD	-	-	-	-	-100.00
Infrastructure Repair & Replacement	464,572	853,767	200,000	(653,767)	-76.57
<b>Subtotal, Community Development</b>	<b>13,758,390</b>	<b>21,366,917</b>	<b>9,967,810</b>	<b>(11,399,107)</b>	<b>-0.53 %</b>
<b>Public Works - Maintenance Services</b>					
Public Works Administration	85,968	70,772	103,636	32,864	46.44
Streets	2,036,913	2,098,846	2,295,080	196,234	9.35
Street Lighting	765,998	858,042	780,591	(77,451)	-9.03
Street Trees	343,588	466,593	494,474	27,881	5.98
Concrete	78,431	98,331	101,031	2,700	2.75
Fleet Maintenance	1,944,148	1,953,867	2,078,016	124,149	6.35
Building Maintenance	1,780,167	1,642,382	1,718,214	75,832	4.62
Graffiti Removal Program	159,926	139,603	151,558	11,955	8.56
<b>Subtotal, Public Works - Maintenance Services</b>	<b>\$ 7,195,139</b>	<b>\$ 7,328,436</b>	<b>\$ 7,722,600</b>	<b>\$ 394,164</b>	<b>5.38 %</b>

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>Recreation and Parks</b>					
Recreation & Parks Administration	86,928	140,509	113,954	(26,555)	-18.90
Recreation Services	775,146	836,736	926,134	89,398	10.68
Parks & Recreation - Swim Center Maint.	100,365	105,766	117,046	11,280	10.67
Parks & Recreation - Landscape	2,475,693	2,690,502	2,728,884	38,382	1.43
Landscape - Oak Hills Assessment	66,492	65,182	32,406	(32,776)	-50.28
Park Maintenance CFD	52,939	85,364	81,129	(4,235)	-4.96
Recreation Grants	10,248	12,515	5,000	(7,515)	-60.05
California Theatre	400,005	349,616	328,572	(21,044)	-6.02
<b>Subtotal, Recreation and Parks</b>	<b>\$ 3,967,816</b>	<b>\$ 4,286,190</b>	<b>\$ 4,333,125</b>	<b>\$ 46,935</b>	<b>1.10 %</b>
<b>Public Works - Water and Sewer Enterprises</b>					
Water Operating	15,170,885	23,329,014	15,056,750	(8,272,264)	-35.46
Water CIP	2,112,678	8,620,945	1,690,000	(6,930,945)	-80.40
Water Facility Reserve Fee Funds	2,410,959	14,278,754	655,510	(13,623,244)	-95.41
Sewer Maintenance	2,131,280	2,836,254	2,919,535	83,281	2.94
Sewer CIP	138,905	7,069,596	3,000,000	(4,069,596)	-57.56
Sewer Facility Reserve Fee Funds	-	133,113	-	(133,113)	-100.00
Water Bond Debt Service	2,769,374	5,963,902	4,231,178	(1,732,724)	-29.05
Sewer Bond Debt Service	822,986	813,464	816,771	3,307	0.41
<b>Subtotal, Public Works - Water &amp; Sewer Enterprises</b>	<b>\$ 25,557,067</b>	<b>\$ 63,045,042</b>	<b>\$ 28,369,744</b>	<b>\$ (34,675,298)</b>	<b>-55.00 %</b>
<b>Housing Authority</b>					
Housing Authority - Section 8	13,205,417	13,485,340	14,417,128	931,788	6.91
City Housing	270,633	612,446	387,780	(224,666)	-36.68
<b>Subtotal, Housing Authority</b>	<b>\$ 13,476,050</b>	<b>\$ 14,097,786</b>	<b>\$ 14,804,908</b>	<b>\$ 707,122</b>	<b>5.02 %</b>
<b>Pittsburg Power Company</b>					
Island Energy	5,030,923	5,887,884	5,157,195	(730,689)	-12.41
Pittsburg Power	2,010,770	2,866,858	2,119,324	(747,534)	-26.08
Power Company Capital Projects	921,508	1,334,047	635,000	(699,047)	-52.40
<b>Subtotal, Pittsburg Power Company</b>	<b>\$ 7,963,201</b>	<b>\$ 10,088,789</b>	<b>\$ 7,911,519</b>	<b>\$ (2,177,270)</b>	<b>-21.58 %</b>
<b>Successor Agency to Former RDA</b>					
RDA General	45,934,477	35,511,403	<sup>(1)</sup> 32,345,988	(3,165,415)	-8.91
RDA Administration	389,623	295,957	395,888	99,931	33.77
RDA Capital Projects Fund	60,644	578,713	-	(578,713)	-100.00
RDA Tax Allocation Bonds	31,117,288	33,957,387	<sup>(1)</sup> 30,845,747	(3,111,640)	-9.16
RDA Housing Bonds	1,958,072	2,298,558	<sup>(1)</sup> 1,855,597	(442,961)	-19.27
<b>Subtotal, Successor Agency to Former RDA</b>	<b>\$ 79,460,104</b>	<b>\$ 72,642,018</b>	<b>\$ 65,443,220</b>	<b>\$ (7,198,798)</b>	<b>-9.91 %</b>
<b>Debt Service Funds</b>					
Pension Obligation Bond	4,385,513	4,803,522	4,854,654	51,132	1.06
Assessment Districts	14,959,330	2,354,027	2,798,959	444,932	18.90
<b>Subtotal, Debt Service Funds</b>	<b>\$ 19,344,843</b>	<b>\$ 7,157,549</b>	<b>\$ 7,653,613</b>	<b>\$ 496,064</b>	<b>6.93 %</b>
<b>Total, Uses by Program</b>	<b>\$ 219,812,080</b>	<b>\$ 252,439,898</b>	<b>\$ 195,006,542</b>	<b>\$ (57,433,356)</b>	<b>-22.75 %</b>

(1) Includes transfers between funds in the Successor Agency program budget to pay for debt obligation in the amount of \$32,345,988, therefore uses appear to be overstated by \$32,345,988

**Expenditure by Fund Type – All Funds**  
Table 5

	General	Internal Service	Enterprise	Special Revenue
<b>City Council</b>				
City Council	88,161	-	-	-
<b>Subtotal, City Council</b>	<b>\$ 88,161</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Administration</b>				
City Manager	244,091	-	-	-
City Clerk	501,447	-	-	-
City Attorney	406,541	-	-	-
Human Resources	921,156	-	-	-
Treasurer	6,536	-	-	-
Finance	3,035,749	-	-	-
General Fund - Non Departmental	4,046,093	-	-	-
Information Technology	-	1,611,654	-	-
Employee Fringe Benefits	-	1,900,608	-	-
Other Post-Employment Benefits (OPEB)	-	2,093,413	-	-
Insurance	-	1,067,964	-	-
Budget Stabilization	-	-	-	1,413,623
<b>Subtotal, Administration</b>	<b>\$ 9,161,613</b>	<b>\$ 6,673,639</b>	<b>\$ -</b>	<b>\$ 1,413,623</b>
<b>Police Department</b>				
Police Services	24,121,516	-	-	-
San Marco CFD	-	-	-	739,297
Vista Del Mar CFD	-	-	-	370,982
Public Safety CFD	-	-	-	306,821
Police Grants	-	-	-	197,000
<b>Subtotal, Police Department</b>	<b>\$ 24,121,516</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,614,100</b>
<b>Enterprise Services</b>				
Marina	-	-	2,236,764	-
Golf Course	-	-	-	38,600
Environmental Affairs	-	-	-	863,526
CDBG Entitlements	-	-	-	681,619
Waterfront Operations	-	-	1,273,105	-
Economic Development	-	-	-	633,737
<b>Subtotal, Enterprise Services</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,548,469</b>	<b>\$ 2,178,882</b>
<b>Community Development</b>				
Planning Division	1,089,669	-	-	-
Building Division	1,130,218	-	-	-
Engineering Division	1,999,632	-	-	-
Gas Tax	-	-	-	1,703,883
Measure J Tax	-	-	-	1,306,530
NPDES	-	-	-	1,015,105
Southwest Pittsburg GHAD	-	-	-	726,680
Pittsburg CIP	-	-	-	-
Developer Fee Fund	-	-	-	-
Infrastructure Repair & Replacement	-	-	-	-
<b>Subtotal, Community Development</b>	<b>\$ 4,219,519</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,752,198</b>
<b>Public Works - Maintenance Services</b>				
Public Works Administration	103,636	-	-	-
Streets	2,295,080	-	-	-
Street Lighting	-	-	-	780,591
Street Trees	-	-	-	459,300
Concrete	-	-	-	101,031
Fleet Maintenance	-	2,078,016	-	-
Building Maintenance	-	1,718,214	-	-
Graffiti Removal Program	151,558	-	-	-
<b>Subtotal, Public Works - Maintenance Services</b>	<b>\$ 2,550,274</b>	<b>\$ 3,796,230</b>	<b>\$ -</b>	<b>\$ 1,340,922</b>

**Expenditure by Fund Type – All Funds**  
Table 5

	Capital Projects	Debt Service	Successor Agency	Total
<b>City Council</b>				
City Council	-	-	-	88,161
<b>Subtotal, City Council</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 88,161</b>
<b>Administration</b>				
City Manager	-	-	-	244,091
City Clerk	-	-	-	501,447
City Attorney	-	-	-	406,541
Human Resources	-	-	-	921,156
Treasurer	-	-	-	6,536
Finance	-	-	-	3,035,749
General Fund - Non Departmental	-	-	-	4,046,093
Information Technology	-	-	-	1,611,654
Employee Fringe Benefits	-	-	-	1,900,608
Other Post-Employment Benefits (OPEB)	-	-	-	2,093,413
Insurance	-	-	-	1,067,964
Budget Stabilization	-	-	-	1,413,623
<b>Subtotal, Administration</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,248,875</b>
<b>Police Department</b>				
Police Services	-	-	-	24,121,516
San Marco CFD	-	-	-	739,297
Vista Del Mar CFD	-	-	-	370,982
Public Safety CFD	-	-	-	306,821
Police Grants	-	-	-	197,000
<b>Subtotal, Police Department</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,735,616</b>
<b>Enterprise Services</b>				
Marina	-	-	-	2,236,764
Golf Course	-	-	-	38,600
Environmental Affairs	-	-	-	863,526
CDBG Entitlements	-	-	-	681,619
Waterfront Operations	-	-	-	1,273,105
Economic Development	-	-	-	633,737
<b>Subtotal, Enterprise Services</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,727,351</b>
<b>Community Development</b>				
Planning Division	-	-	-	1,089,669
Building Division	-	-	-	1,130,218
Engineering Division	-	-	-	1,999,632
Gas Tax	-	-	-	1,703,883
Measure J Tax	-	-	-	1,306,530
NPDES	-	-	-	1,015,105
Southwest Pittsburg GHAD	-	-	-	726,680
Pittsburg CIP	642,700	-	-	642,700
Developer Fee Fund	153,393	-	-	153,393
Infrastructure Repair & Replacement	200,000	-	-	200,000
<b>Subtotal, Community Development</b>	<b>\$ 996,093</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,967,810</b>
<b>Public Works - Maintenance Services</b>				
Public Works Administration	-	-	-	103,636
Streets	-	-	-	2,295,080
Street Lighting	-	-	-	780,591
Street Trees	-	-	-	459,300
Concrete	-	-	-	101,031
Fleet Maintenance	-	-	-	2,078,016
Building Maintenance	-	-	-	1,718,214
Graffiti Removal Program	-	-	-	151,558
<b>Subtotal, Public Works Maint. Services</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,687,426</b>



**Expenditure by Fund Type – All Funds**  
**Table 5**

	General	Internal Service	Enterprise	Special Revenue
<b>Recreation and Parks</b>				
Recreation & Parks Administration	113,954	-	-	-
Recreation Services	926,134	-	-	-
Parks & Recreation - Swim Center Maint.	117,046	-	-	-
Parks & Recreation - Landscape	-	-	-	2,764,058
Landscape - Oak Hills Assessment	-	-	-	32,406
Park Maintenance CFD	-	-	-	81,129
Recreation Grants	-	-	-	5,000
California Theatre	-	-	-	328,572
<b>Subtotal, Recreation and Parks</b>	<b>\$ 1,157,134</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,211,165</b>
<b>Public Works - Water and Sewer Enterprises</b>				
Water Operating	-	-	15,056,750	-
Water CIP	-	-	1,690,000	-
Water Facility Reserve Fee Funds	-	-	655,510	-
Sewer Maintenance	-	-	2,919,535	-
Sewer CIP	-	-	3,000,000	-
Water Bond Debt Service	-	-	3,291,178	-
Sewer Bond Debt Service	-	-	816,771	-
<b>Subtotal, Public Works - Water &amp; Sewer</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,429,744</b>	<b>\$ -</b>
<b>Housing Authority</b>				
Housing Authority - Section 8	-	-	-	14,417,128
City Housing	-	-	-	387,780
<b>Subtotal, Housing Authority</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,804,908</b>
<b>Pittsburg Power Company</b>				
Island Energy	-	-	5,157,195	-
Pittsburg Power	-	-	2,119,324	-
Power Company Capital Projects	-	-	635,000	-
<b>Subtotal, Pittsburg Power Company</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,911,519</b>	<b>\$ -</b>
<b>Successor Agency to Former RDA</b>				
RDA General	-	-	-	-
RDA Administration	-	-	-	-
RDA Tax Allocation Bonds	-	-	-	-
RDA Housing Bonds	-	-	-	-
<b>Subtotal, Successor Agency to Former RDA</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Debt Service Funds</b>				
Pension Obligation Bond	-	-	-	-
Assessment Districts	-	-	-	-
<b>Subtotal, Debt Service Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenditures</b>	<b>\$ 41,298,217</b>	<b>\$ 10,469,869</b>	<b>\$ 38,851,132</b>	<b>\$ 29,354,398</b>

**Expenditure by Fund Type – All Funds**  
Table 5

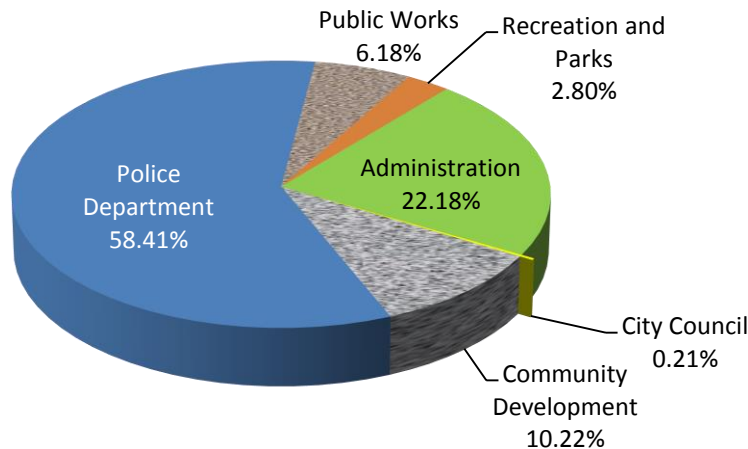
	Capital Projects	Debt Service	Successor Agency	Total
<b>Recreation and Parks</b>				
Recreation & Parks Administration	-	-	-	-
Recreation Services	-	-	-	926,134
Parks & Recreation - Swim Center Maint.	-	-	-	117,046
Parks & Recreation - Landscape	-	-	-	2,764,058
Landscape - Oak Hills Assessment	-	-	-	32,406
Park Maintenance CFD	-	-	-	81,129
Recreation Grants	-	-	-	5,000
California Theatre	-	-	-	328,572
<b>Subtotal, Recreation and Parks</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,368,299</b>
<b>Public Works - Water and Sewer Enterprises</b>				
Water Operating	-	-	-	15,056,750
Water CIP	-	-	-	1,690,000
Water Facility Reserve Fee Funds	-	-	-	655,510
Sewer Maintenance	-	-	-	2,919,535
Sewer CIP	-	-	-	3,000,000
Water Bond Debt Service	-	940,000	-	4,231,178
Sewer Bond Debt Service	-	-	-	816,771
<b>Subtotal, Water &amp; Sewer Enterprises</b>	<b>\$ -</b>	<b>\$ 940,000</b>	<b>\$ -</b>	<b>\$ 28,369,744</b>
<b>Housing Authority</b>				
Housing Authority - Section 8	-	-	-	14,417,128
City Housing	-	-	-	387,780
<b>Subtotal, Housing Authority</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,804,908</b>
<b>Pittsburg Power Company</b>				
Island Energy	-	-	-	5,157,195
Pittsburg Power	-	-	-	2,119,324
Power Company Capital Projects	-	-	-	635,000
<b>Subtotal, Pittsburg Power Company</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,911,519</b>
<b>Successor Agency to Former RDA</b>				
RDA General	-	-	32,345,988	32,345,988
RDA Administration	-	-	395,888	395,888
RDA Tax Allocation Bonds	-	30,845,747	-	30,845,747
RDA Housing Bonds	-	1,855,597	-	1,855,597
<b>Subtotal, Successor Agency to RDA</b>	<b>\$ -</b>	<b>\$ 32,701,344</b>	<b>\$ 32,741,876</b>	<b>\$ 65,443,220</b>
<b>Debt Service Funds</b>				
Pension Obligation Bond	-	4,854,654	-	4,854,654
Assessment Districts	-	2,798,959	-	2,798,959
<b>Subtotal, Debt Service Funds</b>	<b>\$ -</b>	<b>\$ 7,653,613</b>	<b>\$ -</b>	<b>\$ 7,653,613</b>
<b>Total Expenditures</b>	<b>\$ 96,093</b>	<b>\$ 41,294,957</b>	<b>\$ 32,741,876</b>	<b>\$ 195,006,542</b>

**General Fund Revenues and Expenditures**  
Table 6

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>General Fund Reserves<sup>1</sup></b>	8,455,057	8,909,640	8,909,640	-	0.00
<b>Revenues</b>					
Fines & Forfeitures	576,309	645,623	616,600	(29,023)	-4.50
Franchise Fees	3,688,106	3,635,003	3,943,000	307,997	8.47
Intergovernmental Revenue	1,388,398	1,236,078	1,779,242	543,164	43.94
Other Revenues	2,223,960	2,743,889	2,237,269	(506,620)	-18.46
Other Taxes	6,117,213	6,519,598	6,675,000	155,402	2.38
Permits, Licenses & Fees	1,545,333	1,643,293	1,827,667	184,374	11.22
Property Taxes	3,204,966	3,237,582	3,534,000	296,418	9.16
Sales Taxes	11,062,257	12,174,602	11,921,771	(252,831)	-2.08
Service Fees	2,067,389	2,072,145	2,097,527	25,382	1.22
Transfers-In	7,181,889	5,289,439	6,165,411	875,972	16.56
Use of Money & Property	500,321	521,934	500,730	(21,204)	-4.06
<b>Total, General Fund Revenues</b>	<b>\$ 39,556,141</b>	<b>\$ 39,719,186</b>	<b>\$ 41,298,217</b>	<b>\$ 1,579,031</b>	<b>3.98 %</b>
<b>Expenditures</b>					
Administration	10,765,304	9,551,619	9,161,613	(390,006)	-4.08
City Council	80,834	82,857	88,161	5,304	6.40
Community Development	3,904,752	4,186,376	4,219,519	33,143	0.79
Police Department	21,560,001	22,693,633	24,121,516	1,427,883	6.29
Public Works	2,282,807	2,309,221	2,550,274	241,053	10.44
Recreation and Parks	962,439	1,083,011	1,157,134	74,123	6.84
<b>Total, General Fund Expenditures</b>	<b>\$ 39,556,137</b>	<b>\$ 39,906,717</b>	<b>\$ 41,298,217</b>	<b>\$ 1,391,500</b>	<b>3.49 %</b>

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

**2016-17 General Fund Expenditures by Department**

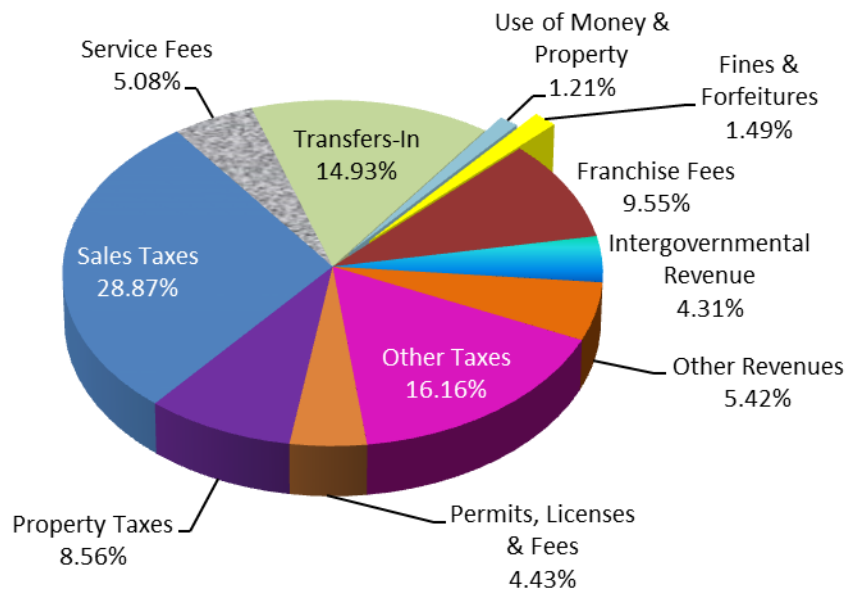


**General Fund Revenues**  
**Table 7**

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>Property Taxes</b>					
Homeowners Tax Relief	83,483	85,000	85,000	-	-
Prior Year Taxes	67,992	(50,000)	(50,000)	-	-
Secured Property Taxes	2,245,040	2,442,582	2,744,000	301,418	12.34
Supplemental Taxes	202,878	200,000	180,000	(20,000)	-10.00
Unitary Taxes	275,138	250,000	265,000	15,000	6.00
Unsecured Property Taxes	330,435	310,000	310,000	-	-
<b>Subtotal, Property Taxes</b>	<b>\$ 3,204,966</b>	<b>\$ 3,237,582</b>	<b>\$ 3,534,000</b>	<b>\$ 296,418</b>	<b>9.16 %</b>
<b>Sales Taxes</b>					
Sales & Use Taxes	6,040,080	6,777,188	7,905,971	1,128,783	16.66
Sales & Use Taxes - Backfill	1,046,985	1,517,414	-	(1,517,414)	-100.00
Sales Taxes - Increase	3,975,192	3,880,000	4,015,800	135,800	3.50
<b>Subtotal, Sales Taxes</b>	<b>\$ 11,062,257</b>	<b>\$ 12,174,602</b>	<b>\$ 11,921,771</b>	<b>\$ (252,831)</b>	<b>-2.08 %</b>
<b>Other Taxes</b>					
Business License Tax	511,456	520,000	520,000	-	-
Motor Vehicle Tax	4,169,031	4,514,598	4,600,000	85,402	1.89
Other Taxes	231,288	245,000	280,000	35,000	14.29
Public Safety - Prop 172 Sales Tax	560,323	550,000	555,000	5,000	0.91
Transient Occupancy Taxes	645,115	690,000	720,000	30,000	4.35
<b>Subtotal, Other Taxes</b>	<b>\$ 6,117,213</b>	<b>\$ 6,519,598</b>	<b>\$ 6,675,000</b>	<b>\$ 155,402</b>	<b>2.38 %</b>
<b>Franchise Fees</b>					
Calpine	15,391	15,394	16,000	606	3.94
Comcast Broadband	590,113	580,000	615,000	35,000	6.03
Franchise Fees - Other	186,162	170,000	183,000	13,000	7.65
PG&E	507,393	490,000	636,000	146,000	29.80
Pittsburg Disposal	1,532,944	1,502,000	1,600,000	98,000	6.52
RCTS	856,103	877,609	893,000	15,391	1.75
<b>Subtotal, Franchise Fees</b>	<b>\$ 3,688,106</b>	<b>\$ 3,635,003</b>	<b>\$ 3,943,000</b>	<b>\$ 307,997</b>	<b>8.47 %</b>
<b>Service Fees</b>					
Building Service Fees	280,826	273,799	274,850	1,051	0.38
Engineering Service Fees	2,266	780	603	(177)	-22.69
Other Reimbursements	343,961	320,000	265,000	(55,000)	-17.19
Other Service Fees	514,190	558,436	580,010	21,574	3.86
Planning Service Fees	3,489	5,975	6,950	975	16.32
Police Service Fees	460,330	463,336	481,914	18,578	4.01
Public Works Service Fees	260,990	246,500	278,000	31,500	12.78
Recreation Entrance Fees	132,208	135,000	140,000	5,000	3.70
Recreation Service Fees	67,680	62,319	67,100	4,781	7.67
Recreation Sports Fees	1,449	6,000	3,100	(2,900)	-48.33
<b>Subtotal, Service Fees</b>	<b>\$ 2,067,389</b>	<b>\$ 2,072,145</b>	<b>\$ 2,097,527</b>	<b>\$ 25,382</b>	<b>1.22 %</b>
<b>Use of Money &amp; Property</b>					
Investment Earnings	252,013	261,000	215,000	(46,000)	-17.62
Rental Income	248,308	260,934	285,730	24,796	9.50
<b>Subtotal, Use of Money &amp; Property</b>	<b>\$ 500,321</b>	<b>\$ 521,934</b>	<b>\$ 500,730</b>	<b>\$ (21,204)</b>	<b>-4.06 %</b>
<b>Fines &amp; Forfeitures</b>					
Abandoned Vehicle Abatement	124,907	125,000	125,000	-	-
Booking Fees	7,401	8,000	9,600	1,600	20.00
Code Enforcement Fines	91,493	138,300	102,300	(36,000)	-26.03
Police Fines	132,889	149,823	159,700	9,877	6.59
Police Forfeitures	607	8,000	2,000	(6,000)	-75.00
POST Reimbursements	24,109	25,000	25,000	-	-
Traffic Fines	191,560	190,000	190,000	-	-
Vehicle Code Fines	3,343	1,500	3,000	1,500	100.00
<b>Subtotal, Fines &amp; Forfeitures</b>	<b>\$ 576,309</b>	<b>\$ 645,623</b>	<b>\$ 616,600</b>	<b>\$ (29,023)</b>	<b>-4.50 %</b>
<b>Permits, Licenses &amp; Fees</b>					
Building Fees	111,150	164,300	163,300	(1,000)	-0.61
Building Permits	892,775	874,000	874,000	-	-
Business License Fees	148,285	139,000	141,000	2,000	1.44
Engineering Fees	311,159	384,365	516,656	132,291	34.42
Other Fees	10,961	10,261	10,261	-	-
Other Permits	4,168	2,987	3,150	163	5.46
Planning & Zoning	55,401	51,580	104,700	53,120	102.99

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
Police Fees	11,434	16,800	14,600	(2,200)	-13.10
<b>Subtotal, Permits, Licenses &amp; Fees</b>	<b>\$ 1,545,333</b>	<b>\$ 1,643,293</b>	<b>\$ 1,827,667</b>	<b>\$ 184,374</b>	<b>11.22 %</b>
<b>Intergovernmental Revenue</b>					
Grants	20,900	152,900	158,900	6,000	3.92
Other Reimbursements	130,500	130,500	130,000	(500)	-0.38
RDA AB-1290/City Pass Through	-	-	484,000	484,000	-100.00
State Mandated Costs	254,450	32,678	26,342	(6,336)	-19.39
Tipping Fee	982,548	920,000	980,000	60,000	6.52
<b>Subtotal, Intergovernmental Revenue</b>	<b>\$ 1,388,398</b>	<b>\$ 1,236,078</b>	<b>\$ 1,779,242</b>	<b>\$ 543,164</b>	<b>43.94 %</b>
<b>Other Revenues</b>					
Administrative Overhead	1,699,298	1,706,514	1,758,269	51,755	3.03
Donations	17,492	5,260	200	(5,060)	-96.20
Gain - Fixed Assets	1,591	-	-	-	-100.00
Loan Repayments	-	53,000	65,000	12,000	22.64
Other	8,729	562,357	8,000	(554,357)	-98.58
Other Reimbursements	189,269	76,758	59,000	(17,758)	-23.14
<b>Other Revenues</b>	<b>2,581</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.00</b>
School Resource Officer Reimbursement	305,000	340,000	346,800	6,800	2.00
<b>Subtotal, Other Revenues</b>	<b>\$ 2,223,960</b>	<b>\$ 2,743,889</b>	<b>\$ 2,237,269</b>	<b>\$ (506,620)</b>	<b>-18.46 %</b>
<b>Transfers-In</b>					
Transfers-In	7,181,889	5,289,439	6,165,411	875,972	16.56
<b>Subtotal, Transfers-In</b>	<b>\$ 7,181,889</b>	<b>\$ 5,289,439</b>	<b>\$ 6,165,411</b>	<b>\$ 875,972</b>	<b>16.56 %</b>
<b>Total, General Fund Revenues</b>	<b>\$ 39,556,141</b>	<b>\$ 39,719,186</b>	<b>\$ 41,298,217</b>	<b>\$ 1,579,031</b>	<b>3.98 %</b>

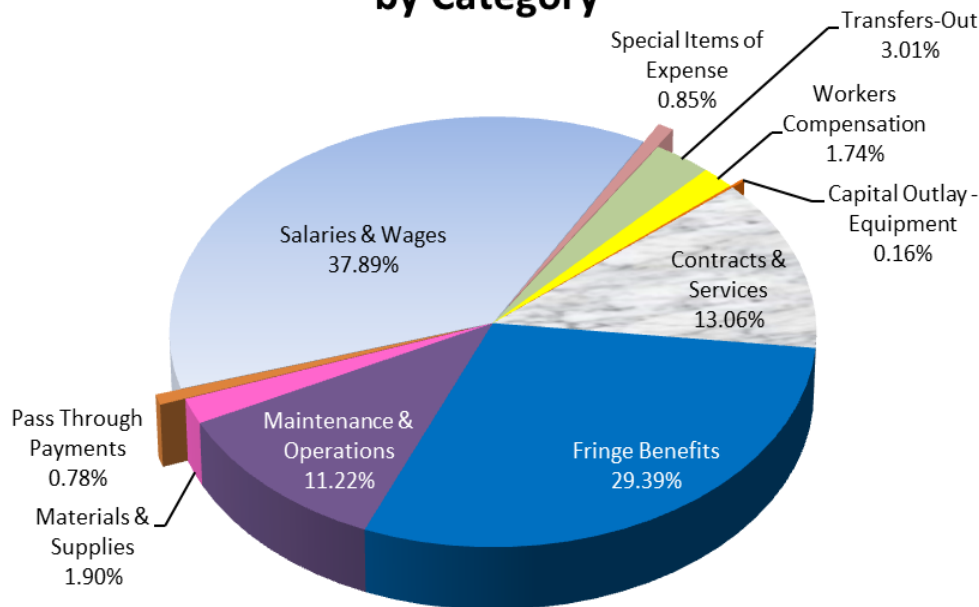
## General Fund Revenues by Source



**General Fund Expenditures by Category**  
Table 8

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
Capital Outlay - Equipment	323,054	118,000	68,000	(50,000)	-42.37
Contracts & Services	6,896,211	5,393,263	5,394,669	1,406	0.03
Fringe Benefits	10,948,578	11,577,427	12,139,213	561,786	4.85
Maintenance & Operations	3,608,447	4,421,001	4,632,185	211,184	4.78
Materials & Supplies	765,355	804,436	782,764	(21,672)	-2.69
Pass Through Payments	278,617	321,640	321,893	253	0.08
Salaries & Wages	14,522,461	15,197,446	15,646,133	448,687	2.95
Special Items of Expense	44,817	334,738	349,000	14,262	4.26
Transfers-Out	1,735,337	1,239,754	1,244,754	5,000	0.40
Workers Compensation	433,260	499,012	719,606	220,594	44.21
<b>Total, General Fund Expenditures</b>	<b>\$ 39,556,137</b>	<b>\$ 39,906,717</b>	<b>\$ 41,298,217</b>	<b>\$ 1,391,500</b>	<b>3.49 %</b>

**2016-17 General Fund Expenditures  
by Category**



## FY 2016-2017 FUNDED POSITIONS

FY 2016-2017			
Adopted Base	Title of Position	Salary	
1.00	City Manager		Contract
1.00	Chief of Police	13,789	- 17,431
1.00	Assistant City Manager	13,493	- 17,219
1.00	Director of Community Development/City Engineer	12,000	- 16,399
1.00	Director of Water Utilities	12,000	- 14,585
2.00	Police Captain	11,685	- 14,912
1.00	Director of Finance	11,538	- 14,585
1.00	Director of Recreation & Maintenance Services	10,484	- 12,742
1.00	Power Company Manager	10,484	- 12,742
1.00	Assistant Director of Public Works	10,253	- 12,462
1.00	Chief Building Official	10,253	- 12,462
5.00	Police Lieutenant	10,186	- 13,000
1.00	Development Manager	9,407	- 11,434
1.00	Environmental Affairs Manager	9,407	- 11,434
1.00	Planning Manager	9,407	- 11,434
1.00	Assistant to the City Manager	9,406	- 11,433
1.00	Director of Records & Council Services	9,406	- 11,433
1.00	Human Resources Manager	9,406	- 11,433
1.00	Public Works Superintendent	8,452	- 10,274
4.00	Sr. Civil Engineer	8,369	- 10,171
3.00	Finance Division Manager	8,228	- 10,001
1.00	Housing Manager	8,228	- 10,001
1.00	Utility Supervisor	8,018	- 9,746
1.00	Water Plant Supervisor	8,018	- 9,746
9.00	Police Sergeant	7,986	- 10,191
1.00	Senior Planner	7,625	- 9,267
1.00	Harbormaster	7,565	- 9,195
1.00	Senior Financial Analyst	7,509	- 9,127
1.00	Water Instrument / Maintenance Technician II	7,463	- 9,071
1.00	Sr. Administrative Analyst	7,150	- 8,691
1.00	Sr. Human Resources Analyst	7,150	- 8,691
5.00	Civil Engineer II	6,886	- 8,370
1.00	Water Quality Analyst II	6,832	- 8,306
1.00	Sr. Combination Building Inspector	6,711	- 8,157
1.00	Associate Planner	6,586	- 8,005
1.00	Financial Analyst	6,486	- 7,884
4.00	Water Plant Operator	6,475	- 7,871
1.00	Water Maintenance Mechanic I	6,448	- 7,837
4.00	Utility Technician I	6,222	- 7,563
65.00	Police Officer	6,197	- 8,305
1.00	Administrative Analyst II	6,177	- 7,509
2.00	Recreation Supervisor	6,048	- 7,350
1.00	Equipment Shop Supervisor	6,046	- 7,348
5.00	Public Works Supervisor	6,046	- 7,348
1.00	Police Records Manager	6,035	- 7,336
1.00	Utility Billing Supervisor	6,035	- 7,336

## FY 2016-2017 FUNDED POSITIONS

FY 2016-2017				
Adopted Base	Title of Position		Salary	
1.00	Combination Building Inspector	5,971	-	7,259
2.00	Engineering Technician II	5,772	-	7,016
1.00	Environmental Health Specialist	5,717	-	6,949
1.00	Executive Assistant	5,508	-	6,694
3.00	Electrician	5,505	-	6,691
2.00	Administrative Analyst I	5,335	-	6,485
3.00	Accountant I	5,164	-	6,277
1.00	Deputy City Clerk	5,120	-	6,223
1.00	Executive Secretary to Chief of Police	5,120	-	6,223
2.00	Human Resources Specialist	5,120	-	6,223
1.00	Payroll Specialist	5,120	-	6,223
1.00	Lead Marina Services Worker	5,090	-	6,187
7.00	Maintenance Lead Worker	5,090	-	6,187
1.00	Business License Coordinator	5,036	-	6,122
1.00	Engineering Technician I	4,985	-	6,060
2.00	Equipment Mechanic	4,864	-	5,912
2.00	Permit Technician	4,811	-	5,848
1.00	Planning Technician	4,811	-	5,848
1.00	Lead Police Records Clerk	4,784	-	5,815
9.00	Community Services Specialist	4,747	-	5,770
7.00	Accounting Technician	4,562	-	5,545
4.00	Housing Specialist	4,486	-	5,452
15.00	Maintenance Worker II	4,397	-	5,344
2.00	Utility Lineworker	4,397	-	5,344
1.00	Water Plant Apprentice Operator	4,397	-	5,344
8.00	Police Records Clerk (Part 2 of 2)	4,132	-	5,023
7.00	Administrative Assistant (Part 2 of 2)	3,935	-	4,784
1.00	Tree Trimmer	3,799	-	4,617
15.00	Maintenance Worker I	3,799	-	4,617
3.00	Marina Maintenance Worker	3,799	-	4,617
2.00	Sweeper Operator	3,799	-	4,617
4.00	Account Clerk (Part 1 of 2)	3,405	-	4,139
3.00	Administrative Assistant (Part 1 of 2)	3,400	-	4,132
6.00	Maintenance Assistant	3,089	-	3,754
1.00	Office Assistant	3,089	-	3,754

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**265.00      City Wide Total**



## FY 2016 - 2017 FULL TIME PERSONNEL ALLOCATIONS

<b>Department/Division</b>	<b>FY 2014-2015 Amended Base</b>	<b>FY 2015-2016 Amended Base</b>	<b>FY 2016-2017 Adopted Base</b>
<b><u>Administration</u></b>			
City Manager	0.95	0.85	0.85
City Clerk	2.40	2.25	2.25
Human Resources	3.10	4.00	4.00
Finance/Accounting	8.50	10.30	10.15
Finance/Utility Billing	8.55	7.45	8.35
Information/Communication Systems	0.60	0.60	0.60
<b><u>Community Development</u></b>			
Planning	4.85	4.33	4.48
Building - Code Enforcement	6.25	5.78	5.78
Engineering	14.29	11.98	11.48
NPDES Administration & Outreach	1.26	1.31	1.21
Southwest Pittsburg GHAD	1.10	1.25	1.85
Local Traffic Mitigation Fee Fund	0.10	0.10	0.10
<b><u>Enterprise Services</u></b>			
Solid Waste	0.73	1.73	1.50
Economic Development	0.70	0.40	0.45
CDBG Entitlements	0.45	0.70	0.45
Waterfront Operations	2.05	2.80	3.45
Marina	6.00	6.05	6.05
<b><u>Police Department</u></b>			
Police - Admin & Support Services	2.00	2.00	2.00
Police - Operations Bureau	63.21	69.50	60.57
Police - Investigations	13.00	12.50	18.30
Police - Support Services	16.00	12.80	15.00
Police - Family Justice Center	0.00	0.00	0.20
San Marco Police CFD	2.08	3.04	2.93
Vista Del Mar CFD	0.70	0.85	1.71
Public Safety Service CFD 2005-01	1.01	1.11	1.29
<b><u>Recreation &amp; Parks</u></b>			
Recreation - Sports	1.15	1.15	1.15
Recreation - Senior Center	2.00	2.00	2.00
Citywide Landscape	8.54	9.89	9.64
Park Maintenance CFD 2007-1	0.36	0.36	0.36

## FY 2016 - 2017 FULL TIME PERSONNEL ALLOCATIONS

<u>Department/Division</u>	FY 2014-2015 Amended Base	FY 2015-2016 Amended Base	FY 2016-2017 Adopted Base
<b><u>Public Works - Maintenance Services</u></b>			
Graffiti Removal Program	1.25	1.15	1.15
Public Works/Administration	0.25	0.00	0.00
Public Works/Streets	12.65	11.80	11.70
Citywide Street Lighting	2.00	1.30	1.30
Citywide Street Trees	1.70	1.70	2.70
Citywide Concrete Program	0.25	0.25	0.25
NPDES - Maintenance/Trash & Illicit Disc	2.00	1.90	1.90
Fleet Maintenance	3.60	3.60	3.60
Building Maintenance	3.70	4.30	4.30
<b><u>Public Works - Water and Sewer Enterprises</u></b>			
Water Operating	29.45	30.05	30.15
Sewer Maintenance	8.65	9.55	9.65
<b><u>Housing Authority</u></b>			
Housing Authority - Section 8	6.70	7.40	6.70
RDA Housing - Administration	0.27	0.27	0.25
<b><u>Pittsburg Power Company</u></b>			
Island Energy	10.55	10.30	10.30
Pittsburg Power	1.50	2.25	1.80
<b><u>Successor Agency to Former Redevelopment Agency</u></b>			
RDA Administration	1.55	1.10	1.10
<b>Citywide Totals:</b>	<b>258.00</b>	<b>264.00</b>	<b>265.00</b>

## CHANGES TO FY 2015-16 ADOPTED BUDGET BASE POSITIONS

### **Additions:**

Assistant Director of Public Works  
 Environmental Health Specialist - part time  
 Human Resources Specialist  
 Maintenance Assistant (3.0)  
 Planning Technician  
 Police Officer (2.0)  
 Police Records Clerk  
 Police Lieutenant  
 Utility Lineworker (2.0)

### **Department**

Public Works  
 Power  
 Human Resources  
 Recreation  
 Planning  
 Police  
 Police  
 Police  
 Island Energy

### **Reclassifications:**

Account Clerk to Accounting Technician  
 Accounting Technician to Business License Coordinator  
 Administrative Officer to Environmental Affairs Manager  
 Financial Analyst to Senior Financial Analyst  
 Human Resources Analyst to Senior Human Resources Analyst  
 Office Assistant to Administrative Assistant  
 Recreation Coordinators to Recreation Supervisors

Finance  
 Finance  
 Power  
 Power  
 Human Resources  
 Engineering  
 Parks and Recreation

### **Unfunded:**

Account Clerk  
 GIS Coordinatoor  
 Permit Technician  
 Pest Control Specialist  
 Records Specialist  
 Utility Technician (2.0)

Finance  
 Engineering  
 Planning  
 Public Works  
 Human Resources  
 Island Energy

## CHANGES FOR FY 2016-17 BUDGET BASE POSITIONS

### **Additions:**

Tree Trimmer

### **Department**

Parks and Recreation

### **Approved Positions Not Funded:**

Administrative Assistant (Part time to Full time)  
 Crime Analyst  
 Maintenance Assistant  
 Office Assistant  
 Treatment Plant Superintendent

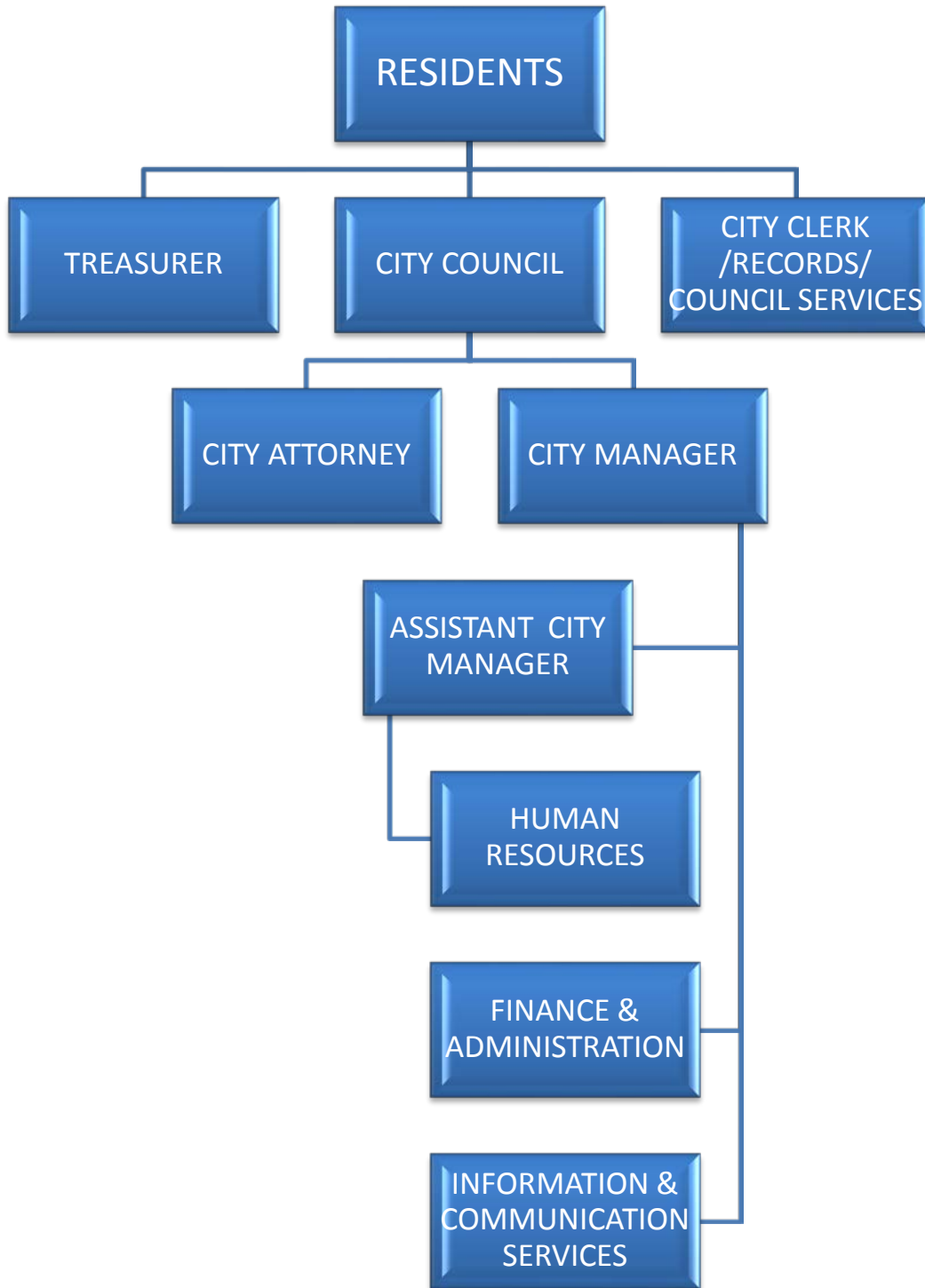
Parks and Recreation  
 Police  
 Public Works  
 City Managers Office  
 Public Works



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➤ ADMINISTRATION

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## ➤ ADMINISTRATION – CITY MANAGER

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### Overview

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

### Service Levels

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



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

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### Overview

The City Clerk serves as the Clerk of the City Council and Secretary to all other Agencies within the City. The City Clerk is also the City's elections official, the filing officer for the 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.



**Alice Evenson**  
**Pittsburg City Clerk**

### 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 3 – Improve Public Facilities and Infrastructure

- ✓ Continue upgrade of equipment in City Council Chambers
- ✓ Oversee implementation of updated agenda management and electronic document management systems

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

- ✓ Continue to provide support to the City Council and staff for management of the agenda process and Council meetings where necessary to ensure efficiency in the process. Include staff assistance to Planning Department for Commission agendas and meetings
- ✓ Coordinate administration of Special Election June 7, 2016 with extension of Measure P and General Election of November 8, 2016
- ✓ Oversee implementation of updated agenda management and electronic document management systems
- ✓ Coordinate with City Attorney's office to provide AB1234 Ethics and Form 700 training for Council Members, Commissioners and staff (as well as Public Records Request training for staff)
- ✓ With City Attorney's Office, conduct Public Records Request training for City staff

## **Accomplishments**

- ✓ Successful recruitment of an Administrative Assistant in the Department
- ✓ The City Clerk and IT staff have been actively negotiating with our current Agenda and Records Management provider to begin implementation of upgraded software and migration of electronic data to a more efficient and technologically up to date program
- ✓ Records Retention Schedule is currently under review and we anticipate Council adoption of the new schedule soon
- ✓ The Commission Handbook was adopted by Council and an update of the City Council Procedures is in progress
- ✓ Appointments for six vacancies to City commissions completed as well as creation of a new Police Activities Board



## ➤ ADMINISTRATION – CITY ATTORNEY

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### Overview

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

### Service Levels

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



### Goals

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

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

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

- ✓ Work with staff to develop regulations regarding demolition or repair of fire damaged and other blighted structures

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

- ✓ Help Develop financing mechanism 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

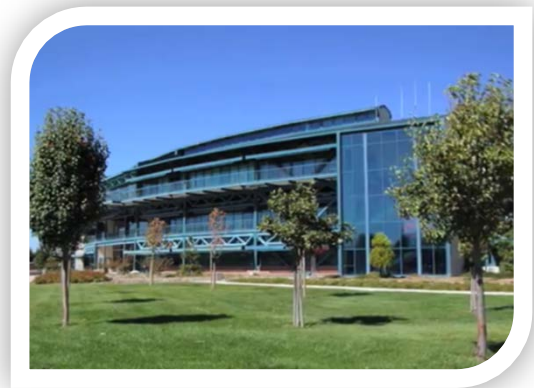
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### Overview

The Human Resources Division is responsible for administering the City's personnel system, training, employee benefits, employee relations, equal employment opportunity programs, and risk management 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, employee benefits, employee relations and equal employment opportunity programs
- Administer City's risk management programs including workers' compensation, general liability, employment liability, and property insurance
- Provide diverse and skilled applicant pools, classification and compensation administration, labor relations, human resources management tools; policies and procedures, and other support to City departments
- Represent the City Council and City Manager on all employee relations matters with representatives of recognized employee organizations
- Assure that the City has fair and equitable policies and procedures that are uniformly interpreted and implemented
- Assure that all recruitment, hiring, placements, transfers and promotions are made on the basis of individual qualifications for the position



## **Goals**

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

- ✓ Continue to recruit and retain quality staff to meet the operational needs of the City
- ✓ Develop training program for new supervisors and refresher program for seasoned supervisors that supports cross-training and succession planning
- ✓ Review and revise departmental practices, including open enrollment, leave administration and personnel actions
- ✓ Continue review and revision of out of date policies, including Personnel Rules, Administrative Orders, and department procedure manuals.
- ✓ Review performance management and evaluation tools, explore effectiveness of online performance management system

## ➤ ADMINISTRATION - TREASURER

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### Overview

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

### Service Levels

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



**Nancy Parent**  
**City Treasurer**

## ➤ ADMINISTRATION – FINANCE

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### 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 – Achieve and Maintain a Structurally Balanced Budget

- ✓ Recommend using sustainable revenues to pay ongoing expenses
- ✓ Periodically update the City's 7-Year General Fund Balancing Plan and 20-Year Forecast
- ✓ Recommend budgets consistent with the City's Fiscal Sustainability Ordinance
- ✓ Consider multi-year City Budget for FY2017-18, 2018-19
- ✓ Develop and issue RFP for banking services
- ✓ Continue to reduce OPEB and pension unfunded liability
- ✓ Strive to increase City's credit rating
- ✓ Continue seeking opportunities to reduce water account write-offs as uncollectable, including additional options for bill payment



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

- ✓ Evaluate progress and effectiveness of Local Preference Policy for City purchases

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Automate Budget document imports
- ✓ Explore opportunities to increase efficiency and reduce costs in the Business License division

**Accomplishments**

- ✓ Successfully refinanced the CFD 2005 Vista Del Mar Bonds generating over \$600k in savings
- ✓ Successfully refinanced five (5) Successor Agency Bonds generating over \$40M of present value savings and reducing the debt service by seven (7) years
- ✓ Renewed Line of Credit of Water Revenue Bond generating \$375,000 savings over the next three years
- ✓ Increased Successor Agency Bond ratings to Investment Grade
- ✓ Increased City's Overall Credit Rating
- ✓ Developed and issued an RFP for both audit services and investment advisor
- ✓ Automated mail payment processing within the Payment Center



## ➤ ADMINISTRATION – INFORMATION/COMMUNICATIONS SYSTEMS

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### Overview

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



### Service Levels

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

### Accomplishments

- ✓ Remote data sync facility set up at Sheriff's Office for the IT data pertaining to the Police department
- ✓ New Firewalls have been set up exclusively for Police as well as Cityhall domains
- ✓ CCTV broadcasting implemented for the Studio set-ups at Council Chambers
- ✓ TV screen based presentation systems have been set up in the Shark Tank, Aquarium and Finance conference rooms

**FY 2016 - 2017 FULL TIME PERSONNEL ALLOCATIONS**  
**Administration**

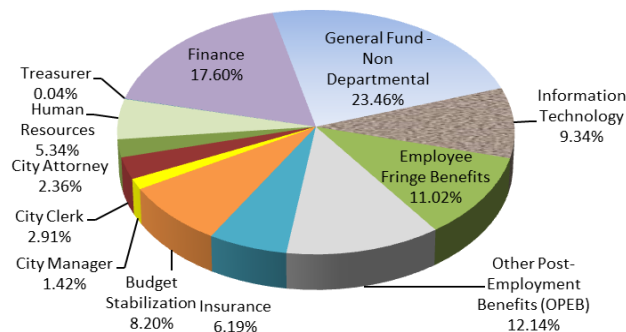
<b>Department/Division</b>	<b>FY 2014-2015 Amended Base</b>	<b>FY 2015-2016 Amended Base</b>	<b>FY 2016-2017 Adopted Base</b>
City Manager	0.95	0.85	0.85
City Clerk	2.40	2.25	2.25
Human Resources	3.10	4.00	4.00
Finance/Accounting	8.50	10.30	10.15
Finance/Utility Billing	8.55	7.45	8.35
Information/Communication Systems	0.60	0.60	0.60
<b>TOTAL:</b>	<b>24.10</b>	<b>25.45</b>	<b>26.20</b>



**Detailed Program Budget  
Administration**

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	24.10	25.45	26.20	0.75	2.95%
<b>SOURCES OF REVENUE</b>					
General Fund	12,979,462	11,955,239	11,880,651	(74,558)	-0.62
Internal Service Funds	5,898,267	6,682,483	6,164,484	(517,999)	-7.75
Special Revenue Funds	663,151	5,000	5,000	-	-
(Addition To)/Reduction in Fund Balance	1,393,553	(802,291)	(801,260)	(486,041)	60.58
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 20,934,433</b>	<b>\$ 17,840,431</b>	<b>\$ 17,248,875</b>	<b>\$ (591,556)</b>	<b>-3.32 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	1,676,805	1,741,403	1,364,208	(377,195)	-21.66
Maintenance & Operations	1,435,513	1,841,016	1,823,323	(17,693)	-0.96
Workers Compensation	757,900	898,825	1,198,972	300,147	33.39
Materials & Supplies	268,492	268,965	205,789	(63,176)	-23.49
Pass Through Payments	278,617	321,640	321,893	253	0.08
Contracts & Services	7,469,816	5,808,880	4,812,043	(996,837)	-17.16
Fringe Benefits	3,554,945	3,585,414	3,732,790	147,376	4.11
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 15,442,088</b>	<b>\$ 14,466,143</b>	<b>\$ 13,459,018</b>	<b>\$ (1,007,125)</b>	<b>-6.96 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Special Items of Expense	41,243	370,738	360,000	(10,738)	-2.90
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ 41,243</b>	<b>\$ 370,738</b>	<b>\$ 360,000</b>	<b>\$ (10,738)</b>	<b>-2.90 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	27,584	295,000	235,000	(60,000)	-20.34
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 27,584</b>	<b>\$ 295,000</b>	<b>\$ 235,000</b>	<b>\$ (60,000)</b>	<b>-20.34 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	5,423,518	2,708,550	3,194,857	486,307	17.95
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 5,423,518</b>	<b>\$ 2,708,550</b>	<b>\$ 3,194,857</b>	<b>\$ 486,307</b>	<b>17.95 %</b>
<b>TOTAL USES</b>	<b>\$ 20,934,433</b>	<b>\$ 17,840,431</b>	<b>\$ 17,248,875</b>	<b>\$ (591,556)</b>	<b>-3.32 %</b>
<b>USES BY PROGRAM RECAP</b>					
City Manager	249,969	272,139	244,091	(28,048)	-10.31
City Clerk	274,097	518,767	501,447	(17,320)	-3.34
City Attorney	543,899	413,592	406,541	(7,051)	-1.70
Human Resources	833,365	938,412	921,156	(17,256)	-1.84
Treasurer	12,444	7,924	6,536	(1,388)	-17.52
Finance	2,411,061	2,840,614	3,035,749	195,135	6.87
General Fund - Non Departmental	6,458,317	4,560,171	4,046,093	(514,078)	-11.27
Information Technology	804,188	1,286,932	1,611,654	324,722	25.23
Employee Fringe Benefits	1,764,132	1,463,342	1,900,608	437,266	29.88
Other Post-Employment Benefits (OPEB)	3,168,098	3,183,554	2,093,413	(1,090,141)	-34.24
Insurance	737,615	973,753	1,067,964	94,211	9.68
Budget Stabilization	3,677,248	1,381,231	1,413,623	32,392	2.35
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 20,934,433</b>	<b>\$ 17,840,431</b>	<b>\$ 17,248,875</b>	<b>\$ (591,556)</b>	<b>-3.32 %</b>

**Administration - Uses by Division**





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➤ CITY COUNCIL

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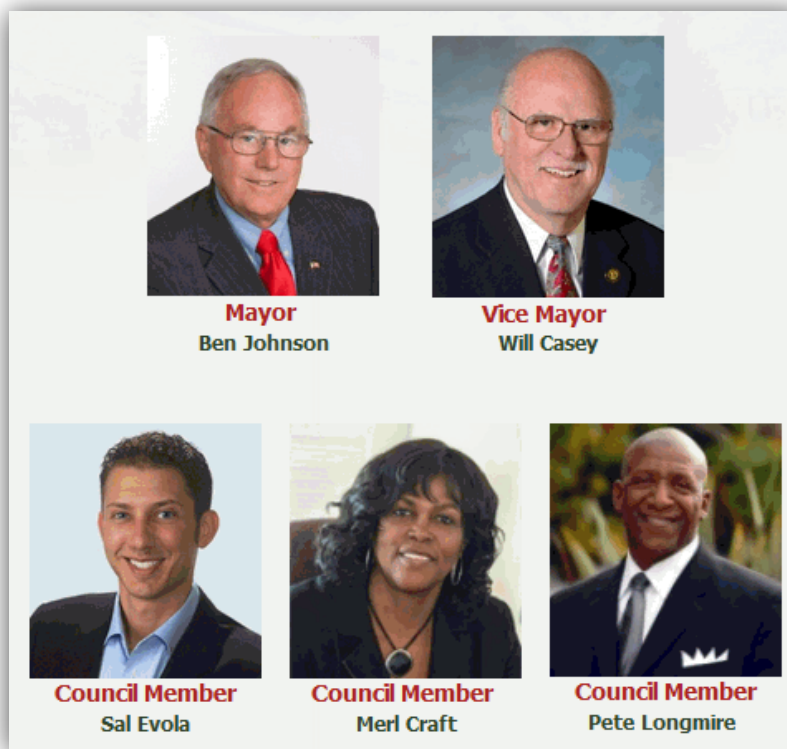


## ➤ CITY COUNCIL

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### Overview

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



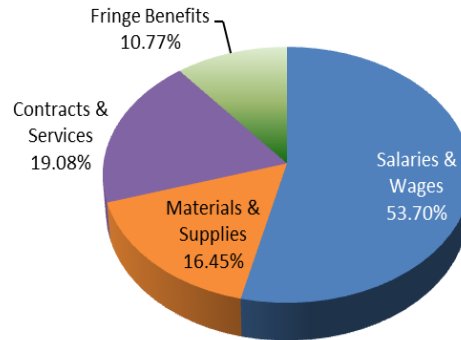
### Service Levels

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

**Detailed Program Budget  
City Council**

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	-	-	-	-	-
<b>SOURCES OF REVENUE</b>					
(Addition To)/Reduction in Fund Balance	80,834	82,857	88,161	5,304	6.40%
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 80,834</b>	<b>\$ 82,857</b>	<b>\$ 88,161</b>	<b>\$ 5,304</b>	<b>6.40 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	48,795	49,662	47,342	(2,320)	-4.67
Maintenance & Operations	13	-	-	-	-100.00
Materials & Supplies	6,741	8,500	14,500	6,000	70.59
Contracts & Services	5,815	15,325	16,825	1,500	9.79
Fringe Benefits	19,470	9,370	9,494	124	1.32
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 80,834</b>	<b>\$ 82,857</b>	<b>\$ 88,161</b>	<b>\$ 5,304</b>	<b>6.40 %</b>
<b>TOTAL USES</b>	<b>\$ 80,834</b>	<b>\$ 82,857</b>	<b>\$ 88,161</b>	<b>\$ 5,304</b>	<b>6.40 %</b>
<b>USES BY PROGRAM RECAP</b>					
City Council	80,834	82,857	88,161	5,304	6.40
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 80,834</b>	<b>\$ 82,857</b>	<b>\$ 88,161</b>	<b>\$ 5,304</b>	<b>6.40 %</b>

**City Council - Uses by Type**

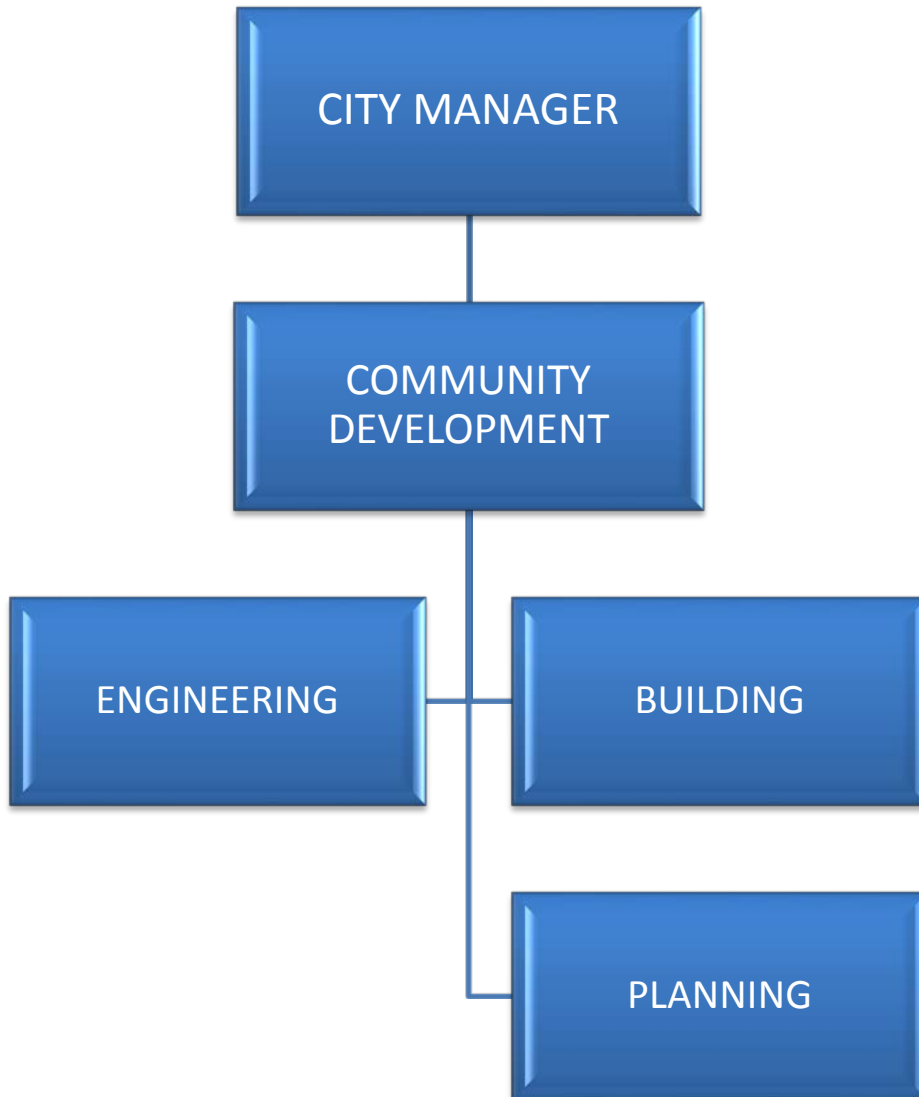




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➤ **COMMUNITY DEVELOPMENT**

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

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### **Overview**

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

### **Service Levels**

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

### **Goals**

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

- ✓ Complete implementation of RIS software system, online payments for Residential Rental Inspection program

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

- ✓ Continue Joint Code Activities in support of all City departments
- ✓ Continue to provide Housing Quality Inspections in support of Pittsburg Housing Authority

### **Accomplishments**

- ✓ Issued permits and provided inspection of 250 new single family homes and over 1000 additional residential and commercial projects
- ✓ Expanded service to customers by adding ability to pay fees and register rental properties online
- ✓ Provided in excess of 1,000 Housing Authority inspections



## ➤ COMMUNITY DEVELOPMENT - ENGINEERING

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### Overview

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



### Service Levels

- Manage the design and construction of City projects
- Assure that development projects (residential and commercial) meet City requirements
- Manage traffic related issues and improvements like signals
- Process and issue the permits for encroachments within the public right-of-way, site grading, parking permits, and wide load permits
- Maintain records of the constructed improvements and the description of properties and easements within the City
- Serve as the City's Stormwater National Pollutant 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 – Achieve and Maintain a Structurally Balanced Budget

- ✓ Seek Grants to fund Complete Streets accommodating all forms of transportation (bicycle, pedestrian, vehicles) and other improvement projects
- ✓ Current projects supported by \$3.9 million in grants for traffic safety, water and bicycle/pedestrian trails

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

- ✓ Complete 11 to 15 projects scheduled for construction during FY 2016-17
- ✓ Continue development of James Donlon Boulevard Extension
- ✓ Continue liaison with BART for construction of Pittsburg Center BART Station

- ✓ Continue cooperative effort with Ambrose Park District for Pool Project
- ✓ Communication with Pittsburg Unified School District to maximize traffic safety and circulation at schools, with Delta Diablo to coordinate infrastructure projects
- ✓ Work with Caltrans, MTC, Contra Costa Transportation Authority to improve traffic operations on State Route 4 within city limits
- ✓ Work with BNSF on design for additional track in railroad right of way

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

- ✓ Increase cost-efficiency and staff utilization, including the use of in-house staff for infrastructure project design when appropriate
- ✓ Integrate data from various sources into City's Geographic Information System (GIS), improving accuracy and efficiency of field personnel across all City departments
- ✓ Expand GIS as a resource to the public where appropriate

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

- ✓ Reduce traffic delays on city streets
- ✓ Evaluate effectiveness of local contracting policy



## ➤ COMMUNITY DEVELOPMENT – PLANNING

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### Overview

The Planning Division facilitates new development's compliance with the City's development regulations and guidelines, California Environmental Quality Act (CEQA) and other applicable state, federal, and local regulations. Specifically, the Planning Division is responsible for development, maintenance, and implementation of the City's General Plan; development and administration of Pittsburg Municipal Code Title 18



(Zoning) and Title 19 (Signs) of the Pittsburg Municipal Code; co-administration of Title 17 (Subdivisions); administration of the East Contra Costa County Habitat Conservation Plan (HCP); and preparation and coordination of CEQA documents for the City.

### Service Levels

- Provides inter-departmental coordination for processing applications for private development within city limits, through the Planning Commission and City Council
- Provides oversight and direction in implementation and maintenance of the City's General Plan, Zoning Ordinance and other planning-related documents
- Serves as a resource for coordination and preparation of CEQA documents for both public and private developments within the City
- Serves as staff support to the Planning Commission and Historic Resources Commission, ensuring timely processing and distribution of public notices, agendas, staff reports, minutes and resolutions
- Represents the City and participates in regional planning activities, such as the East Contra Costa County Habitat Conservation Plan, meetings of the Contra Costa County Planning Directors, meetings with staff of Local Agency Formation Commission (LAFCO) and Bay Point Municipal Advisory Commission, as needed
- Receives and responds to complaints of Zoning and Sign ordinance violations, and assists in enforcement of other municipal code provisions
- Accepts, processes, analyzes and evaluates planning applications for conformance with the City of Pittsburg General Plan, Zoning Ordinance, CEQA,

Subdivision Ordinance, Sign Ordinance and other state, federal and local planning regulations

- Provides feedback to other, surrounding jurisdictions regarding planning applications that have potential to impact the Pittsburg community

## **Goals**

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

- ✓ Consider support for building permit surcharge to help fund General Fund updates
- ✓ Increase cost recovery on large-scale development projects

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

- ✓ Work with Engineering Division to provide environmental and design review of capital improvement projects when appropriate

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

- ✓ Work with Chamber of Commerce, Economic Development staff to identify zoning changes that promote small business growth and attraction

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

- ✓ Develop a suite of checklists to reduce the number of incomplete planning application submittals
- ✓ Continue work with Engineering Division to provide the public access to planning data through the City's Geographic Information System (GIS)

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

- ✓ Promote higher density mixed use development in Railroad Avenue Specific Plan, BART Master Plans, Old Town areas to increase access to transit, jobs, shopping, recreation
- ✓ Work with Economic Development staff to increase retail near San Marco subdivision
- ✓ Strive for land use and urban designs that beautify neighborhoods, reduce opportunities for crime and promote economic development
- ✓ Continue working with Code Enforcement to address violations, reduce blight

## Accomplishments

- ✓ Adopted a Tree Preservation Ordinance, Wireless Telecommunications Ordinance and miscellaneous changes to the Zoning ordinance to clarify the City's alcohol policy
- ✓ Adopted an Ordinance prohibiting the cultivation of Medical Marijuana
- ✓ Completed the Housing Element Update for 2015-2023 Reporting Goal
- ✓ Approved Tentative Subdivision Maps for Montreux and Tuscany Meadows



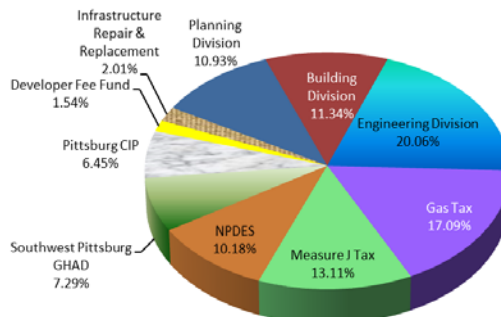
**FY 2016 - 2017 FULL TIME PERSONNEL ALLOCATIONS**  
**Community Development**

<b>Department/Division</b>	<b>FY 2014-2015 Amended Base</b>	<b>FY 2015-2016 Amended Base</b>	<b>FY 2016-2017 Adopted Base</b>
Planning	4.85	4.33	4.48
Building - Code Enforcement	6.25	5.78	5.78
Engineering	14.29	11.98	11.48
NPDES Administration & Outreach	1.26	1.31	1.21
Southwest Pittsburg GHAD	1.10	1.25	1.85
Local Traffic Mitigation Fee Fund	0.10	0.10	0.10
<b>TOTAL:</b>	<b>27.85</b>	<b>24.75</b>	<b>24.90</b>

## Detailed Program Budget Community Development

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	27.85	24.75	24.90	0.15	0.61%
<b>SOURCES OF REVENUE</b>					
General Fund	2,541,289	2,597,915	2,739,729	141,814	5.46
Capital Projects Funds	1,941,328	3,224,841	794,800	(2,430,041)	-75.35
Special Revenue Funds	4,582,860	7,460,997	4,822,820	(2,638,177)	-35.36
(Addition To)/Reduction in Fund Balance	4,692,913	8,083,164	1,610,461	(6,472,703)	-80.08
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 13,758,390</b>	<b>\$ 21,366,917</b>	<b>\$ 9,967,810</b>	<b>\$ (11,399,107)</b>	<b>-53.35 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	2,478,785	2,892,567	2,307,909	(584,658)	-20.21
Maintenance & Operations	634,053	797,677	588,929	(208,748)	-26.17
Workers Compensation	75,068	92,048	123,725	31,677	34.41
Materials & Supplies	62,668	103,895	82,730	(21,165)	-20.37
Contracts & Services	671,510	924,865	860,599	(64,266)	-6.95
Fringe Benefits	1,809,810	2,031,241	2,084,839	53,598	2.64
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 5,731,894</b>	<b>\$ 6,842,293</b>	<b>\$ 6,048,731</b>	<b>\$ (793,562)</b>	<b>-11.60 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	45,000	-	-	-	-100.00
Capital Outlay - Projects	5,076,487	10,294,447	1,841,500	(8,452,947)	-82.11
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 5,121,487</b>	<b>\$ 10,294,447</b>	<b>\$ 1,841,500</b>	<b>\$ (8,452,947)</b>	<b>-82.11 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	2,905,009	4,230,177	2,077,579	(2,152,598)	-50.89
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 2,905,009</b>	<b>\$ 4,230,177</b>	<b>\$ 2,077,579</b>	<b>\$ (2,152,598)</b>	<b>-50.89 %</b>
<b>TOTAL USES</b>	<b>\$ 13,758,390</b>	<b>\$ 21,366,917</b>	<b>\$ 9,967,810</b>	<b>\$ (11,399,107)</b>	<b>-53.35 %</b>
<b>USES BY PROGRAM RECAP</b>					
Planning Division	978,179	1,007,920	1,089,669	81,749	8.11
Building Division	982,377	1,044,446	1,130,218	85,772	8.21
Engineering Division	1,944,196	2,134,010	1,999,632	(134,378)	-6.30
Gas Tax	2,564,073	3,383,557	1,703,883	(1,679,674)	-49.64
Measure J Tax	1,148,385	4,002,472	1,306,530	(2,695,942)	-67.36
NPDES	977,093	1,343,918	1,015,105	(328,813)	-24.47
Southwest Pittsburg GHAD	405,591	563,026	726,680	163,654	29.07
Pittsburg CIP	469,222	603,980	642,700	38,720	6.41
Developer Fee Fund	3,656,061	4,968,548	153,393	(4,815,155)	-96.91
Prop 1B Local Street & Road Impr.	1,891	-	-	-	-100.00
Community Capital Improvements	166,750	1,461,273	-	(1,461,273)	-100.00
Project Amenities Mgmt CFD	-	-	-	-	-100.00
Infrastructure Repair & Replacement	464,572	853,767	200,000	(653,767)	-76.57
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 13,758,390</b>	<b>\$ 21,366,917</b>	<b>\$ 9,967,810</b>	<b>\$ (11,399,107)</b>	<b>-53.35 %</b>

### Community Development - Uses by Division



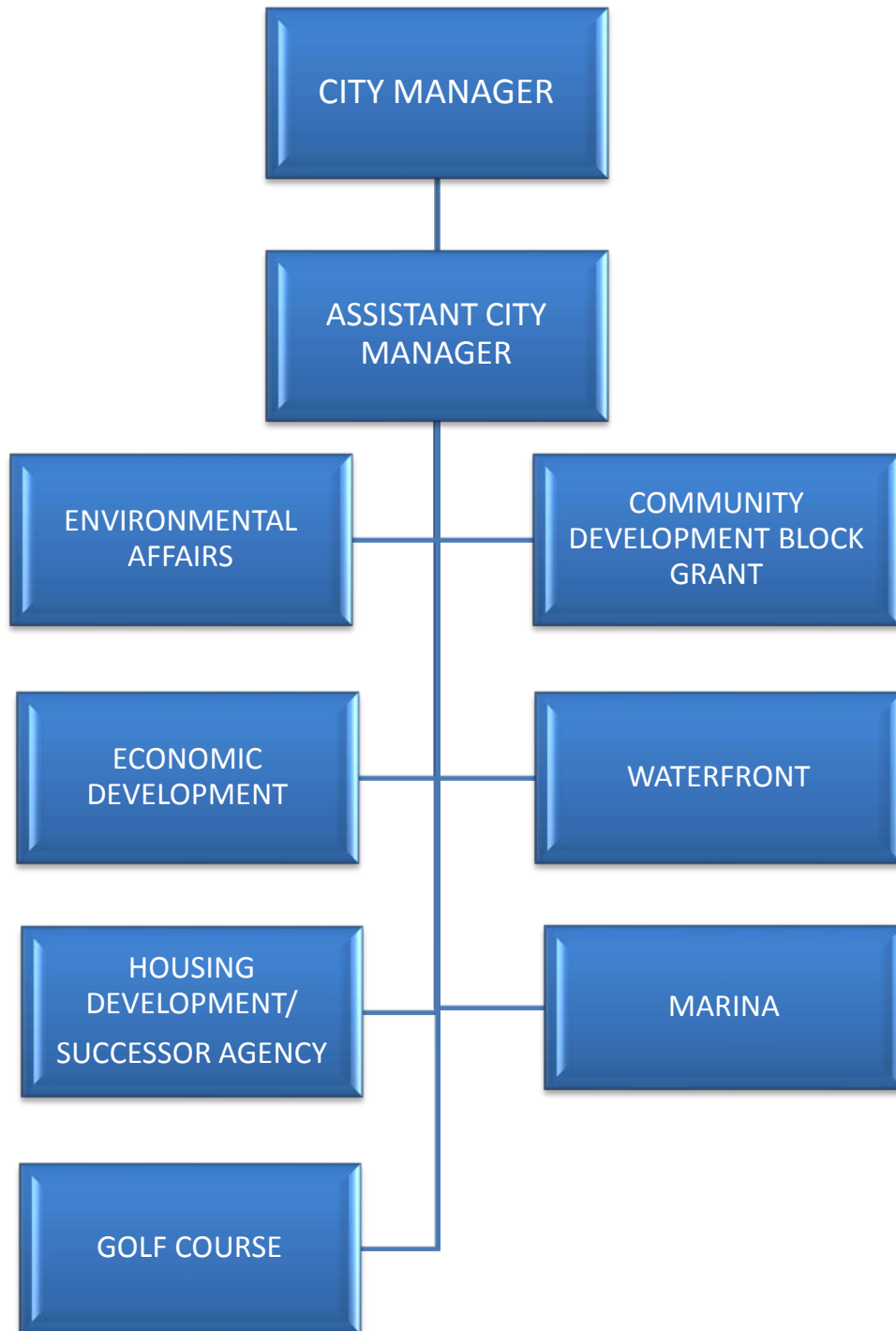


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## ➤ ENTERPRISE SERVICES

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## ➤ ENTERPRISE SERVICES – COMMUNITY DEVELOPMENT BLOCK GRANT

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### Overview

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



For Fiscal Year 2016-2017 (FY 16-17), the City will be receiving \$574,072 from HUD. Along with \$109,717 in program income, the total CDBG funding for FY 16-17 is \$683,789.

### Service Levels

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

## **Goals**

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

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

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

- ✓ Fund job training and placement programs
- ✓ Fund programs that assist micro-enterprises which results in job creation
- ✓ Explore creation of a Build Pittsburg Fund with CDBG
- ✓ Fund the Housing Rehabilitation Program

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

- ✓ Fund programs and services that help create a more livable, better functioning, and attractive community
- ✓ Improve declining neighborhoods by addressing property conditions that contribute to blight

## **Accomplishments**

- ✓ Funded the replacement of approximately 10,000 sf of sidewalk in targeted areas.
- ✓ Funded job training and placement programs and provided assistance to support micro-enterprises that resulted in job creation.
- ✓ Funded code enforcement efforts to address the decline in targeted neighborhoods.
- ✓ Allocated funds to a variety of supportive services which included assistance for victims of abuse, legal counseling for the seniors and programs for at risk youth.
- ✓ Allocated funds to the housing rehabilitation program to provide low-interest loans to income qualified Pittsburg homeowners for the purpose of improving their property.



## ➤ ENTERPRISE SERVICES – ECONOMIC DEVELOPMENT

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### Overview

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

### Service Levels

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

### Goals

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

- ✓ Retain and improve large sales tax providers with targeted outreach
- ✓ Retention of large employers with targeted efforts
- ✓ Seek out companies that provide non-traditional business financing
- ✓ Become a resource for small businesses providing free training and seminars in collaboration with Chamber of Commerce, Small Business Development Center, and Workforce Development Board
- ✓ Establish a business attraction promotional campaign in Central and West Contra Costa County
- ✓ Launch Economic Development website focused site selectors with data on demographics, consumer spending, available properties, business listing, and



- ✓ Explore ways to improve infrastructure in targeted areas through grants and/or creative financing
- ✓ Conduct shopping center meetings, broker meetings, and one-on-one business meetings to emphasize business retention

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ With Northern Waterfront Development Initiative, develop model ordinance to streamline development for low-impact industrial projects (i.e. production, advanced manufacturing, projects with component for renewal energy production, energy storage) to create jobs on waterfront, throughout City
- ✓ Promote, support harmony between industry and recreation

**Accomplishments**

- ✓ Executed new leases and expansions with Country Skilletts, CreAsian Bistro, and Sassy Sweets expansion
- ✓ Built sustaining relationships with brokers to fill vacant industrial and manufacturing spaces, for example More Flavors! (90,000 SF on Willow Pass), Granberg International (12,500 SF on Los Medanos Street), and Pursuant North (16,000 SF on Garcia Ave)
- ✓ Successful attraction of Kymera Body Board LLC a small research and design company moving into manufacturing and production

- ✓ Established a “Business Walk” program in collaboration with the Pittsburg Chamber of Commerce to reach out to our existing businesses

- ✓ Toured a Sister City Delegation including the Mayor, Economic Development staff member, Pittsburg Unified School District chaperones and students in Shimonoseki, Japan for a cultural exchange



- ✓ Enriched the quality of life through the addition of the Pittsburg Diamonds Independent Minor League Baseball Team
- ✓ Hosted the Culinary Crawl bringing over 1,200 visitors into Old Town Pittsburg over a 3 month period



## ➤ ENTERPRISE SERVICES – ENVIRONMENTAL AFFAIRS

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### 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; environmental compliance and safety; and Emergency Operation Center support.



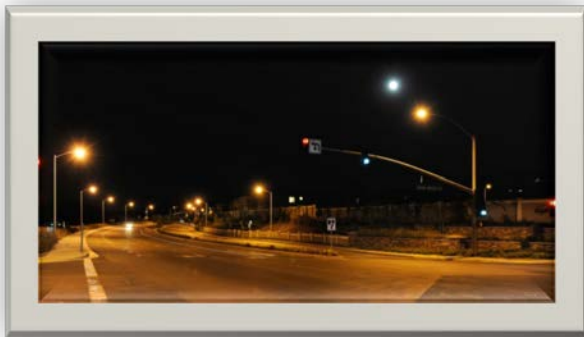
### Service Levels

#### *Solid Waste/Recycling/Local Enforcement Agency:*

- Oversee City's compliance with State-mandated AB 939 solid waste reduction programs and annual reporting
- Manage and oversee the City's solid waste franchise agreements and mitigation fees
- Implement programs and grants for commercial recycling, construction and demolition disposal reduction, e-waste
- Promote and implement programs for residents and small businesses to manage household hazardous waste through the Delta Household Hazardous Waste Collection Facility
- Implement mandated state programs such as commercial recycling and organic (green/wood/food) recycling
- Provide recycling programs to schools, businesses and government offices
- School Outreach: Challenge of the Classes – Pittsburg High School, Recycling and Pollution Prevention – Jr. High Schools
- Conduct required monthly/quarterly inspections of solid waste facilities (transfer stations, landfills, chipping and grinding operations, composting operations)
- Investigate and provide enforcement on illegal dumping activities
- Solid Waste Facility Permitting, Review, Implementations as associated CEQA review

*Stormwater Outreach, Education, and Compliance:*

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



*Sustainability / Climate Change Energy Efficiency:*

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

*Cable and Wireless Communications:*

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



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

*Environmental Compliance and Safety:*

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

**Goals**

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

- ✓ Complete Park LED lighting conversion and continue efficiencies of City facilities

Citywide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Continue education on drought plants, pesticide reduction, irrigation, Integrated Pest Management using Living Green Gardens – classes, website, outreach – for residents and contractor
- ✓ Expand Emergency Operations Center (EOC) preparedness/training and complete Hazard Mitigation Plan and Outreach as well as Debris Management Plan
- ✓ Develop Polystyrene Ordinance for City Council consideration

**Accomplishments**

- ✓ Installed half-acre demonstration garden at City Hall called Living Green Gardens that will promote integrated pest management, water conservation and drought tolerant plants to residents and commercial landscapers and have completed Bay Friendly Certification and website
- ✓ Implemented conversion of various park lights from high pressure sodium to LED (light emitting diode)
- ✓ Completed City’s Emergency Operations Plan (EOP), conducted training on EOP, and staff completed a series of tabletop exercises



## ➤ ENTERPRISE SERVICES – GOLF COURSE

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### Overview

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



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

### Service Levels

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

### Goals

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

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

### Accomplishments

- ✓ Installed restaurant and bathroom improvements in the Bar & Grill

## ➤ ENTERPRISE SERVICES - MARINA

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### Overview

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

### Service Levels

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



### Goals

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

- ✓ Complete Hydrographic Survey of Marina
- ✓ Determine cost estimate for dredging basins, shoreline and channel
- ✓ Upgrade berths to accommodate larger yachts
- ✓ Apply for permit for dredging project
- ✓ Complete dog park
- ✓ Improve public access to the waterfront through park improvements

### Accomplishments

- ✓ Completion of a dredging survey of the marina

## ➤ ENTERPRISE SERVICES – WATERFRONT DEVELOPMENT

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### 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

Citywide Goal 1 – Achieve and Maintain a Structurally Balanced Budget

- ✓ Execute new recreational Trust Lands leases

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

- ✓ Continue to seek out recreational waterfront activities and opportunities
- ✓ Collaborate with waterfront property owners and tenants to activate underutilized land

**Accomplishments**

- ✓ Executed a Trust Lands Lease with NRG Energy
- ✓ Opening of The Kite Bar Kitesurfing Center and Coffee Shop at Plaza Marina
- ✓ Hosted the 1<sup>st</sup> Annual Delta Board Meeting Kiteboard Event at Riverview Park
- ✓ Remodel and improvement of amenities at Riverview Park including non-motorized launch ramp, restrooms, and safety features
- ✓ Worked with the State Lands Commission to finalize and record a survey of the lands granted to the City of Pittsburg in accordance with SB 551
- ✓ Collaborated with the East Bay Leadership Council's Land Use Task Force to devise a list of Land Use Goals and Strategies for the Northern Waterfront Development Initiative



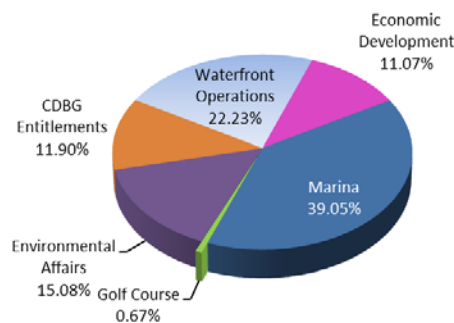
**FY 2016 - 2017 FULL TIME PERSONNEL ALLOCATIONS**  
**Enterprise Services**

<b>Department/Division</b>	<b>FY 2014-2015 Amended Base</b>	<b>FY 2015-2016 Amended Base</b>	<b>FY 2016-2017 Adopted Base</b>
Solid Waste	0.73	1.73	1.50
Economic Development	0.70	0.40	0.45
CDBG Entitlements	0.45	0.70	0.45
Waterfront Operations	2.05	2.80	3.45
Marina	6.00	6.05	6.05
<b>TOTAL:</b>	<b>9.93</b>	<b>11.68</b>	<b>11.90</b>

## Detailed Program Budget Enterprise Services

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	9.93	11.68	11.90	0.22	1.88%
<b>SOURCES OF REVENUE</b>					
Enterprise Funds	3,109,461	3,688,201	3,575,104	(113,097)	-3.07
Special Revenue Funds	2,148,723	1,872,855	1,821,137	(51,718)	-2.76
(Addition To)/Reduction in Fund Balance	244,630	4,453,458	331,110	(4,122,348)	-92.57
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 5,502,814</b>	<b>\$ 10,014,514</b>	<b>\$ 5,727,351</b>	<b>\$ (4,287,163)</b>	<b>-42.81 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	1,019,138	1,175,861	1,013,987	(161,874)	-13.77
Maintenance & Operations	641,820	609,443	640,158	30,715	5.04
Workers Compensation	27,167	36,841	44,285	7,444	20.21
Materials & Supplies	681,412	946,743	875,800	(70,943)	-7.49
Pass Through Payments	-	10,000	-	(10,000)	-100.00
Contracts & Services	1,723,843	2,589,534	2,004,752	(584,782)	-22.58
Fringe Benefits	617,996	733,351	705,327	(28,024)	-3.82
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 4,711,376</b>	<b>\$ 6,101,773</b>	<b>\$ 5,284,309</b>	<b>\$ (817,464)</b>	<b>-13.40 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Special Items of Expense	13,776	49,729	40,000	(9,729)	-19.56
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ 13,776</b>	<b>\$ 49,729</b>	<b>\$ 40,000</b>	<b>\$ (9,729)</b>	<b>-19.56 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	101,818	96,000	75,000	(21,000)	-21.88
Capital Outlay - Projects	301,002	3,580,492	-	(3,580,492)	-100.00
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 402,820</b>	<b>\$ 3,676,492</b>	<b>\$ 75,000</b>	<b>\$ (3,601,492)</b>	<b>-97.96 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	374,842	186,520	328,042	141,522	75.87
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 374,842</b>	<b>\$ 186,520</b>	<b>\$ 328,042</b>	<b>\$ 141,522</b>	<b>75.87 %</b>
<b>TOTAL USES</b>	<b>\$ 5,502,814</b>	<b>\$ 10,014,514</b>	<b>\$ 5,727,351</b>	<b>\$ (4,287,163)</b>	<b>-42.81 %</b>
<b>USES BY PROGRAM RECAP</b>					
Marina	1,957,851	2,315,818	2,236,764	(79,054)	-3.41
Golf Course	160,428	167,710	38,600	(129,110)	-76.98
R/R Ave e-BART CFD	52,247	3,484,043	-	(3,484,043)	-100.00
Environmental Affairs	812,582	1,021,358	863,526	(157,832)	-15.45
Housing Rehab Loans - CDBG	125,853	-	-	-	-100.00
CDBG Entitlements	602,267	1,400,331	681,619	(718,712)	-51.32
CalHome Program	18	-	-	-	-100.00
Waterfront Operations	901,051	995,823	1,273,105	277,282	27.84
Economic Development	890,517	629,431	633,737	4,306	0.68
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 5,502,814</b>	<b>\$ 10,014,514</b>	<b>\$ 5,727,351</b>	<b>\$ (4,287,163)</b>	<b>-42.81 %</b>

### Enterprise Services - Uses by Division



## ➤ HOUSING AUTHORITY

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## ➤ HOUSING AUTHORITY

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### Overview

The Housing Authority of the City of Pittsburg (“Housing Authority”) provides rental subsidy to low income households to the extent of the maximum budget authority received from the federal government. Funding is provided by the U. S. Department of Housing and Urban Development (HUD), and awarded through an Annual Contributions Contract. The number of households assisted is based on funding and expenses. Rental assistance is granted in the form of a Housing Choice Voucher (“Voucher”), which families utilize to rent a unit of their choice. Factors determining program expenses include the number of Vouchers awarded, the average housing assistance payment, fair market rents established by HUD and administrative costs. Based on these factors, the Housing Authority’s allocation is to assist 1,108 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, monthly Voucher Management System reports, monthly transmission of Family Reports and Administrative Plan revisions
- Maintain the balance of service deliverables within the federal grant for the Section 8 program which includes assistance for Veterans under the Veterans Affairs Supportive Housing (VASH) program and continue to collaborate with the VA Department to fully utilize leasing under this program
- Respond to participants and clients on issues, concern and/or complaints as they relate to our program services including HUD, group advocates and legal aid.

### Goals

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

- ✓ Continue to seek ways to streamline operations through elimination of non-required paperwork and obsolete forms
- ✓ Continue to foster close relationships with local non-profits to assist families in need



- ✓ Cross train in key positions
- ✓ Maintain position as top housing agency by retaining High Performer Status through the end of next fiscal year

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

- ✓ Continue to offer homeownership opportunities to families under the first time homeownership programs sponsored by local financial institutions
- ✓ Maximize use of housing vouchers
- ✓ Maintain program integrity by implementing fingerprinting for applicants to the Housing Authority
- ✓ Solicit regulatory waivers for additional rent subsidies for at-risk households

#### **Accomplishments**

- ✓ The Housing Authority has been a high performer for the past six years and has been awarded a Certificate of Recognition from the U.S. Department of Housing and Urban Development for being a high-performing housing authority again for 2015.
- ✓ Operations at the Housing Authority are more streamlined as some manual procedures have been replaced with automation.
- ✓ Successfully obtained a waiver from HUD to increase subsidies for seniors and disabled households who were at risk of losing their housing, enabling them to remain in their homes
- ✓ Increased the Homeownership participation with two additional households becoming homeowners



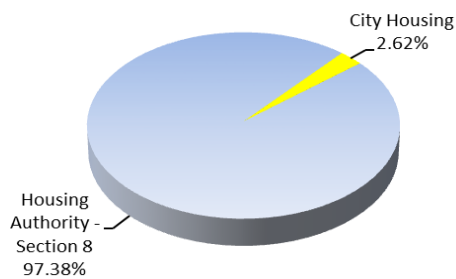
**FY 2016 - 2017 FULL TIME PERSONNEL ALLOCATIONS**  
**Housing Authority**

<b>Department/Division</b>	<b>FY 2014-2015 Amended Base</b>	<b>FY 2015-2016 Amended Base</b>	<b>FY 2016-2017 Adopted Base</b>
Housing Authority - Section 8	6.70	7.40	6.70
RDA Housing - Administration	0.27	0.27	0.25
<b>TOTAL:</b>	<b>6.97</b>	<b>7.67</b>	<b>6.95</b>

**Detailed Program Budget  
Housing Authority**

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	6.97	7.67	6.95	-0.72	-9.39%
<b>SOURCES OF REVENUE</b>					
Special Revenue Funds	13,192,678	14,120,384	14,641,603	521,219	3.69
(Addition To)/Reduction in Fund Balance	283,372	(22,598)	163,305	185,903	-822.65
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 13,476,050</b>	<b>\$ 14,097,786</b>	<b>\$ 14,804,908</b>	<b>\$ 707,122</b>	<b>5.02 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	446,637	478,421	493,454	15,033	3.14
Maintenance & Operations	259,134	300,088	340,985	40,897	13.63
Workers Compensation	13,601	15,742	21,791	6,049	38.43
Materials & Supplies	22,714	24,742	24,742	-	-
Contracts & Services	12,367,485	12,496,972	13,456,069	959,097	7.67
Fringe Benefits	354,765	426,809	449,567	22,758	5.33
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 13,464,336</b>	<b>\$ 13,742,774</b>	<b>\$ 14,786,608</b>	<b>\$ 1,043,834</b>	<b>7.60 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Special Items of Expense	-	310,000	-	(310,000)	-100.00
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 310,000</b>	<b>\$ -</b>	<b>\$ (310,000)</b>	<b>-100.00 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Projects	-	33,298	-	(33,298)	-100.00
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 33,298</b>	<b>\$ -</b>	<b>\$ (33,298)</b>	<b>-100.00 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	11,714	11,714	18,300	6,586	56.22
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 11,714</b>	<b>\$ 11,714</b>	<b>\$ 18,300</b>	<b>\$ 6,586</b>	<b>56.22 %</b>
<b>TOTAL USES</b>	<b>\$ 13,476,050</b>	<b>\$ 14,097,786</b>	<b>\$ 14,804,908</b>	<b>\$ 707,122</b>	<b>5.02 %</b>
<b>USES BY PROGRAM RECAP</b>					
Housing Authority - Section 8	13,205,417	13,485,340	14,417,128	931,788	6.91
City Housing	270,633	612,446	387,780	(224,666)	-36.68
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 13,476,050</b>	<b>\$ 14,097,786</b>	<b>\$ 14,804,908</b>	<b>\$ 707,122</b>	<b>5.02 %</b>

**Housing - Uses by Division**

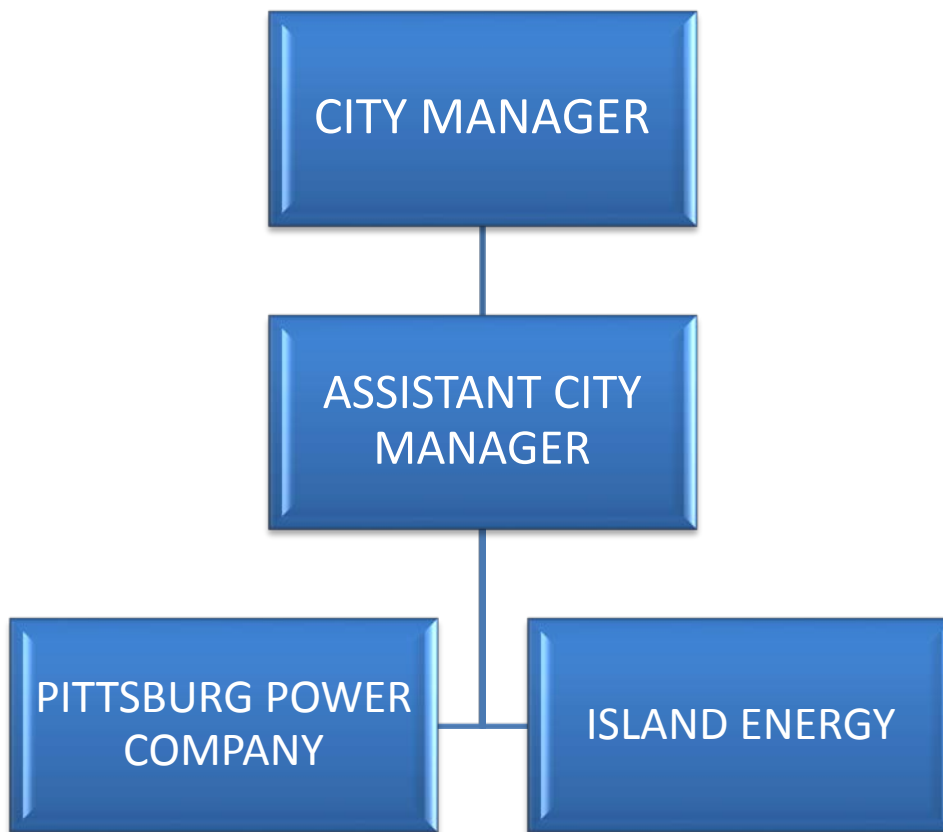




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➤ **PITTSBURG POWER COMPANY**

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## ➤ PITTSBURG POWER COMPANY

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### Overview

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



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

### Service Levels

- Act as 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 – Achieve and Maintain a Structurally Balanced Budget

- ✓ Pittsburg Power Company complete evaluation of potential solar projects for City facilities, implement where appropriate

## **Accomplishments**

- ✓ Completed two cohorts for the Future Build Program
- ✓ Provided funding 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
- ✓ Provided funding for Economic Development
- ✓ Re-constructed Pittsburg Power Company's website to provide more user-friendly interface

## ➤ PITTSBURG POWER COMPANY – ISLAND ENERGY

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### Overview

Shortly after Pittsburg Power Company's (PPC) establishment, the US Navy awarded PPC a franchise service agreement to operate as a municipal utility and provide electric and natural gas retail services on Mare Island, a decommissioned Navy base and part of the City of Vallejo.

### Service Levels

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



### Goals

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

- ✓ Complete revenue opportunities for energy-related projects (sales and use tax, property tax, community benefit programs)
- ✓ Complete Island Energy system improvements, meter replacements to increase revenues, reduce system loss

### Accomplishments

- ✓ Identified sources of losses to electrical system, and reduced those losses from over 20% to 11%
- ✓ Provided the highest rebate for Solar Incentive Program to encourage solar penetration on Mare Island
- ✓ Re-constructed Island Energy's website to accept e-pays and to provide more user-friendly interface.
- ✓ Fully comply with state mandated Renewable Portfolio Standards (RPS) requirements
- ✓ Complete Island Energy Station E Improvement project
- ✓ Installed approximately 2 miles of new electric cable
- ✓ Create a new rate class for Electrical Vehicles on Mare Island

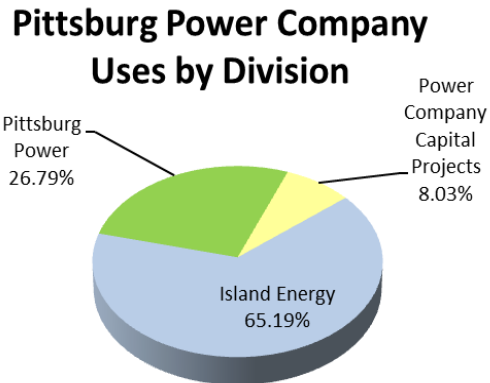


**FY 2016 - 2017 FULL TIME PERSONNEL ALLOCATIONS  
Pittsburg Power Company**

<b>Department/Division</b>	<b>FY 2014-2015 Amended Base</b>	<b>FY 2015-2016 Amended Base</b>	<b>FY 2016-2017 Adopted Base</b>
Island Energy	10.55	10.30	10.30
Pittsburg Power	1.50	2.25	1.80
<b>TOTAL:</b>	<b>12.05</b>	<b>12.55</b>	<b>12.10</b>

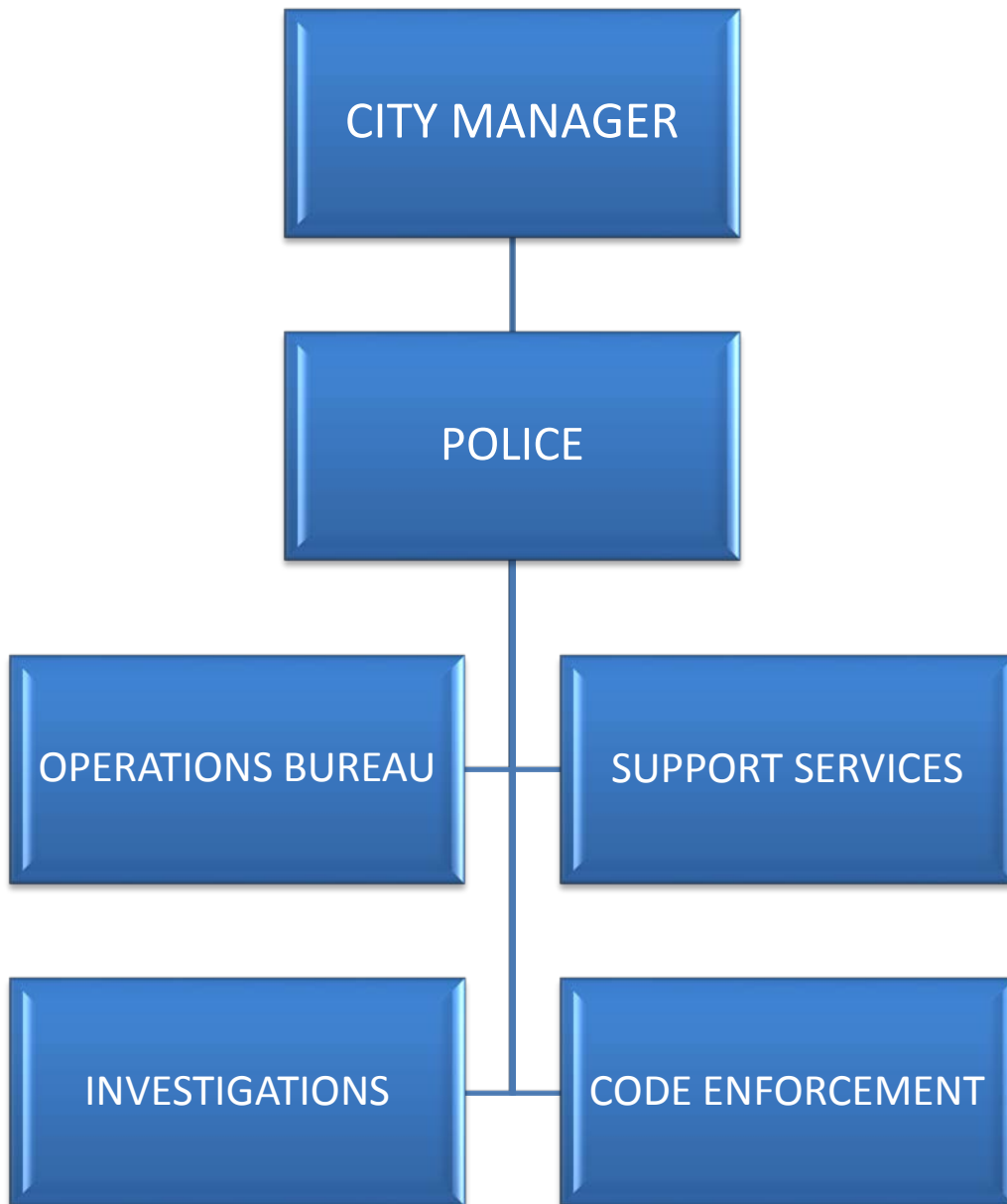
**Detailed Program Budget  
Pittsburg Power Company**

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	12.05	12.55	12.10	-0.45	-3.59%
<b>SOURCES OF REVENUE</b>					
Enterprise Funds	7,210,600	7,541,627	8,074,395	532,768	7.06
(Addition To)/Reduction in Fund Balance	752,601	2,547,162	(162,876)	(2,710,038)	-106.39
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 7,963,201</b>	<b>\$ 10,088,789</b>	<b>\$ 7,911,519</b>	<b>\$ (2,177,270)</b>	<b>-21.58 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	1,244,786	1,318,709	1,325,084	6,375	0.48
Maintenance & Operations	500,109	690,013	657,360	(32,653)	-4.73
Workers Compensation	36,921	42,641	56,677	14,036	32.92
Materials & Supplies	2,076,038	2,257,125	2,031,659	(225,466)	-9.99
Contracts & Services	1,772,728	1,499,318	1,410,348	(88,970)	-5.93
Fringe Benefits	768,511	854,784	805,940	(48,844)	-5.71
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 6,399,093</b>	<b>\$ 6,662,590</b>	<b>\$ 6,287,068</b>	<b>\$ (375,522)</b>	<b>-5.64 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Special Items of Expense	-	5,000	5,000	-	-
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ -</b>	<b>0.00 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	534,159	1,315,242	185,000	(1,130,242)	-85.93
Capital Outlay - Projects	190,300	1,066,172	600,000	(466,172)	-43.72
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 724,459</b>	<b>\$ 2,381,414</b>	<b>\$ 785,000</b>	<b>\$ (1,596,414)</b>	<b>-67.04 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	839,649	1,039,785	834,451	(205,334)	-19.75
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 839,649</b>	<b>\$ 1,039,785</b>	<b>\$ 834,451</b>	<b>\$ (205,334)</b>	<b>-19.75 %</b>
<b>TOTAL USES</b>	<b>\$ 7,963,201</b>	<b>\$ 10,088,789</b>	<b>\$ 7,911,519</b>	<b>\$ (2,177,270)</b>	<b>-21.58 %</b>
<b>USES BY PROGRAM RECAP</b>					
Island Energy	5,030,923	5,887,884	5,157,195	(730,689)	-12.41
Pittsburg Power	2,010,770	2,866,858	2,119,324	(747,534)	-26.08
Power Company Capital Projects	921,508	1,334,047	635,000	(699,047)	-52.40
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 7,963,201</b>	<b>\$ 10,088,789</b>	<b>\$ 7,911,519</b>	<b>\$ (2,177,270)</b>	<b>-21.58 %</b>



➤ POLICE DEPARTMENT

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## ➤ POLICE DEPARTMENT

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### Overview

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

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

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



### Service Levels

#### *Operations Bureau:*

- Serve in the critical capacity of first responder for approximately 90,000 calls-for-service annually
- Identify and develop solutions to community problems utilizing an array of government and community resources
- Reduce traffic collisions and promote safe driving. Each motor officer is assigned a section of the City to vigorously enforce traffic laws and investigate traffic collisions
- Provide proactive enforcement of the State's DUI laws, including patrol saturation and sobriety checkpoints, to ensure the highest level of roadway safety
- Serve the community in the capacity of School Resource Officers and Canine Officers. School Resource Officers operate in close partnership with the Pittsburg Unified School District while Canine Officers are available for response to missing or lost persons, narcotic searches, felony suspect searches and various officer safety concerns

*Support Services Bureau:*

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

**Goals**

Citywide Goal 2 – Prioritize Public Safety

- ✓ Continue progress on reducing crime rates (See charts)
- ✓ Continue specialized enforcement to prevent acts of violence and reduce gang activity
- ✓ Continue to expand Citizens' Police Academy to include Youth Citizens' Academy
- ✓ Establish a Crime Free Housing Program for local apartment complexes
- ✓ Continue inter-departmental code enforcement effort to reduce blight throughout the City
- ✓ Finalize formation of Police Activities League Board, develop PAL activities
- ✓ Continue efforts to support East County Family Justice Center
- ✓ Continue to expand technology-based community engagement that increases trust and access
- ✓ Continue to maximize use of technology to prevent crime, including enhanced ability to quickly analyze data and deploy resources, and paperless reporting system



## Accomplishments

- ✓ Held two Citizens' Police Academy classes
- ✓ Conducted downtown bicycle patrols during the summer months
- ✓ Assigned officer full-time to Homeless Outreach and another officer to Mental Health Outreach
- ✓ Formally established non-profit Police Activities League
- ✓ Awarded COPS Grant adding three police officers positions

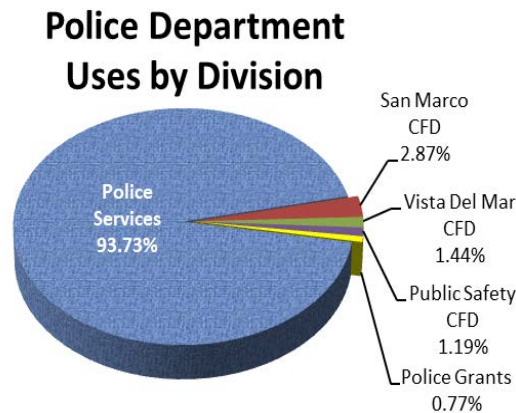


**FY 2016 - 2017 FULL TIME PERSONNEL ALLOCATIONS**  
**Police Department**

<b>Department/Division</b>	<b>FY 2014-2015 Amended Base</b>	<b>FY 2015-2016 Amended Base</b>	<b>FY 2016-2017 Adopted Base</b>
Police - Admin & Support Services	2.00	2.00	2.00
Police - Operations Bureau	63.21	69.50	60.57
Police - Investigations	13.00	12.50	18.30
Police - Support Services	16.00	12.80	15.00
Police - Family Justice Center	0.00	0.00	0.20
San Marco Police CFD	2.08	3.04	2.93
Vista Del Mar CFD	0.70	0.85	1.71
Public Safety Service CFD 2005-01	1.01	1.11	1.29
<b>TOTAL:</b>	<b>98.00</b>	<b>101.80</b>	<b>102.00</b>

## Detailed Program Budget Police Department

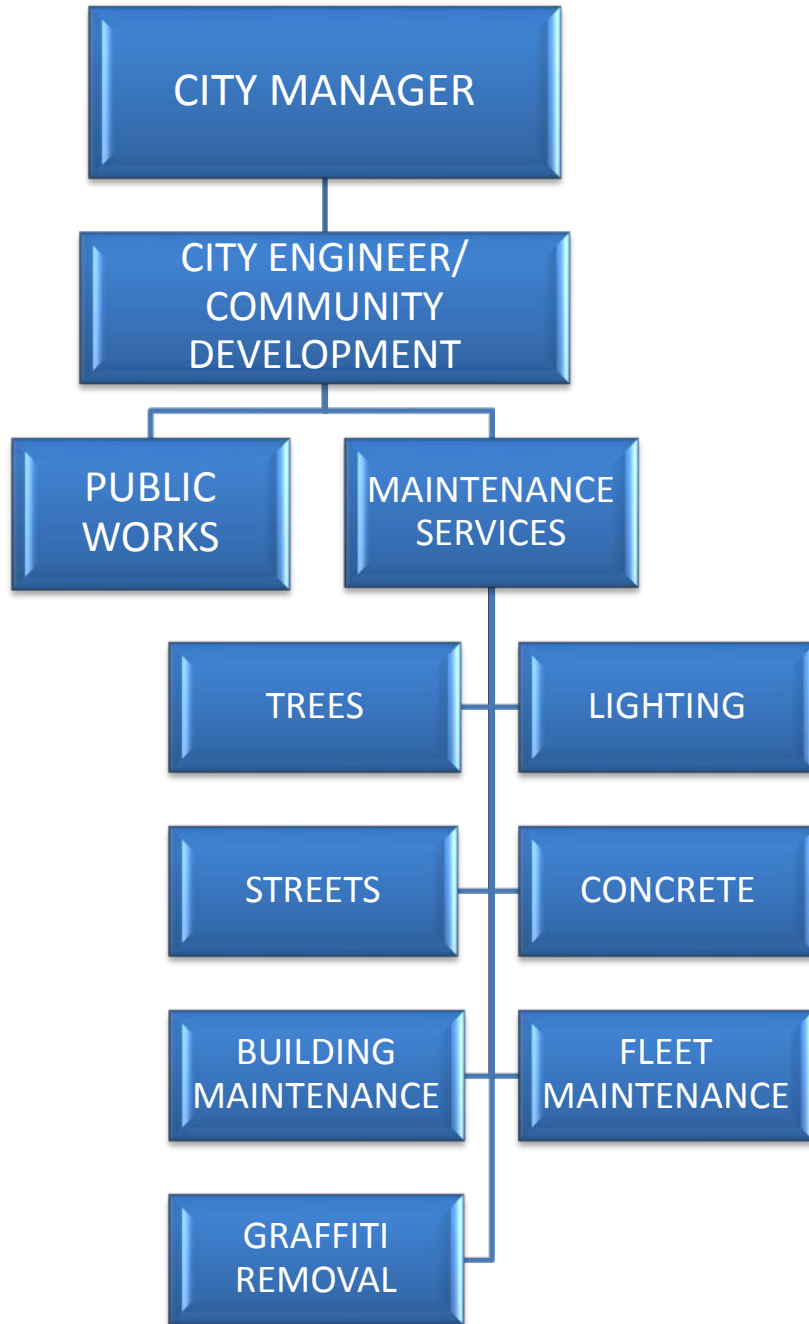
	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	98.00	101.80	102.00	0.20	0.20%
<b>SOURCES OF REVENUE</b>					
General Fund	21,560,001	22,693,633	24,121,516	1,427,883	6.29
Special Revenue Funds	1,214,683	1,578,219	1,490,883	(87,336)	-5.53
(Addition To)/Reduction in Fund Balance	(203,295)	217,517	123,217	(94,300)	-43.35
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 22,571,389</b>	<b>\$ 24,489,369</b>	<b>\$ 25,735,616</b>	<b>\$ 1,246,247</b>	<b>5.09 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	10,223,594	11,267,265	12,006,633	739,368	6.56
Maintenance & Operations	1,498,218	1,907,495	1,915,963	8,468	0.44
Workers Compensation	303,374	346,806	513,333	166,527	48.02
Materials & Supplies	301,732	309,656	230,145	(79,511)	-25.68
Contracts & Services	2,034,690	2,272,652	2,293,195	20,543	0.90
Fringe Benefits	7,701,264	7,978,615	8,498,219	519,604	6.51
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 22,062,872</b>	<b>\$ 24,082,489</b>	<b>\$ 25,457,488</b>	<b>\$ 1,374,999</b>	<b>5.71 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	422,702	271,065	68,000	(203,065)	-74.91
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 422,702</b>	<b>\$ 271,065</b>	<b>\$ 68,000</b>	<b>\$ (203,065)</b>	<b>-74.91 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	85,815	135,815	210,128	74,313	54.72
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 85,815</b>	<b>\$ 135,815</b>	<b>\$ 210,128</b>	<b>\$ 74,313</b>	<b>54.72 %</b>
<b>TOTAL USES</b>	<b>\$ 22,571,389</b>	<b>\$ 24,489,369</b>	<b>\$ 25,735,616</b>	<b>\$ 1,246,247</b>	<b>5.09 %</b>
<b>USES BY PROGRAM RECAP</b>					
Police Services	21,560,001	22,693,633	24,121,516	1,427,883	6.29
San Marco CFD	341,439	686,115	739,297	53,182	7.75
Vista Del Mar CFD	153,193	198,811	370,982	172,171	86.60
Public Safety CFD	228,949	259,964	306,821	46,857	18.02
Asset Forfeitures	41,887	-	-	-	-100.00
Police Grants	245,920	650,846	197,000	(453,846)	-69.73
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 22,571,389</b>	<b>\$ 24,489,369</b>	<b>\$ 25,735,616</b>	<b>\$ 1,246,247</b>	<b>5.09 %</b>





## ➤ PUBLIC WORKS – MAINTENANCE SERVICES

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## ➤ PUBLIC WORKS - MAINTENANCE SERVICES

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### Overview

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

### Service Levels

#### *Administration:*

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

#### *Citywide Street Lighting:*

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



### *Concrete:*

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



### *Street Trees:*

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

### *Graffiti Removal:*

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

## **Goals**

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

- ✓ Continue to improve reliability and reduce energy, maintenance costs by converting lights in parks, on decorative poles and at City facilities to LED

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

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

### **Accomplishments**

- ✓ Installed and tested video camera systems at 9 various locations of the 62 signalized intersections reducing in-ground pavement and maintenance issues, thereby increasing safety with more reliable equipment/video recording and providing useful data for traffic and the police department
- ✓ Staff continued to upgrade/retrofit all buildings and most park lighting to LED's to reduce energy costs and increase safety.



## ➤ PUBLIC WORKS – BUILDING MAINTENANCE

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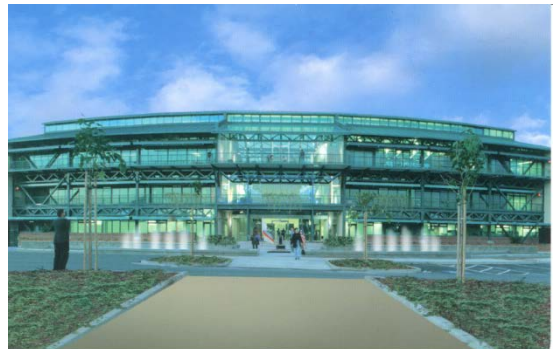
### Overview

Building Maintenance maintains and/or oversees maintenance and service contracts for all or part of 23 City 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 3 – Improve Public Facilities and Infrastructure

- ✓ Replace City Hall chiller with higher efficiency model

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

- ✓ Hire additional electrician with HVAC focus to improve maintenance of 23 city buildings and increase useful life of systems serving these facilities

## **Accomplishments**

- ✓ Completed the City Hall Window Tinting Project which provided energy reduction and protection from the elements and to increase life of interior surfaces.
- ✓ Completed the City Hall Women’s Restroom Expansion and Remodel Project to accommodate growing Police Department personnel.

## ➤ PUBLIC WORKS – FLEET MAINTENANCE

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### 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, 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



**FY 2016 - 2017 FULL TIME PERSONNEL ALLOCATIONS**  
**Public Works - Maintenance Services**

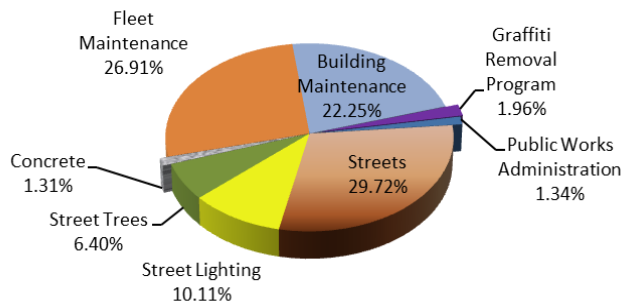
<b>Department/Division</b>	<b>FY 2014-2015 Amended Base</b>	<b>FY 2015-2016 Amended Base</b>	<b>FY 2016-2017 Adopted Base</b>
Graffiti Removal Program	1.25	1.15	1.15
Public Works/Administration	0.25	0.00	0.00
Public Works/Streets	12.65	11.80	11.70
Citywide Street Lighting	2.00	1.30	1.30
Citywide Street Trees	1.70	1.70	2.70
Citywide Concrete Program	0.25	0.25	0.25
NPDES - Storm Drain Clean-Up	2.00	1.90	1.90
Fleet Maintenance	3.60	3.60	3.60
Building Maintenance	3.70	4.30	4.30
<b>TOTAL:</b>	<b>27.40</b>	<b>26.00</b>	<b>26.90</b>



**Detailed Program Budget  
Public Works – Maintenance Services**

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	27.40	26.00	26.90	0.90	3.46%
<b>SOURCES OF REVENUE</b>					
General Fund	1,742,153	1,748,020	1,802,721	54,701	3.13
Internal Service Funds	3,083,707	3,329,602	3,385,599	55,997	1.68
Special Revenue Funds	3,521,595	3,933,574	3,980,522	46,948	1.19
(Addition To)/Reduction in Fund Balance	(1,152,316)	(1,682,760)	(1,446,242)	236,518	-14.06
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 7,195,139</b>	<b>\$ 7,328,436</b>	<b>\$ 7,722,600</b>	<b>\$ 394,164</b>	<b>5.38 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	1,685,589	1,785,358	1,916,279	130,921	7.33
Maintenance & Operations	1,508,934	1,695,565	1,816,100	120,535	7.11
Workers Compensation	50,499	57,575	82,867	25,292	43.93
Materials & Supplies	969,615	1,076,971	1,079,550	2,579	0.24
Contracts & Services	972,499	767,428	761,465	(5,963)	-0.78
Fringe Benefits	1,273,314	1,381,131	1,502,881	121,750	8.82
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 6,460,450</b>	<b>\$ 6,764,028</b>	<b>\$ 7,159,142</b>	<b>\$ 395,114</b>	<b>5.84 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Special Items of Expense	-	18,550	-	(18,550)	-100.00
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 18,550</b>	<b>\$ -</b>	<b>\$ (18,550)</b>	<b>-100.00 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	614,831	426,000	468,000	42,000	9.86
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 614,831</b>	<b>\$ 426,000</b>	<b>\$ 468,000</b>	<b>\$ 42,000</b>	<b>9.86 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	119,858	119,858	95,458	(24,400)	-20.36
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 119,858</b>	<b>\$ 119,858</b>	<b>\$ 95,458</b>	<b>\$ (24,400)</b>	<b>-20.36 %</b>
<b>TOTAL USES</b>	<b>\$ 7,195,139</b>	<b>\$ 7,328,436</b>	<b>\$ 7,722,600</b>	<b>\$ 394,164</b>	<b>5.38 %</b>
<b>USES BY PROGRAM RECAP</b>					
Public Works Administration	85,968	70,772	103,636	32,864	46.44
Streets	2,036,913	2,098,846	2,295,080	196,234	9.35
Street Lighting	765,998	858,042	780,591	(77,451)	-9.03
Street Trees	343,588	466,593	494,474	27,881	5.98
Concrete	78,431	98,331	101,031	2,700	2.75
Fleet Maintenance	1,944,148	1,953,867	2,078,016	124,149	6.35
Building Maintenance	1,780,167	1,642,382	1,718,214	75,832	4.62
Graffiti Removal Program	159,926	139,603	151,558	11,955	8.56
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 7,195,139</b>	<b>\$ 7,328,436</b>	<b>\$ 7,722,600</b>	<b>\$ 394,164</b>	<b>5.38 %</b>

**Public Works Maintenance Services  
Uses by Division**





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

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## ➤ PUBLIC WORKS – WATER SYSTEM ENTERPRISES

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### 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, 5,900 isolation valves, 18,200 customer service lines and meters, and 1,830 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.
- Test water on a regular basis to ensure that the water produced meets or exceeds all Federal and State standards.
- Utilize the SCADA (Supervisory Control and Data Acquisition) system to monitor the distribution system, reservoirs, pumping stations and wells; and adjust the chemical feed system to maintain optimum water quality.

- Provide for the maintenance and repair of the water treatment plant, two wells, eight reservoirs and nine pumping stations that include 27 vertical turbine pumps and motors with capacities to 6,000 gallons per minute

## **Goals**

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

- ✓ Continue to evaluate cost saving opportunities at Water Treatment Plant

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

- ✓ Complete replacement of Rossmoor Well

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

- ✓ Continue with Year 5 of program to install Automatic Meter Reading system to improve accuracy, efficiency of water meter reading on system's 18,000 meters

## **Accomplishments**

- ✓ Rebuilding two large pumps at water treatment plant for higher efficiencies.
- ✓ Completed 4th year of installation of conversion to Automatic Meter Reading System to improve accuracy and efficiency of meter reading. Over 8,500 (45%) meters, out of 18,200, have been converted to AMR.
- ✓ Completed two monitoring wells to monitor groundwater quality. Completed design of larger well as a replacement for Rossmoor Well. Started construction of well in April 2015; scheduled to be completed in summer 2016.
- ✓ Started construction of second phase Water Treatment Plant modifications to improve water taste during high algae periods.



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

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### Overview

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

### Service Levels

- Provide cleaning for 154 miles of sewer mains and manholes in the sewer system by rotating through four maintenance zones each year as part of a comprehensive Preventative Maintenance Program (PMP). Routine work includes root cutting and video inspections of main lines and laterals.
- Provide preventative cleaning for 20 miles of problem sewer lines that have been identified with chronic or regularly reoccurring problems. Chronic sewer line problems result in increased operating costs, but this added maintenance on weekly, monthly or quarterly basis is intended to prevent overflows until these lines can be replaced as part of a Capital Improvement Program project.
- The City has responsibility for repairs and/or replacement for sewer laterals within the City's right-of-way (lower laterals). City staff responds to lateral blockages and conducts video inspections and schedules repair or replacement if problem is in the lower lateral.



### Goals

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

- ✓ Prioritize Capital Projects

Citywide Goal 5- Increase Efficiency of City Operations and Services

- ✓ Purchase CCTV truck to increase efficiency of our Preventative Maintenance Program.

**Accomplishments**

- ✓ Repaired 22 lower sewer laterals.
- ✓ Root-foamed 14,968 feet of problem sewer line to reduce potential for sewer back-up.
- ✓ CCTV'd 3.3 miles of sewer lines to identify mainline problems.

**FY 2016 - 2017 FULL TIME PERSONNEL ALLOCATIONS**  
**Public Works - Water and Sewer Systems Enterprises**

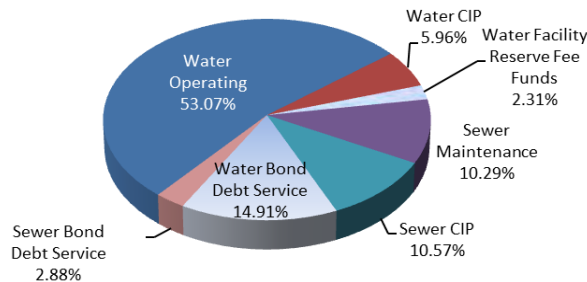
<b>Department/Division</b>	<b>FY 2014-2015 Amended Base</b>	<b>FY 2015-2016 Amended Base</b>	<b>FY 2016-2017 Adopted Base</b>
Water Operating	29.45	30.05	30.15
Sewer Maintenance	8.65	9.55	9.65
<b>TOTAL:</b>	<b>38.10</b>	<b>39.60</b>	<b>39.80</b>



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

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	38.10	39.60	39.80	0.20	0.51%
<b>SOURCES OF REVENUE</b>					
Capital Projects Funds	-	-	-	-	-100.00
Debt Service	277,376	120,650	260,792	140,142	116.16
Enterprise Funds	27,622,289	48,192,092	27,583,100	(20,608,992)	-42.76
(Addition To)/Reduction in Fund Balance	(2,342,598)	14,732,300	525,852	(14,206,448)	-96.43
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 25,557,067</b>	<b>\$ 63,045,042</b>	<b>\$ 28,369,744</b>	<b>\$ (34,675,298)</b>	<b>-55.00 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	3,002,581	3,502,049	3,462,212	(39,837)	-1.14
Maintenance & Operations	2,060,943	2,487,136	2,460,538	(26,598)	-1.07
Workers Compensation	89,136	102,902	148,708	45,806	44.51
Materials & Supplies	6,287,938	6,611,571	6,874,200	262,629	3.97
Contracts & Services	445,176	720,371	444,200	(276,171)	-38.34
Fringe Benefits	2,059,561	2,284,438	2,461,869	177,431	7.77
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 13,945,335</b>	<b>\$ 15,708,467</b>	<b>\$ 15,851,727</b>	<b>\$ 143,260</b>	<b>0.91 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Debt Service	3,568,850	4,107,366	4,107,949	583	0.01
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ 3,568,850</b>	<b>\$ 4,107,366</b>	<b>\$ 4,107,949</b>	<b>\$ 583</b>	<b>0.01 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	88,299	560,518	263,000	(297,518)	-53.08
Capital Outlay - Projects	3,596,083	27,977,392	4,690,000	(23,287,392)	-83.24
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 3,684,382</b>	<b>\$ 28,537,910</b>	<b>\$ 4,953,000</b>	<b>\$ (23,584,910)</b>	<b>-82.64 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	4,358,500	14,691,299	3,457,068	(11,234,231)	-76.47
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 4,358,500</b>	<b>\$ 14,691,299</b>	<b>\$ 3,457,068</b>	<b>\$ (11,234,231)</b>	<b>-76.47 %</b>
<b>TOTAL USES</b>	<b>\$ 25,557,067</b>	<b>\$ 63,045,042</b>	<b>\$ 28,369,744</b>	<b>\$ (34,675,298)</b>	<b>-55.00 %</b>
<b>USES BY PROGRAM RECAP</b>					
Water Operating	15,170,885	23,329,014	15,056,750	(8,272,264)	-35.46
Water CIP	2,112,678	8,620,945	1,690,000	(6,930,945)	-80.40
Water Facility Reserve Fee Funds	2,410,959	14,278,754	655,510	(13,623,244)	-95.41
Sewer Maintenance	2,131,280	2,836,254	2,919,535	83,281	2.94
Sewer CIP	138,905	7,069,596	3,000,000	(4,069,596)	-57.56
Sewer Facility Reserve Fee Funds	-	133,113	-	(133,113)	-100.00
Water Bond Debt Service	2,769,374	5,963,902	4,231,178	(1,732,724)	-29.05
Sewer Bond Debt Service	822,986	813,464	816,771	3,307	0.41
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 25,557,067</b>	<b>\$ 63,045,042</b>	<b>\$ 28,369,744</b>	<b>\$ (34,675,298)</b>	<b>-55.00 %</b>

**Water and Sewer Enterprises**  
**Uses by Division**

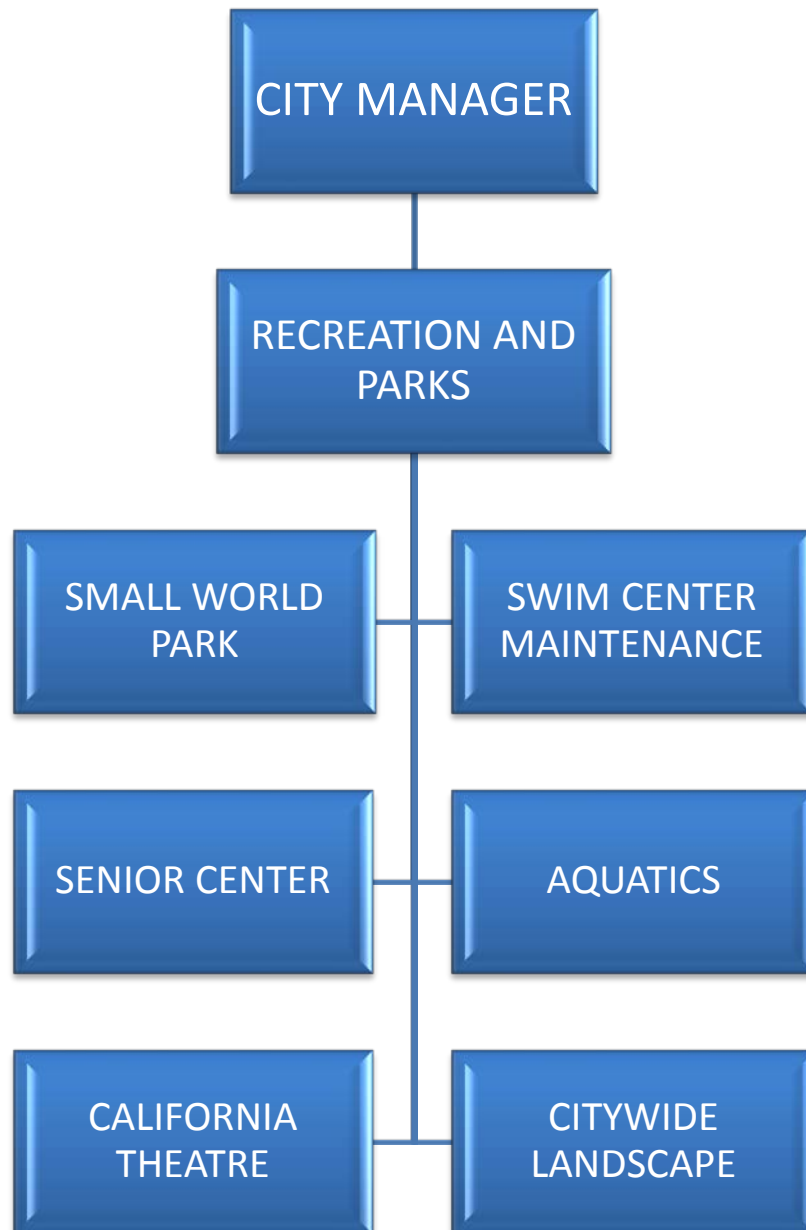




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➤ RECREATION AND PARKS

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## ➤ RECREATION AND PARKS

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### 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 Buchanan 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 California Theatre is a beautifully restored 330-seat theater located in the heart of the City's Old Town. Built in 1920 for vaudeville performances and silent films, it was once the premiere venue for films and live shows. The theater closed in 1954. By 1994, the City began a major clean-up and stabilization effort to preserve the deteriorating theater. The California Theatre reopened in 2013, and today operates as a venue for films, plays, comedy nights and concerts.

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 – 139.2 acres
  - Medians – 66.12 acres
  - Right-of-Ways – 16.5 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 – Achieve and Maintain a Structurally Balanced Budget

- ✓ Increase awareness of Small World Park with multi-media campaign
- ✓ Continue park improvements with assistance of volunteer organizations and non-profits such as FutureBuild and Boy Scouts of America
- ✓ Continue LED retrofit of parks and facilities light fixtures to enhance illumination, reduce energy cost
- ✓ Continue to seek federal, state, county, private foundations for grants to support recreation programs and finance upgrading of park infrastructure, playgrounds



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

#### Citywide Goal 2 – Improve Public Facilities and Infrastructure

- ✓ Utilizing Park Dedication Funds and grant opportunities, continue to add new features to existing park system
- ✓ Identify funding to replace artificial turf at City Park Soccer Field
- ✓ Prepare design options and cost estimates for a future skate park
- ✓ Seek capital funding for a multi-year effort to prune old growth on park and street trees

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

- ✓ Restructure department organization to rely less on seasonal staff and increase allocation of entry level maintenance assistant positions
- ✓ Explore feasibility of contract maintenance of medians and City right-of-way areas

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

- ✓ Sponsor or support a variety of community public events
- ✓ Expand partnership with local non-profits, which focus on recreation and personal development for youth
- ✓ Complete and begin implementation of a three-year development plan identifying a growth strategy for Recreation Department services
- ✓ Develop and implement education and interactive programs for a nature day camp along Kirker Creek on western perimeter of Buchanan Park in cooperation with East Bay Regional Parks, Pittsburg Unified School District and Pittsburg Kiwanis

### **Accomplishments**

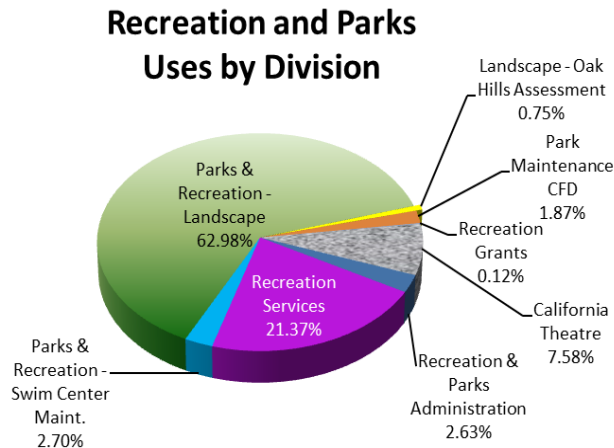
- ✓ Added zip-line and Tiny Tot play structure to Small World Park
- ✓ Added a batting cage to the City Park baseball fields
- ✓ Introduced " *Movies in the Park*" to the Recreation Department's summer series
- ✓ Increased attendance at Small World Park by eight percent
- ✓ Added heating system to the wading pool at Buchanan Pool
- ✓ Increased attendance at the Buchanan Swim Center by 30%
- ✓ Expanded recreation programming by adding a tennis instructional league, Zumba for children and adults, youth golf, drop-in basketball and volleyball, established an adult kickball league and recreation bowling for special needs youth

**FY 2016 - 2017 FULL TIME PERSONNEL ALLOCATIONS**  
**Recreation and Parks**

<b>Department/Division</b>	<b>FY 2014-2015 Amended Base</b>	<b>FY 2015-2016 Amended Base</b>	<b>FY 2016-2017 Adopted Base</b>
Recreation - Sports	1.15	1.15	1.15
Recreation - Senior Center	2.00	2.00	2.00
Citywide Landscape	8.54	9.89	9.64
Park Maintenance CFD 2007-1	0.36	0.36	0.36
<b>TOTAL:</b>	<b>12.05</b>	<b>13.40</b>	<b>13.15</b>

## Detailed Program Budget Recreation and Parks

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	12.05	13.40	13.15	-0.25	-1.87%
<b>SOURCES OF REVENUE</b>					
General Fund	733,236	724,379	753,600	29,221	4.03
Special Revenue Funds	560,016	536,430	489,303	(47,127)	-8.79
(Addition To)/Reduction in Fund Balance	2,674,564	3,025,381	3,090,222	64,841	2.14
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 3,967,816</b>	<b>\$ 4,286,190</b>	<b>\$ 4,333,125</b>	<b>\$ 46,935</b>	<b>1.10%</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	1,457,060	1,573,389	1,594,491	21,102	1.34
Maintenance & Operations	1,032,241	1,134,874	1,158,592	23,718	2.09
Workers Compensation	43,859	51,650	69,871	18,221	35.28
Materials & Supplies	284,124	284,383	299,280	14,897	5.24
Contracts & Services	520,401	442,694	438,918	(3,776)	-0.85
Fringe Benefits	626,252	794,934	767,212	(27,722)	-3.49
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 3,963,937</b>	<b>\$ 4,281,924</b>	<b>\$ 4,328,364</b>	<b>\$ 46,440</b>	<b>1.08 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Special Items of Expense	3,574	4,000	4,000	-	-
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ 3,574</b>	<b>\$ 4,000</b>	<b>\$ 4,000</b>	<b>\$ -</b>	<b>0.00 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	39	-	-	-	-100.00
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 39</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	266	266	761	495	186.09
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 266</b>	<b>\$ 266</b>	<b>\$ 761</b>	<b>\$ 495</b>	<b>186.09 %</b>
<b>TOTAL USES</b>	<b>\$ 3,967,816</b>	<b>\$ 4,286,190</b>	<b>\$ 4,333,125</b>	<b>\$ 46,935</b>	<b>1.10 %</b>
<b>USES BY PROGRAM RECAP</b>					
Recreation & Parks Administration	86,928	140,509	113,954	(26,555)	-18.90
Recreation Services	775,146	836,736	926,134	89,398	10.68
Parks & Recreation - Swim Center Maint.	100,365	105,766	117,046	11,280	10.67
Parks & Recreation - Landscape	2,475,693	2,690,502	2,728,884	38,382	1.43
Landscape - Oak Hills Assessment	66,492	65,182	32,406	(32,776)	-50.28
Park Maintenance CFD	52,939	85,364	81,129	(4,235)	-4.96
Recreation Grants	10,248	12,515	5,000	(7,515)	-60.05
California Theatre	400,005	349,616	328,572	(21,044)	-6.02
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 3,967,816</b>	<b>\$ 4,286,190</b>	<b>\$ 4,333,125</b>	<b>\$ 46,935</b>	<b>1.10 %</b>





➤ **SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY**

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## ➤ **SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY OF THE CITY OF PITTSBURG**

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### **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 Successor Agency commenced the disposition of its properties since receiving the Department of Finance (DOF) approval of the long range property management plan (LRPMP) on December 12, 2014. That LRPMP was later amended and approved by the DOF on December 31, 2015. To date, of the sixty-five (65) properties available for disposition, five (5) have sold for an approximate net sales proceed of \$2.3M. These sales proceeds were used to reduce the amount owed to the pass-through agencies.

### **Service Levels**

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

### **Goals**

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

- ✓ Continue to dispose of Successor Agency properties, generate sales revenue to reduce the amount owed to pass-through agencies

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

- ✓ Develop plan for using funds from payoff of housing loans and leases (Housing Rehabilitation loans, 1<sup>st</sup> Time Homebuyer, Contribute to projects, Work with agencies to address homelessness)

City Wide Goal 5 – Increase Efficiency of City Operations and Services

- ✓ Manage leases, loans for City, Successor Agency, PACF, Housing Authority
- ✓ Work with tenants to ensure property maintenance is done to reduce future costs
- ✓ Establish maintenance procedure

**Accomplishments**

- ✓ Refinancing of 5 Bonds – Savings of \$40M
- ✓ Disposition/Sale of 7 Successor Agency properties



**FY 2016 - 2017 FULL TIME PERSONNEL ALLOCATIONS**  
**Successor Agency to Former Redevelopment Agency**

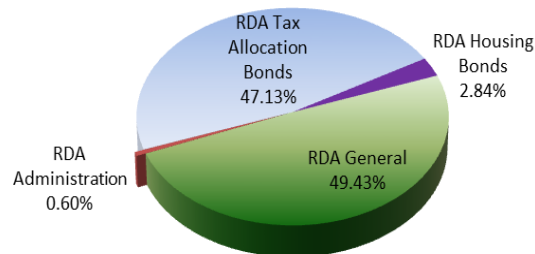
<b>Department/Division</b>	<b>FY 2014-2015 Amended Base</b>	<b>FY 2015-2016 Amended Base</b>	<b>FY 2016-2017 Adopted Base</b>
RDA Administration	1.55	1.10	1.10
<b>TOTAL:</b>	<b>1.55</b>	<b>1.10</b>	<b>1.10</b>

**Detailed Program Budget  
Successor Agency to Former RDA**

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	1.55	1.10	1.10	0.00	0.00%
<b>SOURCES OF REVENUE</b>					
Capital Projects Funds	27,156	642,134	-	(642,134)	-100.00
Debt Service	46,921,369	35,359,953	32,476,043	(2,883,910)	-8.16
Redevelopment Agency	41,571,043	36,317,002	33,043,068	(3,273,934)	-9.01
(Addition To)/Reduction in Fund Balance	(9,059,464)	322,929	(75,891)	(398,820)	-123.50
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 79,460,104</b>	<b>\$ 72,642,018</b>	<b>\$ 65,443,220</b>	<b>\$ (7,198,798)</b>	<b>-9.91 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Salaries & Wages	182,857	194,055	168,901	(25,154)	-12.96
Maintenance & Operations	12,417	49,302	21,617	(27,685)	-56.15
Workers Compensation	5,565	5,186	7,406	2,220	42.81
Materials & Supplies	318	476	450	(26)	-5.46
Pass Through Payments	-	-	-	-	-100.00
Contracts & Services	120,996	51,449	117,296	65,847	127.98
Fringe Benefits	81,312	79,375	80,218	843	1.06
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 403,465</b>	<b>\$ 379,843</b>	<b>\$ 395,888</b>	<b>\$ 16,045</b>	<b>4.22 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Debt Service	32,662,834	35,314,953	32,401,344	(2,913,609)	-8.25
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ 32,662,834</b>	<b>\$ 35,314,953</b>	<b>\$ 32,401,344</b>	<b>\$ (2,913,609)</b>	<b>-8.25 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Projects	54,481	494,827	-	(494,827)	-100.00
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 54,481</b>	<b>\$ 494,827</b>	<b>\$ -</b>	<b>\$ (494,827)</b>	<b>-100.00 %</b>
<b>USES - TRANSFERS-OUT</b>					
Transfers-Out	46,339,324	36,452,395	32,645,988	(3,806,407)	-10.44
<b>TOTAL USES - TRANSFERS-OUT</b>	<b>\$ 46,339,324</b>	<b>\$ 36,452,395</b>	<b>\$ 32,645,988</b>	<b>\$ (3,806,407)</b>	<b>-10.44 %</b>
<b>TOTAL USES</b>	<b>\$ 79,460,104</b>	<b>\$ 72,642,018</b>	<b>\$ 65,443,220</b>	<b>\$ (7,198,798)</b>	<b>-9.91 %</b>
<b>USES BY PROGRAM RECAP</b>					
RDA General	45,934,477	35,511,403	<sup>1</sup> 32,345,988	(3,165,415)	-8.91
RDA Administration	389,623	295,957	395,888	99,931	33.77
RDA Capital Projects Fund	60,644	578,713	-	(578,713)	-100.00
RDA Tax Allocation Bonds	31,117,288	33,957,387	<sup>1</sup> 30,845,747	(3,111,640)	-9.16
RDA Housing Bonds	1,958,072	2,298,558	<sup>1</sup> 1,855,597	(442,961)	-19.27
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 79,460,104</b>	<b>\$ 72,642,018</b>	<b>\$ 65,443,220</b>	<b>\$ (7,198,798)</b>	<b>-9.91 %</b>

(1) Includes transfers between funds in the Successor Agency program budget to pay for debt obligation in the amount of \$32,345,988, therefore uses appear to be overstated by \$32,345,988.

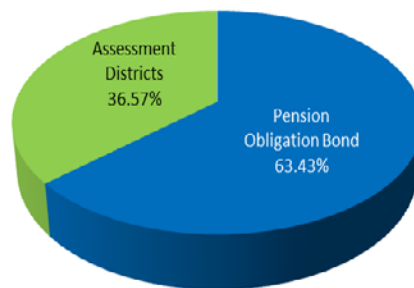
**Successor Agency to RDA  
Uses by Division**



**Detailed Program Budget**  
**Debt Service (Not Associated with Specific Departments)**

	2014-15 Actual	2015-16 Amended Budget	2016-17 Adopted Budget	Change from 2015-16	% Change
<b>AUTHORIZED POSITIONS</b>					
Total Authorized	-				
<b>SOURCES OF REVENUE</b>					
Debt Service	18,278,752	8,548,151	8,576,674	28,523	0.33
(Addition To)/Reduction in Fund Balance	1,066,091	(1,390,602)	(923,061)	467,541	-33.62
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$ 19,344,843</b>	<b>\$ 7,157,549</b>	<b>\$ 7,653,613</b>	<b>\$ 496,064</b>	<b>6.93 %</b>
<b>USES - OPERATING EXPENDITURES</b>					
Maintenance & Operations	28,619	28,904	30,060	1,156	4.00
Contracts & Services	-	707	-	(707)	-100.00
<b>TOTAL USES - OPERATING EXPENDITURES</b>	<b>\$ 28,619</b>	<b>\$ 29,611</b>	<b>\$ 30,060</b>	<b>\$ 449</b>	<b>1.52 %</b>
<b>USES - OTHER EXPENDITURES</b>					
Debt Service	17,716,912	7,127,393	7,623,553	496,160	6.96
<b>TOTAL USES - OTHER EXPENDITURES</b>	<b>\$ 17,716,912</b>	<b>\$ 7,127,393</b>	<b>\$ 7,623,553</b>	<b>\$ 496,160</b>	<b>6.96 %</b>
<b>USES - CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	10,555	-	-	-	-100.00
Capital Outlay - Projects	1,588,757	545	-	(545)	-100.00
<b>TOTAL USES - CAPITAL EXPENDITURES</b>	<b>\$ 1,599,312</b>	<b>\$ 545</b>	<b>\$ -</b>	<b>\$ (545)</b>	<b>-100.00 %</b>
<b>TOTAL USES</b>	<b>\$ 19,344,843</b>	<b>\$ 7,157,549</b>	<b>\$ 7,653,613</b>	<b>\$ 496,064</b>	<b>6.93 %</b>
<b>USES BY PROGRAM RECAP</b>					
Pension Obligation Bond	4,385,513	4,803,522	4,854,654	51,132	1.06
Assessment Districts	14,959,330	2,354,027	2,798,959	444,932	18.90
<b>TOTAL USES BY PROGRAM RECAP</b>	<b>\$ 19,344,843</b>	<b>\$ 7,157,549</b>	<b>\$ 7,653,613</b>	<b>\$ 496,064</b>	<b>6.93 %</b>

**Debt Service - Uses by Division**



## ➤ CAPITAL OUTLAY - PROJECTS

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

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

### New Capital Project Funding for FY 2016/17

Project Name	Funding Source	Prior Allocations	New Allocation FY 2016/17
Frontage Road, Class I Bicycle Lane	MJ/PBTF	-	\$125,000
Multimodal Transfer Facility BART Station	IRRF	1,589,000	200,000
San Marco Boulevard Class I Trail	MJ/TDA	-	265,000
West Leland Road Pavement Markers/Markings and Speed Signage	HSIP	-	376,800
West Leland High Friction Surface Treatment Project	P42/HSIP	-	608,800
West Leland Road Pavement Delineation, Warning Signage, High Visibility Crosswalk	HSIP	-	265,900
Automatic Water Reading System	WOF	1,656,793	300,000
2016/17 WTP Sludge Removal	WOF	-	250,000
2016/17 Water Main Installation	WOF/WFR/WB	450,000	890,000
2016/17 Sewer Replacement/Rehabilitation Program	SOF	500,000	3,000,000
Gas Line Removal and Replacement	IE	-	100,000
2016/17 Cable Replacement	IE	-	500,000
<b>Totals</b>		<b>\$4,195,793</b>	<b>\$6,881,500</b>

#### Total by Funding Source:

Measure J (MJ)	\$205,500
Pedestrian, Bicycle and Trail Facilities Grant (PBTF)	52,000
Infrastructure Repair & Replacement (IRRF)	200,000
Transportation Development Act Grant (TDA)	132,500
Highway Safety Improvement Program Grant (HSIP)	1,190,620
Gas Tax – HUTA Fund (GSTX)	60,880
Water Operation Fund (WOF)	100,000
Water Facility Reserve Fund (WFR)	400,000
Water Bond (WB)	940,000
Sewer Operating Fund (SOF)	3,000,000
Island Energy (IE)	600,000
<b>Total:</b>	<b>\$6,881,500</b>



## ST-7: FRONTAGE ROAD CLASS I BIKE PATH

**Project No.**  
2013

**Status:**  
2016/17 Allocation - \$125,000

**Estimated Project Cost:**  
\$125,000

**Project Limits:**  
Along north side of Frontage Road right-of-way, from Crestview Drive to eastern terminus.

**Funding Sources**  
Eligible Funding Source: Measure J, Grants  
Identified Funding Source: \$52,000 PBTF Grant, \$73,000 Measure J

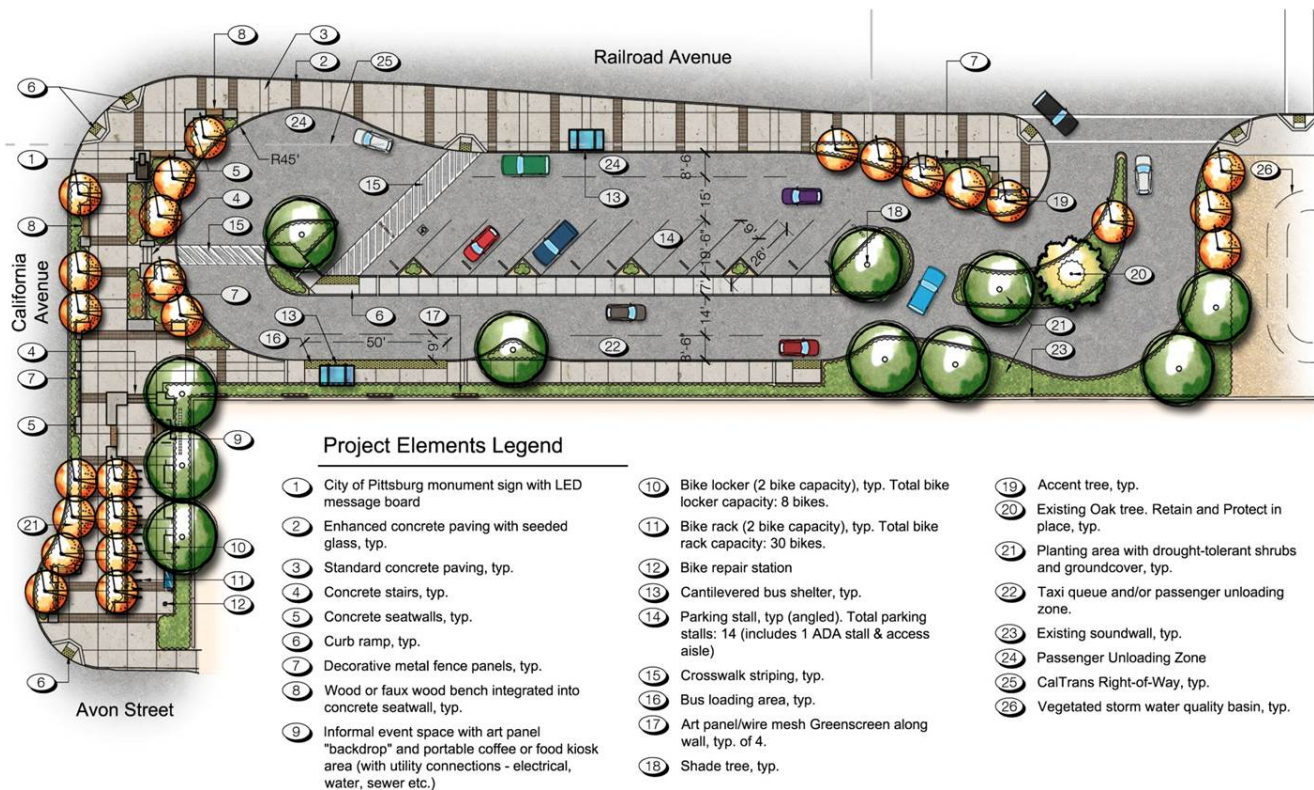
### **Project Description:**

This project will design and construct a Class I bicycle and pedestrian path that connects Railroad Avenue and future BART station with Class II bike lanes on Crestview Drive to provide a safe alternate route to Railroad Avenue. This project is partially funded by a Pedestrian Bicycle and Trails Facilities grant.

### **Impact on Operating Budget**

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





## ST-16: MULTIMODAL TRANSFER FACILITY BART STATION

**Project No.**  
2010

**Status:**  
Previous Allocation – \$1,589,000  
2016/17 Allocation – \$200,000

**Estimated Project Cost:**  
\$2,250,000

**Project Limits:**  
Railroad Avenue from State Route 4 eastbound ramps intersection to Center Drive

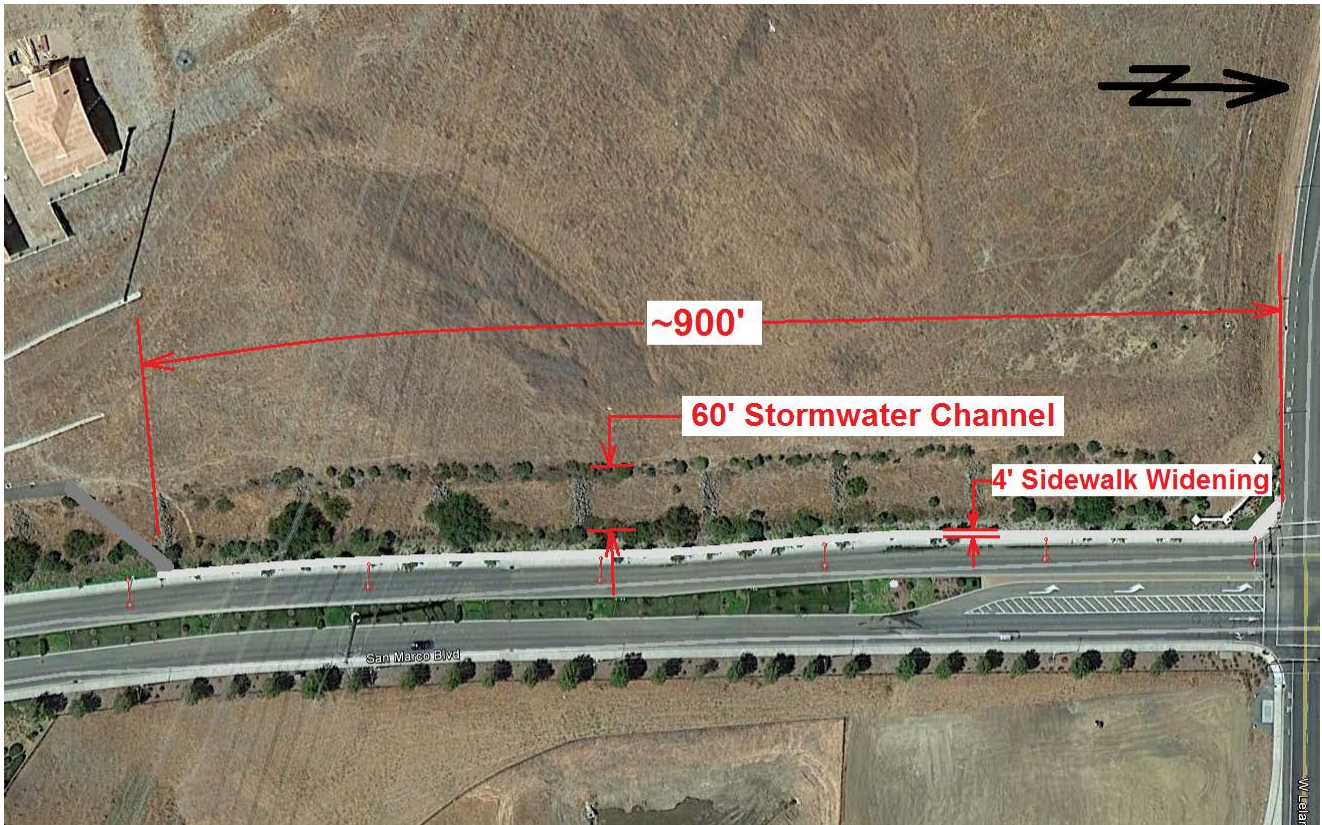
**Funding Sources**  
Eligible Funding Source: OBAG Grant, Measure J  
Identified Funding: \$1,300,000 OBAG Grant,  
\$289,000 Measure J, \$200,000 IRRF

### 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 also include bicycle parking (racks and lockers) and a bus pull-out. The project will also 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. 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 costs incurred for maintenance would be minimal.



## ST-20: San Marco Boulevard Class 1 Trail

**Project No.**  
2014

**Status:**  
2016/17 Allocation – \$265,000

**Estimated Project**  
\$265,000

**Project Limits:**  
San Marco Boulevard, between El Cajon Court to West Leland Road

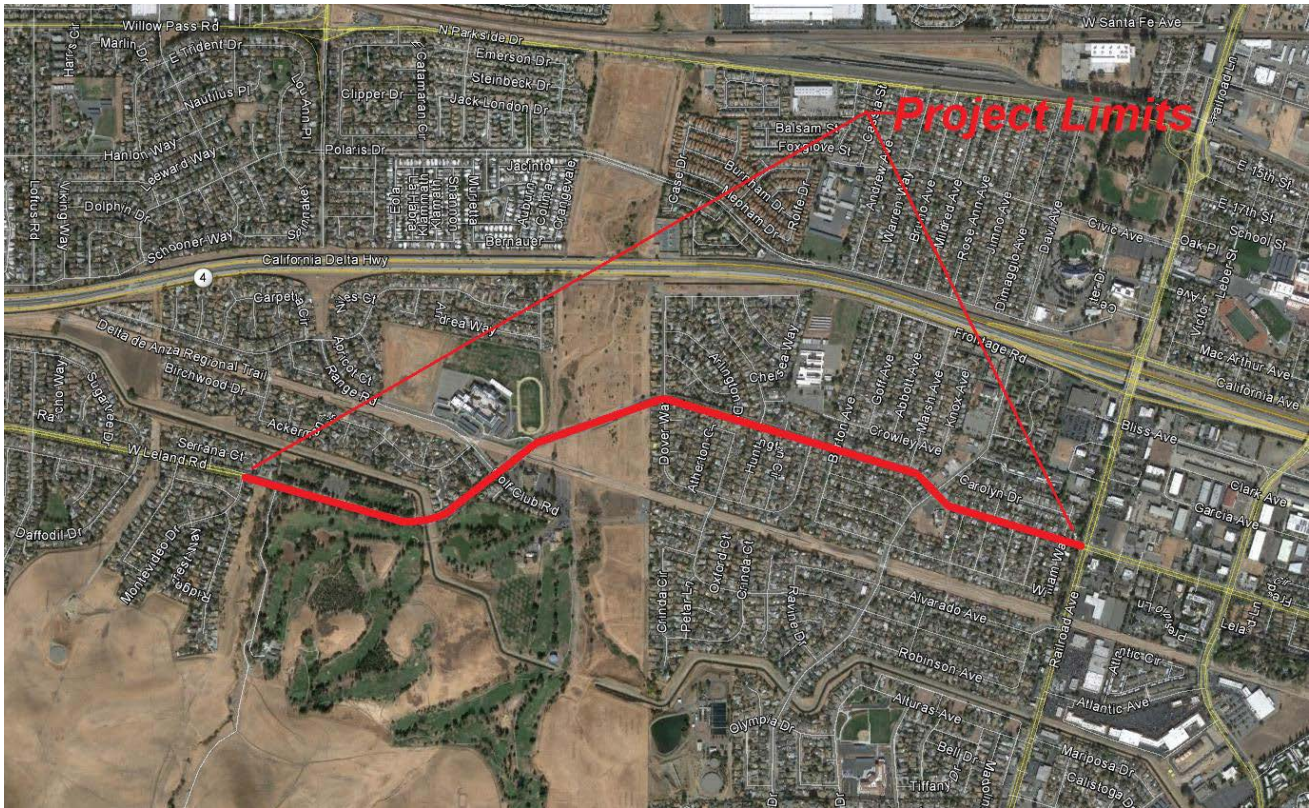
**Funding Sources**  
Eligible Funding Sources: Measure J, TDA Grant  
Identified Funding: Measure J \$132,500, TDA Grant \$120,000

### Project Description:

Construct a Class 1 trail along the west side of San Marco Boulevard within existing City right-of-way, from the existing Class 1 trail ending at El Cajon Court to West Leland Road (approximately 900 lf). Project includes a prefabricated bridge over small drainage watercourse.

### Impact on Operating Budget

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



## ST-38: WEST LELAND ROAD PAVEMENT MARKERS/MARKINGS AND SPEED SIGNAGE IMPROVEMENTS

**Project No.**  
3113

**Status:**  
2016/17 Allocation – \$376,800

**Estimated Project Cost:**  
\$376,800

**Project Limits:**  
West Leland Road, from Railroad Avenue to Montevideo Drive

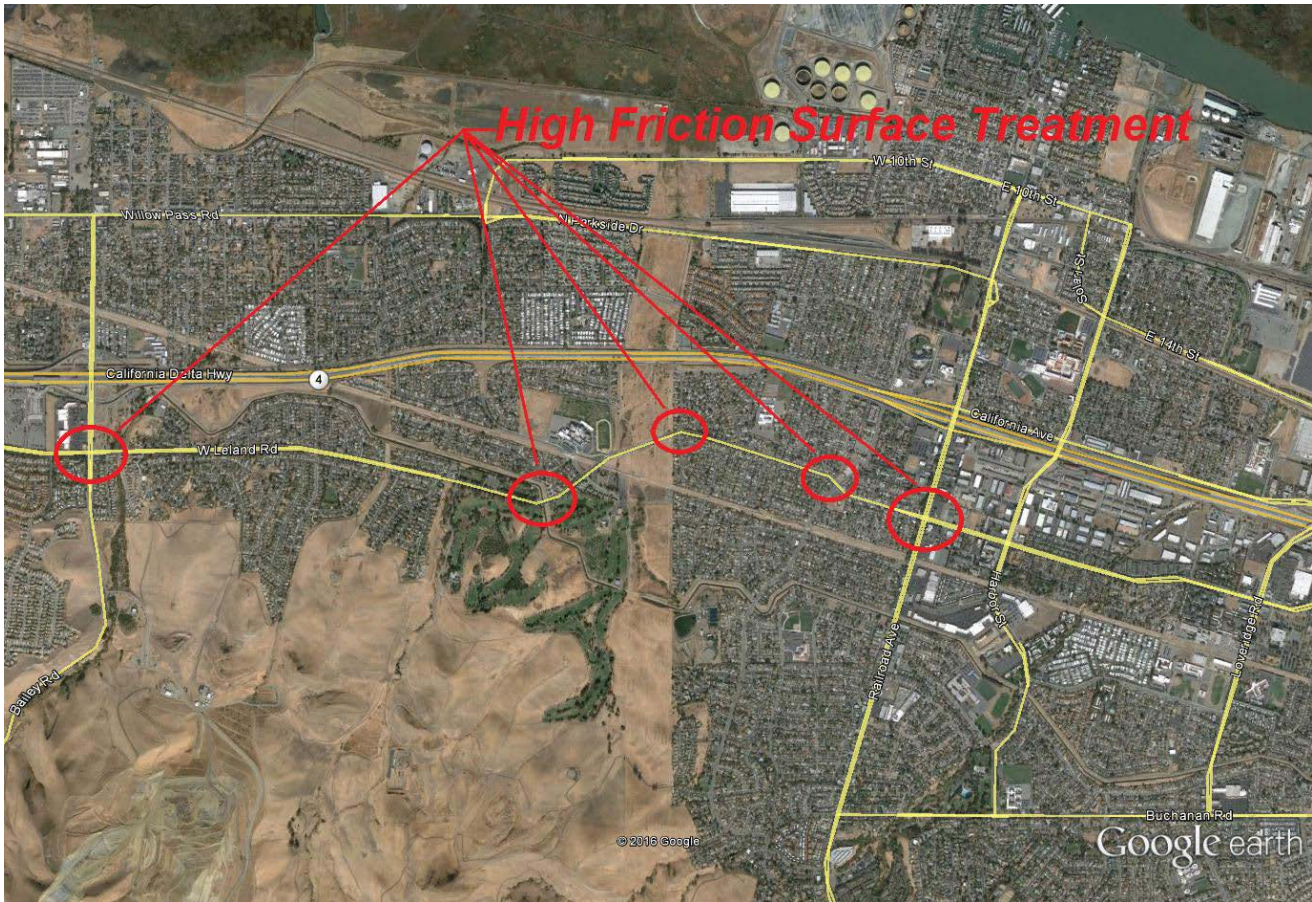
**Funding Sources**  
Eligible Funding Sources: HSIP Grant  
Identified Funding: HSIP \$376,800

### Project Description:

Install highly reflective thermoplastic double yellow 4 inch centerline stripes with rumble stripes between Pamela Way and Montevideo Drive. Thermoplastic centerline stripes to be enhanced by placing reflective markers on top of the thermoplastic striping. Two Way Left Turn Lanes (TWLTL), east of Montevideo, may be omitted from project. Install six (6) driver speed feedback signage at locations prior to horizontal curves.

### Impact on Operating Budget

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



## ST-42: WEST LELAND ROAD HIGH FRICTION SURFACE TREATMENT

**Project No.**  
2207

**Status:**  
2016/17 Allocation – \$608,800

**Estimated Project Cost:**  
\$608,800

**Project Limits:**  
West Leland Road, from Railroad Avenue to  
Montevideo Drive

### Funding Sources

Eligible Funding Sources: Gas Tax, HSIP Grant  
Identified Funding: \$60,880 Gas Tax, \$547,920 HSIP  
Grant

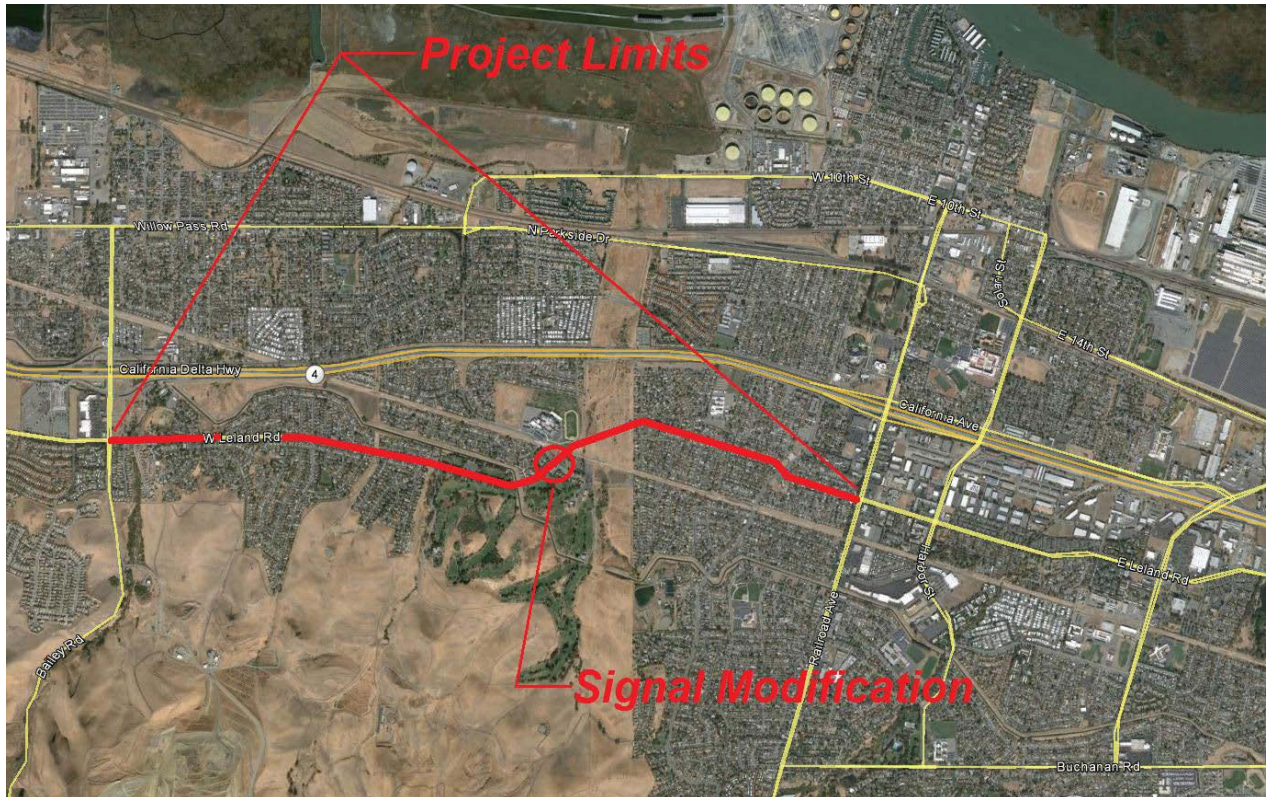
### Project Description:

Install High Friction Surface Treatment (FST) at five (5) locations:

- 1.) Intersection approaches to West Leland Road/Bailey Road
- 2.) Intersection approaches to West Leland Road/Railroad Avenue
- 3.) Horizontal curve between Marsh Avenue and Crestview Avenue
- 4.) Horizontal curve ~900 lf west of West Leland Road/Range Road intersection
- 5.) Horizontal curve west of West Leland Road/Dover Way

### Impact on Operating Budget

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



## ST-43: WEST LELAND ROAD PAVEMENT DELINEATION, WARNING SIGNAGE AND HIGH VISIBILITY CROSSWALK

**Project No.**  
3114

**Status:**  
2016/17 Allocation – \$265,900

**Estimated Project Cost:**  
\$265,900

**Project Limits:**  
West Leland Road, from Railroad Avenue to Bailey Road

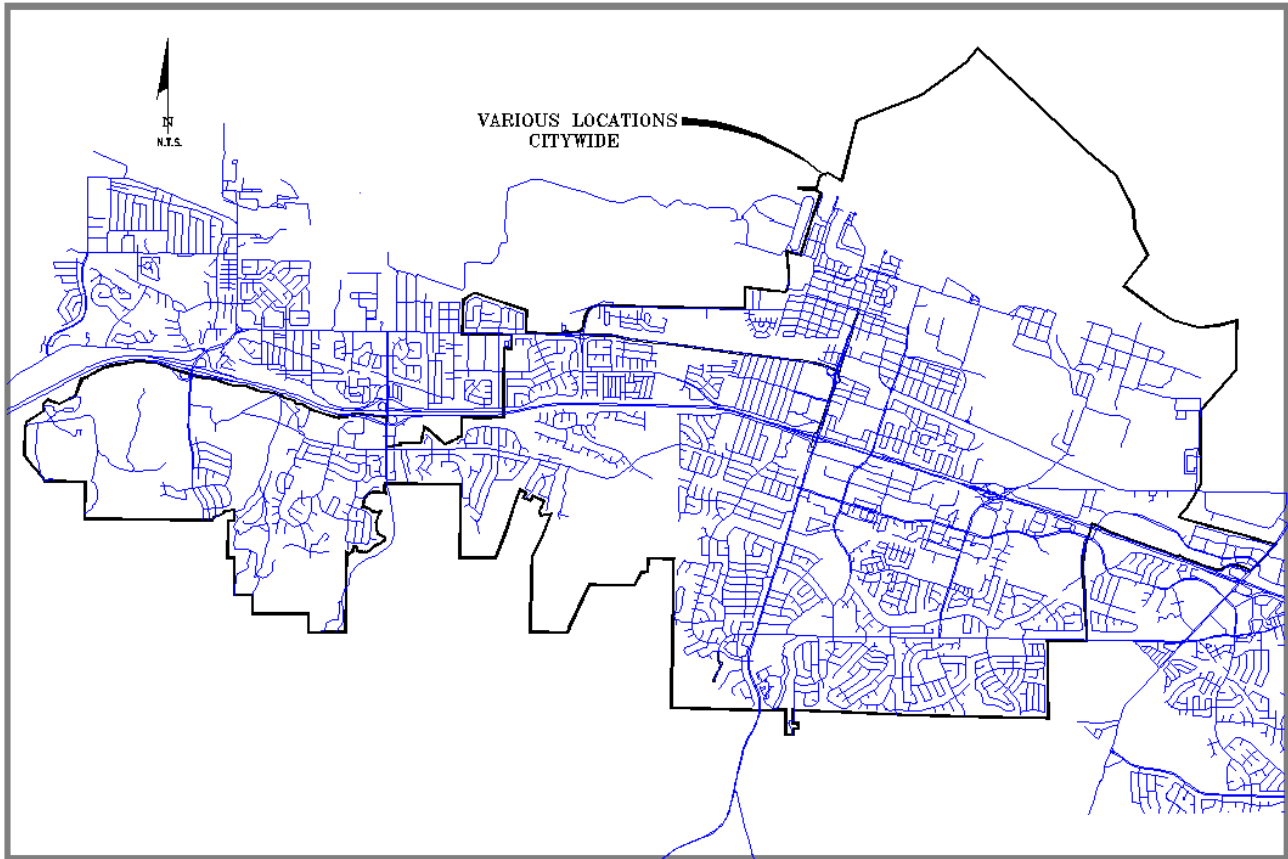
**Funding Sources**  
Eligible Funding Sources: HSIP Grant  
Identified Funding: HSIP Grant \$265,900

### **Project Description:**

Install raised pavement markers and reflectors through intersections to ensure proper lane usage. Install warning signage and reflectors at horizontal curves. Replace existing marked crosswalks with high visibility crosswalks, including advance STOP bars (limit lines). Modify existing traffic signal system at West Leland Road/Range Road/Golf Club Road intersection by adding a left-turn phase for the Range Road approach.

### **Impact on Operating Budget**

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



## W-11: AUTOMATIC METER READING SYSTEM

**Project No.**

5030

**Status:**

Previous Allocation – \$1,656,793

2016/17 Allocation – \$300,000

**Estimated Project Cost:**

\$1,956,793

**Project Limits:**

Water System

**Funding Sources**

Eligible Funding: Water Operations Fund

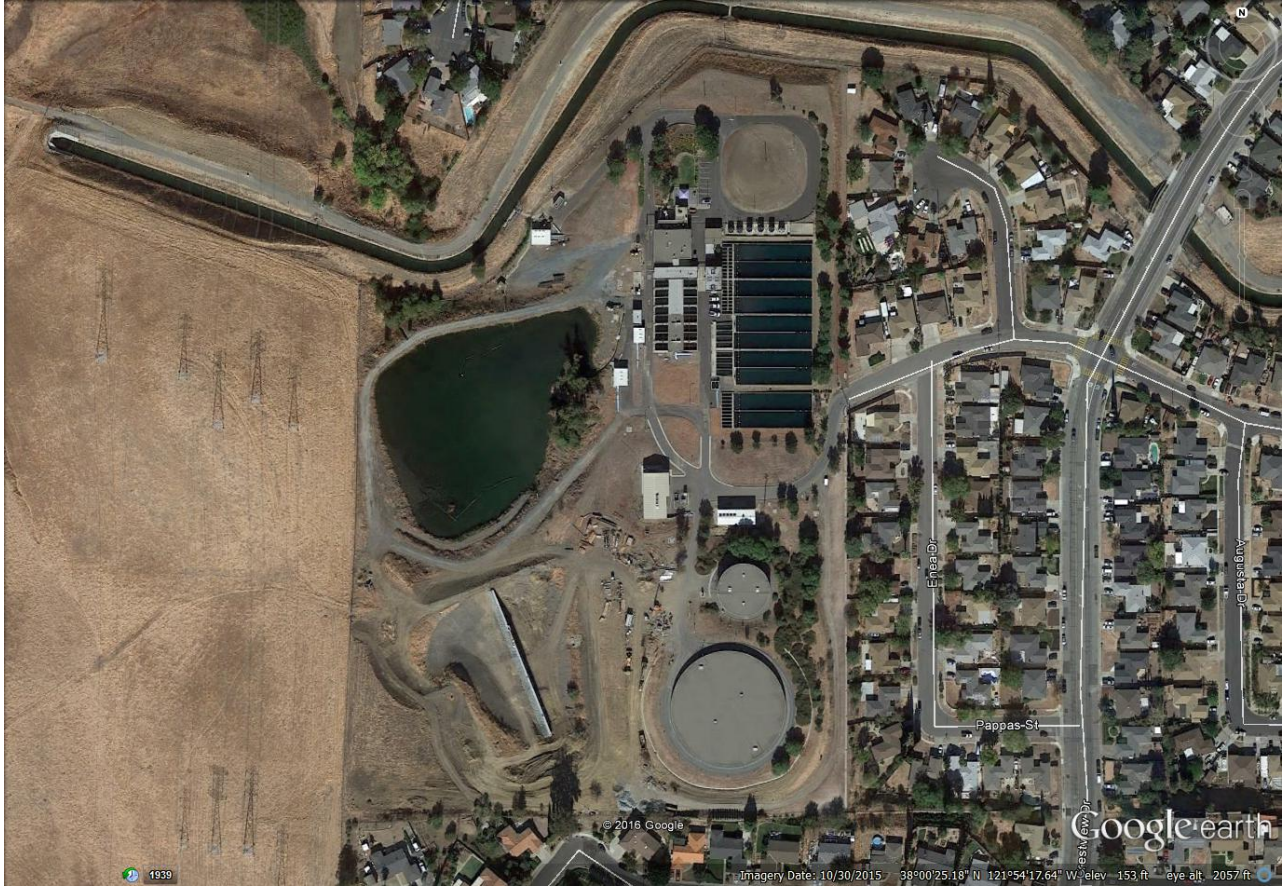
Identified Funding: \$1,956,793 WOF

**Project Description:**

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

**Impact on Water Operating Budget**

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



## W-17: 2016/17 WATER TREATMENT PLANT SLUDGE REMOVAL

**Project No.**  
5055

**Status:**  
2016/17 Allocation – \$250,000

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

**Project Limits:**  
Water Treatment Plant

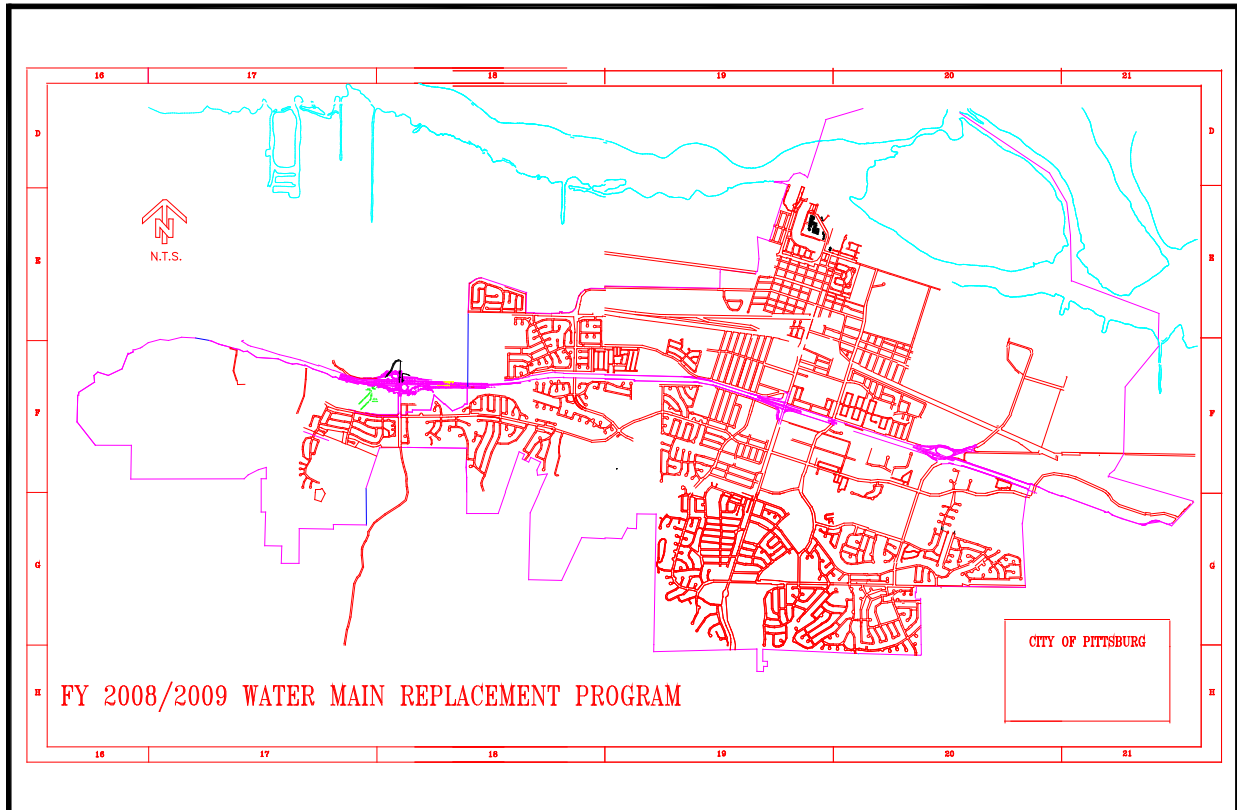
**Funding Sources:**  
Eligible Funding Source: WOF  
Identified Funding: WOF \$250,000

**Project Description:**

This project will remove sludge from the Water Treatment Plant drying basin.

**Impact on Water Operating Budget:**

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



## W-106: 2016/17 WATER MAIN REPLACEMENT/ INSTALLATION PROGRAM

**Project No.**

5054

**Status:**

Previous Allocation – \$450,000

2016/17 Allocation – \$890,000

**Estimated Project Cost:**

\$1,340,000

**Project Limits:**

TBD

**Funding Sources:**

Eligible Funding Source: WOF, WFR, Water Bond

Identified Funding: \$940,000 Water Bond, 400,000

WFR

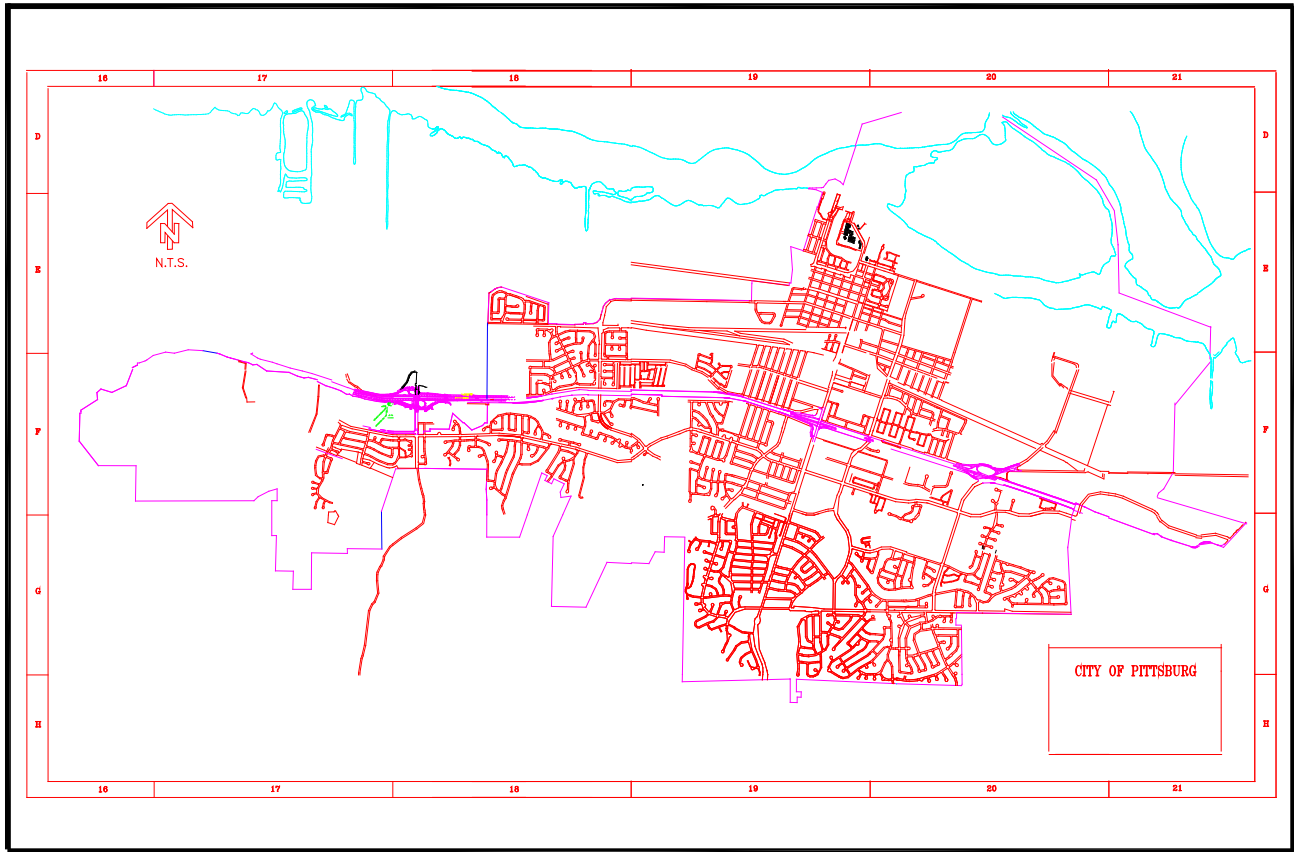
**Project Description:**

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

**Impact on Water Operating Budget:**

No significant impact on the operating budget since this involves replacement of existing inefficient infrastructure.





## SS-34: FY 2016/17 SEWER REPLACEMENT PROGRAM

**Project No.**  
5205

**Status:**  
Previous Allocation – \$500,000  
2016/17 Allocation – \$3,000,000

**Estimated Project Cost:**  
\$3,500,000

**Project Limits:**  
To be determined

**Funding Sources:**  
Eligible Funding Source: Sewer Operations Fund  
Identified Funding Source: \$3,674,000 SOF

**Project Description:**

Project will replace sewer lines that are maintenance problems. Projects could include relining lines and replacing services on portions of Davi, DiMaggio, Jimno, RoseAnn and Mildred.

**Impact on Sewer Operating Budget:**

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



## PP-25: GAS LINE REMOVAL AND REPLACEMENT

**Project No.**

5811

**Status:**

2016/17 Allocation – \$100,000

**Estimated Project Cost:**

\$100,000

**Project Limits:**

N/A

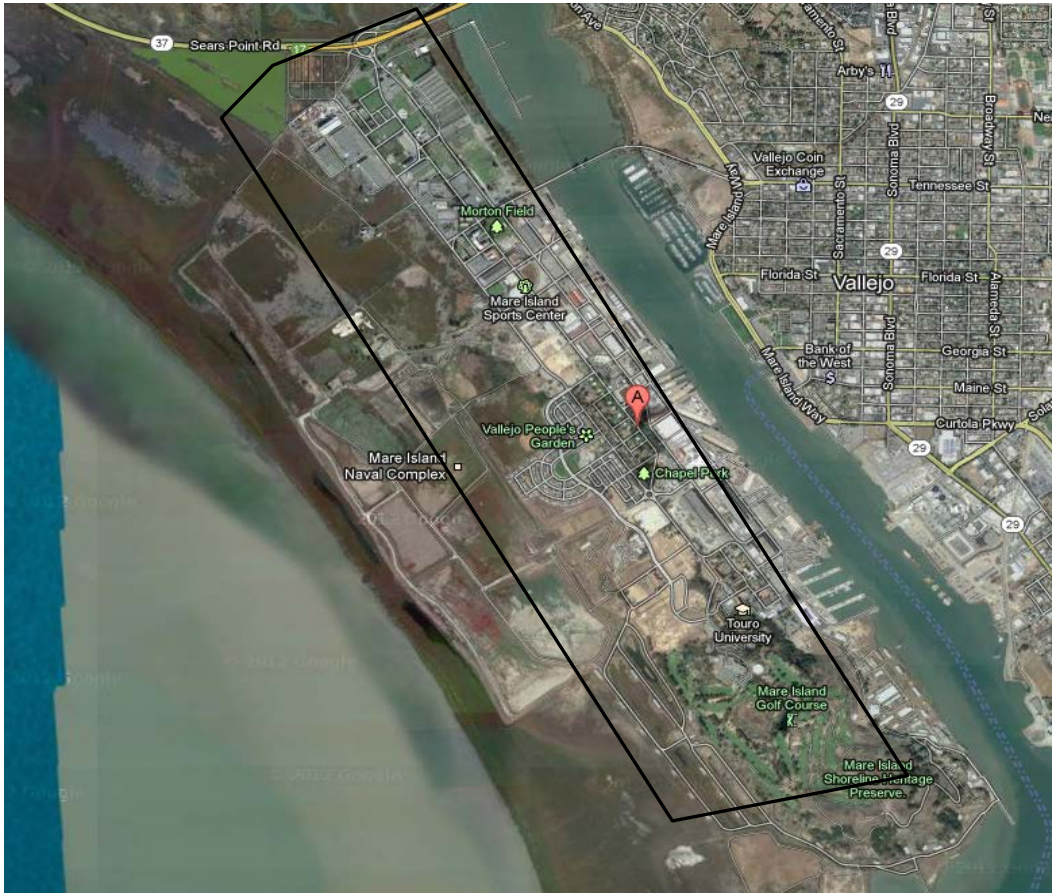
**Funding Sources**

\$100,000 Island Energy

**Project Description:** Remove gas line adjacent to VA clinic and replace with line 100 yards south connecting to existing 4" pipe adjacent to Murigenics building. Remove steel pipe attached to Bldg 599, remove above ground steel filter from VA parking area.

**Impact on Island Energy Operating Budget:**

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



Potential Cable Replacement Area

## PP-27: FY2016-2017 CABLE REPLACEMENT

**Project No.**

5812

**Status:**

2016/17 Allocation – \$500,000

**Estimated Project Cost:**

\$500,000

**Project Limits:**

Island Energy service territory

**Funding Sources**

\$500,000 Island Energy

**Project Description:**

This project will replace approximately 12,000 feet of electrical cable

**Impact on Island Energy Operating Budget:**

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

## ➤ 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 2016/17 fiscal year budget:

Description	Funding Source (Fund)	Total Allocation	Justification
Police Department Presyncnt Law Enforcement Automated Report Writing System	General Fund	38,000	Automating the report writing process will eliminate duplicate data entry, maximize productivity, and protect data integrity. Presyncnt replaces outdated processes that are prone to human error, privacy breaches, and lost data.
Police Department Expansion of Server/Storage	General Fund	30,000	Officer body-worn cameras, in-car cameras and city surveillance cameras require large amounts of data storage. Additional servers/storage are needed in order to meet expanding storage needs.
Equipment for Public Broadcast	Public, Education & Government	75,000	Purchase various pieces of equipment to broadcast public, educational and government programs and activities. Items include video equipment, cameras, digital recorders, fiber optics/cable installation.
Water Lines Towable Construction Light Tower w/Generator	Water Operating	13,000	The towable light tower will provide adequate height and light needed during night work, emergency situations, and in off-street areas while providing power to tools as well.
Water Treatment Plant Lab Equipment Replacement	Water Operating	10,000	Replacement of laboratory equipment that is not cost effective to repair
Water Treatment Plant Pump/Motor Replacement	Water Operating	50,000	Replacement of pumps and motors that are not cost effective to repair
Closed Circuit Television (CCTV) Inspection Truck	Sewer Operating	190,000	CCTV truck is necessary to improve efficiency of preventive maintenance program by pinpointing issues, and providing more effective inspection and assessment of sewers for maintenance or repair
Ford F-550 Diesel Truck w/Service Body & Towing Hitch	Island Energy	65,000	Replaces existing vehicle 3007 which is at the end of its service life and does not have adequate towing capacity
Electrical Supplies for Cable Replacement	Island Energy	20,000	Electric cables and splicing materials needed to replace portions of Island Energy electric distribution system for maintenance purposes
Various Equipment to Install New Facilities	Island Energy	100,000	Various equipment including transformers, switch gear, electric cables
Upgrade and Revamp of City and Marina Websites	Information & Communication Services	75,000	Move City and Marina website to the latest Content Management System (CMS) to replace phased out CMS on which current websites are built
Upgrade City Hall Network to Gigabit Bandwidth	Information & Communication Services	50,000	Network switch replacement to higher capacity necessary to solve the choking of data traffic on the City Hall Network

Description	Funding Source (Fund)	Total Allocation	Justification
Upgrade Windows Client Licenses	Information & Communication Services	10,000	Upgrade needed to latest version of Windows Client Access
Server Replacements	Information & Communication Services	30,000	Replace two servers which have exceeded their attainable life
Desktop Replacements	Information & Communication Services	70,000	50 replacement desktops at \$1,400 each
Police Vehicles	Fleet Maintenance	174,000	4 Ford Utility Police Patrol and Investigations vehicles, which includes two replacements and two additions due to increase in staff (\$128,000) 2 Ford Escape Utility to replace aging Code Enforcement vehicles (\$46,000)
Public Works – Streets	Fleet Maintenance	81,000	1 F350 Flatbed w/lift gate which replaces F350 Flatbed due to miles/condition (\$34,000) 1 F250 Service Body which replaces F250 pickup due to miles/condition (\$32,000) 1 Air Compressor - Air Quality Standards (\$15,000)
Parks & Recreation	Fleet Maintenance	138,000	1 F250 Flatbed which replaces F150 flatbed due to age/condition (\$30,000) 1 F250 Pickup which replaces F250 Graffiti pick-up due to miles/condition (\$26,000) 1 Transit Van which replaces E350 work alternative van due to miles/condition (\$32,000) 1 F150 Pickup which replaces F150 park patrol due to age/condition (\$22,000) 1 John Deere Mower which replaces existing mower due to age/condition (\$28,000)
Water Maintenance	Fleet Maintenance	22,000	1 F150 Pickup which replaces Ford Ranger due to age/condition (\$22,000)
Miscellaneous Equipment	Fleet Maintenance	53,000	New Dump Truck Tail gates (\$15,000), Bobcat attachments (\$13,000), new Backhoe buckets/attachments (\$25,000)
<b>Totals</b>		<b>\$1,294,000</b>	



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## ➤ **FINANCIAL POLICIES AND PROCEDURES**

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

### **Balanced Budget**

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

### **Capital Improvement Plans**

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

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

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

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

### **Consolidated Annual Financial Report (CAFR)**

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

### **Expenditure Controls**

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

### **Financial Plans**

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

### **Fund Balance**

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

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

### **Grant Policy**

The City has established a grant policy that provides an overall framework for the use and management of grant resources including identifying roles and responsibilities for managing the City's grants and compliance with Single Audit Act requirements (Policy is included on Page 275-280 in the Appendix section of the budget).

### **Capital Assets Policy**

The policy defines capital assets as tangible items to be used over a period of time greater than three years and having a value greater than or equal to \$5,000. In addition, the policy classifies assets as either land, buildings, improvements other than buildings or equipment and identifies method of depreciation thereof (Policy is included on Page 251-261 in the Appendix section of the budget).

### **Interfund Transfer Policy**

The policy ensures that procedures related to the administration and accounting for Interfund transactions are documented, communicated, clearly understood, and consistently applied. (Policy is included on Page 285-287 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 wherever practical. The City will update revenue projections annually.

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

### **Debt Policy**

Provides guidelines for issuing and managing the City's debt including selecting the financing team, types of debt the City can issue, and on-going debt administration. (Policy is included on Page 262-274 in the Appendix section of the budget)

### **Fiscal Sustainability Policy**

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



Specifically, the Fiscal Sustainability Policy established (1) minimum unappropriated reserve balances at 30% of operating expenses for the City's General Fund, Internal Services Funds, and Enterprise Funds to be used only for emergencies such as natural disasters, (2) a Budget Stabilization Fund to be used to help absorb costs during an economic downturn and/or budget shortfall with a minimum balance equal to \$1.5 million or 5% of the General Fund operating expenses and a maximum balance of \$7.5 million or 25% of the General Fund operating expenses, (3) an Infrastructure Repair and Replacement Fund and Other Post-employment Benefits (OPEB) Fund that receives surplus Budget Stabilization Fund monies, and (4) required a 4/5 vote of the City Council for appropriation of reserves or to vary the reserve levels. The Ordinance also requires the City to deposit one-time General Fund revenues, projected recurring revenues that exceed 8% or more from the previous fiscal year, and fiscal year-end General Fund surpluses into the Budget Stabilization Fund. (Policy is included on Page 281-284 in the Appendix section of the budget)

### **Investment Policy**

Provides guidelines for the prudent investment of the City's idle funds that optimizes returns while protecting the principal and providing a sufficient liquidity. Identifies eligible investments that include federal securities, Certificates of Deposit (CDs), medium term private security notes of highly rated companies, and Money Market Funds. Delegates investment decisions to the Director of Finance with oversight provided by the City Treasurer and City Manager. (Policy is included on Page 288-309 in the Appendix section of the budget)

### **Purchasing Policies**

Delegates purchasing authority to the City Manager for goods and services valued at \$150,000 or below and to Senior Executive staff for those valued at \$75,000 or below. Identifies formal and informal bidding procedures based on dollar amount. Allows informal bidding construction services of less than \$175,000 and requires formal bidding for those greater than \$175,000. (Policy is included on Page 311-317 in the Appendix section of the budget)



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## ➤ DEBT SERVICE - OVERVIEW

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The City and its related entities have combined outstanding principal of \$507.54 million including pension obligation bonds, assessment district bonds, water and sewer revenues bonds, miscellaneous loans, and Redevelopment Agency (RDA) bonds (now under the Successor Agency to the former Pittsburg Redevelopment Agency).

### **Debt Limit**

The City does not have any plans to issue new debt in the foreseeable future. However, the City's debt limit as defined under California Government Code, Section 43605 as 3.75% of assessed valuation at full cash value is <sup>(1)</sup> \$80.2 million. The City's bond indebtedness is within the legal debt limit.

### **Debt per Capita**

Total debt per capita including RDA bonds, Assessment District Bonds, Water and Sewer revenue bonds, pension obligation bonds and miscellaneous loans is <sup>(2)</sup> \$7,484 and represents <sup>(3)</sup> 11.04% of total personal income.

### **Debt Policy**

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

The City's Appropriations Limit for the 2016-17 Fiscal Year and its calculations can be found in the Appendices section of the budget book

(1) After deducting \$3,914,802,570 Successor Agency to the former Pittsburg Redevelopment incremental valuation

(2) Debt Per Capita =  $\frac{\$507,543,527 \text{ Outstanding Principal}}{67,817 \text{ City Population}} = \$7,484$

(3)  $\frac{\$7,484 \text{ Debt Per Capita}}{67,817 \text{ City Population}} = 11.04\% \text{ of Total Personal Income}$

## ➤ DEBT SERVICE - REVENUE SOURCES

CITY				
<b>- Pension Obligation</b>				
	<b>Series</b>	<b>Allocated Charges</b>	<b>Interest Earnings</b>	<b>FY 16-17</b>
Taxable Pension Funding Bond	2006	\$ 3,547,998.00	\$ 240.00	\$ 3,548,238.00
CCCERA Triennial Experience Update	2006	1,306,656.00	-	1,306,656.00
		<u>4,854,654.00</u>	<u>240.00</u>	<u>4,854,894.00</u>
California Energy Commission Energy Conservation Loan	2012	74,497.14	-	74,497.14
<b>- Assessment District Bonds</b>				
		<b>Assessment Collection</b>		
2011 Reassessment Revenue Refunding Bonds A & B	2011-1	1,734,972.63	23,000.00	1,757,972.63
Century Plaza - AutoMall	2001-03	326,977.26	1,200.00	328,177.26
Community Facilities District - Vista Del Mar	2016	705,306.60	250.00	705,556.60
<i>Total Assessment Districts:</i>		<u>2,767,256.49</u>	<u>24,450.00</u>	<u>2,791,706.49</u>
<b>- Revenue Bonds - Enterprise Funds</b>				
		<b>Sewer/Water Revenues</b>		
Water Revenue Refunding	2008	2,621,751.00	20,000.00	2,641,751.00
<i>Total Revenue Bonds:</i>		<u>2,621,751.00</u>	<u>20,000.00</u>	<u>2,641,751.00</u>
I-Bank Loan - Water System Modification Project	2014	649,427.00	-	649,427.00
2004 Wastewater Bonds- Refinance/Installment Sale Agreement	2014	816,771.00	-	816,771.00
		<u>1,466,198.00</u>	<u>-</u>	<u>1,466,198.00</u>
<b>- Capital Leases for Governmental Activity</b>				
		<b>Allocated Charges</b>		
Street Sweeper	2015	48,472.82	-	48,472.82
Voice Over Internet Protocol (VOIP) System	2012	37,278.00	-	37,278.00
		<u>85,750.82</u>	<u>-</u>	<u>85,750.82</u>
<b>TOTAL CITY DEBT SERVICES:</b>		<b><u>11,870,107.45</u></b>	<b><u>44,690.00</u></b>	<b><u>11,914,797.45</u></b>
<b>SUCCESSOR AGENCY TO FORMER RDA</b>				
	<b>Series</b>	<b>Tax Increment</b>	<b>Interest Earnings</b>	<b>FY 16-17</b>
Tax Allocation Bonds (Partially Refunded by 2014 TARB)	1999	6,545.00	55.00	6,600.00
Subordinate Tax Allocation Bonds (Refunded by 2016A TARB)	2004A	-	-	-
Subordinate Tax Allocation Bonds (Refunded by 2016B TARB)	2006B	-	-	-
Subordinate Tax Allocation Bonds (Refunded by 2016C)	2006C	-	-	-
Subordinate Tax Allocation Bonds (Refunded by 2016A&B TARB)	2008A	-	-	-
Tax Allocation Refunding Bonds	2014	10,941,450.00	15,000.00	10,956,450.00
Subordinate Tax Allocation Refunding Bonds	2016A	6,356,997.92	-	6,356,997.92
Subordinate Tax Allocation Refunding Bonds	2016B	11,838,848.58	-	11,838,848.58
Subordinate Tax Allocation Refunding Bonds, Forward	2016C	1,386,850.00	-	1,386,850.00
Housing Set Aside Tax Allocation Bonds (Refunded by 2016A)	2004A	-	-	-
Housing Set Aside Tax Allocation Bonds (Taxable)	2006A	679,641.40	40,000.00	719,641.40
Housing Set Aside Tax Allocation Refunding Bonds (Taxable)	2016A	1,135,654.13	-	1,135,654.13
<b>TOTAL RDA DEBT SERVICES:</b>		<b><u>32,345,987.03</u></b>	<b><u>55,055.00</u></b>	<b><u>32,401,042.03</u></b>
<b>GRAND TOTAL CITY and RDA DEBT SERVICES:</b>		<b><u>\$ 44,216,094.48</u></b>	<b><u>\$ 99,745.00</u></b>	<b><u>\$ 44,315,839.48</u></b>

## ➤ DEBT SERVICE - EXPENDITURE REQUIREMENTS

CITY	Series	Principal	Interest	Other Costs	FY 16-17	Outstanding Principal as of July 1, 2016
<b>- Pension Obligation Bond</b>						
Taxable Pension Funding Bond	2006	\$ 2,080,456.40	\$ 1,461,240.76	\$ 6,540.00	\$ 3,548,237.16 <sup>(1)</sup>	\$ 56,215,000.00
CCCERA Triennial Experience Update	2006	566,875.00	739,781.00	-	1,306,656.00	10,290,972.96
		<u>2,647,331.40</u>	<u>2,201,021.76</u>	<u>6,540.00</u>	<u>4,854,893.16</u>	<u>66,505,972.96</u>
California Energy Commission Energy Conservation Loan	2012	62,774.90	11,722.24	-	74,497.14	406,267.53
<b>- Assessment District Bonds</b>						
2011 Reassessment Revenue Refunding Bonds A & B	2011-1	1,080,000.00	599,265.63	78,707.00	1,757,972.63	13,835,000.00
Century Plaza - AutoMall	2001-03	120,000.00	188,966.26	19,211.00	328,177.26	3,315,000.00
Community Facilities District - Vista Del Mar	2016	295,000.00	396,356.60	14,200.00	705,556.60	9,655,000.00
<i>Total Assessment Districts:</i>		<u>1,495,000.00</u>	<u>1,184,588.49</u>	<u>112,118.00</u>	<u>2,791,706.49</u>	<u>26,805,000.00</u>
<b>- Revenue Bonds (Enterprise Funds)</b>						
Water Revenue Refunding	2008	1,140,000.00	30,856.00	1,470,895.00	2,641,751.00	30,485,000.00
<i>Total Revenue Bonds:</i>		<u>1,140,000.00</u>	<u>30,856.00</u>	<u>1,470,895.00</u>	<u>2,641,751.00</u>	<u>30,485,000.00</u>
I-Bank Loan - Water System Modification Project	2014	227,957.00	387,968.00	33,502.00	649,427.00	11,167,171.70
2004 Wastewater Bonds- Refinance/Installment Sale Agreement	2014	753,000.00	56,971.00	6,800.00	816,771.00	3,864,000.00
		<u>980,957.00</u>	<u>444,939.00</u>	<u>40,302.00</u>	<u>1,466,198.00</u>	<u>15,031,171.70</u>
<b>- Capital Leases for Governmental Activity</b>						
Street Sweeper	2015	43,161.45	5,311.37	-	48,472.82	203,857.34
Voice Over Internet Protocol (VOIP) System	2012	36,257.00	1,021.00	-	37,278.00	36,257.00
		<u>79,418.45</u>	<u>6,332.37</u>	<u>-</u>	<u>85,750.82</u>	<u>240,114.34</u>
<b>TOTAL CITY DEBT SERVICES:</b>		<b><u>6,405,481.75</u></b>	<b><u>3,879,459.86</u></b>	<b><u>1,629,855.00</u></b>	<b><u>11,914,796.61</u></b>	<b><u>139,473,526.53</u></b>

SUCCESSOR AGENCY TO FORMER RDA	Series	Principal	Interest	Other Costs	FY 16-17	Outstanding Principal as of July 1, 2016
Tax Allocation Bonds (Partially Refunded by 2014 TARB)	1999	-	-	6,600.00	6,600.00 <sup>(2)</sup>	95,795,000.00
Subordinate Tax Allocation Bonds (Refunded by 2016A TARB)	2004A	-	-	-	-	-
Subordinate Tax Allocation Bonds (Refunded by 2016B TARB)	2006B	-	-	-	-	-
Subordinate Tax Allocation Bonds (Refunded by 2016C)	2006C	-	-	-	-	-
Subordinate Tax Allocation Bonds (Refunded by 2016A&B TARB)	2008A	-	-	-	-	-
Tax Allocation Refunding Bonds	2014	7,960,000.00	2,991,200.00	5,250.00	10,956,450.00	64,800,000.00
Subordinate Tax Allocation Refunding Bonds	2016A	-	6,354,497.92	2,500.00	6,356,997.92	120,085,000.00
Subordinate Tax Allocation Refunding Bonds (Taxable)	2016B	11,385,000.00	451,348.58	2,500.00	11,838,848.58	26,690,000.00
Subordinate Tax Allocation Refunding Bonds, Forward	2016C	-	1,384,350.00	2,500.00	1,386,850.00	37,755,000.00
Housing Set Aside Tax Allocation Bonds (Refunded by 2016A)	2004A	-	-	-	-	-
Housing Set Aside Tax Allocation Bonds (Taxable)	2006A	240,000.00	475,641.40	4,000.00	719,641.40	9,100,000.00
Housing Set Aside Tax Allocation Refunding Bonds (Taxable)	2016A	665,000.00	468,154.13	2,500.00	1,135,654.13	13,845,000.00
<b>TOTAL RDA DEBT SERVICES:</b>		<b><u>20,250,000.00</u></b>	<b><u>12,125,192.03</u></b>	<b><u>25,850.00</u></b>	<b><u>32,401,042.03</u></b>	<b><u>368,070,000.00</u></b>
<b>GRAND TOTAL CITY and RDA DEBT SERVICES:</b>		<b><u>\$ 26,655,481.75</u></b>	<b><u>\$ 16,004,651.89</u></b>	<b><u>\$ 1,655,705.00</u></b>	<b><u>\$ 44,315,838.64</u></b>	<b><u>\$ 507,543,526.53</u></b>

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

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

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>CITY OF PITTSBURG</b> <b>Taxable Pension Funding Bonds Series 2006</b>
DATE OF ISSUES:	June 15, 2006
AMOUNT OF ISSUE:	\$ 39,566,055.85
AMOUNT OUTSTANDING: (June 30, 2016)	\$ 56,215,000.00 <sup>(1)</sup>
DESCRIPTION:	The City issued \$39,566,055.85 of Series 2006 Taxable Pension Funding Bonds bearing interest at 5.78 to 6.11%, to prepay the City unfunded accrued liability for the Miscellaneous and Safety plans in the amount of \$25,977,758 to the Public Employees' Retirement System (PERS). The City also prepaid the unfunded liability owed to Contra Costa County Employees Retirement Association (CCCERA) which amounted to \$12,700,000 as of June 30, 2006. Bonds were issued as current interest bonds and capital appreciation bonds. Repayment of accreted principal commenced on July 1, 2015
PAYMENT DATES:	January 1 and July 1 of each year.
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

### DEBT SERVICE REQUIREMENTS

	FY 2015-16	FY 2016-17	FY 2015-2017
<b>REVENUE SOURCES</b>			
Allocated Charges	\$ 3,501,694.36	\$ 3,547,998.00	\$ 7,049,692.36
Interest Earnings	240.00	240.00	480.00
<b>TOTAL:</b>	<b>\$ 3,501,934.36</b>	<b>\$ 3,548,238.00</b>	<b>\$ 7,050,172.36</b>
<b>EXPENDITURES</b>			
Fiscal Paying Agent Fees	\$ 2,080.00	\$ 2,540.00	\$ 4,620.00
Professional Administrative Fees	4,000.00	4,000.00	8,000.00
Principal Reduction	1,280,275.40	1,272,394.70	2,552,670.10
CAB Accreted Principal	674,725.60	747,605.30	1,422,330.90
Interest Expense	1,479,171.16	1,461,240.76	2,940,411.92
Pre-Pay Principal <sup>(2)</sup>	56,613.20	60,456.40	117,069.60
<b>TOTAL:</b>	<b>\$ 3,496,865.36</b>	<b>\$ 3,548,237.16</b>	<b>\$ 7,045,102.52</b>

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

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

## ➤ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	CAB ACCRETED		TOTAL
			PRINCIPAL	INTEREST	
2017	1,272,394.70	1,461,240.76	747,605.30		3,481,240.76
2018	1,269,003.50	1,440,995.36	820,996.50		3,530,995.36
2019	1,271,822.50	1,418,272.36	888,177.50		3,578,272.36
2020	1,280,580.35	1,392,910.56	959,419.65		3,632,910.56
2021	1,291,856.95	1,364,763.36	1,028,143.05		3,684,763.36
2022	1,310,577.00	1,333,684.16	1,094,423.00		3,738,684.16
2023	1,357,230.10	1,299,389.11	1,197,769.90		3,854,389.11
2024	1,385,374.00	1,261,571.51	1,264,626.00		3,911,571.51
2025	1,419,515.65	1,220,060.78	1,330,484.35		3,970,060.78
2026	1,456,284.80	1,174,709.20	1,398,715.20		4,029,709.20
2027	1,188,856.15	1,134,528.00	1,466,143.85		3,789,528.00
2028	1,212,219.45	1,099,960.35	1,532,780.55		3,844,960.35
2029	1,237,636.50	1,062,438.20	1,597,363.50		3,897,438.20
2030	1,270,133.20	1,021,813.83	1,664,866.80		3,956,813.83
2031	1,308,271.60	977,791.78	1,731,728.40		4,017,791.78
2032	1,749,024.00	915,008.65	1,400,976.00		4,065,008.65
2033	3,295,000.00	777,772.13	-		4,072,772.13
2034	3,555,000.00	575,388.88	-		4,130,388.88
2035	3,835,000.00	357,051.33	-		4,192,051.33
2036	4,125,000.00	121,873.13	-		4,246,873.13
<b>TOTAL</b>	<b>\$ 36,090,780.45</b>	<b>\$ 21,411,223.44</b>	<b>\$ 20,124,219.55</b>	<b>\$</b>	<b>77,626,223.44</b>

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

## ➤ DEBT SERVICE REQUIREMENTS

### 2006 CCCERA TRIENNIAL EXPERIENCE UPDATE (Issued in 2008)

AGREEMENT:	<b>Termination Agreement between City of Pittsburg and Contra Costa County Employees' Retirement Association</b>
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, 2016)	\$ 10,290,972.96
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 2015-16	FY 2016-17	FY 2015-2017
<b>REVENUE SOURCES</b>			
Allocated Charges	\$ 1,306,655.70	\$ 1,306,656.00	\$ 2,613,311.70
Interest Fiscal Agent	-	-	-
	<b>\$ 1,306,655.70</b>	<b>\$ 1,306,656.00</b>	<b>\$ 2,613,311.70</b>
<b>EXPENDITURES</b>			
Principal Reduction	\$ 528,554.93	\$ 566,875.00	\$ 1,095,429.93
Interest Expense	778,100.77	739,781.00	1,517,881.77
<b>TOTAL:</b>	<b>\$ 1,306,655.70</b>	<b>\$ 1,306,656.00</b>	<b>\$ 2,613,311.70</b>



**➤ DEBT SERVICE - AMORTIZATION SCHEDULE**

**CCCERA  
(Issued in 2008)**

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
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
			-
<b>TOTAL</b>	<b>\$ 10,290,973</b>	<b>\$ 5,388,895</b>	<b>\$ 15,679,868</b>

➤ **DEBT SERVICE REQUIREMENTS**

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

AGREEMENT: **State of California Energy Resources Conservation and Development Commission Loan No. 008-10-ECD**

AGREEMENT DATE: May 31, 2012

CITY RESOLUTION NO.: 11-11740

AMOUNT OF ISSUE: \$ 571,096.97

AMOUNT OUTSTANDING: \$ 406,267.53  
(June 30, 2016)

DESCRIPTION: City of Pittsburg has obtained a loan from the California Energy Commission (CEC), bearing an interest rate of 3.00% to convert all decorative lamp fixtures from High Pressure Sodium (HPS) to Light Emitted Diode (LED), including the installation of 621 LED lamps on 610 poles.

DUE and PAYABLE ON: December 22 and June 22 each Year

PAYMENT ENTITY: State of California Energy Resource Conservation & Development Commission

**DEBT SERVICE REQUIREMENTS**

	FY 2015-16	FY 2016-17	FY 2016-2017
<b>REVENUE SOURCES</b>			
Citywide Lighting PG&E Savings	\$ 74,497.14	\$ 74,497.14	\$ 148,994.28
	-	-	-
	<b>\$ 74,497.14</b>	<b>\$ 74,497.14</b>	<b>\$ 148,994.28</b>
<b>EXPENDITURES</b>			
Principal Reduction	\$ 60,898.33	\$ 62,774.90	\$ 123,673.23
Interest Expense	13,598.81	11,722.24	25,321.05
<b>TOTAL:</b>	<b>\$ 74,497.14</b>	<b>\$ 74,497.14</b>	<b>\$ 148,994.28</b>

➤ **DEBT SERVICE - AMORTIZATION SCHEDULE**

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

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2017	62,774.90	11,722.24	74,497.14
2018	64,672.27	9,824.87	74,497.14
2019	66,627.00	7,870.14	74,497.14
2020	68,626.15	5,870.99	74,497.14
2021	70,715.02	3,782.12	74,497.14
2022	72,852.19	1,644.76	74,496.95
<b>TOTAL</b>	<b>\$ 406,267.53</b>	<b>\$ 40,715.12</b>	<b>\$ 446,982.65</b>

➤ **DEBT SERVICE REQUIREMENTS**

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

AGREEMENT: **Tax-Exempt Equipment Lease-Purchase Agreement by and between Holman Capital Corporation and the City of Pittsburgh**

AGREEMENT DATE: November 5, 2015

CITY RESOLUTION NO.: 15-13127

AMOUNT OF ISSUE: \$ 225,000.00

AMOUNT OUTSTANDING: \$ 203,857.34  
(June 30, 2016)

DESCRIPTION: The City of Pittsburgh entered into a lease-purchase agreement with Holman Capital for the lease/purchase of a new street sweeper which is needed to fulfill contract obligations, clean the street, and reduce pollutants in storm drains as required per the City's NPDES Permit. The scheduled lease term is 5 years at an interest rate of 2.75%

DUE and PAYABLE ON: November 5 and May 5 Each Year

PAYMENT ENTITY: Holman Capital Corporation

**DEBT SERVICE REQUIREMENTS**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2016-2017</b>
<b>REVENUE SOURCES</b>			
Fleet Maintenance Allocations:	\$ 24,236.41	\$ 48,472.82	\$ 72,709.23
	-	-	-
	<b>\$ 24,236.41</b>	<b>\$ 48,472.82</b>	<b>\$ 72,709.23</b>
<b>EXPENDITURES</b>			
Principal Reduction	\$ 21,142.66	\$ 43,161.45	\$ 64,304.11
Interest Expense	3,093.75	5,311.37	8,405.12
<b>TOTAL:</b>	<b>\$ 24,236.41</b>	<b>\$ 48,472.82</b>	<b>\$ 72,709.23</b>

➤ **DEBT SERVICE - AMORTIZATION SCHEDULE**

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

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2017	43,161.45	5,311.37	48,472.82
2018	44,356.55	4,116.27	48,472.82
2019	45,584.74	2,888.08	48,472.82
2020	46,846.94	1,625.88	48,472.82
2021	23,907.66	328.75	24,236.41
<b>TOTAL</b>	<b>\$ 203,857.34</b>	<b>\$ 14,270.35</b>	<b>\$ 218,127.69</b>

➤ **DEBT SERVICE REQUIREMENTS**

**Voice Over Internet Protocol (VOIP) System  
(Issued in 2012)**

AGREEMENT: **Tax-Exempt Lease Agreement between Key Government Finance, Inc. and the City of Pittsburg**

AGREEMENT DATE: November 2, 2012

CITY RESOLUTION NO.: 12-11888

AMOUNT OF ISSUE: \$ 310,572.00

AMOUNT OUTSTANDING: \$ 36,257.00  
(June 30, 2016)

DESCRIPTION: The City of Pittsburg entered into four-year tax-exempt lease agreement with Key Government Finance, Inc., the proceeds of which were used to upgrade the telephone voice over internet protocol (VOIP) system. The interest rate on the capital lease is 2.820%

DUE and PAYABLE ON: November 2 Each Year

PAYMENT ENTITY: Key Government Finance, Inc.

**DEBT SERVICE REQUIREMENTS**

	FY 2015-16	FY 2016-17	FY 2016-2017
<b>REVENUE SOURCES</b>			
IT Allocations	\$ 37,279.00	\$ 37,278.00	\$ 74,557.00
	-	-	-
	<b>\$ 37,279.00</b>	<b>\$ 37,278.00</b>	<b>\$ 74,557.00</b>
<b>EXPENDITURES</b>			
Principal Reduction	\$ 35,263.00	\$ 36,257.00	\$ 71,520.00
Interest Expense	2,016.00	1,021.00	3,037.00
<b>TOTAL:</b>	<b>\$ 37,279.00</b>	<b>\$ 37,278.00</b>	<b>\$ 74,557.00</b>

➤ **DEBT SERVICE - AMORTIZATION SCHEDULE**

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**Voice Over Internet Protocol (VOIP) System  
(Issued in 2012)**

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2017	36,257.00	1,021.00	37,278.00
<b>TOTAL</b>	<b>\$ 36,257.00</b>	<b>\$ 1,021.00</b>	<b>\$ 37,278.00</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>Pittsburg Infrastructure Financing Authority 2011 Reassessment Revenue Refunding Bonds A &amp; B</b>
DATE OF ISSUES:	August 24, 2011
AMOUNT OF ISSUE:	\$ 17,840,000.00
AMOUNT OUTSTANDING: (June 30, 2016)	\$ 13,835,000.00
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

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2015-2017</u>
<b>REVENUE SOURCES</b>			
Assessment Collection	\$ 1,741,768.76	\$ 1,734,972.63	\$ 3,476,741.39
Interest Earnings	24,900.00	23,000.00	47,900.00
<b>TOTAL:</b>	<b>\$ 1,766,668.76</b>	<b>\$ 1,757,972.63</b>	<b>\$ 3,524,641.39</b>
<b>EXPENDITURES</b>			
Fiscal Paying Agent Fees	\$ 3,960.00	\$ 4,000.00	\$ 7,960.00
Professional Administrative Fees	47,910.00	45,000.00	92,910.00
County Admin. Fees	3,825.00	4,300.00	8,125.00
City Admin. Fees	24,430.00	25,407.00	49,837.00
Principal Reduction	1,055,000.00	1,080,000.00	2,135,000.00
Interest Expense	631,543.76	599,265.63	1,230,809.39
<b>TOTAL:</b>	<b>\$ 1,766,668.76</b>	<b>\$ 1,757,972.63</b>	<b>\$ 3,524,641.39</b>



**➤ DEBT SERVICE - AMORTIZATION SCHEDULE**

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

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
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
<b>TOTAL</b>	<b>\$ 13,835,000.00</b>	<b>\$ 4,538,853.16</b>	<b>\$18,373,853.16</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>CITY OF PITTSBURG</b> Century Plaza Auto Mall Assessment District 2001-03
DATE OF ISSUES:	October 1, 2002
AMOUNT OF ISSUE:	\$ 4,405,000.00
AMOUNT OUTSTANDING: (June 30, 2016)	\$ 3,315,000.00
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

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2015-2017</u>
<b>REVENUE SOURCES</b>			
Assessment Collection	\$ 325,242.67	\$ 326,977.26	\$ 652,219.93
Interest Earnings	2,150.00	1,200.00	3,350.00
<b>TOTAL:</b>	<b>\$ 327,392.67</b>	<b>\$ 328,177.26</b>	<b>\$ 655,569.93</b>
<b>EXPENDITURES</b>			
Fiscal Paying Agent Fees	\$ -	\$ -	\$ -
Professional Administrative Fees	12,364.91	14,258.00	26,622.91
County Admin. Fees	300.00	300.00	600.00
City Admin. Fees	4,474.00	4,653.00	9,127.00
Principal Reduction	115,000.00	120,000.00	235,000.00
Interest Expense	195,253.76	188,966.26	384,220.02
<b>TOTAL:</b>	<b>\$ 327,392.67</b>	<b>\$ 328,177.26</b>	<b>\$ 655,569.93</b>

## ➤ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
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			
<b>TOTAL</b>	<b>\$ 3,315,000.00</b>	<b>\$ 1,905,305.77</b>	<b>\$ 5,220,305.77</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES: **CITY OF PITTSBURG**  
**Vista Del Mar CFD Special Tax Bonds 2005-02**

DATE OF ISSUES: June 30, 2015

AMOUNT OF ISSUE: \$ 9,655,000.00

AMOUNT OUTSTANDING: \$ 9,655,000.00  
(June 30, 2016)

DESCRIPTION: The Vista Del Mar CFD No. 2005-2 Special Tax Bonds were issued by the City pursuant to the Mello-Roos Community Facilities Act of 1982 for the purpose of constructing and acquiring certain public facilities of benefit to the District. The bonds proceeds were also used to provide for a Reserve Account, Capitalized Interest fund, and the cost of issuance of the Bonds. In June 2015, the bonds were refunded in full and defeased by the issuance of the 2015 Vista Del Mar Assessment District Special Tax Refunding Bonds.

PAYMENT DATES: September 1 and March 1

PAYMENT AGENT: The Bank of New York Mellon Trust Company N.A.

### DEBT SERVICE REQUIREMENTS

	FY 2015-16	FY 2016-17	FY 2015-2017
<b>REVENUE SOURCES</b>			
Assessment Collection	\$ 800,820.00	\$ 705,306.60	\$ 1,506,126.60
Interest Earnings	250.00	250.00	500.00
<b>TOTAL:</b>	<b>\$ 801,070.00</b>	<b>\$ 705,556.60</b>	<b>\$ 1,506,626.60</b>
<b>EXPENDITURES</b>			
Fiscal Paying Agent Fees	\$ -	\$ -	\$ -
Professional Administrative Fees	9,400.00	13,500.00	22,900.00
County Admin. Fees	700.00	700.00	1,400.00
Principal Reduction	300,000.00	295,000.00	595,000.00
Interest Expense	490,970.00	396,356.60	887,326.60
<b>TOTAL:</b>	<b>\$ 801,070.00</b>	<b>\$ 705,556.60</b>	<b>\$ 1,506,626.60</b>

## ➤ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2017	295,000.00	396,356.60	691,356.595
2018	360,000.00	358,618.76	718,618.760
2019	365,000.00	351,368.76	716,368.760
2020	375,000.00	343,968.76	718,968.760
2021	380,000.00	333,931.26	713,931.260
2022	395,000.00	320,993.76	715,993.760
2023	405,000.00	304,218.76	709,218.760
2024	425,000.00	283,468.76	708,468.760
2025	445,000.00	261,718.76	706,718.760
2026	465,000.00	238,968.76	703,968.760
2027	490,000.00	218,768.76	708,768.760
2028	505,000.00	201,040.63	706,040.630
2029	520,000.00	182,137.50	702,137.500
2030	540,000.00	161,587.50	701,587.500
2031	560,000.00	139,587.50	699,587.500
2032	580,000.00	116,787.50	696,787.500
2033	600,000.00	92,812.50	692,812.500
2034	625,000.00	67,546.88	692,546.880
2035	650,000.00	41,250.01	691,250.010
2036	675,000.00	13,921.88	688,921.880
<b>TOTAL</b>	<b>\$ 9,655,000.00</b>	<b>\$ 4,429,053.60</b>	<b>\$ 14,084,053.60</b>

## ➤ DEBT SERVICE REQUIREMENTS

### I BANK LOAN - WATER SYSTEMS MODIFICATION PROJECT

INSTALLMENT SALE AGREEMENT	<b>Installment Sale Agreement by and between the City of Pittsburg and the California Infrastructure and Economic Development Bank</b>
AGREEMENT DATE	November 17,2014
AMOUNT OF ISSUE:	\$ 11,387,398
AMOUNT OUTSTANDING: (June 30, 2016)	\$ 11,167,172
DESCRIPTION:	City of Pittsburg Resolution No. 14-12168 dated 08/18/14 Authorized Incurring an Obligation, Payable to the California Infrastructure and Economic Development Bank (I-Bank), for the Financing of Modifications to the Water Treatment Plant and Installation of Transmission Lines, not to exceed \$11,500,000, and Authorized Execution of an Installment Sale Agreement with the City of Pittsburg and an Assignment Agreement with I-Bank .
PAYMENT DATES:	February 1 and August 1
PAYMENT ENTITY:	California Infrastructure and Economic Development Bank (I-Bank)

#### DEBT SERVICE REQUIREMENTS

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2015-2017</u>
<b>REVENUE SOURCES</b>			
Water Charge Revenues	\$ 650,221.18	\$ 649,427.00	\$ 1,299,648.18
Interest Earnings		-	-
<b>TOTAL:</b>	<b>\$ 650,221.18</b>	<b>\$ 649,427.00</b>	<b>\$ 1,299,648.18</b>
<b>EXPENDITURES</b>			
Professional Administrative Fees	\$ 34,162.20	\$ 33,502.00	\$ 67,664.20
Principal Reduction	220,226.29	227,957.00	448,183.29
Interest Expense	395,832.69	387,968.00	783,800.69
<b>TOTAL:</b>	<b>\$ 650,221.18</b>	<b>\$ 649,427.00</b>	<b>\$ 1,299,648.18</b>

**➤ DEBT SERVICE - AMORTIZATION SCHEDULE**  
**I-BANK LOAN - WATER SYSTEMS MODIFICATION PROJECT**

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>ANNUAL FEE</b>	<b>TOTAL</b>
2017	227,956.23	387,967.09	33,501.52	649,424.84
2018	235,957.50	379,825.41	32,817.65	648,600.56
2019	244,239.61	371,397.95	32,109.77	647,747.33
2020	252,812.42	362,674.68	31,377.06	646,864.16
2021	261,686.13	353,645.23	30,618.62	645,949.98
2022	270,871.32	344,298.85	29,833.56	645,003.73
2023	280,378.90	334,624.41	29,020.95	644,024.26
2024	290,220.20	324,610.40	28,179.81	643,010.41
2025	300,406.93	314,244.90	27,309.15	641,960.98
2026	310,951.21	303,515.56	26,407.93	640,874.70
2027	321,865.60	292,409.62	25,475.07	639,750.29
2028	333,163.08	280,913.87	24,509.48	638,586.43
2029	344,857.10	269,014.62	23,509.99	637,381.71
2030	356,961.59	256,697.70	22,475.42	636,134.71
2031	369,490.94	243,948.45	21,404.53	634,843.92
2032	382,460.07	230,751.71	20,296.06	633,507.84
2033	395,884.42	217,091.77	19,148.68	632,124.87
2034	409,779.96	202,952.36	17,961.03	630,693.35
2035	424,163.24	188,316.66	16,731.69	629,211.59
2036	439,051.37	173,167.24	15,459.20	627,677.81
2037	454,462.07	157,486.07	14,142.04	626,090.18
2038	470,413.69	141,254.50	12,778.66	624,446.85
2039	486,925.21	124,453.21	11,367.41	622,745.83
2040	504,016.29	107,062.19	9,906.64	620,985.12
2041	521,707.26	89,060.74	8,394.59	619,162.59
2042	540,019.18	70,427.44	6,829.47	617,276.09
2043	558,973.86	51,140.11	5,209.41	615,323.38
2044	578,593.84	31,175.80	3,532.49	613,302.13
2045	598,902.48	10,510.74	1,796.71	611,209.93
<b>TOTAL</b>	<b>\$ 11,167,171.70</b>	<b>\$ 6,614,639.28</b>	<b>\$ 582,104.59</b>	<b>\$ 18,363,915.57</b>

## ➤ DEBT SERVICE REQUIREMENTS

### REFINANCE OF 2004 WASTEWATER BONDS

INSTALLMENT SALE AGREEMENT **Installment Sale Agreement with the City of Pittsburg and an Assignment Agreement with Bank of the West**

AGREEMENT DATE June 30, 2014

AMOUNT OF ISSUE: \$ 6,100,000.00

AMOUNT OUTSTANDING: \$ 3,864,000.00  
(June 30, 2016)

DESCRIPTION: Pittsburg Financing Authority Resolution No. 14-027 dated 06/16/14 Authorized the Refunding of Wastewater Bonds in an Amount Not to Exceed \$6,100,000, and Authorized Execution of an Installment Sale Agreement with the City of Pittsburg and financing placed privately with Bank of the West bearing an interest rate of 1.55% per annum.

PAYMENT DATES: June 1 and December 1.

PAYMENT ENTITY: Bank of the West

#### DEBT SERVICE REQUIREMENTS

	FY 2015-16	FY 2016-17	FY 2015-2017
<b>REVENUE SOURCES</b>			
Sewer Charge Revenues	\$ 813,463.50	\$ 816,771.00	\$ 1,630,234.50
Interest Earnings		-	-
<b>TOTAL:</b>	<b>\$ 813,463.50</b>	<b>\$ 816,771.00</b>	<b>\$ 1,630,234.50</b>
<b>EXPENDITURES</b>			
Bond Issuance Costs	\$ -	\$ -	\$ -
Professional Administrative Fees	8,000.00	6,800.00	14,800.00
Principal Reduction	737,000.00	753,000.00	1,490,000.00
Interest Expense	68,463.50	56,971.00	125,434.50
<b>TOTAL:</b>	<b>\$ 813,463.50</b>	<b>\$ 816,771.00</b>	<b>\$ 1,630,234.50</b>



**➤ DEBT SERVICE - AMORTIZATION SCHEDULE**  
**REFINANCE OF 2004 WASTEWATER BONDS**

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2017	753,000.00	56,970.25	809,970.25
2018	761,000.00	45,267.75	806,267.75
2019	772,000.00	33,433.50	805,433.50
2020	782,000.00	21,428.75	803,428.75
2021	796,000.00	9,253.50	805,253.50
<b>TOTAL</b>	<b>\$ 3,864,000.00</b>	<b>\$ 166,353.75</b>	<b>\$4,030,353.75</b>

## ➤ DEBT SERVICE REQUIREMENTS

### 2008 WATER REVENUE REFUNDING BONDS (Issued in 2008)

BOND ISSUES:	<b>CITY OF PITTSBURG</b> <b>Water Revenue Bonds 2008</b>
DATE OF ISSUES:	April 30, 2008
AMOUNT OF ISSUE:	\$ 38,395,000.00
AMOUNT OUTSTANDING: (June 30, 2016)	\$ 30,485,000.00
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

REVENUE SOURCES	FY 2015-16	FY 2016-17	FY 2015-2017
Water Charge Revenues	\$ 2,623,678.21	\$ 2,621,751.00	\$ 5,245,429.21
Interest Earnings	19,566.00	20,000.00	39,566.00
<b>TOTAL:</b>	<b>\$ 2,643,244.21</b>	<b>\$ 2,641,751.00</b>	<b>\$ 5,284,995.21</b>
<b>EXPENDITURES</b>			
Professional Administrative Fees	\$ 60,000.00	\$ 61,498.00	121,498.00
Arbitrage Rebate Liability	3,000.00	3,000.00	6,000.00
Letter of Credit Fees	356,244.83	343,083.00	699,327.83
Swap Fees	1,100,403.38	1,063,314.00	2,163,717.38
Principal Reduction	1,090,000.00	1,140,000.00	2,230,000.00
Interest Expense (1)	34,030.00	30,856.00	64,886.00
<b>TOTAL:</b>	<b>\$ 2,643,678.21</b>	<b>\$ 2,641,751.00</b>	<b>\$ 5,285,429.21</b>

(1) Variable interest rates.

## ➤ DEBT SERVICE - AMORTIZATION SCHEDULE

### 2008 WATER REVENUE REFUNDING BONDS (Issued in 2008)

FISCAL YEAR	PRINCIPAL	INTEREST*	LOC & Remarketing FEES	TOTAL
2017	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
	-	-	-	-
<b>TOTAL</b>	<b>30,485,000</b>	<b>\$ 12,141,377.41</b>	<b>\$ 3,805,346.58</b>	<b>\$ 46,431,723.99</b>

\* Variable interest rates & SWAP Fees

## ➤ 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: \$ 95,795,000.00 <sup>(1)</sup>  
(June 30, 2016)

DESCRIPTION: The proceeds of the 1999 TABs were used to provide money for certain capital improvements located within the Los Medanos Community Development Project Area of the Agency, to provide a Reserve Account, and to pay costs of bonds issuance. In June 2014, the 2014 Tax Allocation Refunding Bonds refunded the current interest portion of the 1999 Bonds with maturities in 2014 through 2018 in the amount of \$6,110,000. The \$95,795,000 maturity value of the Capital Appreciation Bonds remains outstanding on parity to the 2014 Bonds.

PAYMENT DATES: August 1 and February 1. Effective 08/1/2019 Annual Payment

PAYMENT AGENT: The Bank of New York Mellon Trust Company N.A.

#### DEBT SERVICE REQUIREMENTS

	FY 2015-16	FY 2016-17	FY 2015-2017
<b>REVENUE SOURCES</b>			
Tax Increment	\$ 7,260.00	\$ 6,545.00	\$ 13,805.00
Interest Earnings		55.00	55.00
<b>TOTAL:</b>	<b>\$ 7,260.00</b>	<b>\$ 6,600.00</b>	<b>\$ 13,860.00</b>
<b>EXPENDITURES</b>			
Professional Administrative Fees	\$ 7,260.00	\$ 6,600.00	\$ 13,860.00
Principal Reduction	-	-	-
Interest Expense	-	-	-
<b>TOTAL:</b>	<b>\$ 7,260.00</b>	<b>\$ 6,600.00</b>	<b>\$ 13,860.00</b>

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

**➤ DEBT SERVICE - AMORTIZATION SCHEDULE**

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

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>ACCRETED PRINCIPAL</b>	<b>TOTAL</b>
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	1,576,003	3,573,997	5,150,000
2021	1,484,127	3,665,873	5,150,000
2022	1,382,930	3,767,070	5,150,000
2023	2,212,826	6,542,174	8,755,000
2024	2,081,538	6,668,462	8,750,000
2025	1,960,332	6,794,668	8,755,000
2026	1,822,266	6,932,734	8,755,000
2027	1,713,338	7,036,662	8,750,000
2028	1,684,600	7,460,400	9,145,000
2029	1,584,829	7,560,171	9,145,000
2030	1,490,909	7,654,091	9,145,000
2031	1,402,660	7,742,340	9,145,000
<b>TOTAL</b>	<b>20,396,358</b>	<b>\$ 75,398,642.00</b>	<b>\$ 95,795,000.00</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>REDEVELOPMENT AGENCY Tax Allocation Refunding Bonds, Series 2002A</b>
DATE OF ISSUES:	March 12, 2002
AMOUNT OF ISSUE:	\$ 59,970,000.00
AMOUNT OUTSTANDING: (June 30, 2016)	\$ -
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 2015-16	FY 2016-17	FY 2015-2017
<b>REVENUE SOURCES</b>			
Tax Increment	\$ 5,092,542.00		\$ 5,092,542.00
Interest Earnings	36,486.00		36,486.00
<b>TOTAL:</b>	<b>\$ 5,129,028.00</b>	<b>\$ -</b>	<b>\$ 5,129,028.00</b>
<b>EXPENDITURES</b>			
Professional Administrative Fees	\$ 18,303.00		\$ 18,303.00
Principal Reduction	4,980,000.00		4,980,000.00
Interest Expense	130,725.00		130,725.00
<b>TOTAL:</b>	<b>\$ 5,129,028.00</b>	<b>\$ -</b>	<b>\$ 5,129,028.00</b>

**➤ DEBT SERVICE - AMORTIZATION SCHEDULE**

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

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>REDEVELOPMENT AGENCY</b> <b>Subordinate Tax Allocation Bonds, Series 2004A</b>
DATE OF ISSUES:	December 29, 2004
AMOUNT OF ISSUE:	\$ 117,615,000.00
AMOUNT OUTSTANDING: (June 30, 2016)	\$ -
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. This bond issue was refunded by the 2016 Series A Bonds in February 2016.
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 2015-16	FY 2016-17	FY 2015-2017
<b>REVENUE SOURCES</b>			
Tax Increment	\$ 10,769,741.00	\$	10,769,741.00
Interest Earnings	415,000.00		415,000.00
<b>TOTAL:</b>	<b>\$ 11,184,741.00</b>	<b>\$ -</b>	<b>\$ 11,184,741.00</b>
<b>EXPENDITURES</b>			
Professional Administrative Fees	\$ 90,000.00	\$	90,000.00
Swap & Interest Expense	3,745,082.00		3,745,082.00
Remarketing & Liquidity Fees	90,582.00		90,582.00
Letter of Credit Fees	2,929,077.00		2,929,077.00
Principal Expense	4,330,000.00		4,330,000.00
<b>TOTAL:</b>	<b>\$ 11,184,741.00</b>	<b>\$ -</b>	<b>\$ 11,184,741.00</b>

\* Variable interest rates



**➤ DEBT SERVICE - AMORTIZATION SCHEDULE**

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

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>SWAP &amp; INTEREST</b>	<b>REMARKETING &amp; LOC FEES</b>	<b>TOTAL</b>
2017	-	-	-	-
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>REDEVELOPMENT AGENCY</b> <b>Subordinate Tax Allocation Bonds, Series 2006B (Taxable)</b>
DATE OF ISSUES:	December 14, 2006
AMOUNT OF ISSUE:	\$ 36,840,000.00
AMOUNT OUTSTANDING: (June 30, 2016)	\$ -
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. This bond issue was refunded by the 2016 Series B Bonds in February 2016.
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 2015-16	FY 2016-17	FY 2015-2017
<b>REVENUE SOURCES</b>			
Tax Increment	\$ 4,993,278.50		\$ 4,993,278.50
Interest Earnings	115,000.00		115,000.00
<b>TOTAL:</b>	<b>\$ 5,108,278.50</b>	<b>\$ -</b>	<b>\$ 5,108,278.50</b>
<b>EXPENDITURES</b>			
Professional Administrative Fees	\$ 2,300.00		\$ 2,300.00
Principal Reduction	3,840,000.00		3,840,000.00
Interest Expense	1,265,978.50		1,265,978.50
<b>TOTAL:</b>	<b>\$ 5,108,278.50</b>	<b>\$ -</b>	<b>\$ 5,108,278.50</b>

**➤ DEBT SERVICE - AMORTIZATION SCHEDULE**

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

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2017			
2018			
2019			
2020			
2021			
2022			
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>REDEVELOPMENT AGENCY</b> <b>Subordinate Tax Allocation Refunding Bonds, Series 2006C</b>
DATE OF ISSUES:	December 14, 2006
AMOUNT OF ISSUE:	\$ 46,660,000.00
AMOUNT OUTSTANDING: (June 30, 2016)	\$ -
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. This bond issue was refunded by the 2016 Series C Bonds in June 2016.
PAYMENT DATES:	September 1 and March 1
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

### DEBT SERVICE REQUIREMENTS

	FY 2015-16	FY 2016-17	FY 2015-2017
<b>REVENUE SOURCES</b>			
Tax Increment	\$ 1,994,469.00		\$ 1,994,469.00
Interest Earnings	130,000.00		130,000.00
<b>TOTAL:</b>	<b>\$ 2,124,469.00</b>	<b>\$ -</b>	<b>\$ 2,124,469.00</b>
<b>EXPENDITURES</b>			
Professional Administrative Fees	\$ 5,649.00		\$ 5,649.00
Principal Reduction	175,000.00		175,000.00
Interest Expense	1,943,820.00		1,943,820.00
<b>TOTAL:</b>	<b>\$ 2,124,469.00</b>	<b>\$ -</b>	<b>\$ 2,124,469.00</b>

**➤ DEBT SERVICE - AMORTIZATION SCHEDULE**

**2006C (RDA) SUBORDINATE TAX ALLOCATION BOND  
(Issued in 2006 )**

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>REDEVELOPMENT AGENCY</b> <b>Subordinate Tax Allocation Refunding Bonds 2008 Series A</b>
DATE OF ISSUES:	November 6, 2008
AMOUNT OF ISSUE:	\$ 61,660,856.25
AMOUNT OUTSTANDING: (June 30, 2016)	\$ -
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. This bond issue was refunded by the 2016 Series A and 2016 Series B Bonds in February 2016.
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 2015-16	FY 2016-17	FY 2015-2017
<b>REVENUE SOURCES</b>			
Tax Increment	\$ 3,926,168.75	\$	3,926,168.75
Interest Earnings	38,000.00		38,000.00
<b>TOTAL:</b>	<b>\$ 3,964,168.75</b>	<b>\$ -</b>	<b>\$ 3,964,168.75</b>
<b>EXPENDITURES</b>			
Professional Administrative Fees	\$ 12,600.00	\$	12,600.00
Principal Reduction	40,000.00		40,000.00
Interest Expense	3,911,568.75		3,911,568.75
<b>TOTAL:</b>	<b>\$ 3,964,168.75</b>	<b>\$ -</b>	<b>\$ 3,964,168.75</b>

## ➤ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
<b>TOTAL</b>	\$ -	\$ -	\$ -

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY Senior Tax Allocation Refunding Bonds 2014</b>
DATE OF ISSUES:	June 18, 2014
AMOUNT OF ISSUE:	\$ 67,445,000.00
AMOUNT OUTSTANDING: (June 30, 2016)	\$ 64,800,000.00
DESCRIPTION:	The 2014 Tax Allocation Refunding Bonds were issued by the Successor Agency to the Redevelopment Agency of the City of Pittsburg to refund a portion of the outstanding Los Medanos Community Development Project Tax Allocation Bonds, Series 1999 and all of the outstanding Los Medanos Community Development Project Tax Allocation Bonds, Series 2003A, funding a reserve account and paying the costs of issuing the 2014 Bonds
PAYMENT DATES:	February 1 and August 1 of each year
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

#### DEBT SERVICE REQUIREMENTS

	FY 2015-16	FY 2016-17	FY 2015-2017
REVENUE SOURCES			
Tax Increment	\$ 5,838,550.00	\$ 10,941,450.00	\$ 16,780,000.00
Interest Earnings	15,000.00	15,000.00	30,000.00
<b>TOTAL:</b>	<b>\$ 5,853,550.00</b>	<b>\$ 10,956,450.00</b>	<b>\$ 16,810,000.00</b>
EXPENDITURES			
Professional Administrative Fees	\$ 5,250.00	\$ 5,250.00	\$ 10,500.00
Principal Reduction	2,645,000.00	7,960,000.00	10,605,000.00
Interest Expense	3,203,300.00	2,991,200.00	6,194,500.00
<b>TOTAL:</b>	<b>\$ 5,853,550.00</b>	<b>\$ 10,956,450.00</b>	<b>\$ 16,810,000.00</b>



## ➤ DEBT SERVICE - AMORTIZATION SCHEDULE

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2017	7,960,000.00	2,991,200.00	10,951,200.00
2018	9,145,000.00	2,603,375.00	11,748,375.00
2019	8,735,000.00	2,156,375.00	10,891,375.00
2020	5,755,000.00	1,794,125.00	7,549,125.00
2021	6,040,000.00	1,504,250.00	7,544,250.00
2022	6,335,000.00	1,199,875.00	7,534,875.00
2023	3,045,000.00	965,375.00	4,010,375.00
2024	2,340,000.00	830,750.00	3,170,750.00
2025	2,450,000.00	711,000.00	3,161,000.00
2026	2,575,000.00	585,375.00	3,160,375.00
2027	2,705,000.00	453,375.00	3,158,375.00
2028	2,445,000.00	324,625.00	2,769,625.00
2029	2,570,000.00	199,250.00	2,769,250.00
2030	2,700,000.00	67,500.00	2,767,500.00
<b>TOTAL</b>	<b>\$ 64,800,000.00</b>	<b>\$ 16,386,450.00</b>	<b>\$ 81,186,450.00</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY Subordinate Tax Allocation Bonds, Series 2016A (Tax Exempt)</b>
DATE OF ISSUES:	February 10, 2016
AMOUNT OF ISSUE:	\$ 120,085,000.00
AMOUNT OUTSTANDING: (June 30, 2016)	\$ 120,085,000.00
DESCRIPTION:	Proceeds of the 2016 Series A Bonds were used to redeem and defease the 2004 Series A Bonds and a portion of the 2008 Series A Bonds, and finance a payment in connection with the termination of the 2004A Bond Swap Agreement, as well as cost of issuance payments which included the premium on a municipal bond insurance policy and to fund a debt service reserve insurance policy.
PAYMENT DATES:	September 1 and March 1, with the first principal due on September 1, 2021.
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

#### DEBT SERVICE REQUIREMENTS

	FY 2015-16	FY 2016-17	FY 2015-2017
<b>REVENUE SOURCES</b>			
Tax Increment	\$	6,356,997.92	\$ 6,356,997.92
Interest Earnings			-
<b>TOTAL:</b>	<b>\$ -</b>	<b>\$ 6,356,997.92</b>	<b>\$ 6,356,997.92</b>
<b>EXPENDITURES</b>			
Professional Administrative Fees	\$ -	\$ 2,500.00	\$ 2,500.00
Principal Reduction	-	-	-
Interest Expense	-	6,354,497.92	6,354,497.92
<b>TOTAL:</b>	<b>\$ -</b>	<b>\$ 6,356,997.92</b>	<b>\$ 6,356,997.92</b>

**➤ DEBT SERVICE - AMORTIZATION SCHEDULE**  
**2016A (RDA) SUBORDINATE TAX ALLOCATION BONDS**  
**(Issued in 2016 )**

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2017	-	6,354,497.92	6,354,497.92
2018	-	6,004,250.00	6,004,250.00
2019	-	6,004,250.00	6,004,250.00
2020	-	6,004,250.00	6,004,250.00
2021	-	6,004,250.00	6,004,250.00
2022	6,175,000.00	5,849,875.00	12,024,875.00
2023	11,165,000.00	5,416,375.00	16,581,375.00
2024	12,565,000.00	4,823,125.00	17,388,125.00
2025	13,210,000.00	4,178,750.00	17,388,750.00
2026	13,890,000.00	3,501,250.00	17,391,250.00
2027	14,610,000.00	2,788,750.00	17,398,750.00
2028	15,355,000.00	2,039,625.00	17,394,625.00
2029	16,140,000.00	1,252,250.00	17,392,250.00
2030	16,975,000.00	424,375.00	17,399,375.00
<hr/>			
<b>TOTAL:</b>	<b>\$ 120,085,000.00</b>	<b>\$ 60,645,872.92</b>	<b>\$ 180,730,872.92</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY Subordinate Tax Allocation Bonds, Series 2016B (Taxable)</b>
DATE OF ISSUES:	February 10, 2016
AMOUNT OF ISSUE:	\$ 26,690,000.00
AMOUNT OUTSTANDING: (June 30, 2016)	\$ 26,690,000.00
DESCRIPTION:	Proceeds of the 2016 Series B Bonds were used to redeem and defease the 2006 Taxable Series B Bonds and a portion of the 2008 Series A Bonds, and to fund a debt service reserve insurance policy.
PAYMENT DATES:	September 1 and March 1, with the first principal due on September 1, 2016.
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

#### DEBT SERVICE REQUIREMENTS

	FY 2015-16	FY 2016-17	FY 2015-2017
<b>REVENUE SOURCES</b>			
Tax Increment	\$	11,838,848.58	\$ 11,838,848.58
Interest Earnings			-
<b>TOTAL:</b>	<b>\$ -</b>	<b>\$ 11,838,848.58</b>	<b>\$ 11,838,848.58</b>
<b>EXPENDITURES</b>			
Professional Administrative Fees	\$ -	\$ 2,500.00	\$ 2,500.00
Principal Reduction	-	11,385,000.00	11,385,000.00
Interest Expense	-	451,348.58	451,348.58
<b>TOTAL:</b>	<b>\$ -</b>	<b>\$ 11,838,848.58</b>	<b>\$ 11,838,848.58</b>

**➤ DEBT SERVICE - AMORTIZATION SCHEDULE**

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

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2017	11,385,000.00	451,348.58	11,836,348.58
2018	11,065,000.00	226,550.19	11,291,550.19
2019	4,240,000.00	54,547.61	4,294,547.61
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
<b>TOTAL:</b>	<b>\$ 26,690,000.00</b>	<b>\$ 732,446.38</b>	<b>\$ 27,422,446.38</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY Subordinate Tax Allocation Bonds, Series 2016C-Tax Exempt ,Forward</b>
DATE OF ISSUES:	February 10, 2016
AMOUNT OF ISSUE:	\$ 37,755,000.00
AMOUNT OUTSTANDING: (June 30, 2016)	\$ 37,755,000.00
DESCRIPTION:	Proceeds of the 2016 Series C Bonds were used to redeem and defease the 2006 Series C Bonds, as well as cost of issuance payments which included the premium on a municipal bond insurance policy and a debt service reserve fund insurance policy.
PAYMENT DATES:	September 1 and March 1, with the first principal due on September 1, 2018.
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

### DEBT SERVICE REQUIREMENTS

	FY 2015-16		FY 2016-17		FY 2015-2017	
<b>REVENUE SOURCES</b>						
Tax Increment		\$	1,386,850.00	\$	1,386,850.00	
Interest Earnings						-
<b>TOTAL:</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>1,386,850.00</b>	<b>\$</b>	<b>1,386,850.00</b>
<b>EXPENDITURES</b>						
Professional Administrative Fees	\$	-	\$	2,500.00	\$	2,500.00
Principal Reduction		-		-		-
Interest Expense		-		1,384,350.00		1,384,350.00
<b>TOTAL:</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>1,386,850.00</b>	<b>\$</b>	<b>1,386,850.00</b>

**➤ DEBT SERVICE - AMORTIZATION SCHEDULE**

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

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2017	-	1,384,350.00	1,384,350.00
2018	-	1,887,750.00	1,887,750.00
2019	8,250,000.00	1,681,500.00	9,931,500.00
2020	11,300,000.00	1,192,750.00	12,492,750.00
2021	11,880,000.00	613,250.00	12,493,250.00
2022	6,325,000.00	158,125.00	6,483,125.00
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
<b>TOTAL:</b>	<b>\$ 37,755,000.00</b>	<b>\$ 6,917,725.00</b>	<b>\$ 44,672,725.00</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>REDEVELOPMENT AGENCY - HOUSING SET ASIDE Tax Allocation Bonds, Series 2004A</b>
DATE OF ISSUES:	December 16, 2004
AMOUNT OF ISSUE:	\$ 18,270,000.00
AMOUNT OUTSTANDING: (June 30, 2016)	\$ -
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. This bond issue was refunded by the 2016 Series A Housing Bonds in February 2016.
PAYMENT DATES:	August 1 and February 1
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

### DEBT SERVICE REQUIREMENTS

	FY 2015-16	FY 2016-17	FY 2015-2017
<b>REVENUE SOURCES</b>			
Tax Increment	\$ 1,225,068.25		\$ 1,225,068.25
Interest Earnings	10,450.00		10,450.00
<b>TOTAL:</b>	<b>\$ 1,235,518.25</b>	<b>\$ -</b>	<b>\$ 1,235,518.25</b>
<b>EXPENDITURES</b>			
Professional Administrative Fee	\$ 6,300.00		\$ 6,300.00
Principal Reduction	415,000.00		415,000.00
Interest Expense	814,218.25		814,218.25
<b>TOTAL:</b>	<b>\$ 1,235,518.25</b>	<b>\$ -</b>	<b>\$ 1,235,518.25</b>



**➤ DEBT SERVICE - AMORTIZATION SCHEDULE**

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

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>REDEVELOPMENT AGENCY - HOUSING SET ASIDE Tax Allocation Bonds, Series 2006A (Taxable)</b>
DATE OF ISSUES:	December 14, 2006
AMOUNT OF ISSUE:	\$ 11,020,000.00
AMOUNT OUTSTANDING: (June 30, 2016)	\$ 9,100,000.00
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

REVENUE SOURCES	FY 2015-16	FY 2016-17	FY 2015-2017
Tax Increment	\$ 679,196.65	\$ 679,641.40	\$ 1,358,838.05
Interest Earnings	40,544.00	40,000.00	80,544.00
<b>TOTAL:</b>	<b>\$ 719,740.65</b>	<b>\$ 719,641.40</b>	<b>\$ 1,439,382.05</b>
<b>EXPENDITURES</b>			
Professional Administrative Fees	\$ 2,079.00	\$ 4,000.00	\$ 6,079.00
Principal Reduction	230,000.00	240,000.00	470,000.00
Interest Expense	487,661.65	475,641.40	963,303.05
<b>TOTAL:</b>	<b>\$ 719,740.65</b>	<b>\$ 719,641.40</b>	<b>\$ 1,439,382.05</b>

➤ **DEBT SERVICE - AMORTIZATION SCHEDULE**

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

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
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
<b>TOTAL</b>	<b>\$ 9,100,000.00</b>	<b>\$ 6,079,765.80</b>	<b>\$ 15,179,765.80</b>

## ➤ DEBT SERVICE REQUIREMENTS

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

BOND ISSUES:	<b>SUCCESSOR AGENCY TO FORMER REDEVELOPMENT AGENCY Taxable Housing Bonds</b>
DATE OF ISSUES:	February 10, 2016
AMOUNT OF ISSUE:	\$ 13,845,000.00
AMOUNT OUTSTANDING: (June 30, 2016)	\$ 13,845,000.00
DESCRIPTION:	The Successor Agency issued Bonds in order to redeem and defease the 2004 Series A Housing Set Aside Tax Allocation Bonds and to pay the costs of issuing the bonds, including the premium on a municipal bond insurance policy and a debt service reserve fund insurance policy.
PAYMENT DATES:	August 1 and February 1, with the first principal due on August 1, 2016.
PAYMENT AGENT:	The Bank of New York Mellon Trust Company N.A.

#### DEBT SERVICE REQUIREMENTS

	FY 2015-16	FY 2016-17	FY 2015-2017
<b>REVENUE SOURCES</b>			
Tax Increment	\$	1,135,654.13	\$ 1,135,654.13
Interest Earnings			-
<b>TOTAL:</b>	<b>\$ -</b>	<b>\$ 1,135,654.13</b>	<b>\$ 1,135,654.13</b>
<b>EXPENDITURES</b>			
Professional Administrative Fees	\$ -	\$ 2,500.00	\$ 2,500.00
Principal Reduction	-	665,000.00	665,000.00
Interest Expense	-	468,154.13	468,154.13
<b>TOTAL:</b>	<b>\$ -</b>	<b>\$ 1,135,654.13</b>	<b>\$ 1,135,654.13</b>

**➤ DEBT SERVICE - AMORTIZATION SCHEDULE**

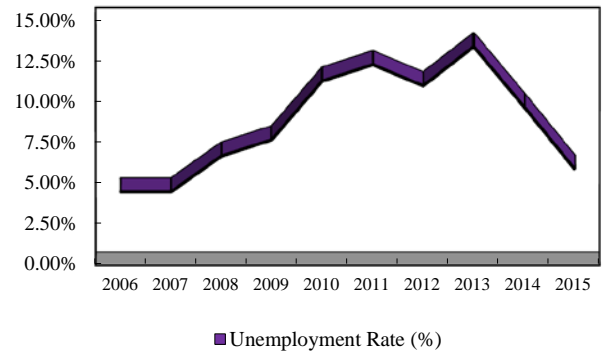
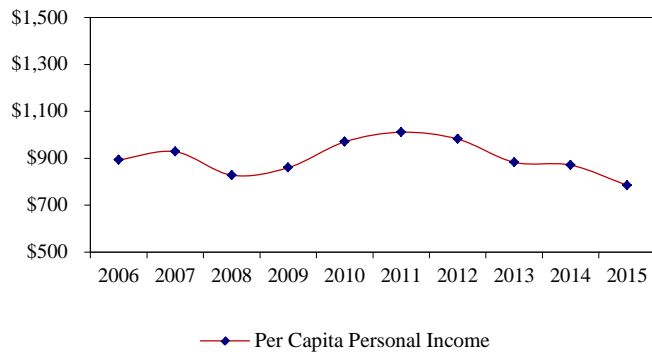
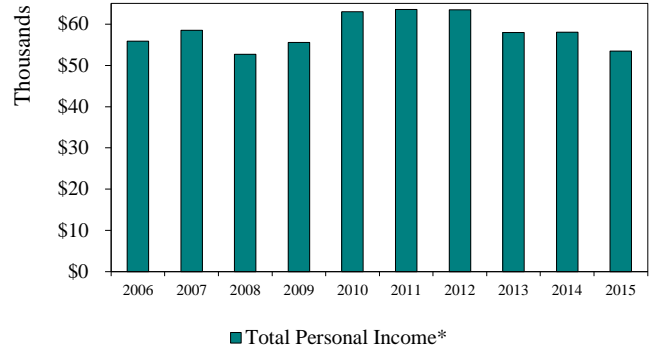
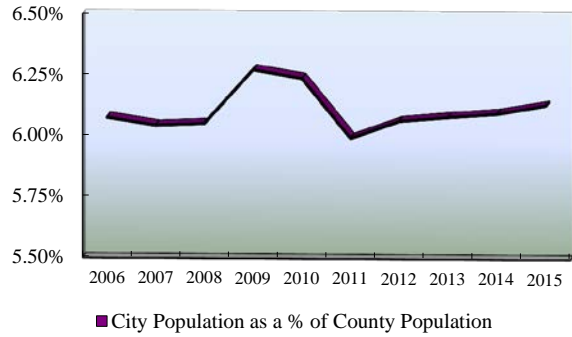
**2016A SUCCESSOR AGENCY TAXABLE HOUSING BONDS  
(Issued in 2016)**

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2017	665,000.00	468,154.13	1,133,154.13
2018	845,000.00	467,747.23	1,312,747.23
2019	860,000.00	449,418.66	1,309,418.66
2020	880,000.00	427,343.56	1,307,343.56
2021	905,000.00	402,490.13	1,307,490.13
2022	930,000.00	375,004.55	1,305,004.55
2023	955,000.00	344,323.50	1,299,323.50
2024	990,000.00	310,385.20	1,300,385.20
2025	1,030,000.00	273,652.00	1,303,652.00
2026	1,065,000.00	233,997.10	1,298,997.10
2027	1,110,000.00	191,203.60	1,301,203.60
2028	1,150,000.00	142,159.40	1,292,159.40
2029	1,200,000.00	87,122.40	1,287,122.40
2030	1,260,000.00	29,509.20	1,289,509.20
<b>TOTAL:</b>	<b>\$ 13,845,000.00</b>	<b>\$ 4,202,510.66</b>	<b>\$ 18,047,510.66</b>



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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
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%
2014	66,695	58,063	871	9.7%	1,094,000	6.10%
2015	68,140	53,482	785	5.9%	1,111,339	6.13%

Source: On-line factfinder.census.gov

\*US Department of Commerce - Bureau of Economic Analysis (Contra Costa County)  
Pittsburg Chamber of Commerce

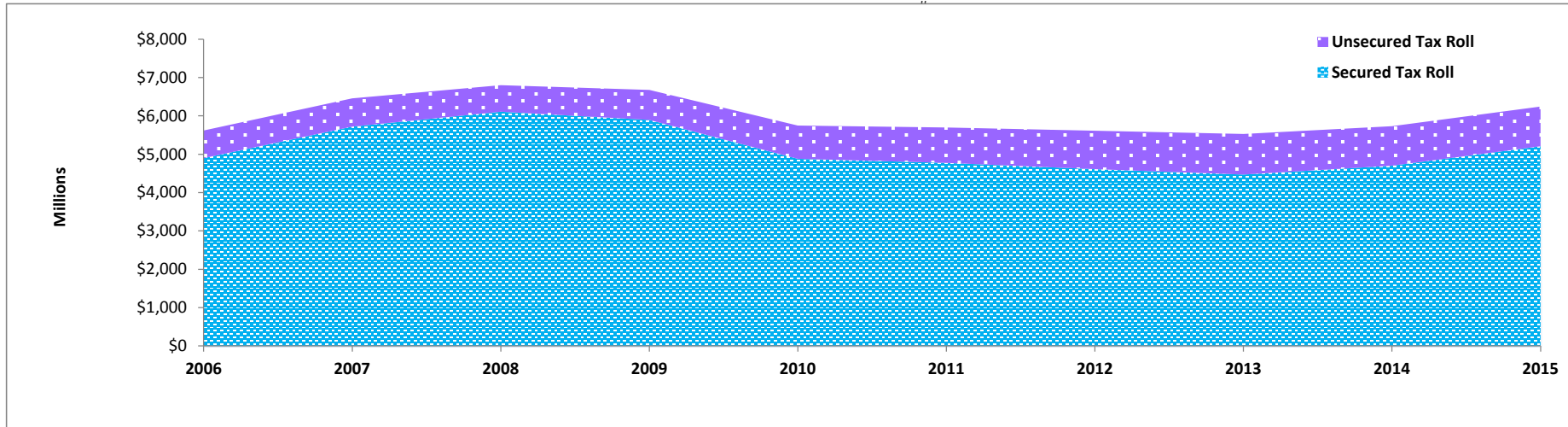
**CITY OF PITTSBURG**  
**Principal Employers**  
**Current Year and Nine Years Ago**

<u>Employer</u>	<u>2014-15</u>			<u>2005-06</u>	
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>
Pittsburg Unified School District	1,179	1	3.1%	1,400	1
USS - Posco Industries	653	2	1.7%	1,000	2
Los Medanos Community College	487	3	1.3%	640	3
Dow Chemical Company	370	4	1.0%	380	4
Walmart	250	5	0.7%		
City of Pittsburg	239	6	0.6%		
Angelica Corporation (Laundry)	210	7	0.6%		
Ramar Foods	158	8	0.4%	220	5
WinCo Foods	137	9	0.4%		
Mi Pueblo Foods	136	10	0.4%		
Home Depot				180	7
Target				170	8
Safeway				150	10
Bio Zone				200	6
Loctite Aerospace				160	9
<b>Subtotal</b>	<b><u>3,819</u></b>		<b><u>10.2%</u></b>	<b><u>4,500</u></b>	
Employees in the City of Pittsburg	<b><u>37,523</u></b>				

Source: Telephone Survey by Financial Analyst  
2005-06 data from CAFR (Chamber of Commerce)  
American FactFinder



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



Fiscal Year	Secured Tax Roll			Unsecured Tax Roll	GROSS Tax Roll	LESS: Exemptions		NET Assessed Valuation (a)	Total Direct Tax Rate (b)
	Land	Improvements	Personal Property			HOPTR (1)	Others		
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	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	0.73326
2008	2,079,929,185	3,998,818,379	27,034,992	692,059,619	6,797,842,175	66,662,966	129,436,694	6,601,742,515	0.74171
2009	1,886,619,969	3,977,346,545	29,871,943	782,213,672	6,676,052,129	66,141,210	138,181,611	6,471,729,308	0.74057
2010	1,355,858,246	3,488,509,274	35,030,993	868,770,588	5,748,169,101	65,495,515	148,448,271	5,534,225,315	0.73534
2011	1,271,652,002	3,468,075,002	32,556,725	921,168,099	5,693,451,828	64,704,851	174,568,314	5,454,178,663	0.73265
2012	1,199,342,285	3,380,327,868	29,398,082	1,000,793,072	5,609,861,307	62,930,462	163,259,839	5,383,671,006	0.73307
2013	1,154,280,061	3,284,318,842	29,454,784	1,058,290,739	5,526,344,426	61,050,228	167,858,949	5,297,435,249	0.72809
2014	1,244,373,590	3,426,800,074	29,431,527	1,030,705,786	5,731,310,977	58,985,158	184,163,403	5,488,162,416	0.17411
2015	1,431,988,767	3,744,776,351	29,751,906	1,033,971,545	6,240,488,569	57,725,918	187,268,875	5,995,493,776	0.17497

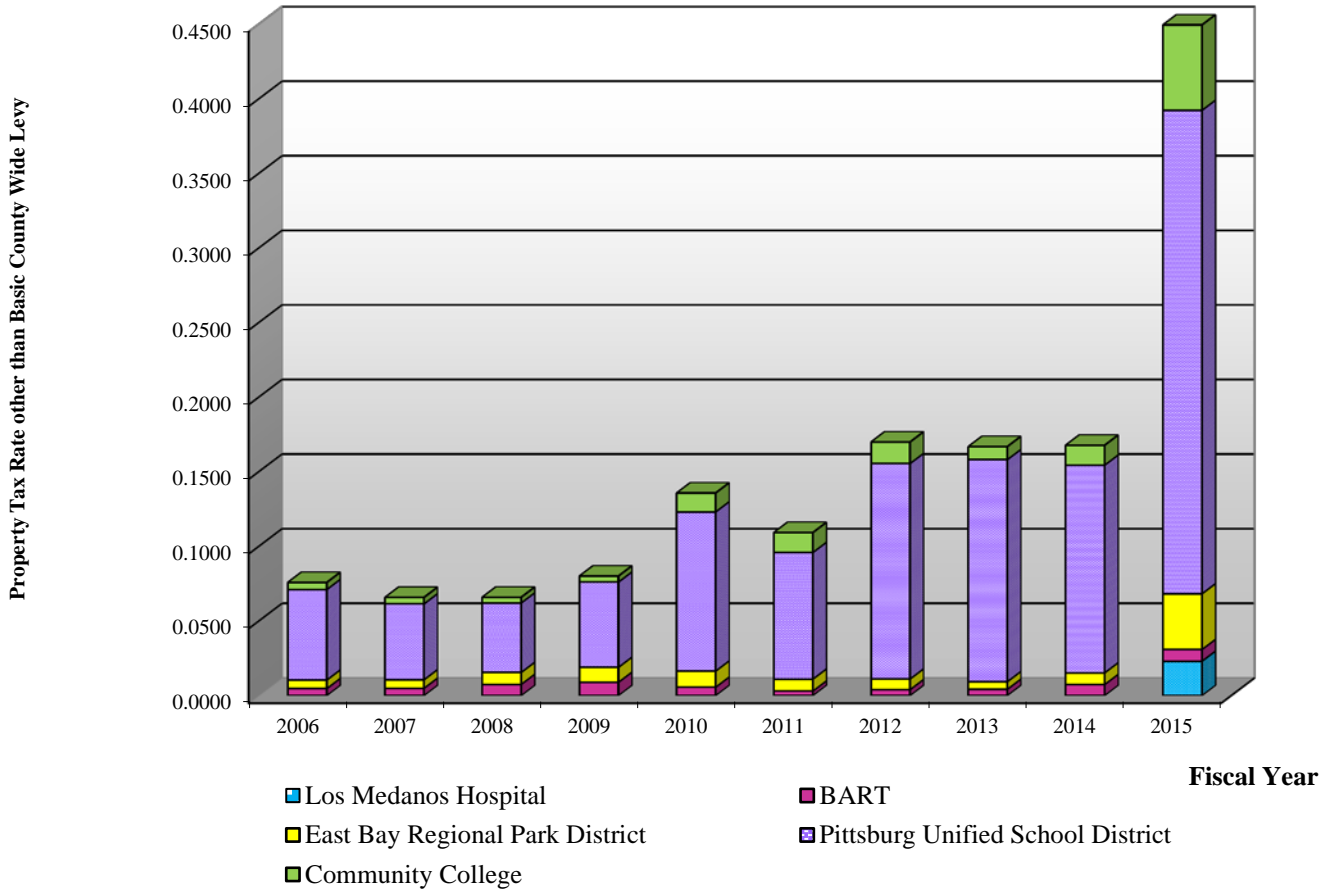
(1) Homeowners' Property Tax Relief

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

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

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

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



Fiscal Year	Basic County Wide Levy	Pittsburg Direct Rate*	Los Medanos Hospital	Bay Area Rapid Transit	East Bay Regional Park District	Pittsburg Unified School District	Community College	Total
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
2014	1.0000	0.17411	0.0000	0.0075	0.0078	0.1391	0.0133	1.3343
2015	1.0000	0.17497	0.0231	0.0079	0.0373	0.3241	0.0572	1.6167

\* 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**

<b>Taxpayer</b>	<b>2014-15</b>			<b>2005-06</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Dow Agrosiences LLC	\$ 355,835,024	1	5.88%	\$ 226,454,400	4	4.08%
Calpine Corporation	295,000,000	2	4.87%	413,644,524	2	
USS - Posco Industries	267,799,140	3	4.42%	250,183,795	3	4.51%
Delta Energy Center	241,133,000	4	3.98%	476,200,000	1	8.58%
K2 Pure Solution	133,756,769	5	2.21%			
United Spiral Pipe LLC	132,224,055	6	2.18%			
Sierra Pacific Properties	104,255,294	7	1.72%	90,356,158	5	1.63%
Kirker Creek Limited Partnership	68,407,616	8	1.13%	43,273,075	7	0.78%
Century Plaza Corporation	66,042,431	9	1.09%	47,408,534	6	0.85%
San Marco Properties LLC	58,023,617	10	0.96%			
National Energy				28,009,605	10	0.50%
Seecon Financial				38,744,722	8	0.70%
Oakmont Properties II & III LP				29,655,175	9	0.53%
<b>Subtotal</b>	<b>\$ 1,722,476,946</b>		<b>28.46%</b>	<b>\$ 1,643,929,988</b>		<b>29.63%</b>

Total Net Assessed Valuation:

Fiscal Year 2014-15	\$6,053,219,694
Fiscal Year 2005-2006	\$5,548,973,357

Source: Hdl Coren & Cone



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## ➤ GLOSSARY OF BUDGET TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**CARRYOVER OR CARRY FORWARD** – Process of carrying a budgeted and encumbered item from the current fiscal year to the next fiscal year.

**CASH BASIS OR CASH METHOD** – An Accounting method that recognizes income and deductions when money is received or paid. The modified accrual method is the preferred method for government organizations.

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

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

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

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

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

**DEBT SERVICE FUND** – A governmental fund used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

**DEFICIT** – An excess of expenditures or expenses over revenues (resources).

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

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

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

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

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

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

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

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

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

**FORECAST** – Estimate of the future impact of current revenue and expenditure policies based on specific assumptions about future conditions such as inflation or population growth. Forecasts are neither predictions about the future nor a statement of policy intentions.

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

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

**FUND BALANCE** – The amount of financial resources available for use. Generally, this represents the detail of all the annual operating surpluses and deficits since the fund's inception.

**GENERAL FUND** – The primary fund used to account for all revenues and expenditures of the City not legally restricted as to use. This fund is used to offset the cost of the City's general operations. Examples of departments financed by the General Fund include the General Government, Police, Public Works, Recreation, and other Administrative Departments.

**GEOLOGIC HAZARD ABATEMENT DISTRICT (GHAD)** – A local assessment district formed for the purpose of prevention, mitigation, abatement, or control of geologic hazards, including an actual or threatened landslide, land subsidence, soil erosion, earthquake, or any other natural or unnatural movement of land or earth.

**GRAPHIC INFORMATION SYSTEM (GIS)** - A system designed to capture, store, manipulate, analyze, manage, and present all types of spatial or geographical data.



**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.

**NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES)** - As authorized by the Clean Water Act, the National Pollutant Discharge Elimination System (NPDES) Permit Program controls water pollution by regulating point sources that discharge pollutants into waters of the United States.

**OBJECTIVES** – The expected results or achievements of a budget activity, which can be measured and achieved within a given time frame. Achievement of the objective advances the organization towards a corresponding goal.

**Other Post-Employment Benefits (OPEB)** - The benefits that an employee will begin to receive at the start of retirement. This does not include pension benefits paid to the retired employee

**OPERATING BUDGET** – Annual appropriation of funds for on-going program cost, including salaries and benefits, services and supplies, debt service and capital outlay.

**ORDINANCE** – A formal legislative enactment by the City Council. It has the full force and effect of law within City boundaries unless preempted by a higher form of law. An ordinance has higher legal standing than a resolution.

**RECOMMENDED BUDGET** – The financial and operating document submitted by the City Manager to the City Council for consideration.

**RESERVE** – an account used to record a portion of the fund balance as legally segregated for a specific use, usually at a future time.

**RESOLUTION** – A special order of the City Council, which has a lower legal standing than an ordinance.

**REVENUES** – Monies received or anticipated by a local government from both tax and non-tax sources during the fiscal year. Revenues include income from user fees, taxes, permits and other sources.

**SALARIES AND FRINGES** – A budget category which generally accounts for full-time and part-time employees, overtime expenses and all employee benefits, such as medical, dental and retirement.

**SERVICES AND SUPPLIES** – Expenditures/expenses for supplies, materials and services which ordinarily are consumed within a fiscal year and which are not included in inventories.

**SPECIAL REVENUE FUNDS** – This fund type collects revenues that are restricted by the City, State or Federal government as to how the City might spend them. The City of Pittsburg maintains several Special Revenue Funds that include Gas Tax, Measure J, the Citywide and Oak Hills Lighting and Landscape Districts, Park Dedication, Traffic Mitigation, and Community Development Block Grant funds.

**SUBSIDY** – Supplemental resources provided to ensure adequate funding when anticipated expenditures exceed revenues.

**SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY** – The primary purpose of the Successor Agency is to administer the wind down of the previous Redevelopment Agency's operations which entails continued payment for financial obligations and fulfillment of contractual obligations entered into the Successor Agency prior to the enactment of Assembly Bill 26, which caused the dissolution of all Redevelopment Agencies in California

**TRANSIENT OCCUPANCY TAX** – This tax is collected from the operators of hotels and motels located within the City. A percentage of this tax is then remitted to the City.

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

**CITY OF PITTSBURG**  
**CAPITAL ASSETS POLICY AND PROCEDURES**  
**JUNE 2013**

**Purpose:** The purpose of this policy is to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **Accounting for Capital Assets in Proprietary Funds**

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

#### **Accounting for Capital Assets in Governmental Funds**

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

#### **Reporting requirements for capital assets in Comprehensive Annual Financial Report (CAFR)**

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

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

**Assets that use Historical Costs for capitalization:**

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

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

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

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

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

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

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

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

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

**Assets that use other valuation method for capitalization.**

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

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

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

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

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

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

**Useful Life** of the various categories of assets includes:

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **Custody and Accountability:**

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

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

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

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

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

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

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

**Periodic**

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

# **City of Pittsburg Debt Management Policy 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 covenants otherwise binding upon the City. Refunding bonds may be issued either on a current or advance basis.

3. Revenue Bonds

Revenue Bonds are generally issued by enterprise funds that are financially self-sustaining without the use of taxes and 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.

<b>Comparison of Financing Methods</b>	
<p style="text-align: center;"><b>General Obligation Bonds</b></p> <ul style="list-style-type: none"> <li>* Strong market acceptance</li> <li>* Significant structuring flexibility</li> <li>* Favorable interest rates</li> <li>* No reserve fund requirement</li> <li>* No trustee required</li> <li>* Voter approval usually required</li> <li>* Pledge of general credit required</li> <li>* Difficult to enter market</li> </ul>	<p style="text-align: center;"><b>Revenue Bonds</b></p> <ul style="list-style-type: none"> <li>* Debt is secured by system users</li> <li>* Debt limits not applicable</li> <li>* Higher interest costs than GO's</li> <li>* Debt service reserve required</li> <li>* Trustee required</li> <li>* Voter approval usually not required</li> <li>* Coverage covenants usually included</li> <li>* Limited revenues available to secure debt</li> </ul>
<p style="text-align: center;"><b>Special Assessment Bonds</b></p> <ul style="list-style-type: none"> <li>* Voter approval usually not required</li> <li>* Debt limits may not apply</li> <li>* Debt is secured by beneficiaries</li> <li>* Complexity greater than GO's</li> <li>* Market concerns about defaults</li> <li>* Limited revenues to secure debt</li> <li>* Higher interest costs due to higher risk</li> </ul>	<p style="text-align: center;"><b>Certificates of articipation</b></p> <ul style="list-style-type: none"> <li>* Voter approval usually not required</li> <li>* Debt limits not applicable</li> <li>* Good market acceptance</li> <li>* Complexity greater than GO's</li> <li>* Risk of citizen opposition</li> <li>* Limited revenues to secure debt</li> <li>* Less secure than GO Bond</li> </ul>

Competitive Sales of Bonds

The terms and prices of the bonds will be negotiated by the City and 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:

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

Note: Moody's uses the designation "1" to indicate greater strength within the "Baa", "A", and "Aa" categories. 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 Policies 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 Pittsburgh Municipal Debt Management Policy Glossary of Terms

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

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

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

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

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

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

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

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

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

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

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

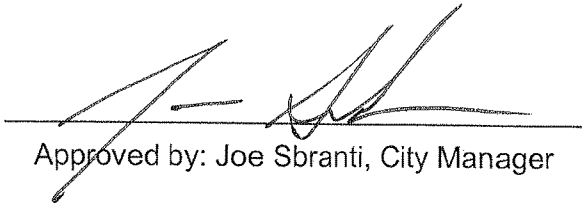
**Subordinate Lien Debt:** Debt whose terms require it to be repaid with pledged revenues net of the amount necessary to make debt service payments on senior lien debt.

**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

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

Council Approval Date	Application Date	Award date	Estimated Completion Date

**GRANT COST AND REVENUE SUMMARY**

Program Cost Summary	Total (\$)	Grant Portion (\$)
Staffing		
Contract Services		
Supplies and Other Operating Expenditures		
Capital Outlay		
Indirect Costs		
Totals		



BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

An Ordinance of the City of Pittsburg Adding )  
Chapter 3.26 to the Pittsburg Municipal )  
Code Relating to Fiscal Sustainability and )  
Reserve Funds )

ORDINANCE NO. 12-1363

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

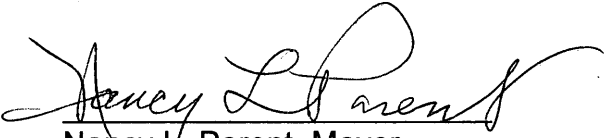
This ordinance shall be in full force and effective thirty (30) days after its adoption.

### 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:

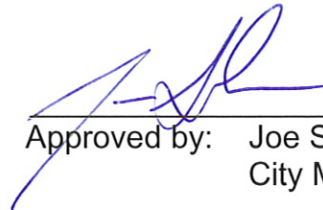
AYES:	Casey, Evola, Johnson, Longmire, Parent
NOES:	None
ABSENT:	None
ABSTAINED:	None

  
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.



## CITY OF PITTSBURG INVESTMENT POLICY

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### **I. Statement of Purpose and Adoption of Policy**

It shall be the investment policy of the City of Pittsburg (the "City") that all funds not required for immediate expenditures are invested in compliance with this statement, as well as applicable federal, state and local legislation governing the investment of public funds. Funds shall be invested in a manner that will provide the highest investment return with the appropriate level of security, while meeting the daily cash flow demands of the City.

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

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

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

The City's Investment Policy shall be adopted by resolution of City Council. The policy shall be reviewed at least annually by the City Treasurer, City Manager and the Finance Director, and any modification must be approved by City Council.

### **II. SCOPE**

It is intended that this policy cover all operating funds and investment activities under the direct authority of the City. These funds are described in the City's Comprehensive Annual Financial Report and include its General Fund, Special Revenue Funds, Enterprise Funds, Trust and Agency Funds, Capital Project Funds and Successor Agency Trust Funds.

The Investment Policy applies to all transactions involving the financial assets and related activities of the foregoing funds. Except for cash held in separate restricted funds, the City will pool cash balances from all funds for investments to maximize earnings and efficiencies concerning investment pricing, safekeeping and administration. Investment income will be allocated to the City's funds based upon



their respective average monthly balances and in accordance with Generally Accepted Accounting Principles (GAAP).

The employee's retirement and deferred compensation funds are not included. Bond proceeds are not covered under this policy and shall be governed by their applicable bond documents. However, if the bond documents are silent in regards to the investment of bond proceeds and reserves, the terms set forth in this policy shall govern the respective investment of bond proceeds.

### III. OBJECTIVES AND PERFORMANCE STANDARDS

The overall program shall be designed and managed with a degree of professionalism worthy of the public trust. The City's primary investment objectives, in priority order, shall be:

1. **Safety:** Safety of principal is the foremost objective the City's investment program, followed by liquidity and yield. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the City's portfolio. To obtain this objective, the City will diversify its investment by investing funds among a variety of securities offering independent returns and financial institutions. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they are from securities default or erosion of market value. Investment decisions should not incur unreasonable investment risks in order to obtain current investment income.
2. **Liquidity:** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated. This need for investment liquidity may be tempered to the extent that the City is able to issue short-term notes to meet its operating requirements. Emphasis will be on marketable securities with low sensitivity to market risk. Maturities of investments for which there is limited opportunity for resale shall be staggered to maximize liquidity.
3. **Yield:** The City maintains an active investment strategy and its investment portfolio shall be designed to attain a rate of return which approximates benchmarks to be selected by the City's investment advisory committee throughout budgetary and economic cycles, taking into account the City's investment risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restricts the investment of funds.

### IV. DELEGATION OF AUTHORITY

Pursuant to California Government Code 53607 and the City's Municipal Code, the City Council's management responsibility for the investment program is hereby delegated for a one-year period to the Finance Director who shall be responsible for the investment of idle funds consistent with this investment policy. Subject to review, the City Council may renew the delegation of authority pursuant to this section each year. The Finance Director may delegate these duties to his/her designee upon approval of the City Council. The day-to-day investment decision-

making and execution authority may also be delegated to an investment advisor under the supervision of the Finance Director. The investment advisor shall follow this Policy and such other written instructions as are provided.

## **V. PRUDENCE AND RISK TOLERANCE**

The City recognizes that investment risks of the following can result from issuer defaults, market price changes or various technical complications leading to temporary liquidity:

1. Credit risk is the possibility that deterioration of an issuer's creditworthiness will adversely affect the value of its bonds or that an issuer will not make timely payments of interest or principal on its bonds (default). A decline in a bond issuer's credit rating, or creditworthiness, may cause prices for its outstanding bonds to decline. This shall be mitigated by limiting investments to those allowed under this policy and by diversification.
2. Market or Interest Rate risk, defined as market value fluctuations due to overall changes in market price, shall be mitigated by eliminating the need to sell securities prior to maturity and investing operating funds primarily in short-term securities, money market funds or similar investment pools, thereby limiting the average maturity of the portfolio. Investment shall be made with that degree of judgment and care, under circumstances then prevailing, which persons or prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the safety of their capital as well as the income to be derived.

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

## **VI. INTERNAL CONTROLS**

A system of internal controls will be maintained to assure compliance with Federal and State regulations, City Council direction, and prudent cash management procedures.

The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of the City. Controls deemed most important include: control of collusion, segregation of duties, separating transaction authority from accounting and recordkeeping, custodial safekeeping, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, documentation of transactions and strategies, and code of ethical standards. In addition, whenever

possible, pre-formatted wire transfers will be used to transfer funds to pre-authorized accounts.

1. The City Treasurer shall audit and examine all investments made by the City, or its duly authorized personnel, at those times deemed necessary by him/her and shall in his/her discretion report his/her audit and examination to the City Council.
2. Investment Oversight Committee: Quarterly review of procedures and adherence to this Investment Policy is conducted by the Investment Oversight Committee. The Committee, established by the City Council, is comprised of the City Manager, Finance Director, and City Treasurer.
3. Annual Audit: The City's portfolio is included in the annual review of the City's financial management performed by an outside audit firm.

## **VII. ETHICS AND CONFLICTS OF INTEREST**

Officers and employees involved in the investment process shall not participate in personal business activity that could conflict with proper execution of the investment program or which could impair the ability to make impartial investment decisions. Such employees and investment officials shall disclose any material financial interests in financial institutions that conduct business with the City, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio.

## **VIII. ELIGIBLE INVESTMENTS**

California Government Code Sections 53600 et. seq. provides basic investment limits and guidelines for government entities. Within the investments permitted by the Government Code, the City seeks to further restrict eligible investment to the investments listed below. In the event an apparent discrepancy is found between this policy and the Government Code, the more restrictive parameters will take precedence.

Rating requirements and percentage limitations, where indicated, apply *at the time of purchase*. In the event a security held by the City is subject to a rating change that brings it below the minimum specified rating requirement, the Finance Director shall notify the City Council of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rate drop, prognosis for recovery or further rate drops, and the market price of the security.

### Eligible Investments

#### **1. Securities of the U.S. Government:**

United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the

payment of principal and interest. There is no limitation as to the percentage of the City's portfolio that may be invested in this category.

## **2. Securities of U.S. Government Agencies**

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the City's portfolio that may be invested in this category.

## **3. California State and Local Agency Obligations**

Obligations of the State of California or any local agency within the state that are general obligation bonds or essential service bonds secured with revenue from a water, sewer, power or electric system, provided that such obligations are rated in one of the top three rating categories by a NRSRO.

## **4. Other State Obligations**

Registered treasury notes or bonds of any of the other 49 United States in addition to California, including general obligation bonds or essential service bonds secured with revenue from a water, sewer, power or electric system of any of the other 49 United States, in addition to California, provided that such obligations are rated in one of the top three rating categories by a NRSRO.

## **5. Bankers Acceptances**

Time drafts or bills of exchange that are drawn on and accepted by a commercial bank and brokered to investors in the secondary market. Purchasers are limited to issuers whose short-term debt is rated in the highest short-term rating category by a nationally recognized statistical-rating organization. Banker's acceptances cannot exceed a maturity of 180 days. A maximum of 40% of the City's portfolio may be invested in this category.

## **6. Commercial paper**

The City may purchase commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (A) or paragraph (B):

(A) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization.

(B) The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated “A-1” or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10 percent of the outstanding paper of an issuing corporation. A maximum of 25 percent of the City’s portfolio may be invested in this category.

## **7. Negotiable Certificates of Deposit (NCDs)**

Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state or federally licensed branch of a foreign bank. Purchases are limited to institutions rated in one of the two highest rating categories by a nationally recognized statistical-rating organization. A maximum of 30 percent of the City’s portfolio may be invested in this category.

## **8. Time Deposits**

The City may invest in non-negotiable time deposits (CDs) that are FDIC insured or fully collateralized in financial institutions located in California, including United States branches of foreign banks licensed to do business in California.

To be eligible for purchase, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided Government Code Section 53635.2. Purchase are further limited to financial institutions meeting all capital requirements and rated in one of the three highest rating categories by a nationally recognized statistical-rating organization .All time deposits must be collateralized in accordance with California Government Code sections 53650 et. seq. The City, at its discretion, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance. The maximum maturity of a time certificate of deposit shall not exceed 1 year. A maximum of 30 percent of the City’s portfolio may be invested in this category.

## **9. Repurchase Agreements**

The City may enter into repurchase agreements with primary government securities dealers rated in the one of the three highest categories by two nationally recognized rating services. Counterparties should also have (i) a short-term credit rating in the highest category; (ii) minimum assets and capital size of \$25 billion in assets and \$350 million in capital; (iii) five years of acceptable audited financial results; and (iv) a strong reputation among market participants.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities will be acceptable collateral. All securities underlying repurchase agreements must be delivered to the City’s

custodian bank delivery versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed 102 percent of the total dollar value of the money invested by the City for the term of the investment. For any repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on a weekly basis according to market conditions. Since the market value of the underlying securities is subject to daily market fluctuations, the investment in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day. Market value must also be calculated each time there is a substitution of collateral.

The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The City shall have properly executed a master repurchase agreement with each counter party with which it enters into repurchase agreements. Repurchase agreements are to be used solely as short-term investments not to exceed 90 days. A maximum of 15 percent of the City's portfolio may be invested in this category.

#### **10. Medium Term Notes**

Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities rated in one of the three highest categories by a nationally recognized statistical-rating organization. A maximum of 30 percent of the City's portfolio may be invested in this category.

#### **11. Asset-Backed Securities**

A mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision must be rated in one of the two highest rating categories by a nationally recognized statistical-rating organization and shall be issued by an institution rated in one of the three highest rating categories by a nationally recognized statistical-rating organization. A maximum of 20 percent of the City's portfolio may be invested in this category.

#### **12. Supranational Securities**

United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Securities eligible for investment under this subdivision must be rated in one of the two

highest rating categories by a nationally recognized statistical-rating organization. A maximum of 30 percent of the City's portfolio may be invested in this category.

### **13. Money Market Funds**

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). To be eligible for purchase, the company shall have met either of the following criteria:

- (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.
- (B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500,000,000.

A maximum of 20 percent of the City's portfolio may be invested in this category.

### **14. State of California's Local Agency Investment Fund (LAIF)**

The Local Agency Investment Fund was established by the State to enable local agency treasurers to place funds in a pool for investment (California Government Code Section 16429.1 et seq.). The City uses this investment vehicle for short-term liquidity, investment, and yield when rates are declining. Funds are available on demand and interest is paid quarterly. The City may invest up to the maximum permitted by the LAIF.

### **15. California Asset Management Program (CAMP)**

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests the securities and obligations authorized in subdivisions (a) to (n), inclusive, of Government Code Section 53601.

## Summary of Investment Requirements<sup>1</sup>

Investment Type	City Minimum Quality Parameters	Code Minimum Quality Parameters	City Maximum % of Portfolio	Code Maximum % of Portfolio	City Maximum Maturity	Code Maximum Maturity
U.S. Treasury Obligations	None	None	None	None	5 Years	5 Years
Federal Agency Obligations	None	None	None	None	5 Years	5 Years
Bankers Acceptances	A1/P1	None	40%/5% issuer <sup>2</sup>	40%/30% issuer	180 Days	180 Days
State and Local Obligations	"A-" rated obligation	None	30%/5% issuer <sup>2</sup>	None	5 years	5 years
Commercial Paper	A1/P1/F1	A1/P1/F1	25%/5% issuer <sup>2</sup>	25%	270 Days	270 Days
Negotiable Certificates of Deposits	Aa/AA-rated financial institutions	None	30%/5% issuer <sup>2</sup>	30%	5 Years	5 Years
Certificates of Deposit	"A" rated financial institutions	None	30%/5% issuer <sup>2</sup>	None	1 Year	None
Repurchase Agreements	"A" rated primary dealers	None	15%/5% issuer <sup>2</sup>	None	90 Days	1 Year
Medium-Term Notes	A	A	30%/5% issuer <sup>2</sup>	30%	5 Years	5 Years
Asset-backed Securities	"AA" security/"A" rated financial institutions	AA" security/"A" rated financial institutions	20%/5% issuer <sup>2</sup>	20%	5 Years	5 Years
Money Market	Multiple <sup>4</sup>	Multiple <sup>4</sup>	20%/10% per	20%	N/A	N/A



Investment Type	City Minimum Quality Parameters	Code Minimum Quality Parameters	City Maximum % of Portfolio	Code Maximum % of Portfolio	City Maximum Maturity	Code Maximum Maturity
Funds			fund			
Local Agency Investment Fund	None	None	\$50 million <sup>5</sup>	\$50 million	N/A	N/A
CAMP <sup>6</sup>	None	None	None	None	N/A	N/A

Notes:

1. The table is a summary of the key requirements. Additional requirements may apply as listed under this Policy and California Government Code Section 53601.
2. The Policy limits the portfolio's allocation to any one issuer, with the exception of U.S. Treasury securities, Federal Agency securities, and authorized pools, to no more than 5 percent of the portfolio.
3. The Policy limits the portfolio's allocation to any one issuer, with the exception of U.S. Treasury securities, Federal Agency securities, and authorized pools, to no more than 10% per fund.
4. Must receive the highest rating by two of the three largest nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC and has not less than five years experience managing money market funds with assets under management in excess of \$500 million.
5. There is a \$50 million cap for the City of Pittsburg funds.
6. CAMP is California Asset Management Program.

**IX. DIVERSIFICATION**

In an effort to reduce portfolio risk while attaining market average rates, the City's portfolio will be suitably diversified by type and institution. With the exception of U.S. Treasury securities, Federal Agency securities, and authorized pools, no more than 30 percent of the total portfolio, and less where stated, will be invested in a single security type with no more than 5 percent invested with a single issuer.

**X. MAXIMUM MATURITY**

The City's cash management system is designed to accurately monitor and forecast revenues and expenditures thus enabling the City to invest funds to the fullest extent possible. To the extent possible, the City will attempt to match investments with anticipated cash flow requirements. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds

Where this Policy does not specify a maximum remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase agreement, that at the time of the investment has a term remaining to maturity in excess of five years, unless the City Council has granted express authority to make that investment either specifically or as a part of an investment program approved by the City Council no less than three months prior to the investment.

## **XI. INELIGIBLE INVESTMENTS**

Investments not described herein, including but not limited to common stocks and financial futures contracts and options, are prohibited in this fund. As provided in California Government Code Section 53601.6, the City shall not invest any funds in inverse floaters, range notes, mortgage derived interest-only strips or in any security that could result in zero interest accrual if held to maturity. The purchase of any security not listed in Section 8 above, but permitted by the California Government Code, is prohibited unless the City Council approves the investment specifically or as a part of an investment program approved by the City Council.

## **XII. BANKS AND SECURITIES DEALERS**

The Finance Director shall maintain a list of authorized broker/dealers and financial institutions, which are approved for investment purposes. It shall be the City's policy to purchase securities only from those authorized institutions and firms. The City shall annually send a copy of the current investment policy to all dealers approved to do business with the City. Each broker dealer or financial institution that has been authorized by the City shall be required to submit the firm's most recent financial statement. If an investment advisor is used, they may use their own list of approved broker/dealers and financial institutions for investment purposes.

## **XIII. SAFEKEEPING AND CUSTODY**

All security transactions entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. All cash and securities in the City's portfolio, including those that are managed by an investment advisor, shall be held in safekeeping in the City's name by a third party bank trust department, acting as agent for the City under the terms of a custody agreement executed by the bank and the City. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of each these investments will be held in the Treasury vault. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

## **XIV. PERFORMANCE STANDARDS**

The investment portfolio will be designed to obtain a market-average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs.

## **XV. REPORTING REQUIREMENTS**

A Quarterly Investment report shall be provided to the City Council, City Manager, and Finance Director.

1. A quarterly investment report will be submitted within 60 days following the period being reported to the City Council. Reports of the investment of bond proceeds are issued monthly by the Trustee and are included in the quarterly report of the pooled investment fund. The quarterly investment report shall include information on the following:
  - Type of Investment
  - Issuer
  - Date of Maturity
  - Par and dollar amount invested on all securities
  - Current market value of each security and the source of the valuation
  - Credit quality of each investment, as determined by one or more nationally recognized credit rating services
  - Listing of investment transactions for the quarter being reported upon.
  - Statement that portfolio is in compliance with investment policy ,or the manner in which the portfolio is not in compliance
  - Statement denoting ability of City to meet its expenditure requirements for the next six months, or provide sufficient explanation why money is not available

## **XVI. INVESTMENT POLICY REVIEW**

The Finance Director shall periodically submit to the City Council a statement of investment policy outlining any proposed changes, which the City Council must consider at a public meeting.

## Glossary of Terms

**Accrued Interest:** Interest earned but not yet received.

**Active Deposits:** Funds which are immediately required for disbursement.

**Amortization:** An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

**Arbitrage:** Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets.

**Asked Price:** The price a broker/dealer offers to sell securities.

**Average Life:** The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund features is expected to be outstanding.

**Bankers' Acceptance (BA):** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Basis Point:** One basis point is one hundredth of one percent (.01).

**Bid Price:** The price a broker/dealer offers to purchase securities.

**Bond:** A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

**Book Entry:** The system maintained by the Federal Reserve, by which most money market securities are delivered to an investor's custodial bank. The Federal Reserve maintains a computerized record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment.)

**Book Value:** The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

**Broker:** A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not take a position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

**Callable Bond:** A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

**Call Price:** The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

**Call Risk:** The risk to a bondholder that a bond may be redeemed prior to maturity.

**Cash Sale/Purchase:** A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

**Certificate of Deposit (CD):** A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.

**Collateral:** Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Commercial Paper:** A short-term, unsecured, and negotiable promissory note with a fixed maturity of no more than 270 days. By statute, these issues are exempt from registration with the U.S. Securities and Exchange Commission.

**Comprehensive Annual Financial Report (CAFR):** The official annual financial report for public sector entities/companies. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principles (GAAP).

**Convexity:** A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

**Coupon:** The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

**Credit Analysis:** A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

**Credit Risk:** The risk to an investor that an issuer will default in the payment of interest and/or principal on a security and a loss will result.

**Current Yield:** The interest paid on an investment expressed as a percentage of the current price of the security.

**Custodian:** A bank or other financial institution that keeps custody of stock certificates and other assets.

**Dealer:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his or her own account.

**Debenture:** A bond secured only by the general credit of the issuer.

**Defeased Bond Issues:** Issues that have sufficient money to retire outstanding debt when due so that the agency is released from the contracts and covenants in the bond document.

**Delivery versus Payment:** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free delivery). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**Derivative:** Securities that are based on, or derived from, some underlying asset, reference date, or index.

**Discount:** The difference between the cost of a security and its value at maturity when quoted at lower than face value.

**Diversification:** Dividing investment funds among a variety of securities offering independent returns.

**Duration:** A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

**Face Value:** The principal amount owed on a debt instrument. It is the amount on which interest is computed and represents the amount that the issuer promises to pay at maturity.

**Fair Value:** The amount at which a security could be exchanged between willing parties, other than in a forced or liquidation sale. If a market price is available, the fair value is equal to the market value.

**Federal Farm Credit Bank (FFCB):** Government-sponsored institution that consolidates the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks and the Banks for Cooperatives. Its securities do not carry direct U. S. Government guarantees.

**Federal Funds Rate:** The rate of interest at which Federal funds are traded. This rate is considered the most sensitive indicator of the direction of interest rates, as it is currently pegged by the Federal Reserve through open-market operations.

**Federal Home Loan Banks (FHLB):** Government sponsored wholesale banks, which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

**Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac):** Established in 1970 to help maintain the availability of mortgage credit for residential housing. FHLMC finances these operations by marketing guaranteed mortgage certificates and mortgage participation certificates. Its discount notes and bonds do not carry direct U.S. Government guarantees.

**Federal National Mortgage Association (FNMA):** FNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (H.U.D.). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**Federal Open Market Committee (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**Federal Reserve System:** The central bank of the U.S., which consists of seven member Board of Governors, 12 regional banks, and about 5,700 commercial banks that are members.

**Fitch IBCA, Inc. (Fitch):** One of the three best-known rating agencies in the United States, the others being Moody's Investment Service, Inc. and Standard and Poor's Corporation.

**Government Accounting Standards Board (GASB):** A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

**Government National Mortgage Association (GNMA or Ginnie Mae):** Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA or VA mortgages. The term pass-through is often used to describe Ginnie Maes.

**Government Securities:** An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

**Guaranteed Investment Contracts (GICS):** An agreement acknowledging receipt of funds, for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

**Inactive Deposits (Idle Funds):** Funds not immediately needed for disbursement.

**Investment-Grade Obligations:** An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

**Interest Rate Risk:** The risk of gain or loss in market values of securities due to changes in interest-rate levels. For example, rising interest rates will cause the market value of portfolio securities to decline.

**Inverse Floating Rate Note:** A debt security with an interest rate stated as a fixed rate minus an index. This calculation causes the rate on the inverse floater to move in the opposite direction of general interest rates. This instrument generally performs well in a declining interest rate environment but will lose value if rates rise.

**Liquidity:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between the bid and asked prices is narrow and reasonable size can be done at those quotes.

**Local Agency:** County, City, City and County, including a chartered city or county, school district, community college district, public district, or any public or municipal corporation.

**Local Agency Investment Fund (LAIF):** An investment pool managed by the California State Treasurer. Local government units, with consent of the governing body of that agency, may voluntarily deposit surplus funds for the purpose of investment. Interest earned is distributed by the State Controller to the participating governmental agencies on a quarterly basis.

**Mark-to-market:** The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

**Market Risk:** Systematic risk of a security that is common to all securities of the same general class (stocks, bonds, notes, money market instruments) and cannot be eliminated by diversification (which may be used to eliminate non-systematic risk).

**Market Value:** The price at which a security is trading and could presumably be sold.

**Master Repurchase Agreement:** A written contract covering all future transactions between the parties to repurchase agreements and reverse repurchase agreements that establish each person's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.

**Medium Term Notes:** Instruments issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

**Modified Duration:** A measure of exposure to market risk of a security or a portfolio. It is the percent change in the price of a security (portfolio) or a 100 basis point change in the security's (portfolio's) yield.



**Money Market:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

**Money Market Mutual Fund:** Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

**Moody's:** Moody's Investment Service, Inc. One of the three best-known rating agencies in the United States, the others being Standard and Poor's Corporation (S&P) and Fitch IBCA, Inc. (Fitch).

**National Association of Securities Dealers (NASD):** A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

**NATIONAL RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO):**

A rating organization designated by the SEC as being nationally recognized, such as Moody's Investor Service, Inc. (Moody's), Standard & Poor's (S&P), and Fitch Ratings (Fitch).

**Net Asset Value:** The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets, which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio.  $[(\text{Total assets}) - (\text{Liabilities})] / (\text{Number of shares outstanding})$

**Negotiable Certificate of Deposit:** A large denomination certificate of deposit, which can be sold in the open market prior to maturity.

**Nominal Yield:** The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

**New Issue:** Term used when a security is originally "brought" to market.

**Note:** A written promise to pay a specified amount to a certain entity on demand or on a specified date.

**Open Market Operations:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the Federal Open Market Committee, (FOMC), in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit: Sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**Par Value:** The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

**Portfolio:** Collection of securities held by an investor.

**Premium:** The amount by which the price paid for a security exceeds the security's par value.

**Primary Dealer:** A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities, broker/dealers, banks and a few unregulated firms.

**Principal:** The face value or par value of a debt instrument, or the amount of capital invested in a given security.

**Prospectus:** A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an "official statement").

**Prudent Investor Standard:** An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state, the so-called legal list. In other states, the trustee may invest in a security if it is one that would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**Purchase Date:** The date in which a security is purchased for settlement on that or a later date.

**Range Note:** A debt security with a varied interest payment that depends on the number of days the designated index falls within (or in some cases outside) an established range of interest rates. Should rates move beyond the range on either end, the investor faces the risk of a reduced or zero interest payment for the applicable interest period.

**Rate of Return:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**Rating Agency:** Nationally recognized credit rating agency such as Fitch, Moody's or S&P.

**Rating Category:** A credit rating assignment by a Rating Agency shall mean (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

**Repurchase Agreement (RP or Repo):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement and the

terms of the agreement are structured to compensate the buyer for this. Dealers use RP extensively to finance their positions. Exception: when the Fed is said to be doing RP, it is lending money, which is increasing bank reserves.

**Reverse Repurchase Agreement (Reverse Repo):** A counter party (e.g. investment dealer) buys the securities from the holder of securities (e.g. the Agency) with an agreement to sell them back at a fixed date. The counter party in effect lends the seller, (e.g. the Agency) money for the period of the agreement with terms of the agreement structured to compensate buyer.

**Safekeeping:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**Secondary Market:** A market for the repurchase and resale of outstanding issues following the initial distribution.

**Securities:** Investment instruments such as notes, bonds, stocks, money market instruments and other instruments of indebtedness of equity.

**Sec Rule 15C3:1:** See Uniform Net Capital Rule.

**Securities and Exchange Commission:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**Settlement Date:** The date on which a trade is cleared by delivery of securities against funds.

**Serial Bond:** A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

**Sinking Fund:** Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

**Spread:** The difference between two figures or percentages. It may be the difference between the bid (price at which a prospective buyer offers to pay) and asked (price at which an owner offers to sell) prices of a quote, or between the amount paid when bought and the amount received when sold.

**Standard and Poor's Corporation (S&P):** One of the three best-known rating agencies in the United States, the others being Moody's Investment Service, Inc. and Fitch IBCA, Inc. (Fitch).

**Strip (Bonds):** Brokerage-house practice of separating a bond into its principal and interest, which are then sold as zero coupon bonds.

**Swap:** An agreement between two parties (known as counterparties) where one stream of future interest payments is exchanged for another based on a specified principal amount.

**Term Bond:** Bonds comprising a large part or all of a particular issue, which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

**Time Certificate of Deposit:** A non-negotiable certificate of deposit, which cannot be sold prior to maturity.

**Total Return:** The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return

**Treasury Bills:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

**Treasury Bonds:** Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

**Treasury Notes:** Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

**Trustee or trust company or trust department of a bank:** A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

**Underwriter:** A dealer which purchases a new issue of municipal securities for resale.

**Uniform Net Capital Rule:** Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**U.S. Government Agencies:** Instruments issued by various U.S. Government Agencies most of which are secured only by the credit worthiness of the particular agency.

**U.S. Treasury Obligations:** Debt obligations of the United States Government sold by the Treasury Department in the forms of Bills, Notes, and Bonds. Bills are short-term obligations that mature in 1 year or less and are sold on the basis of a rate of discount. Notes are obligations that mature between 1 year and 10 years. Bonds are long-term obligations that generally mature in 10 years or more.

**Weighted Average Maturity (WAM):** The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years.

**Yield:** The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**Yield to Maturity:** The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

**Yield Curve:** A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

**Zero-coupon Securities:** Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

**CITY OF PITTSBURG  
PURCHASING POLICIES**

**REVISED MAY 2013**

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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 2016-17 for the City of )  
Pittsburg and Appropriation of Funds )  
for Fiscal Year 2016-17 )

RESOLUTION NO. 16-13199

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 2016-17 to the City Council for its consideration; and

WHEREAS, the City prepares and adopts the Preliminary Operating Budget for Fiscal Year 2016-17 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 16, 2016 the City Council held a meeting for the purpose of reviewing the Preliminary Operating Budget for Fiscal Year 2016-17 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 2016-17 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 2016-17 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 2016-17.
- 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 2016-17.
- 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 2016-17.
- 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 20<sup>th</sup> day of June, 2016, by the following vote:

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



BR Johnson, Mayor

ATTEST:



Alice E. Evenson, City Clerk



**Office of the City Manager  
65 Civic Avenue  
Pittsburg, CA 94565-3814**

**MEMO:** June 20, 2016

**TO:** Mayor and Council Members

**FROM:** Joe Sbranti, City Manager

**RE:** Adoption of a City Council Resolution for Approval of the City of Pittsburg's Operating Budget for Fiscal Year 2016-17 and Appropriation of Funds for Fiscal Year 2016-17

**EXECUTIVE SUMMARY**

On May 16, 2016, a budget workshop meeting was held to review and receive public input and discussion regarding the Draft Operating Budget for Fiscal Year 2016-17. The Fiscal Year 2016-17 budget must be appropriated by July 1, 2016 to provide on-going funding for the City of Pittsburg activities during the next fiscal year.

**FISCAL IMPACT**

The proposed City of Pittsburg Operating Budget for Fiscal Year 2016-17 contains an overall estimated revenue stream of \$192,483,544 and overall appropriations of \$195,006,542. Included in the total appropriations budget are \$41.3 million for the General Fund, \$10.5 million for the Internal Service Funds, \$38.9 million for the Enterprise Funds, \$29.4 million for the Special Revenue Funds, \$41.4 million for the Debt and Project Funds and \$32.7 million for the Successor Agency to the Former Pittsburg Redevelopment Agency Funds.

The Fiscal Year 2016-17 City Manager Budget Message is set forth as attachment I. The City of Pittsburg Fiscal Year 2016-17 operating budgets for all City funds are set forth in the Summary of Fund Conditions, attachment II, and Summary of Revenues and Expenditures All Funds, attachment III. Projected Citywide revenues are set forth in the Revenue Source by Category and Object, attachment IV. A Summary of Expenditures by Program can be found in attachment V. The FY 2016-17 General Fund Revenues and Expenditures are included in attachments VI and VII.

**RECOMMENDATION**



Adopt the budget for the City of Pittsburg for the Fiscal Year 2016-17.

## **BACKGROUND**

The City's proposed FY 2016-17 Operating Budget was presented to the City Council at a Budget Workshop held on May 16, 2016.

The proposed FY 2016-17 budget is scheduled to be adopted at the City Council meeting on June 20, 2016. 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 2016-17 will be on the City's website before the June 20, 2016 City Council meeting and can be located by navigating to City Services/Finance/Budget and Other Financial Documents. A hard copy of the same document will be filed at the Contra Costa County Library, Pittsburg Branch.

## **COMMITTEE FINDINGS**

On April 7, 2016 the Finance Committee met to review the Draft FY 2016-17 Operating Budget.

## **STAFF ANALYSIS**

The City Manager's attached Budget Message provides an overview of the City's FY 2016-17 General Fund budget as well as a description of the City's financial challenges.

Report Prepared By: Diane Agar, Finance Division Manager – Accounting and Budget  
Reviewed by: Brad Farmer, Director of Finance

Attachments:

Resolution

Attachment I: Fiscal Year 2016-17 City Manager Budget Message

Attachment II: Summary of Fund Conditions for FY 2016-17

Attachment III: Summary of Revenues and Expenditures All Funds

Attachment IV: Revenue Source by Category and Object All Funds

Attachment V: Summary of Expenditures by Program All Funds

Attachment VI: General Fund Revenues

Attachment VII: General Fund Expenditures



City of Pittsburg  
65 Civic Avenue  
Pittsburg, California 94565

June 20, 2016

Honorable Mayor and Members of the City Council:

I am pleased to submit the Fiscal Year 2016-17 Annual Budget for the City of Pittsburg (City), which provides a comprehensive financial framework for the coming year. The City's total revenues (excluding Transfers) are \$149.6 million, of which 23.48 percent comprises the General Fund. The City's total expenditure budgets (excluding Transfers and Capital) are \$143.7 million, of which 27.8 percent is the General Fund, the City's main source of unrestricted funds. This proposed budget funds 265 full-time equivalent employees, an increase of one full-time position over FY 2015-16 approved staffing levels. Before the recent economic recession, the City budget had 308 full-time equivalent positions. This Budget reflects the continuing commitment to provide quality services to residents, while maintaining the City's long-term financial sustainability target of having a structurally balanced General Fund by fiscal year 2018-19.

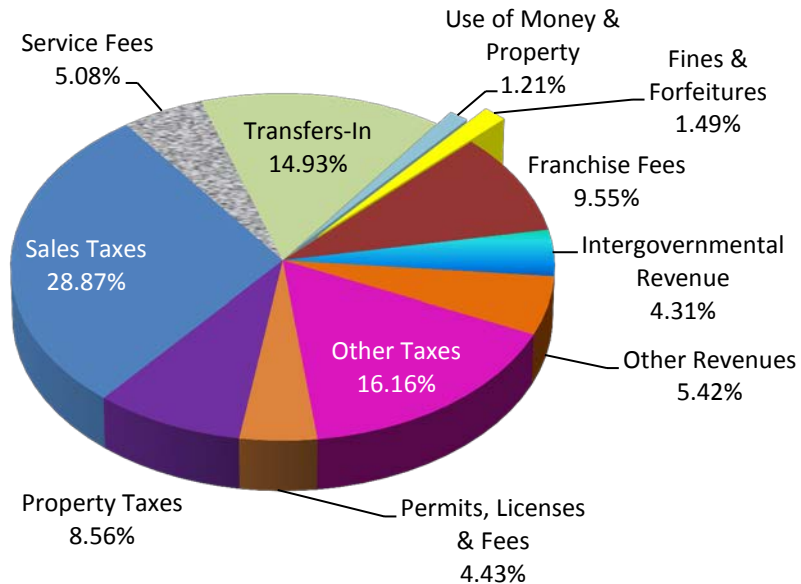
### Overview of the General Fund Proposed Operating Budget for FY 2016-17

	FY 2015-16 Year-End Estimate	FY 2016-17 Budget	Difference	Percent Difference
Revenues	38,791,327	39,909,594	1,118,267	2.88%
Expenditures	39,991,999	41,298,217	1,306,218	3.27%
Surplus (Deficit)	(1,200,672)	(1,388,623)	(187,951)	15.65%
Use of Budget Stabilization Fund	1,200,672	1,388,623	187,951	

### Revenues

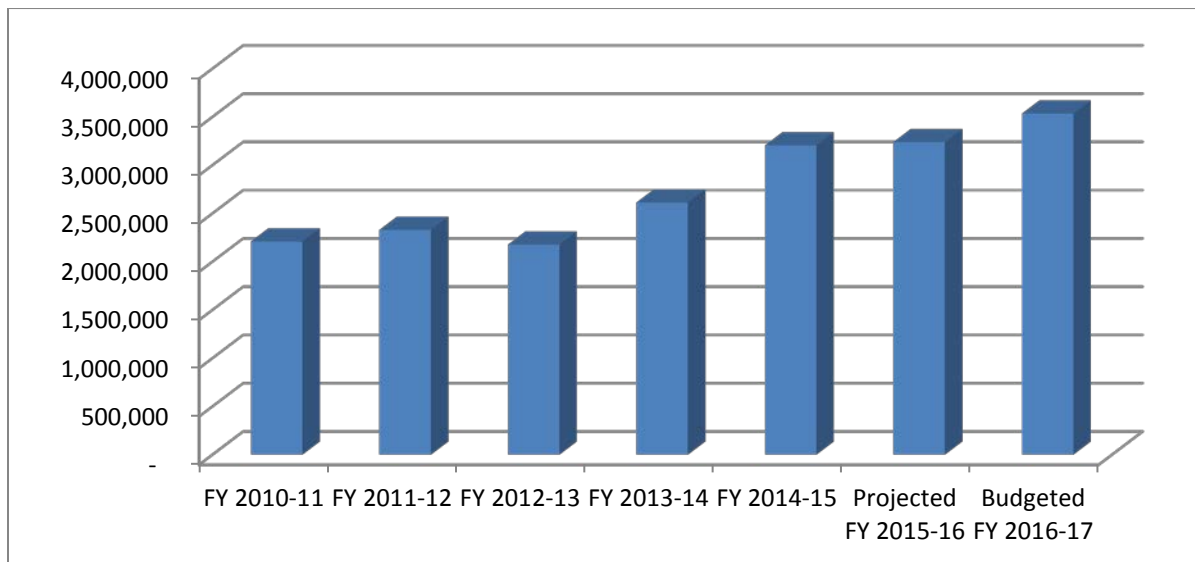
The City's revenue streams are influenced by overall economic conditions. Total General Fund revenues projected for FY 2016-17 are approximately \$39.9 million or 2.88 percent greater than FY 2015-16 year-end estimates. The General Fund's major revenue sources include property and sales taxes, transfers and vehicle taxes, and franchise taxes. Together these sources comprise 74 percent of total general fund revenues for FY 2016-17, as shown on the graph below. The remaining 26 percent includes revenues such as departmental revenues, cost reimbursements from other funds and interest revenues.

## General Fund Revenues



The City continues to see signs of improvement through increases in both property tax and sales tax revenues. Property Tax revenue projections increased approximately \$294,000 from year-end estimates; a 9.1 percent estimated increase and are due to additional single family and commercial construction, and recovering property values.

## Property Taxes

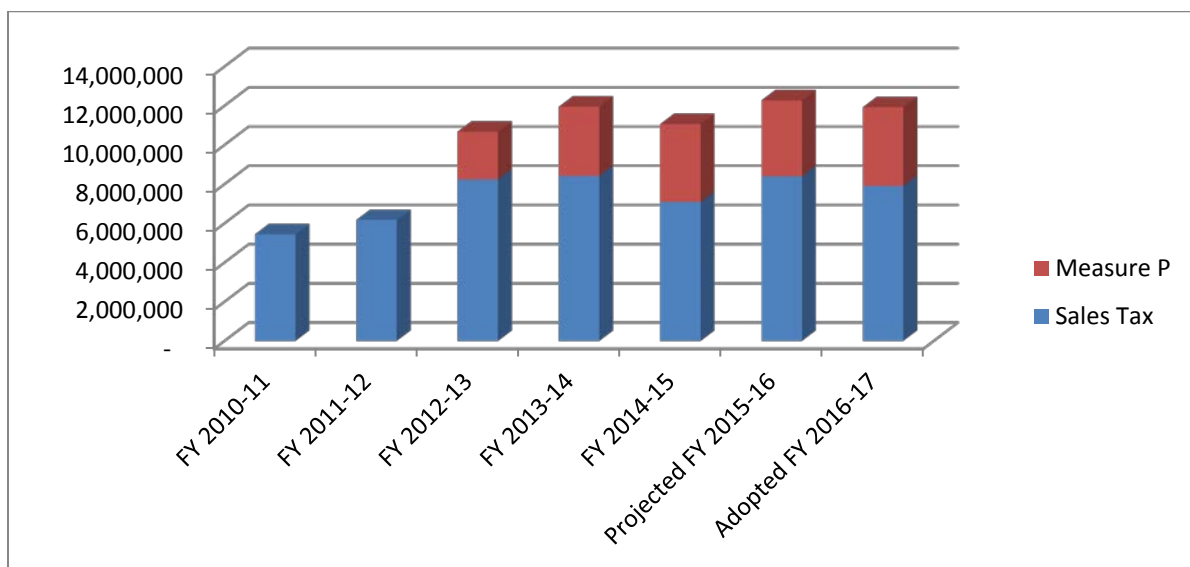


FY 2016-17 Sales Tax revenue projections are lower by \$353,000 over FY 2015-16 year-end estimates, a 2.9 percent decline. Sales tax revenue reductions are occurring at a lower rate than in previous years due to the one time catch-up and overlap known as the “triple flip” unwound in FY 2015-16. The “triple flip” was a mechanism adopted in 2004 to fund the state’s economic recovery bond program and balance the state’s deficit. Looking forward, the City is projecting normal Sales Tax revenue to increase approximately two percent per year as the economy continues to recover.

As of this writing, Measure P Sales Tax is scheduled to reduce by 50% in FY 2017-18 to .25% per dollar spent before expiring in early FY 2021-22. In anticipation of the future Measure P reductions, the City placed Measure M on the June 2016 ballot, to extend Measure P at the current one-half percent (.5%) rate until June 2035. The residences of Pittsburg voted their support for the measure, which passed by 81 percent. Staff and the City Council are grateful for the community’s support, and will continue to manage the City’s resources very carefully to use these funds as the measure intends.

However, due to the timing of the Measure M vote so near the date for City Council consideration for adoption of the FY 2016-17 spending and revenue plan, this budget and the future projections presented in this document have not incorporated the impacts of the voters’ approval of Measure M.

### Sales Taxes



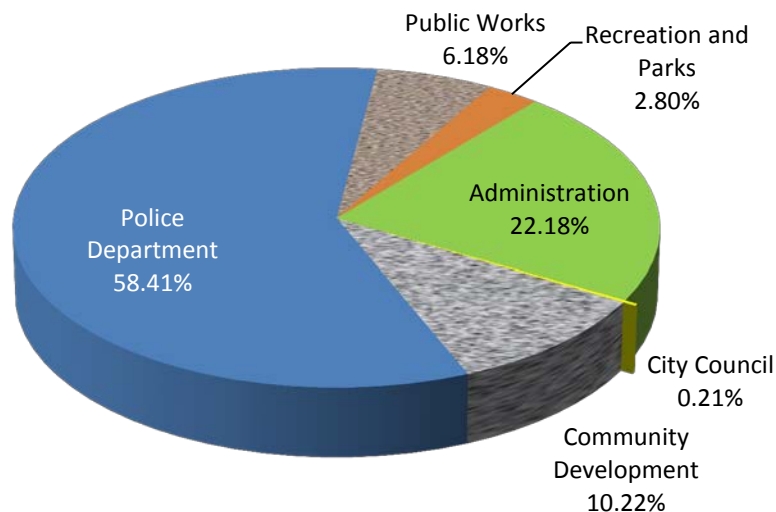
### Expenditures

General Fund projected expenditures have increased by \$1.4 million in FY 2016-17 over FY 2015-16. While revenues have improved, the costs to deliver current services are also growing. The increases are primarily due to increased personnel costs and increased retirement and health insurance rates. The increase assumes full staffing for the entire fiscal year and the full

financial impacts associated with the current Memoranda of Understanding (MOUs) between the City and employee groups. For example, current MOUs call for salary increases of four percent in the current year. In addition, costs are increasing for current benefits for staff and retirees.

In order to maintain efficient operations while serving both residents and the business community in a growing economy, the City is restructuring the use of part-time personnel in order to add one FTE position to the existing Council approved positions. This will result in the funding of 265 full-time equivalent positions for FY 2016-17.

### 2016-17 General Fund Expenditures



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

The current City budget is in the sixth year of the original 7-year General Fund Balancing Plan (Plan) that originally started in FY 2011-12. The Plan assumes relatively conservative revenue projections and expenditure assumptions, with the underlining goal of obtaining a structurally balanced budget in FY 2018-19. Since the inception of the Plan, actual revenues and expenses have been favorable most years. These favorable years have resulted in the use of approximately \$1.7 million from the Budget Stabilization Fund to balance the General Fund through FY 15-16, an amount that is significantly less than the \$7 million originally projected to balance those budgets.

**Fiscal Sustainability Ordinance** – This is the fourth year that the City’s budget has been developed under the guidelines of the City’s Fiscal Sustainability Ordinance. The Budget Stabilization Fund projected balance at the end of FY 2016-17 is \$5.3 million, and will exceed the \$2 million or five percent of operating expenditures as required by the Ordinance. Staff is currently estimating that \$1.39 million will be utilized in FY 2016-17 to balance the budget.

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

**CCCERA** – In 2001, the City terminated participation in the Contra Costa County Employees Retirement Association (CCCERA) and converted to the CalPERS retirement system. The termination agreement with CCCERA required the City to cover unfunded pension liabilities for former employees receiving a pension from CCCERA. In FY 2013-14, the City reduced its CCCERA unfunded liability by \$5.8 million by self-funding and borrowing \$3.8 million from the City's Water Fund balance. The City will have the loan paid in full during FY 2017-18 after making two additional payments of \$1.3 million in both FY 2016-17 and FY 2017-18.

**Pension** - One of the benefits offered to City employees is participation in the CalPERS pension program. Following significant losses during the recession, CalPERS has recovered lost funds through rate increases. In addition to the loss recovery, several actuarial assumption changes also substantially increased projected pension costs for the City.

Assembly Bill (AB) 340 pension reform created the Public Employees' Pension Reform Act (PEPRA) that implemented new benefit formulas and the final compensation period, as well as new contribution requirements for new employees hired on or after January 1, 2013 who meet the definition of a new member under PEPRA. This created a second tier for the City's pension plan. The impacts of the second tier will be realized as the City experiences employee attrition. The City is working on reducing this liability through employee attrition, negotiated employee contributions, and additional City contributions.

**OPEB Liabilities** – In December 2013, the City established an agreement with the California Public Employees' Retirement System (CalPERS) to set aside funds and deposit into the California Employer's Retiree Benefit Trust (CERBT) fund to accumulate and distribute assets for the exclusive benefit of retirees and their beneficiaries. Plan assets are irrevocable and may not be used for any purpose other than funding post-retirement healthcare. The City continues to deposit funds with CERBT each year to reduce its unfunded OPEB liability. The City's CERBT account had a balance of \$1.3 million as of June 30, 2015 and a projected balance of approximately \$2.5 million on June 30, 2016. The proposed FY 2016-17 Budget contains a contribution of \$523,962 towards these future OPEB costs.

## **Looking Forward**

Staff will continue to streamline the City's organization and strive to optimize the existing workforce to meet the needs of residents throughout the City. By continuing to improve efficiency and focus on achieving the City's 7-Year General Fund Balancing Plan and long-term 20-year forecast for the City's General Fund, staff feels the City, residents, business leaders and community partners will continue to invest in and strengthen the community.

**Crime Rates** –Over the past year, the City saw increases in both Violent and Part I Crimes, but remains at some of the lowest levels in decades and continues to compare very well with nearby cities.

<b>VIOLENT CRIME COMPARISON BY CITY PER 1,000 RESIDENTS</b>			<b>PART I CRIME COMPARISON BY CITY PER 1,000 RESIDENTS</b>		
CITY/YEAR	2014	2015	CITY/YEAR	2014	2015
Walnut Creek	1.1	1.4	Brentwood	24.8	24.8
Brentwood	1.9	1.9	Pittsburg	38.5	39.3
Pleasant Hill	2.6	2.6	Walnut Creek	38.2	39.5
Pittsburg	2.7	3.3	Antioch	47.7	43.6
Concord	3.7	3.9	Concord	45.4	54.1
Antioch	8.0	7.1	Pleasant Hill	50.4	55.4

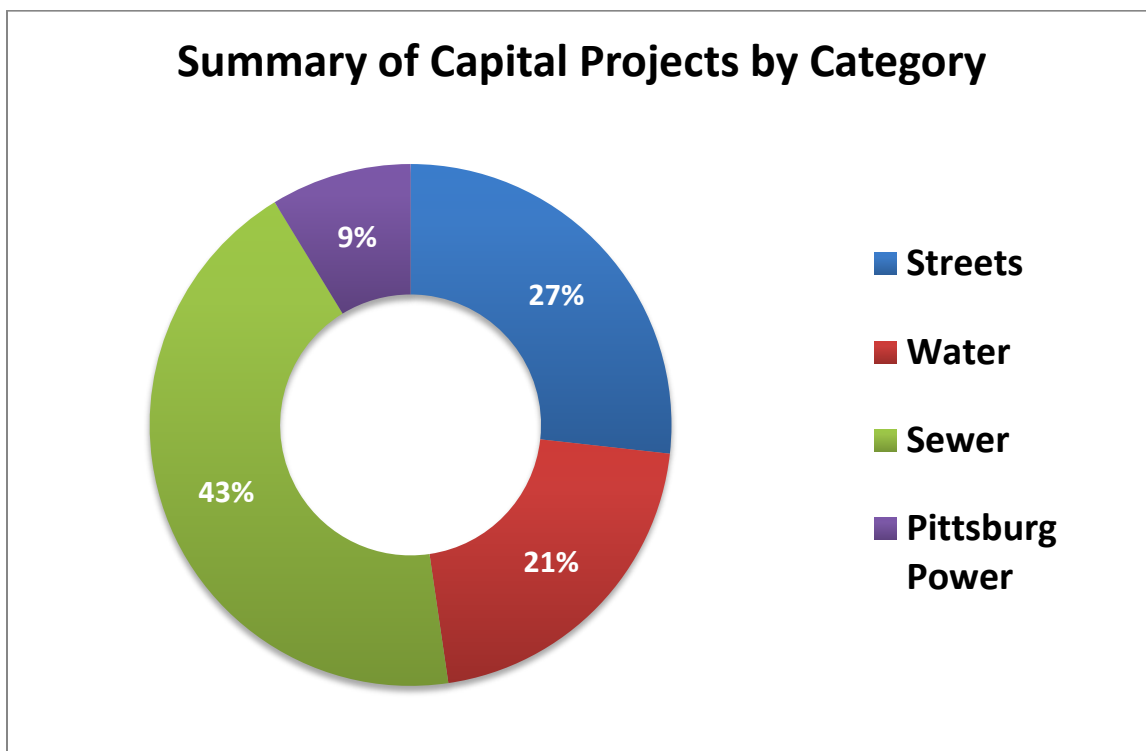
Violent Crime includes: Murder, Rape, Robbery and Aggravated Assault

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

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

The proposed Capital Projects budget for FY 2016-17 is approximately \$6.9 million, as summarized on the chart below. A majority of the capital projects involve improvements to the City’s water distribution and sewer systems. Funds for infrastructure projects come from water and sewer operations funds, developer fees, grants and regional fees for storm drainage and fuel taxes.

Category	Project Name	Allocation FY2016/17
<b>Streets</b>	Frontage Road, Class I Bicycle Lane	\$125,000
	Multimodal Transfer Facility BART Station	200,000
	San Marco Boulevard Class I Trail	265,000
	West Leland Road Pavement Markers/Markings and Speed Signage	376,800
	West Leland High Friction Surface Treatment Project	608,800
	West Leland Road Pavement Delineation, Warning Signage, High Visibility Crosswalk	265,900
<b>Water</b>	Automatic Water Reading System	300,000
	2016/17 WTP Sludge Removal	250,000
	2016/17 Water Main Installation	890,000
<b>Sewer</b>	2016/17 Sewer Replacement/Rehabilitation Program	3,000,000
<b>Pittsburg Power</b>	Gas Line Removal and Replacement	100,000
	2016/17 Cable Replacement	500,000
<b>Totals</b>		<b>\$6,881,500</b>





**BART – (Bay Area Rapid Transit)** Construction is underway on the \$463 million extension of the BART system from the Pittsburg-Bay Point station to Hillcrest Avenue in Antioch. The extension will use diesel trains to transport passengers to and from eastern Contra Costa County and main BART system. The \$12 million Pittsburg Center Station, scheduled to open in spring 2018 will be accessible through a station located in the freeway median at the Railroad Avenue overcrossing. The City will construct a passenger drop-off and pick-up area at the northeast corner of Railroad and California Avenues that will also be a hub for bicycle trails and public transit in close proximity to the BART station. The facility is scheduled to open in early 2018.



## Conclusion

The FY 2016-17 Annual Budget reflects the short and long-term financial capacity of the City. It balances a variety of wants against needs, while reflecting the goals, strategic direction and plans prioritized by the Council as this community moves forward.

I would like to thank the City Council for their guidance and support throughout the development of this proposed budget. In addition, I would like to thank the Finance Department Budget staff and staff in all other City Departments who contributed to the Fiscal Year 2016-17 budget. I would like to give special thanks to Brad Farmer, Finance Director and to Diane Agar, Finance Accounting and Budget Manager for their work and expertise throughout this year's budget process.

Joe Sbranti  
City Manager

## Summary of Fund Conditions

	<sup>1</sup> Estimated Reserves June 30, 2016	Projected Revenues 2015-16	Transfers-In	Projected Expenditures 2015-16	Transfers-Out	Estimated Balance June 30, 2017
<b>General Fund</b>						
General Fund	8,909,640	35,132,806	6,165,411	40,053,463	1,244,754	8,909,640
<b>Subtotal, General Fund</b>	<u>\$ 8,909,640</u>	<u>\$ 35,132,806</u>	<u>\$ 6,165,411</u>	<u>\$ 40,053,463</u>	<u>\$ 1,244,754</u>	<u>\$ 8,909,640</u>
<b>Internal Service Funds</b>						
Building Maintenance	610,514	1,624,459	20,000	1,707,321	10,893	536,759
Fleet Maintenance	886,414	1,741,140	-	2,068,827	9,189	549,538
Fringe Benefits	775,597	1,620,008	-	1,615,703	284,905	494,997
Information Communication Services	631,075	1,364,412	-	1,360,079	251,575	383,833
Insurance	322,319	1,067,651	-	1,067,964	-	322,006
Other Post-Employment Benefits (OPEB)	79,267	1,631,192	481,221	2,093,413	-	98,267
<b>Subtotal, Internal Service Funds</b>	<u>\$ 3,305,186</u>	<u>\$ 9,048,862</u>	<u>\$ 501,221</u>	<u>\$ 9,913,307</u>	<u>\$ 556,562</u>	<u>\$ 2,385,400</u>
<b>Enterprise Funds</b>						
Island Energy	1,754,645	5,958,451	-	5,730,152	27,043	1,955,901
Marina	808,783	2,138,325	-	2,220,879	15,885	710,344
Pittsburg Power	1,904,584	2,065,944	50,000	1,346,916	807,408	1,866,204
Sewer Utility	4,383,534	5,297,380	-	5,951,908	784,398	2,944,608
Water Front Operations	466,746	1,396,779	-	1,268,379	4,726	590,420
Water Utility	8,049,931	20,901,002	1,645,510	18,960,768	2,672,670	8,963,005
<b>Subtotal, Enterprise Funds</b>	<u>\$ 17,368,223</u>	<u>\$ 37,757,881</u>	<u>\$ 1,695,510</u>	<u>\$ 35,479,002</u>	<u>\$ 4,312,130</u>	<u>\$ 17,030,482</u>
<b>Special Revenue Funds</b>						
Assets Seizure	17,651	-	-	-	-	17,651
Budget Stabilization	6,771,333	-	-	-	1,413,623	5,357,710
CA Energy Conservation Program	38,408	-	44,500	74,498	-	8,410
CalHome Program	33,741	-	-	-	-	33,741
California Theatre	43,841	78,572	250,000	328,572	-	43,841
COPS Hiring Recovery	-	125,000	-	-	125,000	-
Economic Development	162,781	357,340	115,000	582,555	51,182	<sup>3</sup> 1,384
Gas Tax	(121,419)	1,910,620	-	608,800	1,095,083	85,318
Golf Course	8,769	-	40,000	38,600	-	10,169
Hillview Jr. High Athletic Field Maintenance	157,287	14,620	-	-	-	171,907
Housing Authority-Section 8	882,129	14,357,472	-	14,399,537	17,591	822,473
HUD Community Development Block Grant	56,010	683,890	-	527,287	154,332	58,281
Lighting and Landscape	124,916	2,875,520	1,105,002	4,029,604	75,376	458
Lighting and Landscaping Oak Hill	679	33,959	-	32,406	-	2,232
Marina Vista Field Replacement	227,575	30,830	-	-	-	258,405
Measure C Tax Fund	229,868	911,110	200,000	605,000	701,530	34,448
Miscellaneous Grants	-	77,000	-	5,000	72,000	-
Neighborhood Stabilization	43,526	-	-	-	-	43,526
Park Maintenance CFD 2007-1	59,795	81,322	-	80,368	761	59,988
Public Safety CFD 2005-1	14,089	294,199	-	303,907	2,914	1,467
Public, Education & Gov't Fees (PEG)	335,137	159,060	-	195,000	-	299,197
R/R Ave Specific Plan (E-BART) CFD	21	-	-	-	-	21
San Marco CFD 2004-1	45,423	697,443	-	731,315	7,982	3,569
Small Cities Grant	2,115	72	-	-	-	2,187
Solid Waste	155,081	461,275	-	492,111	101,917	22,328
Southwest Pittsburg GHAD II	3,011,593	794,904	-	723,424	3,256	3,079,817
Storm Water Utility NPDES	11,067	906,186	100,000	954,696	60,409	2,148
Successor Agency Housing Fund	867,513	284,131	-	387,071	709	763,864
Vista Del Mar CFD 2005-2	69,176	302,241	-	368,750	2,232	435
<b>Subtotal, Special Revenue Funds</b>	<u>\$ 13,249,258</u>	<u>\$ 25,436,766</u>	<u>\$ 1,854,502</u>	<u>\$ 25,468,501</u>	<u>\$ 3,885,897</u>	<u>\$ 11,186,128</u>
<b>Capital Projects Funds</b>						
Bailey Road Maintenance	854,504	150,000	-	-	-	1,004,504
Capital Improvement	8,391	642,700	-	642,700	-	8,391
Community Capital Improvement	176,912	2,100	-	-	-	179,012
Inclusionary Housing	383,375	-	-	-	-	383,375
Infrastructure Repair & Replacement	375,264	-	-	-	200,000	175,264
Kirker Creek Drainage Fees	366,443	-	-	-	17,301	349,142
Park Dedication	521,751	-	-	56,472	-	465,279
RDA - Project Fund	86,395	-	-	-	-	86,395
Recycled Water Capital Maintenance	30,555	-	-	-	-	30,555
Regional Traffic Mitigation	1,772,018	-	-	-	-	1,772,018

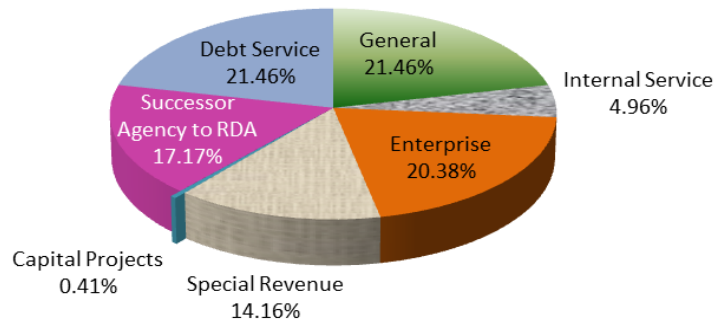
	<sup>1</sup> Estimated Reserves June 30, 2016	Projected Revenues 2015-16	Transfers-In	Projected Expenditures 2015-16	Transfers-Out	Estimated Balance June 30, 2017
Traffic Impact Fair Share	479,716	-	-	-	-	479,716
Traffic Mitigation	2,011,057	-	-	79,620	-	1,931,437
<b>Subtotal, Capital Projects Funds</b>	<u>\$ 7,066,381</u>	<u>\$ 794,800</u>	<u>\$ -</u>	<u>\$ 778,792</u>	<u>\$ 217,301</u>	<u>\$ 6,865,088</u>
<b>Successor Agency to RDA Funds</b>						
RDA-Tax Increment	227,681	397,080	300,000	395,888	-	528,873
Redevelopment Obligation Retirement Fund	-	32,345,988	-	-	32,345,988	-
<b>Subtotal, Successor Agency to RDA Funds</b>	<u>\$ 227,681</u>	<u>\$ 32,743,068</u>	<u>\$ 300,000</u>	<u>\$ 395,888</u>	<u>\$ 32,345,988</u>	<u>\$ 528,873</u>
<b>Debt Service Funds</b>						
Assessment Districts Fund	4,389,598	3,721,710	-	2,798,959	-	5,312,349
Pension Obligations	2,704,165	4,854,964	-	4,854,654	-	2,704,475
RDA – Debt Service and Bond Funds	91,536,325	90,055	30,530,692	30,545,747	300,000	91,311,325
RDA - Housing Debt Service and Bond Funds	978,629	40,000	1,815,296	1,855,597	-	978,328
<sup>2</sup> <b>Subtotal, Debt Service Funds</b>	<u>\$ 99,608,717</u>	<u>\$ 8,706,729</u>	<u>\$ 32,345,988</u>	<u>\$ 40,054,957</u>	<u>\$ 300,000</u>	<u>\$ 100,306,477</u>
<b>Total, All Funds</b>	<u>\$ 149,735,086</u>	<u>\$ 149,620,912</u>	<u>\$ 42,862,632</u>	<u>\$ 152,143,910</u>	<u>\$ 42,862,632</u>	<u>\$ 147,212,088</u>

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.
3. Decreased fund balance is due to a loan agreement between the City of Pittsburg and Century Plaza Development Corporation. Loan disbursements of \$150,000 in FY 2015/16 and \$150,000 in 2016/17 will maintain current anchor tenant structure and occupants in the Shopping Center which in turn will save jobs, increase value of property, retain the sales tax base, and add overall economic vitality of the City.

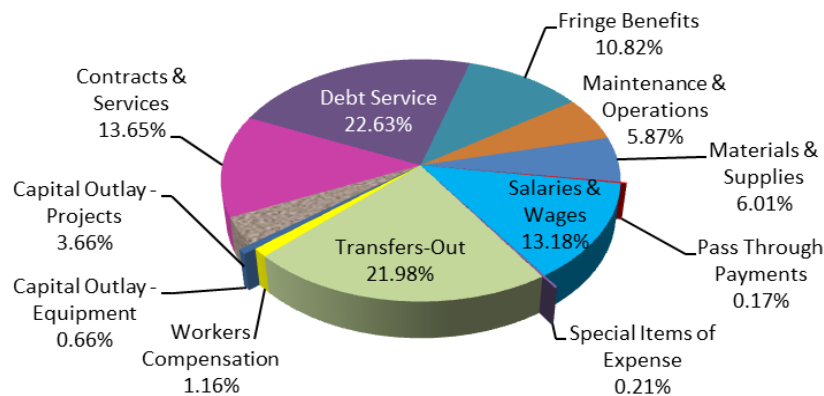
## Summary of Revenues and Expenditures – All Funds

	2014-15 Actual	2015-16 Amended Budget	2016-17 Proposed Budget	Change from 2015-16	% Change
<b>Revenue</b>					
General Fund	39,556,141	39,719,186	41,298,217	1,579,031	3.98
Internal Service Funds	8,981,974	10,012,085	9,550,083	(462,002)	-4.61
Enterprise Funds	37,942,350	59,421,920	39,232,599	(20,189,321)	-33.98
Special Revenue Funds	25,883,706	29,507,459	27,251,268	(2,256,191)	-7.65
Capital Projects Funds	1,968,484	3,866,975	794,800	(3,072,175)	-79.45
Successor Agency to RDA Funds	41,571,043	36,317,002	33,043,068	(3,273,934)	-9.01
Debt Service Funds	65,477,497	44,028,754	41,313,509	(2,715,245)	-6.17
<b>Total, Revenues</b>	<b>\$ 221,381,195</b>	<b>\$ 222,873,381</b>	<b>\$ 192,483,544</b>	<b>\$ (30,389,837)</b>	<b>-13.64 %</b>
<b>Expenditure</b>					
Capital Outlay - Equipment	1,844,987	2,963,825	1,294,000	(1,669,825)	-56.34
Capital Outlay - Projects	10,807,110	43,447,173	7,131,500	(36,315,673)	-83.59
Contracts & Services	28,104,959	27,590,195	26,615,710	(974,485)	-3.53
Debt Service Funds	53,948,596	46,549,712	44,132,846	(2,416,866)	-5.19
Fringe Benefits	18,867,200	20,159,462	21,098,356	938,894	4.66
Maintenance & Operations	9,612,014	11,541,513	11,453,625	(87,888)	-0.76
Materials & Supplies	10,961,792	11,893,027	11,718,845	(174,182)	-1.46
Pass Through Payments	278,617	331,640	321,893	(9,747)	-2.94
Salaries & Wages	23,466,627	25,978,739	25,700,500	(278,239)	-1.07
Special Items of Expense	58,593	758,017	409,000	(349,017)	-46.04
Transfers-Out	60,458,495	59,576,379	42,862,632	(16,713,747)	-28.05
Workers Compensation	1,403,090	1,650,216	2,269,373	619,157	37.52
<b>Total, Expenditures</b>	<b>\$ 219,812,080</b>	<b>\$ 252,439,898</b>	<b>\$ 195,006,542</b>	<b>\$ (57,433,356)</b>	<b>-22.75 %</b>

### 2016-17 Revenues by Fund Type



### 2016-17 Expenditures by Category



## Revenue Source by Category and Object – All Funds

	2014-15 Actual	2015-16 Amended Budget	2016-17 Proposed Budget	Change from 2015-16	% Change
<b>General Fund</b>					
Fines & Forfeitures	576,309	645,623	616,600	(29,023)	-4.50
Franchise Fees	3,688,106	3,635,003	3,943,000	307,997	8.47
Intergovernmental Revenue	1,388,398	1,236,078	1,779,242	543,164	43.94
Other Revenues	2,223,960	2,743,889	2,237,269	(506,620)	-18.46
Other Taxes	6,117,213	6,519,598	6,675,000	155,402	2.38
Permits, Licenses & Fees	1,545,333	1,643,293	1,827,667	184,374	11.22
Property Taxes	3,204,966	3,237,582	3,534,000	296,418	9.16
Sales Taxes	11,062,257	12,174,602	11,921,771	(252,831)	-2.08
Service Fees	2,067,389	2,072,145	2,097,527	25,382	1.22
Transfers-In	7,181,889	5,289,439	6,165,411	875,972	16.56
Use of Money & Property	500,321	521,934	500,730	(21,204)	-4.06
<b>Subtotal, General Fund</b>	<b>\$ 39,556,141</b>	<b>\$ 39,719,186</b>	<b>\$ 41,298,217</b>	<b>\$ 1,579,031</b>	<b>3.98 %</b>
<b>Internal Service Funds</b>					
Other Revenues	5,310,417	5,720,778	4,903,808	(816,970)	-14.28
Service Fees	2,929,802	3,767,345	4,145,054	377,709	10.03
Transfers-In	741,755	523,962	501,221	(22,741)	-4.34
<b>Subtotal, Internal Service Funds</b>	<b>\$ 8,981,974</b>	<b>\$ 10,012,085</b>	<b>\$ 9,550,083</b>	<b>\$ (462,002)</b>	<b>-4.61 %</b>
<b>Enterprise Funds</b>					
Debt Service	19,570	20,000	20,000	-	-
Franchise Fees	580,000	580,000	580,000	-	-
Intergovernmental Revenue	-	11,703,524	-	(11,703,524)	-100.00
Other Revenues	2,373,640	2,600,987	2,586,533	(14,454)	-0.56
Service Fees	31,003,399	29,647,583	32,629,108	2,981,525	10.06
Transfers-In	2,432,558	12,908,834	1,480,000	(11,428,834)	-88.53
Use of Money & Property	1,533,183	1,960,992	1,936,958	(24,034)	-1.23
<b>Subtotal, Enterprise Funds</b>	<b>\$ 37,942,350</b>	<b>\$ 59,421,920</b>	<b>\$ 39,232,599</b>	<b>\$ (20,189,321)</b>	<b>-33.98 %</b>
<b>Special Revenue Funds</b>					
Fines & Forfeitures	12,884	-	-	-	-100.00
Franchise Fees	155,404	150,000	157,000	7,000	4.67
Intergovernmental Revenue	12,932,832	15,840,374	15,085,904	(754,470)	-4.76
Other Revenues	1,473,484	1,640,393	1,438,547	(201,846)	-12.30
Other Taxes	2,660,368	2,240,986	2,187,500	(53,486)	-2.39
Sales Taxes	122,944	113,460	124,200	10,740	9.47
Service Fees	171,638	127,800	97,726	(30,074)	-23.53
Special Assessments	5,149,968	5,549,531	5,924,374	374,843	6.75
Transfers-In	2,732,080	3,560,715	1,814,502	(1,746,213)	-49.04
Use of Money & Property	472,104	284,200	421,515	137,315	48.32
<b>Subtotal, Special Revenue Funds</b>	<b>\$ 25,883,706</b>	<b>\$ 29,507,459</b>	<b>\$ 27,251,268</b>	<b>\$ (2,256,191)</b>	<b>-7.65 %</b>
<b>Capital Projects Funds</b>					
Intergovernmental Revenue	441,131	2,069,242	792,700	(1,276,542)	-61.69
Other Revenues	9,000	316,199	-	(316,199)	-100.00
Service Fees	486,219	236,816	-	(236,816)	-100.00
Transfers-In	899,034	1,229,918	-	(1,229,918)	-100.00
Use of Money & Property	133,100	14,800	2,100	(12,700)	-85.81
<b>Subtotal, Capital Projects Funds</b>	<b>\$ 1,968,484</b>	<b>\$ 3,866,975</b>	<b>\$ 794,800</b>	<b>\$ (3,072,175)</b>	<b>-79.45 %</b>
<b>Successor Agency to RDA Funds</b>					
Intergovernmental Revenue	40,000	-	-	-	-100.00
Other Revenues	662,119	437,058	215,155	(221,903)	-50.77
Property Taxes	40,387,530	34,586,951	32,345,988	(2,240,963)	-6.48
Transfers-In	311,409	1,225,000	300,000	(925,000)	-75.51
Use of Money & Property	169,985	67,993	181,925	113,932	167.56
<b>Subtotal, Successor Agency to RDA Funds</b>	<b>\$ 41,571,043</b>	<b>\$ 36,317,002</b>	<b>\$ 33,043,068</b>	<b>\$ (3,273,934)</b>	<b>-9.01 %</b>
<b>Debt Service Funds</b>					
Debt Service	10,514,249	741,910	76,487	(665,423)	-89.69
Service Fees	4,974,710	4,868,351	4,929,654	61,303	1.26
Special Assessments	3,668,915	3,697,920	3,695,216	(2,704)	-0.07
Transfers-In	46,159,773	34,702,453	32,601,498	(2,100,955)	-6.05
Use of Money & Property	159,850	18,120	10,654	(7,466)	-41.20
<b>Subtotal, Debt Service Funds</b>	<b>\$ 65,477,497</b>	<b>\$ 44,028,754</b>	<b>\$ 41,313,509</b>	<b>\$ (2,715,245)</b>	<b>-6.17 %</b>
<b>Total, All Funds</b>	<b>\$ 221,381,195</b>	<b>\$ 222,873,381</b>	<b>\$ 192,483,544</b>	<b>\$ (30,389,837)</b>	<b>-13.64 %</b>

## Summary of Expenditures by Program – All Funds

	2014-15 Actual	2015-16 Amended Budget	2016-17 Proposed Budget	Change from 2015-16	% Change
<b>City Council</b>					
City Council	80,834	82,857	88,161	5,304	6.40
<b>Subtotal, City Council</b>	<b>\$ 80,834</b>	<b>\$ 82,857</b>	<b>\$ 88,161</b>	<b>\$ 5,304</b>	<b>6.40 %</b>
<b>Administration</b>					
City Manager	249,969	272,139	244,091	(28,048)	-10.31
City Clerk	274,097	518,767	501,447	(17,320)	-3.34
City Attorney	543,899	413,592	406,541	(7,051)	-1.70
Human Resources	833,365	938,412	921,156	(17,256)	-1.84
Treasurer	12,444	7,924	6,536	(1,388)	-17.52
Finance	2,411,061	2,840,614	3,035,749	195,135	6.87
General Fund - Non Departmental	6,458,317	4,560,171	4,046,093	(514,078)	-11.27
Information Technology	804,188	1,286,932	1,611,654	324,722	25.23
Employee Fringe Benefits	1,764,132	1,463,342	1,900,608	437,266	29.88
Other Post-Employment Benefits (OPEB)	3,168,098	3,183,554	2,093,413	(1,090,141)	-34.24
Insurance	737,615	973,753	1,067,964	94,211	9.68
Budget Stabilization	3,677,248	1,381,231	1,413,623	32,392	2.35
<b>Subtotal, Administration</b>	<b>\$ 20,934,433</b>	<b>\$ 17,840,431</b>	<b>\$ 17,248,875</b>	<b>\$ (591,556)</b>	<b>-3.32 %</b>
<b>Police Department</b>					
Police Services	21,560,001	22,693,633	24,121,516	1,427,883	6.29
San Marco CFD	341,439	686,115	739,297	53,182	7.75
Vista Del Mar CFD	153,193	198,811	370,982	172,171	86.60
Public Safety CFD	228,949	259,964	306,821	46,857	18.02
Asset Forfeitures	41,887	-	-	-	-100.00
Police Grants	245,920	650,846	197,000	(453,846)	-69.73
<b>Subtotal, Police Department</b>	<b>\$ 22,571,389</b>	<b>\$ 24,489,369</b>	<b>\$ 25,735,616</b>	<b>\$ 1,246,247</b>	<b>5.09 %</b>
<b>Enterprise Services</b>					
Marina	1,957,851	2,315,818	2,236,764	(79,054)	-3.41
Golf Course	160,428	167,710	38,600	(129,110)	-76.98
R/R Ave e-BART CFD	52,247	3,484,043	-	(3,484,043)	-100.00
Environmental Affairs	812,582	1,021,358	863,526	(157,832)	-15.45
Housing Rehab Loans - CDBG	125,853	-	-	-	-100.00
CDBG Entitlements	602,267	1,400,331	681,619	(718,712)	-51.32
CalHome Program	18	-	-	-	-100.00
Waterfront Operations	901,051	995,823	1,273,105	277,282	27.84
Economic Development	890,517	629,431	633,737	4,306	0.68
<b>Subtotal, Enterprise Services</b>	<b>\$ 5,502,814</b>	<b>\$ 10,014,514</b>	<b>\$ 5,727,351</b>	<b>\$ (4,287,163)</b>	<b>-0.43 %</b>
<b>Community Development</b>					
Planning Division	978,179	1,007,920	1,089,669	81,749	8.11
Building Division	982,377	1,044,446	1,130,218	85,772	8.21
Engineering Division	1,944,196	2,134,010	1,999,632	(134,378)	-6.30
Gas Tax	2,564,073	3,383,557	1,703,883	(1,679,674)	-49.64
Measure J Tax	1,148,385	4,002,472	1,306,530	(2,695,942)	-67.36
NPDES	977,093	1,343,918	1,015,105	(328,813)	-24.47
Southwest Pittsburg GHAD	405,591	563,026	726,680	163,654	29.07
Pittsburg CIP	469,222	603,980	642,700	38,720	6.41
Developer Fee Fund	3,656,061	4,968,548	153,393	(4,815,155)	-96.91
Prop 1B Local Street & Road Impr.	1,891	-	-	-	-100.00
Community Capital Improvements	166,750	1,461,273	-	(1,461,273)	-100.00
Project Amenities Mgmt CFD	-	-	-	-	-100.00
Infrastructure Repair & Replacement	464,572	853,767	200,000	(653,767)	-76.57
<b>Subtotal, Community Development</b>	<b>13,758,390</b>	<b>21,366,917</b>	<b>9,967,810</b>	<b>(11,399,107)</b>	<b>-0.53 %</b>
<b>Public Works - Maintenance Services</b>					
Public Works Administration	85,968	70,772	103,636	32,864	46.44
Streets	2,036,913	2,098,846	2,295,080	196,234	9.35
Street Lighting	765,998	858,042	780,591	(77,451)	-9.03
Street Trees	343,588	466,593	494,474	27,881	5.98
Concrete	78,431	98,331	101,031	2,700	2.75
Fleet Maintenance	1,944,148	1,953,867	2,078,016	124,149	6.35
Building Maintenance	1,780,167	1,642,382	1,718,214	75,832	4.62
Graffiti Removal Program	159,926	139,603	151,558	11,955	8.56
<b>Subtotal, Public Works - Maintenance Services</b>	<b>\$ 7,195,139</b>	<b>\$ 7,328,436</b>	<b>\$ 7,722,600</b>	<b>\$ 394,164</b>	<b>5.38 %</b>

	2014-15 Actual	2015-16 Amended Budget	2016-17 Proposed Budget	Change from 2015-16	% Change
<b>Recreation and Parks</b>					
Recreation & Parks Administration	86,928	140,509	113,954	(26,555)	-18.90
Recreation Services	775,146	836,736	926,134	89,398	10.68
Parks & Recreation - Swim Center Maint.	100,365	105,766	117,046	11,280	10.67
Parks & Recreation - Landscape	2,475,693	2,690,502	2,728,884	38,382	1.43
Landscape - Oak Hills Assessment	66,492	65,182	32,406	(32,776)	-50.28
Park Maintenance CFD	52,939	85,364	81,129	(4,235)	-4.96
Recreation Grants	10,248	12,515	5,000	(7,515)	-60.05
California Theatre	400,005	349,616	328,572	(21,044)	-6.02
<b>Subtotal, Recreation and Parks</b>	<b>\$ 3,967,816</b>	<b>\$ 4,286,190</b>	<b>\$ 4,333,125</b>	<b>\$ 46,935</b>	<b>1.10 %</b>
<b>Public Works - Water and Sewer Enterprises</b>					
Water Operating	15,170,885	23,329,014	15,056,750	(8,272,264)	-35.46
Water CIP	2,112,678	8,620,945	1,690,000	(6,930,945)	-80.40
Water Facility Reserve Fee Funds	2,410,959	14,278,754	655,510	(13,623,244)	-95.41
Sewer Maintenance	2,131,280	2,836,254	2,919,535	83,281	2.94
Sewer CIP	138,905	7,069,596	3,000,000	(4,069,596)	-57.56
Sewer Facility Reserve Fee Funds	-	133,113	-	(133,113)	-100.00
Water Bond Debt Service	2,769,374	5,963,902	4,231,178	(1,732,724)	-29.05
Sewer Bond Debt Service	822,986	813,464	816,771	3,307	0.41
<b>Subtotal, Public Works - Water &amp; Sewer Enterprises</b>	<b>\$ 25,557,067</b>	<b>\$ 63,045,042</b>	<b>\$ 28,369,744</b>	<b>\$ (34,675,298)</b>	<b>-55.00 %</b>
<b>Housing Authority</b>					
Housing Authority - Section 8	13,205,417	13,485,340	14,417,128	931,788	6.91
City Housing	270,633	612,446	387,780	(224,666)	-36.68
<b>Subtotal, Housing Authority</b>	<b>\$ 13,476,050</b>	<b>\$ 14,097,786</b>	<b>\$ 14,804,908</b>	<b>\$ 707,122</b>	<b>5.02 %</b>
<b>Pittsburg Power Company</b>					
Island Energy	5,030,923	5,887,884	5,157,195	(730,689)	-12.41
Pittsburg Power	2,010,770	2,866,858	2,119,324	(747,534)	-26.08
Power Company Capital Projects	921,508	1,334,047	635,000	(699,047)	-52.40
<b>Subtotal, Pittsburg Power Company</b>	<b>\$ 7,963,201</b>	<b>\$ 10,088,789</b>	<b>\$ 7,911,519</b>	<b>\$ (2,177,270)</b>	<b>-21.58 %</b>
<b>Successor Agency to Former RDA</b>					
RDA General	45,934,477	35,511,403	<sup>(1)</sup> 32,345,988	(3,165,415)	-8.91
RDA Administration	389,623	295,957	395,888	99,931	33.77
RDA Capital Projects Fund	60,644	578,713	-	(578,713)	-100.00
RDA Tax Allocation Bonds	31,117,288	33,957,387	<sup>(1)</sup> 30,845,747	(3,111,640)	-9.16
RDA Housing Bonds	1,958,072	2,298,558	<sup>(1)</sup> 1,855,597	(442,961)	-19.27
<b>Subtotal, Successor Agency to Former RDA</b>	<b>\$ 79,460,104</b>	<b>\$ 72,642,018</b>	<b>\$ 65,443,220</b>	<b>\$ (7,198,798)</b>	<b>-9.91 %</b>
<b>Debt Service Funds</b>					
Pension Obligation Bond	4,385,513	4,803,522	4,854,654	51,132	1.06
Assessment Districts	14,959,330	2,354,027	2,798,959	444,932	18.90
<b>Subtotal, Debt Service Funds</b>	<b>\$ 19,344,843</b>	<b>\$ 7,157,549</b>	<b>\$ 7,653,613</b>	<b>\$ 496,064</b>	<b>6.93 %</b>
<b>Total, Uses by Program</b>	<b>\$ 219,812,080</b>	<b>\$ 252,439,898</b>	<b>\$ 195,006,542</b>	<b>\$ (57,433,356)</b>	<b>-22.75 %</b>

(1) Includes transfers between funds in the Successor Agency program budget to pay for debt obligation in the amount of \$32,345,988, therefore uses appear to be overstated by \$32,345,988

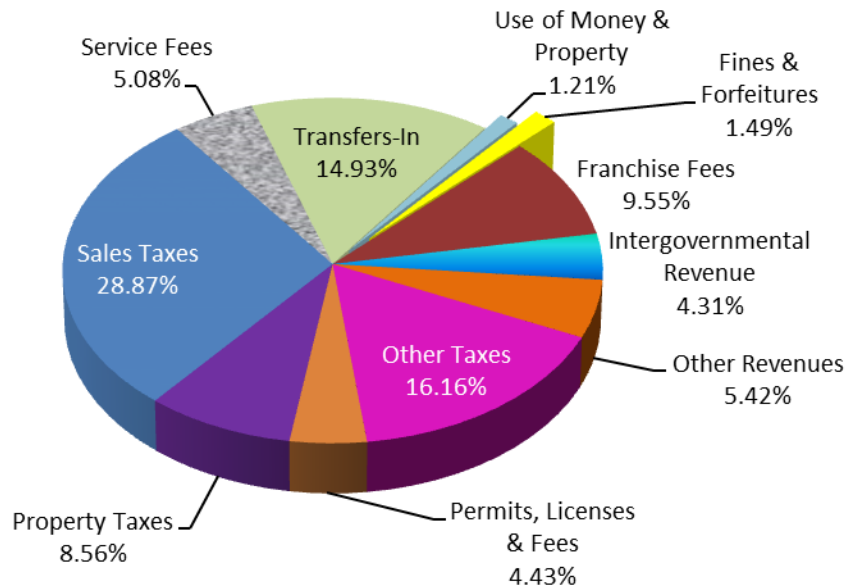
## General Fund Revenues

	2014-15 Actual	2015-16 Amended Budget	2016-17 Proposed Budget	Change from 2015-16	% Change
<b>Property Taxes</b>					
Homeowners Tax Relief	83,483	85,000	85,000	-	-
Prior Year Taxes	67,992	(50,000)	(50,000)	-	-
Secured Property Taxes	2,245,040	2,442,582	2,744,000	301,418	12.34
Supplemental Taxes	202,878	200,000	180,000	(20,000)	-10.00
Unitary Taxes	275,138	250,000	265,000	15,000	6.00
Unsecured Property Taxes	330,435	310,000	310,000	-	-
<b>Subtotal, Property Taxes</b>	<b>\$ 3,204,966</b>	<b>\$ 3,237,582</b>	<b>\$ 3,534,000</b>	<b>\$ 296,418</b>	<b>9.16 %</b>
<b>Sales Taxes</b>					
Sales & Use Taxes	6,040,080	6,777,188	7,905,971	1,128,783	16.66
Sales & Use Taxes - Backfill	1,046,985	1,517,414	-	(1,517,414)	-100.00
Sales Taxes - Increase	3,975,192	3,880,000	4,015,800	135,800	3.50
<b>Subtotal, Sales Taxes</b>	<b>\$ 11,062,257</b>	<b>\$ 12,174,602</b>	<b>\$ 11,921,771</b>	<b>\$ (252,831)</b>	<b>-2.08 %</b>
<b>Other Taxes</b>					
Business License Tax	511,456	520,000	520,000	-	-
Motor Vehicle Tax	4,169,031	4,514,598	4,600,000	85,402	1.89
Other Taxes	231,288	245,000	280,000	35,000	14.29
Public Safety - Prop 172 Sales Tax	560,323	550,000	555,000	5,000	0.91
Transient Occupancy Taxes	645,115	690,000	720,000	30,000	4.35
<b>Subtotal, Other Taxes</b>	<b>\$ 6,117,213</b>	<b>\$ 6,519,598</b>	<b>\$ 6,675,000</b>	<b>\$ 155,402</b>	<b>2.38 %</b>
<b>Franchise Fees</b>					
Calpine	15,391	15,394	16,000	606	3.94
Comcast Broadband	590,113	580,000	615,000	35,000	6.03
Franchise Fees - Other	186,162	170,000	183,000	13,000	7.65
PG&E	507,393	490,000	636,000	146,000	29.80
Pittsburg Disposal	1,532,944	1,502,000	1,600,000	98,000	6.52
RCTS	856,103	877,609	893,000	15,391	1.75
<b>Subtotal, Franchise Fees</b>	<b>\$ 3,688,106</b>	<b>\$ 3,635,003</b>	<b>\$ 3,943,000</b>	<b>\$ 307,997</b>	<b>8.47 %</b>
<b>Service Fees</b>					
Building Service Fees	280,826	273,799	274,850	1,051	0.38
Engineering Service Fees	2,266	780	603	(177)	-22.69
Other Reimbursements	343,961	320,000	265,000	(55,000)	-17.19
Other Service Fees	514,190	558,436	580,010	21,574	3.86
Planning Service Fees	3,489	5,975	6,950	975	16.32
Police Service Fees	460,330	463,336	481,914	18,578	4.01
Public Works Service Fees	260,990	246,500	278,000	31,500	12.78
Recreation Entrance Fees	132,208	135,000	140,000	5,000	3.70
Recreation Service Fees	67,680	62,319	67,100	4,781	7.67
Recreation Sports Fees	1,449	6,000	3,100	(2,900)	-48.33
<b>Subtotal, Service Fees</b>	<b>\$ 2,067,389</b>	<b>\$ 2,072,145</b>	<b>\$ 2,097,527</b>	<b>\$ 25,382</b>	<b>1.22 %</b>
<b>Use of Money &amp; Property</b>					
Investment Earnings	252,013	261,000	215,000	(46,000)	-17.62
Rental Income	248,308	260,934	285,730	24,796	9.50
<b>Subtotal, Use of Money &amp; Property</b>	<b>\$ 500,321</b>	<b>\$ 521,934</b>	<b>\$ 500,730</b>	<b>\$ (21,204)</b>	<b>-4.06 %</b>
<b>Fines &amp; Forfeitures</b>					
Abandoned Vehicle Abatement	124,907	125,000	125,000	-	-
Booking Fees	7,401	8,000	9,600	1,600	20.00
Code Enforcement Fines	91,493	138,300	102,300	(36,000)	-26.03
Police Fines	132,889	149,823	159,700	9,877	6.59
Police Forfeitures	607	8,000	2,000	(6,000)	-75.00
POST Reimbursements	24,109	25,000	25,000	-	-
Traffic Fines	191,560	190,000	190,000	-	-
Vehicle Code Fines	3,343	1,500	3,000	1,500	100.00
<b>Subtotal, Fines &amp; Forfeitures</b>	<b>\$ 576,309</b>	<b>\$ 645,623</b>	<b>\$ 616,600</b>	<b>\$ (29,023)</b>	<b>-4.50 %</b>
<b>Permits, Licenses &amp; Fees</b>					
Building Fees	111,150	164,300	163,300	(1,000)	-0.61
Building Permits	892,775	874,000	874,000	-	-
Business License Fees	148,285	139,000	141,000	2,000	1.44
Engineering Fees	311,159	384,365	516,656	132,291	34.42
Other Fees	10,961	10,261	10,261	-	-
Other Permits	4,168	2,987	3,150	163	5.46
Planning & Zoning	55,401	51,580	104,700	53,120	102.99



	2014-15 Actual	2015-16 Amended Budget	2016-17 Proposed Budget	Change from 2015-16	% Change
Police Fees	11,434	16,800	14,600	(2,200)	-13.10
<b>Subtotal, Permits, Licenses &amp; Fees</b>	<b>\$ 1,545,333</b>	<b>\$ 1,643,293</b>	<b>\$ 1,827,667</b>	<b>\$ 184,374</b>	<b>11.22 %</b>
<b>Intergovernmental Revenue</b>					
Grants	20,900	152,900	158,900	6,000	3.92
Other Reimbursements	130,500	130,500	130,000	(500)	-0.38
RDA AB-1290/City Pass Through	-	-	484,000	484,000	-100.00
State Mandated Costs	254,450	32,678	26,342	(6,336)	-19.39
Tipping Fee	982,548	920,000	980,000	60,000	6.52
<b>Subtotal, Intergovernmental Revenue</b>	<b>\$ 1,388,398</b>	<b>\$ 1,236,078</b>	<b>\$ 1,779,242</b>	<b>\$ 543,164</b>	<b>43.94 %</b>
<b>Other Revenues</b>					
Administrative Overhead	1,699,298	1,706,514	1,758,269	51,755	3.03
Donations	17,492	5,260	200	(5,060)	-96.20
Gain - Fixed Assets	1,591	-	-	-	-100.00
Loan Repayments	-	53,000	65,000	12,000	22.64
Other	8,729	562,357	8,000	(554,357)	-98.58
Other Reimbursements	189,269	76,758	59,000	(17,758)	-23.14
<b>Other Revenues</b>	<b>2,581</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.00</b>
School Resource Officer Reimbursement	305,000	340,000	346,800	6,800	2.00
<b>Subtotal, Other Revenues</b>	<b>\$ 2,223,960</b>	<b>\$ 2,743,889</b>	<b>\$ 2,237,269</b>	<b>\$ (506,620)</b>	<b>-18.46 %</b>
<b>Transfers-In</b>					
Transfers-In	7,181,889	5,289,439	6,165,411	875,972	16.56
<b>Subtotal, Transfers-In</b>	<b>\$ 7,181,889</b>	<b>\$ 5,289,439</b>	<b>\$ 6,165,411</b>	<b>\$ 875,972</b>	<b>16.56 %</b>
<b>Total, General Fund Revenues</b>	<b>\$ 39,556,141</b>	<b>\$ 39,719,186</b>	<b>\$ 41,298,217</b>	<b>\$ 1,579,031</b>	<b>3.98 %</b>

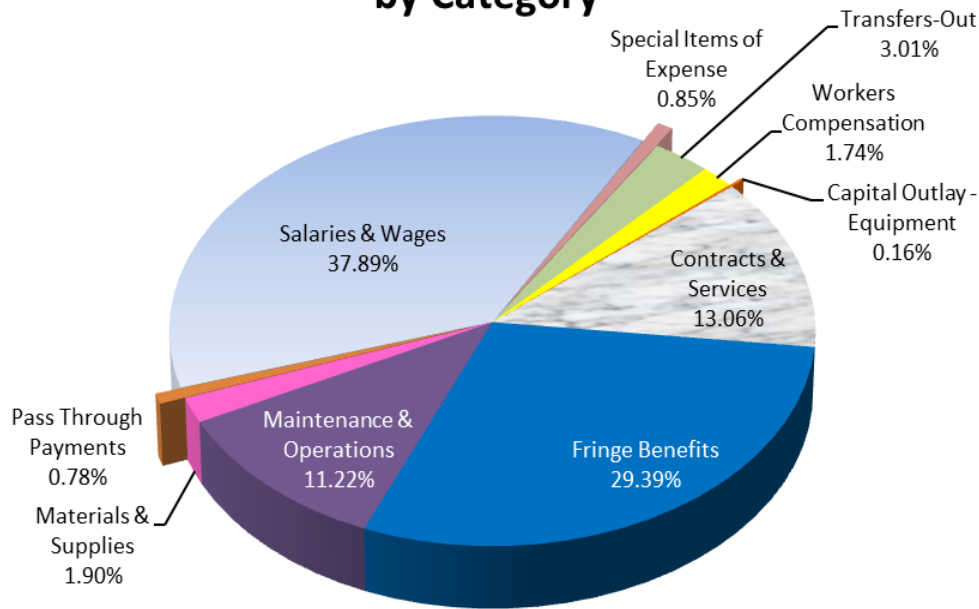
## General Fund Revenues by Source



**General Fund Expenditures by Category**  
Table 8

	2014-15 Actual	2015-16 Amended Budget	2016-17 Proposed Budget	Change from 2015-16	% Change
Capital Outlay - Equipment	323,054	118,000	68,000	(50,000)	-42.37
Contracts & Services	6,896,211	5,393,263	5,394,669	1,406	0.03
Fringe Benefits	10,948,578	11,577,427	12,139,213	561,786	4.85
Maintenance & Operations	3,608,447	4,421,001	4,632,185	211,184	4.78
Materials & Supplies	765,355	804,436	782,764	(21,672)	-2.69
Pass Through Payments	278,617	321,640	321,893	253	0.08
Salaries & Wages	14,522,461	15,197,446	15,646,133	448,687	2.95
Special Items of Expense	44,817	334,738	349,000	14,262	4.26
Transfers-Out	1,735,337	1,239,754	1,244,754	5,000	0.40
Workers Compensation	433,260	499,012	719,606	220,594	44.21
<b>Total, General Fund Expenditures</b>	<b>\$ 39,556,137</b>	<b>\$ 39,906,717</b>	<b>\$ 41,298,217</b>	<b>\$ 1,391,500</b>	<b>3.49 %</b>

**2016-17 General Fund Expenditures  
by Category**



BEFORE THE CITY OF PITTSBURG HOUSING AUTHORITY

In the Matter of:

Approval of the Budget for Fiscal )  
Year 2016-17 for the City of Pittsburg )  
Housing Authority and Appropriation )  
Of Funds for Fiscal Year 2016-17 )

RESOLUTION NO. 16-300

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 2016-17 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 16, 2016 for the purpose of reviewing and discussing the Pittsburg Housing Authority budget for the Fiscal Year 2016-17 and recommend estimated revenues in the amount of \$14,357,472 and a spending plan of \$14,417,128.

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 2016-17 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 2016-17.
- C. Those funds are hereby and shall be appropriated in the estimated revenue amount of \$14,357,472 and a spending plan of \$14,417,128.
- 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 20<sup>th</sup> day of June, 2016, by the following vote:

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

  
BR Johnson, Chair

ATTEST:

  
Alice E. Evenson, Agency Secretary



**Office of the City Manager/Executive Director  
65 Civic Avenue  
Pittsburg, CA 94565-3814**

**MEMO:** June 20, 2016

**TO:** Chair and Agency Members

**FROM:** Joe Sbranti, Executive Director

**RE:** Adoption of a City Council Resolution for Approval of the Operating Budget Plan for Fiscal Year 2016-17 for the City of Pittsburg Housing Authority and Appropriation of Funds for Fiscal Year 2016-17

**EXECUTIVE SUMMARY**

On May 16, 2016, a budget workshop meeting was held to review and receive public input regarding the Preliminary Operating Budget for Fiscal Year 2016-17. The budget must be appropriated for Fiscal Year 2016-17 by July 1, 2016 to provide on-going financing for the Pittsburg Housing Authority (PHA) activities during the next fiscal year.

**FISCAL IMPACT**

The Pittsburg Housing Authority budget for Fiscal Year 2016-17 estimates revenues in the amount of \$14,357,472 and a spending plan of \$14,417,128 for the Section 8 Housing Fund.

**RECOMMENDATION**

Approve the Operating Budget for Fiscal Year 2016-17 and adopt the budget for the Pittsburg Housing Authority, for the Fiscal Year 2016-17.

**BACKGROUND**

A complete copy of the detailed Preliminary Operating Budget document for Fiscal Year 2016-17 will be placed on the City's website before the June 20, 2016 City Council meeting and can be located by navigating to Departments/Finance/Financial/Fiscal Year 2016-17. A hard copy of the same document will also be filed at the Contra Costa County Library, Pittsburg Branch.

## **COMMITTEE FINDINGS**

The City of Pittsburg Preliminary Operating Budget for the Fiscal Year 2016-17 was presented to the Finance Committee on April 7, 2016. The Finance Committee did not have any comments or questions related to the Housing Authority budget.

## **STAFF ANALYSIS**

In January 2012, the Department of Housing and Urban Development (HUD) implemented a new cash management policy aimed at reducing the amount of excess Net Restricted Assets ("NRA") or fund balance retained by individual public housing authorities since 2005. As a result of this policy, Pittsburg's Housing Authority's ("PHA") fund balance decreased dramatically over the past couple of years to less than one month of operating expenses. According to HUD's Calendar Year 2016 Renewal Funding, PHA has approximately \$1,738,572 fund balance available as of 12-31-2016 to supplement PHA's funding.

The FY 2016-17 budget revenue projections are based on the HUD's Calendar Year 2016 Renewal Funding annual increment. The administrative funding is based on HUD's funding letter, which was prorated to 80% of eligibility to the FY 2015-16 funding. As a result of the HUD's cash management policy, we estimate utilizing \$59,656 in reserves to balance the Housing Authority's FY 2016-17 budget.

It continues to be a challenge for the Housing Authority to maintain the level of service with significant reductions of earned administrative fees. The Housing Authority's plan is to increase the leasing of units in order to compensate for the prorated administrative fee rate. However, the Housing Authority may still anticipate a net loss in program revenue should HUD make future reductions to the current administrative fee proration.

The City management has established a 7-year forecast to help manage the Housing Authority's budget. It should also be noted that the FY 2016-2017 House appropriations bill provides the needed funding increase to cover any anticipated negative fund balance, and would supplement shortfalls through the FY 2021-2022 for program costs, excluding administrative fees.

Report Prepared By: Karen Chang, Finance Division Manager - Reporting  
Reviewed by: Brad Farmer, Director of Finance

Attachment: Resolution

BEFORE THE PITTSBURG POWER COMPANY OF THE CITY OF PITTSBURG

In the Matter of:

Approval of the Budget for Fiscal )  
Year 2016-17 for the Pittsburg Power )  
Company and Appropriation of Funds )  
For Fiscal Year 2016-17 )

RESOLUTION NO. 16-329

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 2016-17 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 16, 2016 for the purpose of reviewing and discussing the Preliminary Operating Budget for Fiscal Year 2016-17, 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 2016-17 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 2016-17 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 2016-17.
- C. Those funds are hereby and shall be appropriated in the estimated revenue amount of \$2,115,944 and a spending plan of \$2,154,324 for the Pittsburg Power Fund. In addition, the budget recommends estimated revenues in the amount of \$5,958,451 and a spending plan of \$5,757,195 for the Island Energy Fund for Fiscal Year 2016-17.
- 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.

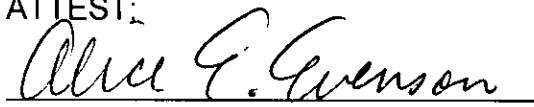
Section 2. Authorization

PASSED AND ADOPTED by the Pittsburg Power Company of the City of Pittsburg at a regular meeting held on the 20<sup>th</sup> day of June, 2016, by the following vote:

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

  
BR Johnson, Chair

ATTEST:

  
for Joe Sbranti, Executive Secretary





**Pittsburg Power Company  
Office of the Executive Director  
65 Civic Avenue  
Pittsburg, CA 94565-3814**

**MEMO:** June 20, 2016

**TO:** Chair and Board Members

**FROM:** Joe Sbranti, Executive Director

**RE:** Adoption of a Power Company Resolution for Approval of the Budget for Fiscal Year 2016-17 for the Pittsburg Power Company and Appropriation of Funds for Fiscal Year 2016-17

**EXECUTIVE SUMMARY**

On May 16, 2016 a budget workshop meeting was held to review the Preliminary Operating Budget for Fiscal Year 2016-17 including the proposed Pittsburg Power Company Budget. The budget must be appropriated for Fiscal Year 2016-17 before July 1, 2016 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 2016-17 estimates revenues in the amount of \$2,115,944 and a spending plan of \$2,154,324 for the Pittsburg Power Fund. In addition, the budget estimates revenues in the amount of \$5,958,451 and a spending plan of \$5,757,195 for the Island Energy Fund.

**RECOMMENDATION**

Approve the Operating Budget Plan for Fiscal Year 2016-17 and adopt the budget for the Pittsburg Power Company for the Fiscal Year 2016-17.

**BACKGROUND**

The Preliminary Operating Budget for Fiscal Year 2016-17 for the City of Pittsburg, including the Pittsburg Power Company, was presented to the City Council at a budget workshop meeting held on May 16, 2016.

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 2016-17 will be placed on the City's website before the June 20, 2016 City Council meeting and can be located by navigating to City Services/Finance/Budget and Other Financial Documents. A hard copy of the same document will also be filed at the Contra Costa County Library, Pittsburg Branch.

### **SUBCOMMITTEE FINDINGS**

The City of Pittsburg Preliminary Operating Budget Plan for the Fiscal Year 2016-17 was presented to the Finance Subcommittee on April 7, 2016. The Finance Subcommittee did not have any comments or changes to the Pittsburg Power FY 2016-17 budget.

Report Prepared By: Diane Agar, Division Manager – Accounting  
Reviewed By: Brad Farmer, Director of Finance

Attachment: Resolution

BEFORE THE SOUTHWEST PITTSBURG GEOLOGIC HAZARD ABATEMENT  
DISTRICT II

In the Matter of:

Approval of the Budget Plan for Fiscal )  
Year 2016-17 for the Southwest )  
Pittsburg Geologic Hazard Abatement )  
District II (GHAD II) and Appropriation )  
of Funds for Fiscal Year 2016-17 )

RESOLUTION NO. 16-054

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 2016-17 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 20, 2016 for the purpose of reviewing and discussing the Southwest Pittsburg GHAD II budget for the Fiscal Year 2016-17 and recommend estimated revenues in the amount of \$794,904 and a spending plan of \$726,680.

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 2016-17 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 2016-17.
- C. Those funds are hereby and shall be appropriated in the estimated revenue amount of \$794,904 and a spending plan of \$726,680.
- 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 20<sup>th</sup> day of June, 2016, by the following vote:

AYES: Casey, Craft, Evola, Longmire, Johnson

NOES: None

ABSTAINED: None

ABSENT: None

  
BR Johnson, Chair

ATTEST:

  
Alice E. Evenson, Clerk of the Board



**Southwest Geologic Hazard Abatement District II (GHAD II)  
Office of the Executive Director  
65 Civic Avenue  
Pittsburg, CA 94565-3814**

**MEMO:** June 20, 2016

**TO:** Chair and Board Members

**FROM:** Joe Sbranti, Executive Director

**RE:** Adoption of a GHAD II Resolution for Approval of the Budget for Fiscal Year 2016-17 for the Southwest Pittsburg Geologic Hazard Abatement District II (GHAD II) and Appropriation of Funds for Fiscal Year 2016-17

**EXECUTIVE SUMMARY**

On May 16, 2016 a budget workshop meeting was held to review the Preliminary FY 2016-17 Operating Budget including the GHAD II budget. The FY 2016-17 budget must be appropriated before July 1, 2016 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 2016-17 estimates revenues in the amount of \$794,904 and a spending plan of \$726,680.

**RECOMMENDATION**

Approve the Operating Budget for Fiscal Year 2016-17 and adopt the budget for the Southwest GHAD II, for the Fiscal Year 2016-17.

**BACKGROUND**

The Preliminary Operating Budget Plan for Fiscal Year 2016-17 for the Southwest GHAD II was presented to the GHAD II Board of Directors at a budget workshop meeting held on May 16, 2016. A complete copy of the detailed Preliminary Operating Budget document for Fiscal Year 2016-17 will be placed on the City of Pittsburg's website before the June 20, 2016 City Council/GHAD Board meeting and can be located by navigating to City Services/Finance/Budget and Other Financial Documents. A hard copy of the same document will also be filed at the Contra Costa County Library, Pittsburg Branch.

## **SUBCOMMITTEE FINDINGS**

The Preliminary Operating Budget Plan for the Fiscal Year 2016-17 was presented to the Finance Subcommittee on April 7, 2016. The Subcommittee members did not express any questions or concerns related to the GHAD II budget.

Report Prepared By: Diane Agar, Division Manager – Accounting  
Reviewed By: Brad Farmer, Director of Finance

Attachment: Resolution

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Adopt Resolution Establishing the )  
Appropriations Limit for the Fiscal Year )  
2016-17 in Accordance with )  
Proposition III and Article XIII (B) )

RESOLUTION NO. 16-13206

The Pittsburg City Council DOES RESOLVE as follows:

WHEREAS, Article XIII (B) of the California Constitution Proposition 4 establishes expenditure limits for cities; and

WHEREAS, State-implementing legislation (Government Code Section 7910) requires the City of Pittsburg to annually adopt a resolution establishing its Appropriations Limit for the following fiscal year; and

WHEREAS, effective FY 1990-91 Proposition III has amended Article XIII (B) to allow a selection of annual adjustment factors (price and population) which must also be adopted at a regularly scheduled meeting; and

WHEREAS, the City selected the County's population change and the change in California per Capita Personal Income factors to compute the Appropriations Limit; and

WHEREAS, the Division Manager – Accounting has made the calculations specified in said Law and concludes that the appropriations subject to limitation is the sum of one hundred forty three million, seven hundred three thousand, nine hundred forty eight dollars (\$143,703,948); and

WHEREAS, pursuant to said law the calculations have been made available to the public for two (2) weeks prior to the date of the adoption of this resolution. A copy of the calculation is on file in the City of Pittsburg Finance Department.

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

Section 1.

The recitals set forth are true and correct statements and hereby incorporated.

Section 2.

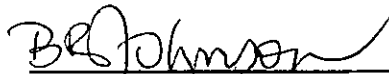
The City Council does hereby authorize and approve that the Fiscal Year 2016-17 Appropriations Limit of the City of Pittsburg is established at \$143,703,948 using the County's Population Change and the change in the California per Capita Personal Income factors; and

Section 3.

That this Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 20th of June, 2016, by the following vote:

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

  
BR Johnson, Mayor

ATTEST:

  
Alice E. Evenson, City Clerk





**Office of the City Manager  
65 Civic Avenue  
Pittsburg, CA 94565**

**MEMO:** June 20, 2016

**TO:** Mayor and Council Members

**FROM:** Joe Sbranti, City Manager

**RE:** Adoption of a City Council Resolution to Establish the Appropriations Limit for the 2016-17 Fiscal Year in Accordance with Proposition 4 and Article XIII (B)

**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 places 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 budget. The FY 2016-17 Appropriations Limit is \$143,703,948 and will exceed the General Fund estimated spending plan of \$41,298,217.

**RECOMMENDATION**

City Council adopt this Resolution in compliance with the State of California legislative requirement for the City Council to annually establish the Appropriations Limit.

**BACKGROUND**

In November 1979, California voters approved Proposition 4, known as the Gann Initiative. As a result, Article XIII (B) of the State Constitution (Government Code Section 7900-10) was enacted and requires that each year, 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.

In 1990, California voters approved Proposition III, to amend Article XIII (B) further, City Council action is necessary to specify annual adjustment factors in calculating Appropriations Limit increases:

- 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 2016-17 Appropriations Limit (see Gann Calculations attached to this report) using the Contra Costa County Population change and the change in California Per Capita Personal Income factors. The basis for the selection methodology is that the County's Population Change is higher than the City's population growth and the change in the California Per Capita Personal Income factor is higher than the change in the Contra Costa County Consumer Price Index. The City's Appropriations Limit for FY 2016-17 is \$143,703,948.

### **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 2016-17 is \$41.3 million against the calculated limit of \$143.7 million.

Appropriations subject to the limit for Fiscal Year 2015-16 totaled \$39.9 million against the Adopted Limit of \$134.9 million for that same year.

### **ATTACHMENTS:**

Resolution  
California Department of Finance Letter dated May, 2016  
Gann Calculations

Report Prepared by: Diane Agar, Finance Division Manager  
Reviewed by: Brad Farmer, Director of Finance



May 2016

Dear Fiscal Officer:

**Subject: Price Factor and Population Information**

**Appropriations Limit**

The California Revenue and Taxation Code, section 2227, requires the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2016, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2016-17. 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 2016-17 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

**Population Percent Change for Special Districts**

Some special districts must establish an annual appropriations limit. The Revenue and Taxation Code, section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The Code and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

**Population Certification**

The population certification program applies only to cities and counties. Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2016.**

**Please Note:** Prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN  
Director  
By:

AMY COSTA  
Chief Deputy Director

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2016-17 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2016-17	5.37

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2016-17 appropriation limit.

**2016-17:**

Per Capita Cost of Living Change = 5.37 percent  
 Population Change = 0.90 percent

Per Capita Cost of Living converted to a ratio:  $\frac{5.37 + 100}{100} = 1.0537$

Population converted to a ratio:  $\frac{0.90 + 100}{100} = 1.0090$

Calculation of factor for FY 2016-17:  $1.0537 \times 1.0090 = 1.0632$

**Attachment B  
Annual Percent Change in Population Minus Exclusions\*  
January 1, 2015 to January 1, 2016 and Total Population, January 1, 2016**

<b>County City</b>	<b>Percent Change</b>	<b>--- Population Minus Exclusions ---</b>		<b>Total Population</b>
	<b>2015-2016</b>	<b>1-1-15</b>	<b>1-1-16</b>	<b>1-1-2016</b>
Contra Costa				
Antioch	0.89	111,973	112,968	112,968
Brentwood	3.00	57,072	58,784	58,784
Clayton	0.45	11,159	11,209	11,209
Concord	1.28	128,063	129,707	129,707
Danville	0.88	42,491	42,865	42,865
El Cerrito	1.02	24,132	24,378	24,378
Hercules	0.87	24,578	24,791	24,791
Lafayette	0.78	24,732	24,924	24,924
Martinez	0.62	36,828	37,057	37,057
Moraga	0.48	16,434	16,513	16,513
Oakley	1.34	39,609	40,141	40,141
Orinda	0.92	18,578	18,749	18,749
Pinole	0.42	18,660	18,739	18,739
<b>Pittsburg</b>	<b>1.04</b>	<b>67,119</b>	<b>67,817</b>	<b>67,817</b>
Pleasant Hill	0.47	33,918	34,077	34,077
Richmond	0.74	109,568	110,378	110,378
San Pablo	1.09	30,498	30,829	30,829
San Ramon	1.15	77,470	78,363	78,363
Walnut Creek	1.99	68,652	70,018	70,018
Unincorporated	0.95	169,422	171,038	171,122
<b>County Total</b>	<b>1.12</b>	<b>1,110,956</b>	<b>1,123,345</b>	<b>1,123,429</b>

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

	<u>City Population Change</u>	<u>County Population Change</u>
Population Change as of January 1, 2016	1.0104 <sup>(1)</sup>	<b>1.0112</b> <sup>(1)</sup>
	<u>Per Capita Change</u>	<u>Consumer Price Index CPI of Contra Costa County</u>
Cost of Living FY 2016-17	<b>1.0537</b> <sup>(1)</sup>	1.026 <sup>(2)</sup>
FY 16-17 Gann Limit Growth Factor 1 + Larger of County and City Population		<u>1.0112</u>
1 + Larger of Per Capita Change and 12-Month Change in CPI for County		x <u>1.0537</u>
INCREASE in City's Appropriations Limit for FY 2016-17 -		<u><b>1.065501</b></u>
FY 2015-16 Appropriations Limit		\$ 134,869,783 <sup>(3)</sup>
Growth Factor		x <u>1.065501</u>
<b>FY 2016-17 APPROPRIATIONS LIMIT</b>		<u><b>\$ 143,703,948</b></u>

NOTE:

- (1) California Department of Finance Letter Dated May, 2016
- (2) Bureau of Labor Statistics CPI, 2015 Avg Change - SF Area (includes Contra Costa County)
- (3) FY2015-16 General Fund Appropriations Limit