CITY OF STOCKTON

FISCAL YEAR 2018-19

PROPOSED

ANNUAL BUDGET

FY 2018-19
ANNUAL BUDGET

City Council

Michael Tubbs, Mayor

Elbert Holman, Jr., Vice Mayor
Dan Wright, Councilmember
Susan Lofthus, Councilmember
Susan Lenz, Councilmember
Christina Fugazi, Councilmember
Jesús Andrade, Councilmember

Council Appointees

Kurt O. Wilson, City Manager
John Luebberke, City Attorney
Bret Hunter, City Clerk
Moss Adams, LLP, City Auditor

Executive Team

Laurie K. Montes, Deputy City Manager
Scott R. Carney, Deputy City Manager
Christian Clegg, Deputy City Manager
David Kwong, Community Development Director
John Alita, Community Services Director
Micah Runner, Economic Development Director
Eric Jones, Chief of Police
Erik Newman, Fire Chief
Matt Paulin, Chief Financial Officer
John Abrew, Municipal Utilities Director
Gordon MacKay, Public Works Director
Vacant, Information Technology Director
Vacant, Human Resources Director

Budget Team

Kimberly K. Trammel

Mahin Shah
Laura Mayate-DeAndreis
Paula O'Keefe
Imelda Arroyo
Susan Wren
Yvonne Perry

Cover Design
Heather Mompean

CITY OF STOCKTON

CITY COUNCIL

MICHAEL TUBBS
MAYOR

ELBERT HOLMAN, JR.
VICE MAYOR
District 1

DAN WRIGHT
COUNCILMEMBER
District 2

SUSAN LOFTHUS
COUNCILMEMBER
District 3

SUSAN LENZ
COUNCILMEMBER
District 4

CHRISTINA FUGAZI
COUNCILMEMBER
District 5

JESUS ANDRADE
COUNCILMEMBER
District 6

City of Stockton
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GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

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City of Stockton

California

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July 1, 2017

Christopher P. Morrill

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Stockton, California, for its Annual Budget for the fiscal year beginning July 1, 2017. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only, 2017. 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.

TAB 1 INTRODUCTION

CITY OF STOCKTON

May 15, 2018

BUDGET MESSAGE

On behalf of a dedicated team of municipal finance professionals, I am pleased to present the City of Stockton proposed budget for Fiscal Year (FY) 2018-19. As the costs of doing business continue to rise, even maintaining existing levels of service is becoming much more expensive. Beyond the legal obligations for the budget to be balanced for the proposed 12-month period, Stockton's history imposes an additional, ethical obligation for the budget to be balanced in the long-term as a testament to having learned valuable lessons from the past. In addition to the probability of a future market correction, this is particularly important because we have a series of anticipated cost increases that will cause expenditures to temporarily exceed revenues in the future. I'm pleased that this budget meets both the legal and ethical standards that have redefined our budgeting process and reflects both the lessons and frustrations of the past.

The global foresight and fiscal discipline demonstrated by the Mayor and City Council in recent years have situated the City in a strong financial position. By making so many tough spending decisions in recent years, the City has traded short-term discomfort for the long-term stability that ensures against ever returning to the unbearable consequences of myopic budgeting. The non-profit *Truth in Accounting* acknowledged these practices when it evaluated the fiscal health of the largest (by population) 75 cities in the United States and ranked Stockton as #2, beating out every major city in the country with the exception of one.

FISCAL HEALTH OF CALIFORNIA CITIES

Of the 75 most populous cities in the nation, Stockton was ranked #2 in terms of fiscal health, based on debt (or surplus) per capita. Here's a summary of how Truth in Accounting ranked California cities and their financial health grades.

Rank	Grade	City	Debt/surplus per capita
1.	B	Irvine	$5,200
2.	**B**	**Stockton**	$3,000
9.	B	Fresno	$1,200
15.	C	Bakersfield	-$900
20.	C	Long Beach	-$1,500
21.	C	Chula Vista	-$2,100
25.	C	Riverside	-$2,600
28.	C	Santa Ana	-$3,400
37.	D	Anaheim	-$5,300
38.	D	San Diego	-$5,400
47.	D	Los Angeles	-$7,200
56.	D	San Jose	-$10,600
69.	F	Oakland	-$20,700
72.	F	San Francisco	-$27,500

"Financial State of the Cities: an annual report by Truth in Accounting" Truth in Accounting. www.statedatalab.org

Sforza, Teri. "Irvine is ranked the No. 1 city in the nation for good fiscal health, report says." The Orange County Register 23 January 2018, https://www.ocregister.com/2018/01/23/ca-city-finances-many-are-broke-and-not-telling-you-about-it/

In recognition of the constrained nature of this budget, the Mayor and City Council conducted a strategic planning session to establish priorities for the year. This process, combined with additional input collected throughout the year from public hearings, citizen boards and commissions, neighborhood meetings, and public comments provided guidance for the compilation of this document. The proposed budget is aligned with those priorities to the extent possible.

Solvency can be measured a number of ways. Budget, cash flow, and long-term solvency are measurements that received the highest priority as Stockton recovered. Service-level solvency, however, remains an issue worthy of time and attention. Finding ways to increase the level of service for Stockton citizens, while not compromising the other solvency measurements, is a constant struggle. Not only have we not recovered the workforce losses of the Great Recession (up to 43% for non-public safety workers), the population we serve has grown since that time. This places strenuous demands on front-line staff who provide basic services. This struggle to balance different types of solvency is the reason so many pressing needs remain unfunded in this proposed budget. The Mayor and Council's commitment to in-depth consideration of the long-term fiscal implications of decisions can sometimes be unpopular but is necessary if the City intends to keep its fiscal promises. Budgets are statements of values, and this budget says Stockton values fiscal discipline with measured growth in service-levels for Stockton citizens.

BUDGET OVERVIEW

The proposed expense budget totals $709.4 million for all programs, funds, and departments of the City, which is an increase of $83.1 million or 13% from the FY 2017-18 adopted budget. The components of the increase are $35.9 million more for operations, $12.1 million for debt service, and $35.1 million more in capital purchases for projects and equipment. The $35.9 million increase for operations is primarily due to public safety and utilities cost increases, debt, and the additional recreation and library services funding provided by the voter-approved Strong Communities initiative.

An infusion of roadway and transportation funding by federal, state and local governments and the initial phase of the wastewater plant modification project are the primary drivers of increased appropriations for capital projects. The City is taking advantage of every opportunity to maintain and improve its facilities and infrastructure and is vigilant in identifying alternatives to general purpose funding.

The table below summarizes the proposed FY 2018-19 Annual Budget by major fund or program:

City-wide Expenditure Budget All Funds	2017-18 Budget	2018-19 Proposed	Change
General Fund	$ 217,054,403	$ 220,615,124	$ 3,560,721
Utilities	126,973,490	135,684,217	8,710,727
Other Community Programs	70,384,477	90,367,015	19,982,538
Capital/Street Maintenance	37,530,287	60,712,662	23,182,375
Debt Service	13,798,456	22,429,736	8,631,280
Housing Grant Funds	9,510,653	8,992,934	(517,719)
Special Districts/Special Funds	6,182,566	6,879,067	696,501
Low & Mod. Income Housing	2,673,620	3,427,242	753,622
Internal Services	142,246,030	160,311,238	18,065,208
	$ 626,353,982	$ 709,419,235	$ 83,065,253

Citywide estimated revenues, including internal service fund charges, are $630.9 million for FY 2018-19 for all City programs, funds and departments, which is an increase of $25.5 million. The major operating components of that revenue increase are comprised of $5.8 million from increased tax revenues, $4.9 million in utility fees, $5.6 million for street and capital project funding, and $3.9 million for development and fire permits, fees, and inspections. With transfers between City funds, total sources of funding are $678.5 million. The balance of funding for the FY 2018-19 expenditures of $30.9 million is from available balances in the various city funds.

The overall health of the City's various funds is promising as progress is being made toward reserve targets, liabilities for claims are nearly fully funded, and our comprehensive financial planning efforts continue to use realistic and fiscally conservative projections. Each budget cycle is a balance between maintaining the City's financial health and addressing needs for services, equipment, and facility upkeep. While Stockton has become more financially healthy, there continue to be needs in excess of $1.3 billion for facility and infrastructure projects throughout the City.

Citywide workload demands continue to exceed available resources. Labor and materials costs continue to rise, calls for Police and Fire service have grown, Public Works is challenged to deliver projects made possible by new transportation revenues, and the value of permits already processed by the Community Development Department this year surpassed total activity for FY 2016-17. The FY 2018-19 budget incorporates 17 additional full-time positions (5 Community Development, 6 Public Works, 4 Fire Prevention and 2 Fire Emergency Communications), fifteen of which will have no impact on the General Fund, with the remaining two fire telecommunicator positions partially funded by contracts with surrounding communities.

Pension costs are increasing in a manner consistent with what we expected and have planned for in the Long-Range Financial Plan (L-RFP). The City contracts with the CalPERS to administer retirement benefits of City employees. As the largest fund of its kind, CalPERS enlists a legion of actuaries and investment professionals to manage over $350 billion worth of assets for 1.9 million state, county, and local government employees. The CalPERS Board of Trustees recently adopted a change in the expected investment rate of return (discount rate) because the most recent recession was deeper and more prolonged than the historical norm. The CalPERS Board reduced the assumed long-term discount rate from 7.5% to 7.0% which strengthens the fund in the long-term but raises our costs in the short-term.

To further reduce risk and improve its ability to provide promised benefits, the CalPERS Board also reduced the unfunded liability amortization period from 30 years to 20 years. The reduced period further increases the City's pension costs. To put this change into perspective, the City's unfunded liability portion of our CalPERS payment was $25 million in FY 2017-18 and will increase to $30 million in FY 2018-19. The payment continues to increase approximately $5 million each year, topping out at $60 million per year between 2030 and 2036. This unfunded liability payment is separate from the normal cost that is paid by the City and our employees. In 2018, the Mayor and City Council took action to save for these annual increases by setting aside over $21.2 million in a separate IRS Section 115 plan to improve earnings and maintain flexibility to meet these increasing costs. This is precisely the type of prudent planning that is securing our financial future amid a changing fiscal environment.

Influencing Factors and Significant Trends

Four constraining factors significantly influence the decisions made in this budget: cost increases to existing service levels, deferred maintenance and aging equipment, revenue shifts, and the City's optimization of its resources.

Cost Increases to Existing Service Levels

The cost of doing business continues to increase and the regulatory environment in which we provide services continues to demand more resources. The City incorporated long-range cost increase assumptions in its Long-Range Financial Plan (L-RFP), which also assumes a consistent service output. While these assumptions have largely proven to be accurate, the increase in some areas have exceeded expectations. The assumptions have mitigated the impacts, but the impacts still need to be addressed.

Parks maintenance – Costs increased by approximately $1.0 million to maintain turf, restrooms and parking lots at parks throughout the City. These areas are utilized by many residents for recreation and leisure and would be very expensive to rehabilitate if allowed to deteriorate. Traditionally, cost increases in providing a service are addressed by decreasing the level of service in order to match the cost with the available funding. In this case, the item is complicated by the passage of the Strong Communities Initiative by Stockton voters. Without the initiative, the service-level would be decreased to match available resources. Instead, the passage of the measure is creating a new General Fund burden in order to meet expectations.

Utility costs – The City provides water service to the majority of Stockton, however, a separate company provides service to a portion of the Stockton area. Water rate increases from the California Water Service Company, which provides water at several of the larger parks increased 24% in 2017 and 7% in 2018, which exceed previous long-term expectations. The parks utility budget has also been impacted by the City's utility increases in the last two years to a lesser extent.

Animal shelter – Following a period of underperforming live-release rates at the animal shelter, the San Francisco SPCA donated major resources to assist us in improving outcomes for animals while living within our financial means. The six-year partnership with the current provider of animal shelter medical services ends on June 30, 2018, and another service provider is prepared to continue the same work but at a much higher cost. Maintaining some level of improved outcomes for the animals in the absence of assistance from the San Francisco SPCA will require substantially more money. Additionally, those better outcomes correspond to increases in costs for medicine and supplies for the treatment of the animals.

General liability claims costs – As a result of exiting bankruptcy protection, more general liability claims are being filed against the City. The City has implemented procedures to manage claims, and even though many claims may not result in settlements against the City, the costs to manage and administer the increased volume are increasing significantly.

Prevailing wage law changes – Separate from the City's Community Workforce Training Agreement, contract costs for construction, maintenance, and repair services increased significantly as a result of Senate Bill 7 (SB7). Passed in 2013 by the California Legislature, SB7 requires prevailing wages be paid in many more situations than previously required. The effect on local governments has been a significant drop in the number of bidders, a significant increase in the cost of services for construction, maintenance and repair work, and delays to acquire

qualified contractors. The economic upturn also made the construction market more competitive, resulting in higher costs.

Deferred Maintenance and Aging Equipment

Deferred facility maintenance, aging equipment, and obsolete technologies are citywide concerns, whether funded by general government taxes or user fees.

Public safety facilities – Renovations are needed for existing police and fire facilities, and as a result of the City's expanded police workforce, new police facilities are desperately needed.

Wastewater facility – As previously approved by the Mayor and City Council, the Municipal Utilities Department is embarking on a multi-year energy management modification project of its wastewater control facility estimated to cost more than $150 million. Upgrades are necessary for the City to meet stricter treated wastewater discharge limits required by the State of California. The project's size and scope may influence the wastewater utility rates in the future.

Infrastructure projects – In 2017, the State legislature passed Senate Bill 1 - The Roadway Repair and Accountability Act (SB1) for local area roadway maintenance and repair projects. Current information from the State indicates SB1 will provide between $5 million and $7 million per year to the City for the next ten years. This infusion constitutes a 25% increase in funding for transportation-related capital projects.

Revenue Shifts

Revenues could be affected by both local and national trends, making the City's forecasting very important for the future. Locally, recent improvements in revenue also triggered a bankruptcy settlement provision that increases a creditor payment. The payment will share the General Fund revenue increase until the settlement provision is no longer in effect. Across the nation, changes in technologies and consumer spending have eroded traditional government utility and franchise fee revenues that telephone and cable companies historically provided. Furthermore, retail establishments are experiencing an overall decline in in-store revenue as online revenues correspondingly increase leading to a reduction in local sales tax. The changing revenue environment will require increased vigilance to ensure accurate forecasting in the future.

Leverage Resources

In FY 2017-18, the City took advantage of an opportunity to invest some of its cash in an IRS Section 115 plan that maximizes earnings and maintains greater flexibility to meet future pension obligations. This separate plan designates dollars specifically for retirement while allowing flexibility in how much, when, and what (normal cost payments or unfunded liability) the City pays to CalPERS. The plan's investments are subject to different rules than the City's operating cash, which is governed by State law, and are expected to yield more than the City's traditional investments.

In FY 2018-19, another opportunity exists for the City to pay off debt owed to third parties and save approximately $2.0 million. Internal service fund cash reserves for claims projected to be paid more than ten years in the future could be borrowed by other City funds and used to pay off existing debt. The Parking Authority and Fleet funds would then make scheduled loan payments to the Workers' Compensation internal service fund at amounts lower than they were obligated to pay the third parties based on a 2% interest rate, which is what the City's investments have historically yielded. The FY 2018-19 budget also pays off the Civic Auditorium HVAC lease one year early to save approximately $25,000 in interest payments. These debt restructurings provide additional operating funds in FY 2018-19 and future fiscal years.

City Council's Strategic Targets, Priorities & Goals

Over the past three years, the City has made significant progress toward fulfilling a sound strategic vision. In February 2018, Council conducted a planning workshop which culminated in an updated list of strategic targets and tiered priorities for 2018. Highlighted below, and included in the department narratives, are some of the recent accomplishments as well as plans for FY 2018-19 to keep the City on the path toward achieving your goals.

Strategic Target - Fiscal Sustainability

Accomplishments

- Set $21.2 million aside in an IRS Section 115 retirement trust for pension funding demands, and utilize higher earning potential while maintaining control and flexibility of our investments.
- Received responses for an Enterprise Resource Planning (ERP) system, which is the start of a multi-year financial and human resources system migration project.
- Bond ratings for general obligation indebtedness improved.
- Purchased a site for a future City Hall (Waterfront Office Towers) without incurring additional debt.
- Reduced the unfunded liabilities in the Workers' Compensation internal service fund faster than anticipated.

Goals

- Adopt annual budget consistent with the L-RFP.
- Leverage resources to maximize cash efficiency.
- Provide financial updates to rating agencies for review of bond ratings.
- Develop a Community Facilities District policy for new development to pay for related services.
- Develop a long-range financial plan for the Municipal Utilities Department enterprise funds.

Strategic Target - Public Safety

Accomplishments

- Received a Homeland Security Platinum Award for best crime prevention program.
- Received grant funding for firefighting equipment.
- Received an award from the U.S. Department of Justice for officer wellness.
- Replaced many pieces of capital equipment vital for safety and medical response.

Goals

- Evaluate and improve service delivery
- Implement advanced technologies
- Develop and retain safety personnel
- Strengthen community relationships

Strategic Target – Economic Development
Accomplishments

- Hosted events to address food insecurity and to connect businesses with funding, exporting and marketing resources.
- Served 4,578 homeless people with Emergency Solutions funding.
- Received and administered Federal funding for affordable housing programs and projects.
- 11% increase in downtown venue attendance.
- Received a $600,000 brownfields grant to assist in pollution remediation.
- Rehabilitated 176 rental units and rented to low-income households.

Goals

- Provide business programs with tools for the underserved neighborhoods.

Strategic Target - Infrastructure
Accomplishments

- Successful roll-out of electronic plan checking.
- Processed 7,097 permits, an increase of 5% from the previous year.

Goals

- Coordinate the management and relocation of City offices to the Waterfront Office Towers property.
- Complete the 24-month General Plan update project.
- Complete the document digitizing project for greater efficiency in processing plans.

Recap of Major Funds

General Fund – Summary
General Fund expenditures decrease $7.5 million in FY 2018-19 compared to FY 2017-18 year-end projections due to the one-time $8.8 million Waterfront Office Tower purchase. Expenditures increased nearly $3.5 million (2%) from $217.1 million originally adopted in FY 2017-18 to $220.6 million proposed in FY 2018-19. The most significant cost increases are related to the rise in pension costs, but increases for water to irrigate parkland, contracts for park maintenance and the service level at the animal shelter comprise $1.4 million alone.

Operations in the General Fund in FY 2016-17 left the City with the ability to meet three of its reserve targets; $36.2 million for working capital, $5.0 million for risk-based events, and $48.2 million for anticipated cost increases such as pensions, City Hall relocation, and ERP.

As shown in the table below, the General Fund is projected to end FY 2017-18 with $47.2 million of which $36.8 million will be allocated to the working capital reserve based on FY 2018-19 expenditures.

General Fund Budget	FY 2017-18 Projected	FY 2018-19 Proposed	Change
Beginning Available Balance	$ 36,183,616	$ 47,175,313	
Revenues	225,001,691	229,605,124	4,603,433
Expenditures			
Police	116,962,807	123,460,656	6,497,849
Fire	43,954,948	44,217,062	262,114
Other Programs	67,231,381	52,937,406	(14,293,975)
	228,149,136	220,615,124	(7,534,012)
Prior Year Commitments*	14,139,142	-	
Ending Available Balance	$ 47,175,313	$ 56,165,313	

*Adjustments include encumbrance and Council approved program carryover from prior year.

The L-RFP is modified on an on-going basis to incorporate actual results and changes in expectations or events. From using this powerful tool, staff can determine that these savings will be best utilized for one-time, rather than on-going costs because the evidence does not support the ability of the General Fund to sustain on-going increases. Large-scale demands for facilities and infrastructure looming for the General Fund include the ERP project, emergency communication infrastructure, and facility repairs and remodel projects in the police station, animal shelter, and ice rink.

General Fund – Revenues

General Fund revenues in FY 2018-19 are estimated to total $229.6 million, an increase of $4.6 million over the current FY 2017-18 anticipated receipts.

Sales taxes, including the Measure A transaction and use tax, make up the largest segment of General Fund revenue and are estimated to be $79.8 million in FY 2018-19. This amount is a $1.5 million (+2%) increase from the current year. We anticipate the highest sales tax growth rates to be in the restaurant, hotel, food, pharmacy, and fuel service station categories. Retail sales based taxes for Measures A, W, and Strong Communities are also projected to increase by 1%.

Property tax revenues continue to grow due to increases in assessed values as Stockton's economic rebound trailed many other California communities. The estimated overall growth in real and personal property tax receipts is expected to be $2.0 million (+4%).

Utility Users Taxes (UUT) makeup 15% of General Fund revenue and are projected to experience a 3% increase or $0.9 million from rate increases in water, electricity, and gas. Cable TV tax is expected to rebound slightly while telecommunications proceeds continue to drop. It should be noted that each sector of the UUT revenues continues to be vulnerable to market conditions and industry advancements such as conservation efforts, solar energy usage, cable video alternatives, and federal laws regulating taxation of internet usage.

Franchise Tax revenues are estimated to increase 5% from increases in rates for electricity, gas and refuse removal, whereas other City revenues for licenses, taxes, fees, and investment are expected to grow by only 1%. Business license revenue from cannabis businesses is not increasing as expected for FY 2017-18. The revised current year revenue estimate is 6% lower

than anticipated and FY 2018-19 revenues are expected to yield $300,000 more than FY 2017-18 projections.

California wildfire mutual aid response by the Stockton Fire Department resulted in Federal and State reimbursement revenue of over $1.0 million in the current year. No wildland fire mutual aid reimbursements are assumed in the FY 2018-19 budget, as they can fluctuate and are not readily estimable, so the City records them as they are incurred. Regular annual contracts for fire services to surrounding communities will increase 7%, which forms the basis for the change from the prior year.

General Fund – Expenditures

Proposed General Fund expenditures in FY 2018-19 are $220.6 million. The FY 2018-19 Budget includes almost $407,000 in one-time funding for Council priorities compared to $2.0 million in FY 2017-18 and $3.3 million in FY 2016-17.

In addition to operating cost increases, Departments requested an additional $26.5 million for expanded programs and services, of which the City could afford to fund $2.2 million. These increases are summarized below.

Public Safety

General Fund public safety expenditures are increased $1.5 million for both items with ongoing costs and one-time expenditures.

Ongoing	One-time	Description
	68,336	Backup generator for emergency communications and equipment for reserve engines
	23,403	Replace emergency reporting software
	45,213	Replace breathing apparatus fill station
	100,000	Animal shelter medical services contract start up
27,500		Equipment replacement, tactical medical training
345,000		Increased cost of fiber optic access for camera systems
758,485		Animal shelter contract service & medicine cost increase
100,000		Code enforcement claims litigation
8,000		Develop a database for the Ceasefire Program
$1,238,985	$236,952	Total

Economic Development

A total of $75,000 in one-time funds is proposed for incentive programs to assist businesses with repairs and in hiring local residents.

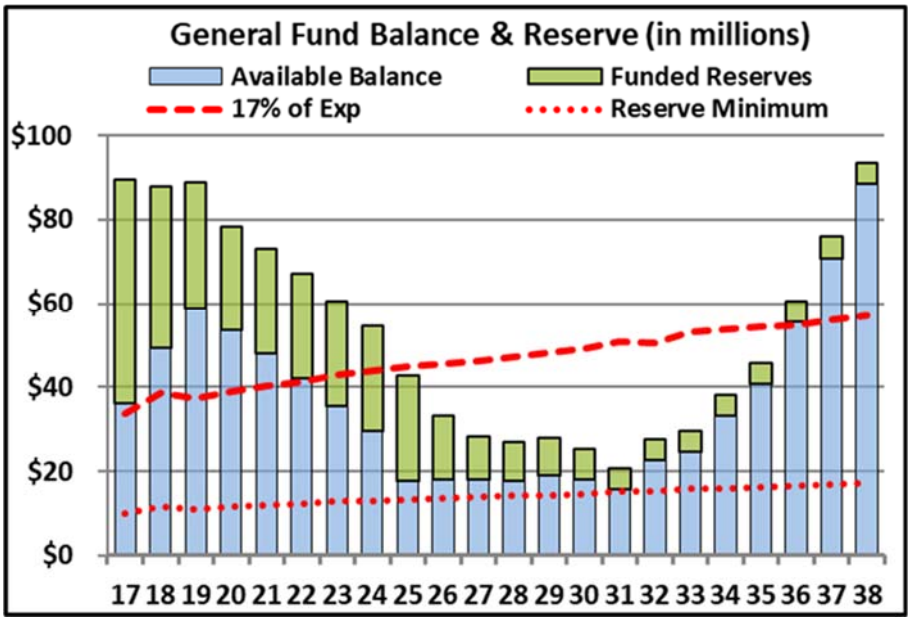
Infrastructure

Stockton has over 625 acres of parkland to irrigate and maintain. On-going cost increases in water, power, turf maintenance and restroom janitorial services exceed $800,000 to maintain the same level of service and preserve the urban landscape. Two other one-time items for infrastructure are $45,000 to bring the Stewart Eberhardt Building into compliance with fuel storage regulations and $50,000 for emergency tree removals.

Long-Range Financial Plan

The General Fund L-RFP has been updated to reflect current expectations for revenue, expenditures and economic conditions as presented to Council on May 1, 2018. The L-RFP incorporates the recently approved CalPERS rate adjustments, the impact of the Strong Communities Initiative, labor agreement terms effective through June 30, 2019, and the same long-term labor rate assumptions used during the bankruptcy process. General Fund contributions to library and recreation activities are limited to the maintenance of effort (MOE) requirement contained in the Strong Communities ordinance during the years when the tax is in effect. Because the Strong Communities revenues will be used to increase services, the financial model includes a $14.2 million General Fund increase beginning FY 2034-35 under the assumption the transaction and use tax is not renewed.

The following graph illustrates the short and long-term General Fund available balance forecast compared to the target 17% Working Capital Reserve and a 5% warning level.



The graph reflects how the General Fund available balance is anticipated to drop below the goal for a 10-year period between 2026 and 2035 before stabilizing again at or above 17% target required for normal operations. The green bars represent reserves at June 30, 2017, which have been approved by Council and would be utilized as needs within these categories occur. More information on the L-RFP can be found in the General Fund section of this document.

Utility Funds – Summary

The Municipal Utilities Department (MUD) water, wastewater, and stormwater funds present unique long-term challenges. Maintaining and improving capital facilities is an important part of the utilities' ability to comply with regulations and operate efficiently. Capital project cost of $22.5 million are budgeted to begin in FY 2018-19. Each utility will require close observation and careful analysis to maintain the appropriate level of fiscal health and meet debt coverage ratio requirements.

The City did not increase wastewater rates in FY 2017-18 and does not plan to increase rates in FY 2018-19. A comprehensive independent rate study will be conducted in FY 2018-19 to determine the appropriate rate structure going forward.

Water consumption rebounded 12% from the 28% decline that occurred during the drought. This increase allows the City to recommend suspending the drought surcharge in FY 2018-19. Base water rates will increase 3% on July 1, 2018, consistent with the 5-year water rate plan that Council adopted in 2016.

Stormwater fund deficits are so severe that the City has delayed important capital projects for years. The City's prior attempts to increase the rates through ballot measures have all been unsuccessful. More recently, new State regulatory requirements have also increased cost pressures on the utility. The combined need to ensure adequate storm drainage and meet heightened regulatory requirements will likely necessitate a future rate increase.

Capital Improvement Program

The FY 2018-19 budget for the Capital Improvement Program is $70.3 million, an increase of $33.6 million or 92% from the prior year. The increase is attributed to $7.0 million for utility projects, $5.3 million for recreation and library facilities funded by Strong Communities, $5.9 million from land-based district funds, and $7.7 million of transportation and roadway projects funded by federal, state and local resources, including $5.4 million from SB1.

General government project appropriations of $10.2 million reflected in the Capital section of the document include $5.3 million from the Strong Communities Initiative to make major repairs to the aquatic, soccer and softball complexes, as well as fund a Troke Library remodel. The other general government projects include curb-gutter-sidewalk repairs in open spaces, a fire station roof replacement and repairs to the very popular interactive fountain at Weber Point Events Center.

The availability of federal and state grants for transportation and roadway projects increased markedly. Stockton applied for and was awarded nearly $13 million to accomplish safe routes to school improvements, Miner Avenue street improvements, Weston Ranch pedestrian safety improvements, bridge rehabilitations, and other repairs to local streets. The City also benefits from increased sales tax revenue at the state and local levels by receiving appropriations specifically for transportation from the general sales taxes and the special taxes levied on gasoline and fuels. To deliver projects associated with the increased funding, the budget provides for six new positions in the Public Works Department.

The Municipal Utilities Department is continuing to budget new projects in the water utility to improve systems and treatment capacity; accommodate growth in demand; and manage water well acquisitions, rehabilitations, and abandonments. The wastewater utility is preparing for the

first phase of a large modification project of the 60-year old Regional Wastewater Control Facility, while projects in the stormwater utility remain greatly constrained due to the lack of revenue generating authority. Projects are limited to the funding available and with no fee increase since 1992, very little can occur beyond annual upkeep.

CONCLUSION

The responsible approach of delayed gratification will continue to create short-term service-delivery pressures as residents seek the higher levels of service they deserve. It will also position us to withstand the impacts of the next recession without the associated loss of jobs and services that we endured the last time. As our economy benefits from being in a mature phase of the fiscal cycle, we are taking advantage of new opportunities while, simultaneously, planning for the inevitable recession that will change the availability of those opportunities and revenues. With an eyes-wide-open approach to acknowledging and tackling upcoming fiscal challenges, we are well-prepared to maintain current service-levels and make limited strategic investments to continually improve the quality of life of Stockton residents.

Respectfully submitted,

KURT O. WILSON
CITY MANAGER

CITY COUNCIL TARGETS AND GOALS

CITY COUNCIL 2018 STRATEGIC WORK PLAN
DEVELOPED IN THE PLANNING WORKSHOP

Guiding Principles

- Follow our long term financial plan to ensure financial stability and sustainability.
- Operate in a transparent and open manner to earn and keep trust of our community.
- Create a long-term vision while focusing on meeting day-to-day challenges and taking care of the "small things" that matter to the community.
- Maintain and expand relationships with partner agencies, private sector and organizations to extend capacity in carrying out and funding priority projects.
- Support the professional development of our employees with a focus on continuous improvement in all that we do.
- Measure successes and communicate them to the community.
- Implement voter-approved decisions on taxes and other laws fully with integrity: *honor voter intent.*

The Council established guiding principles, reaffirmed its strategic targets, and updated its Tier 1 and 2 priority goals. While these are the focus of the Council, the ongoing day-to-day operations of the City must be carried out in an efficient and effective way, requiring sound systems and talented people.

CITY COUNCIL TARGETS AND GOALS

2018 Strategic Targets

2018 Strategic Targets	
***Public Safety*:** To reduce violent crime and increase public safety, the Stockton City Council adopted the Marshall Plan on Crime. Since the initiative began in 2012, overall crime in Stockton has dropped significantly. Public safety enables the City's economy and communities to thrive.	***Fiscal Sustainability:*** Since filing for Protection under Chapter 9 of the federal bankruptcy code in 2012, the City has maintained its strategic focus on improving fiscal sustainability.
The performance indicators for public safety are: • Serious crime rate (UCR Part 1) • Crime rate: Other crimes • Juvenile crime rate • Violence Prevention Program Statistics • Police Department turnover rate	***The performance indicators for fiscal sustainability are:*** • Bond rating • Reserve balance • Accuracy of budgeted expenses
Economic Development: To increase core economic development and quality of life within the City, officials have been working to expand employment and investment in core local businesses and industries.	***Infrastructure:*** Infrastructure maintenance and development enables the city to address deficiencies and accommodate future growth.
The performance indicators for economic development are: • Jobs created • Net business license increase/decrease • Valuation of permits issued • Turnaround time in development process	***The performance indicators for infrastructure are:*** • Pavement condition index rating • Net investment in capital assets • Capital Improvement Program cost projections • Number of units of affordable housing built • New industrial space brought online

Tier 1 Priority Goals

The Council reached consensus on five Tier 1 priority goals, determined through dot voting and discussion, as listed in Table 1.

Table 1. Tier 1 Priority Goals

These are priorities which will receive the greatest attention from staff and Council.	
1.1	Focus on crime reduction, including group gun violence, blight reduction, and outreach for "hot zones" and "hot people."
1.2	Develop solutions that address homelessness.
1.3	Develop solutions to increase housing supply that local residents can afford.
1.4	Develop business incentives, including incentive tools for underserved neighborhoods.
1.5	Council and staff to work with education partners to help create better quality of life, increase literacy, funding scholarships for college, workforce development, and retaining employees.

Tier 2 Priority Goals

The Council reached consensus on three Tier 2 priorities, determined through dot voting and discussion, as shown in Table 2.

Table 2. Tier 2 Priority Goals

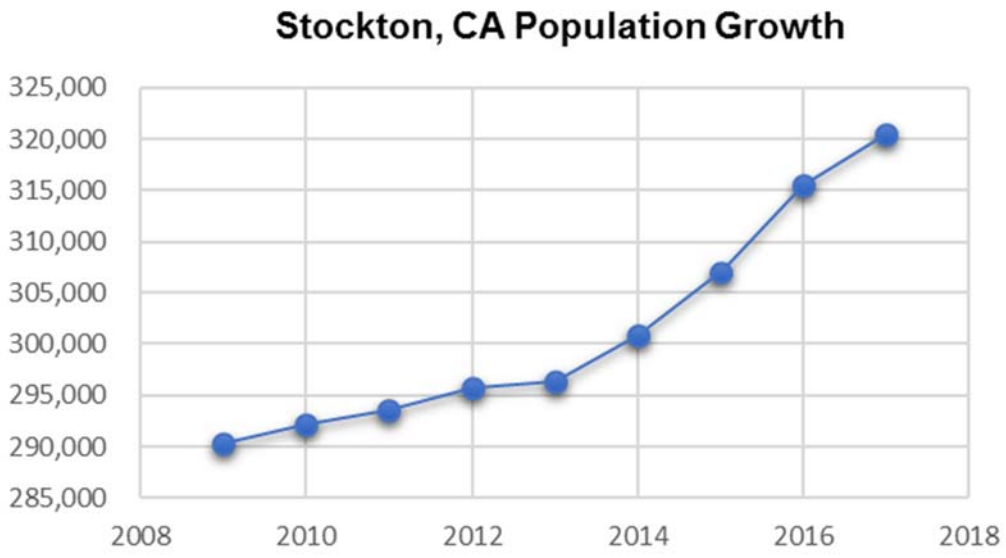
These are projects that will be focused on as resources permit.	
2.1	Prioritize resource allocation to “hot zones” within Council districts.
2.2	Engage private employers and the business community in workforce development and job placement (including people with criminal records); develop an employment pipeline for Stockton residents to Stockton employers.
2.3	Develop our core downtown.

COMMUNITY PROFILE

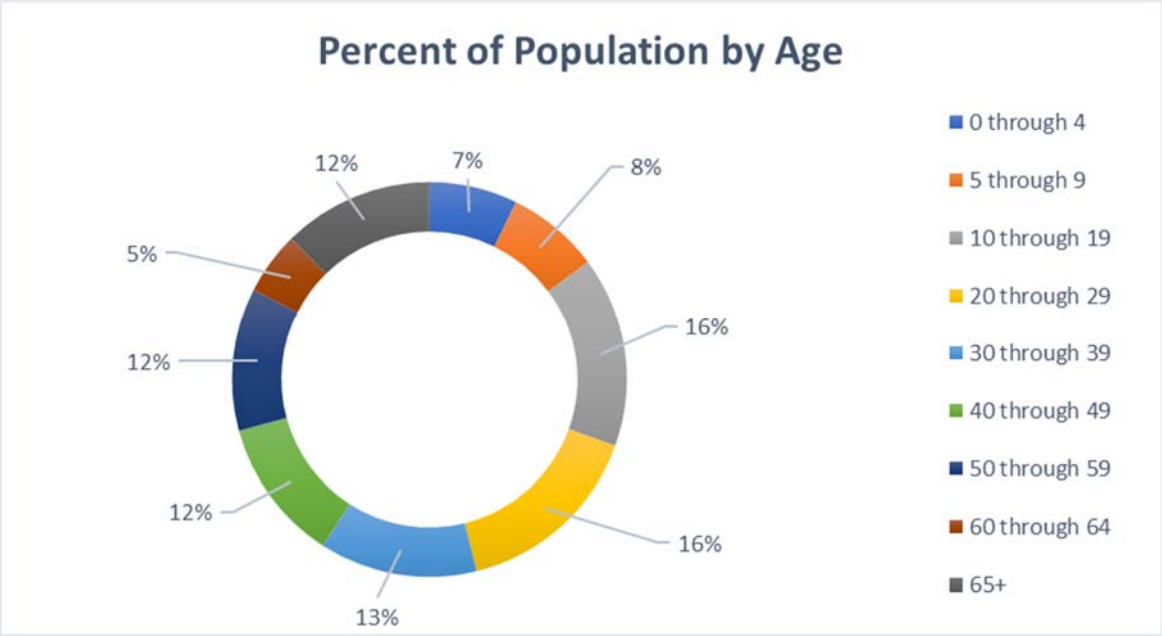
STOCKTON, CA. COMMUNITY PROFILE

Government
Date of Incorporation: July 23, 1850
Form of Government: City Council/City Manager
City Charter Adopted: November 1922
Full-time Positions (authorized): 1,705
Per 1,000 population: 5.3
Sworn Police Officers (authorized): 485
Sworn Firefighters (authorized): 182

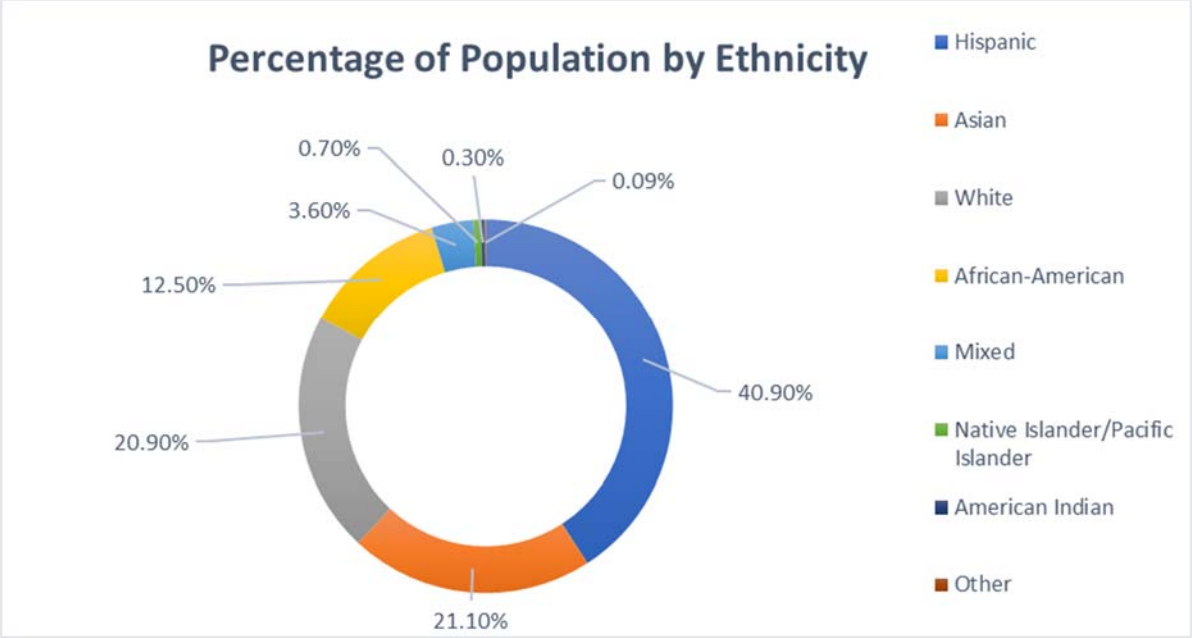
Area
Size: 64.75 square miles
Elevation: 13 feet above sea level
Stockton is the 13th largest city in California
Population: Stockton has experienced positive population growth for the last nine years, averaging 1.11% per year.



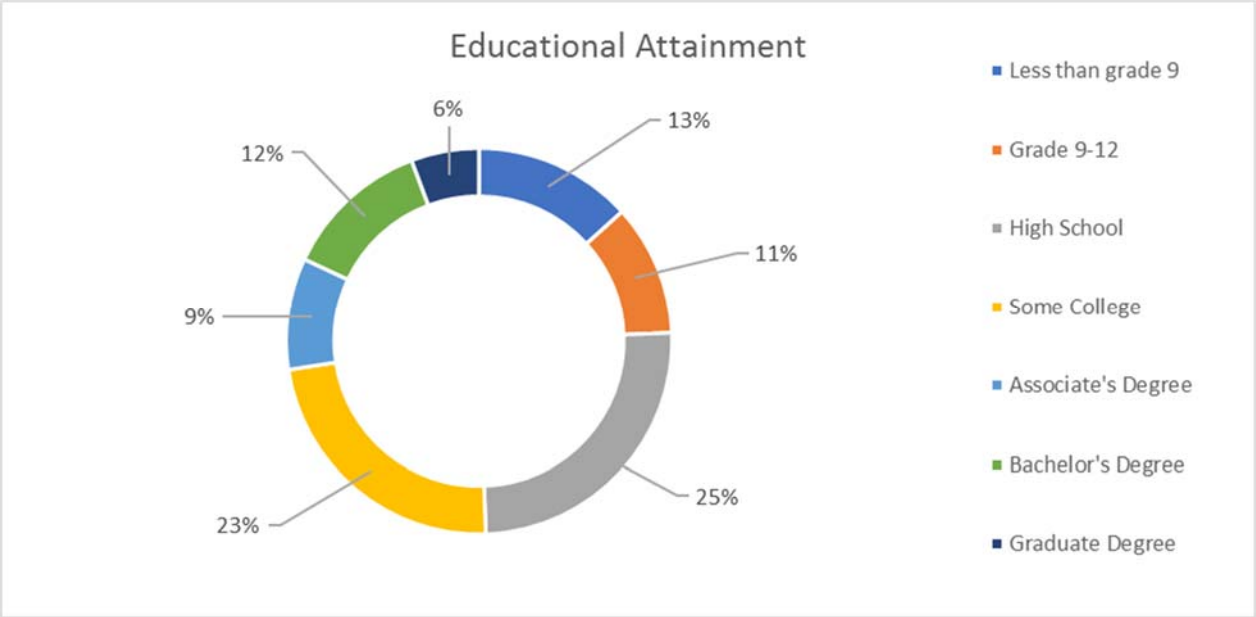
Percentage of population broken down by age group.



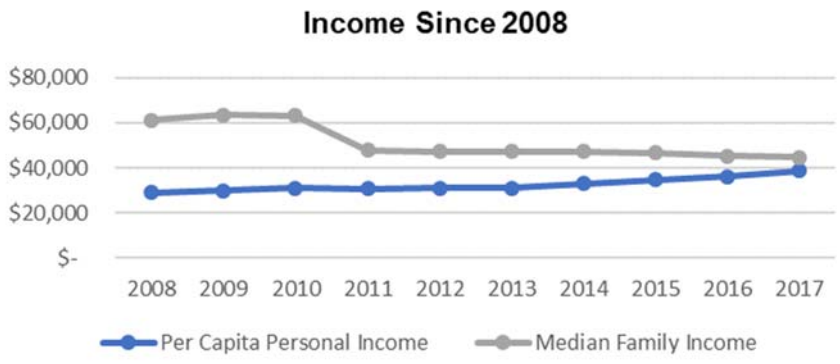
Stockton has a diverse population, with more than 40% of the population derived from Hispanic origin.



27% of Stockton's population has a college degree, with another 23% with some college education.

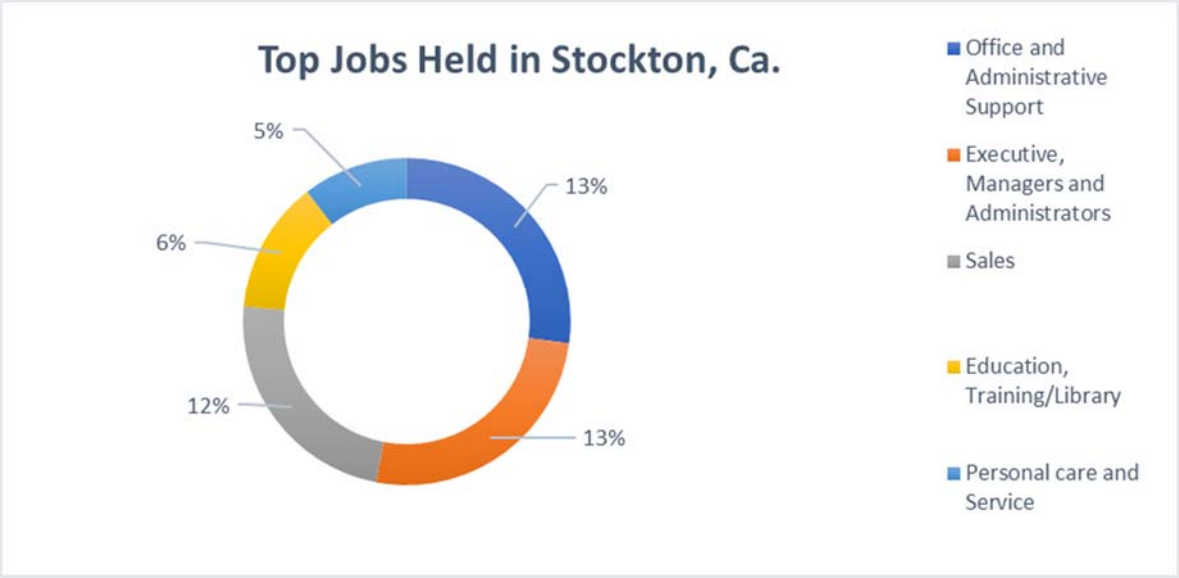


Households in Stockton earned a median yearly household income of $44,797 during 2017. Per capita personal income was $38,770.

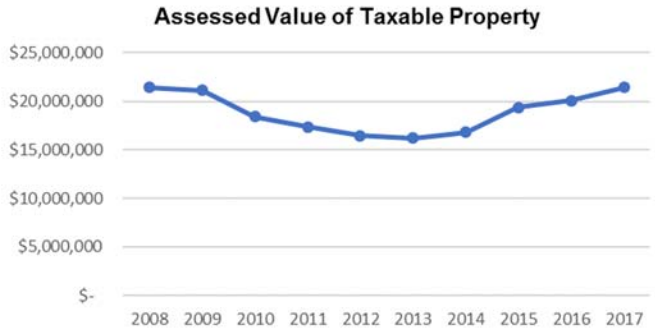


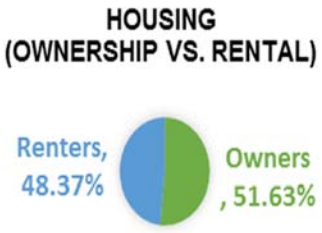
STOCKTON, CA. COMMUNITY PROFILE

Stockton has a labor force of 136,637 with an unemployment rate of 6.7%. Out of this labor force, 36% of jobs are comprised of the following top five career groups.

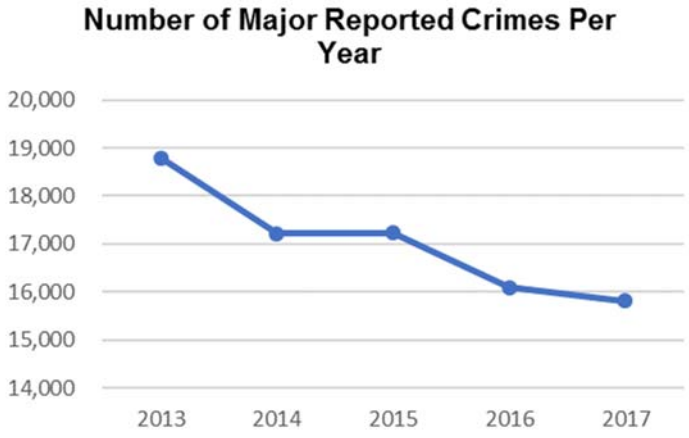


Assessed values have rebounded since the Great Recession and is currently at healthy levels.

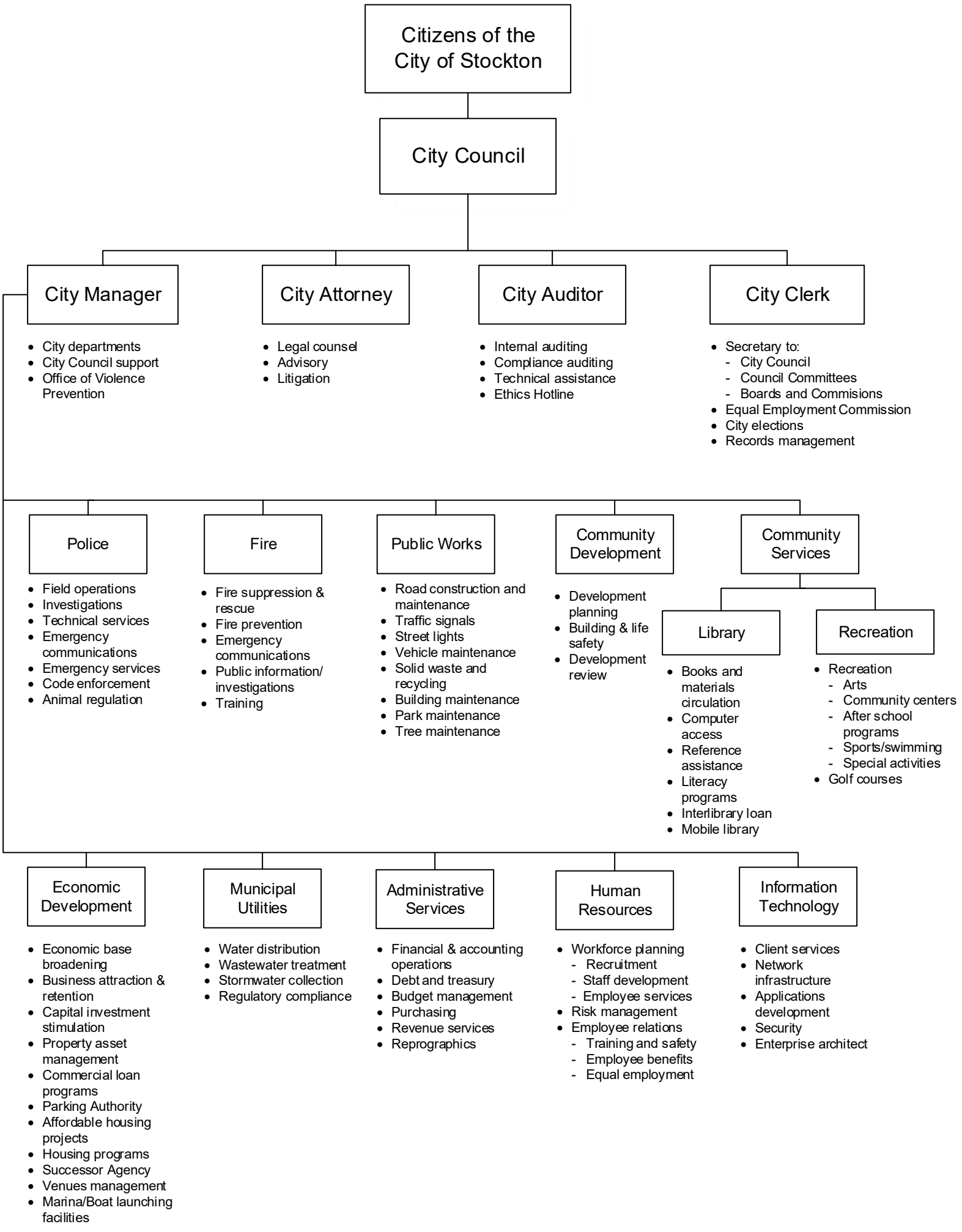




Stockton has experienced a decrease in serious crimes year over year.



TAB 2 CITYWIDE



CITY OF STOCKTON

PERSONNEL BY FUND - SUMMARY

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19
General Fund and Tax-Supported Programs					
Programs					
Police	618	663	681	1	682
Fire	178	177	177	2	179
Public Works	53	54	54	0	54
Library	61	62	66	0	66
Recreation	24	24	24	(1)	23
Economic Development	8	8	8	0	8
	942	**988**	**1,010**	**2**	**1,012**
Administration					
City Council	8	8	10	0	10
City Manager	10	10	12	0	12
City Attorney	11	12	12	0	12
City Clerk	7	7	7	0	7
Administrative Services	77	77	80	0	80
Human Resources	18	18	18	0	18
Non Departmental	4	4	3	0	3
Office of Violence Prevention	13	14	14	0	14
	148	**150**	**156**	**0**	**156**
Total General Fund	**1,090**	**1,138**	**1,166**	**2**	**1,168**
Enterprise Funds					
Parking Authority	5	5	5	0	5
Municipal Utilities	217	218	216	0	216
	222	**223**	**221**	**0**	**221**
Special Revenue/District Funds					
Community Development Block Grant	6	5	5	0	5
Development Services	40	46	47	9	56
San Joaquin Area Flood Control Agency	5	5	5	0	5
Assessment Districts	3	3	3	0	3
Police grants	24	24	8	(3)	5
Successor Agency	1	1	1	0	1
Safe Neighborhood Measure W	50	50	49	0	49
Solid Waste & Recycling	9	9	9	0	9
Street Maintenance/ Gas Tax Fund	60	59	59	6	65
Strong Communities Measure M	0	0	23	0	23
	198	**202**	**209**	**12**	**221**

PERSONNEL BY FUND - SUMMARY

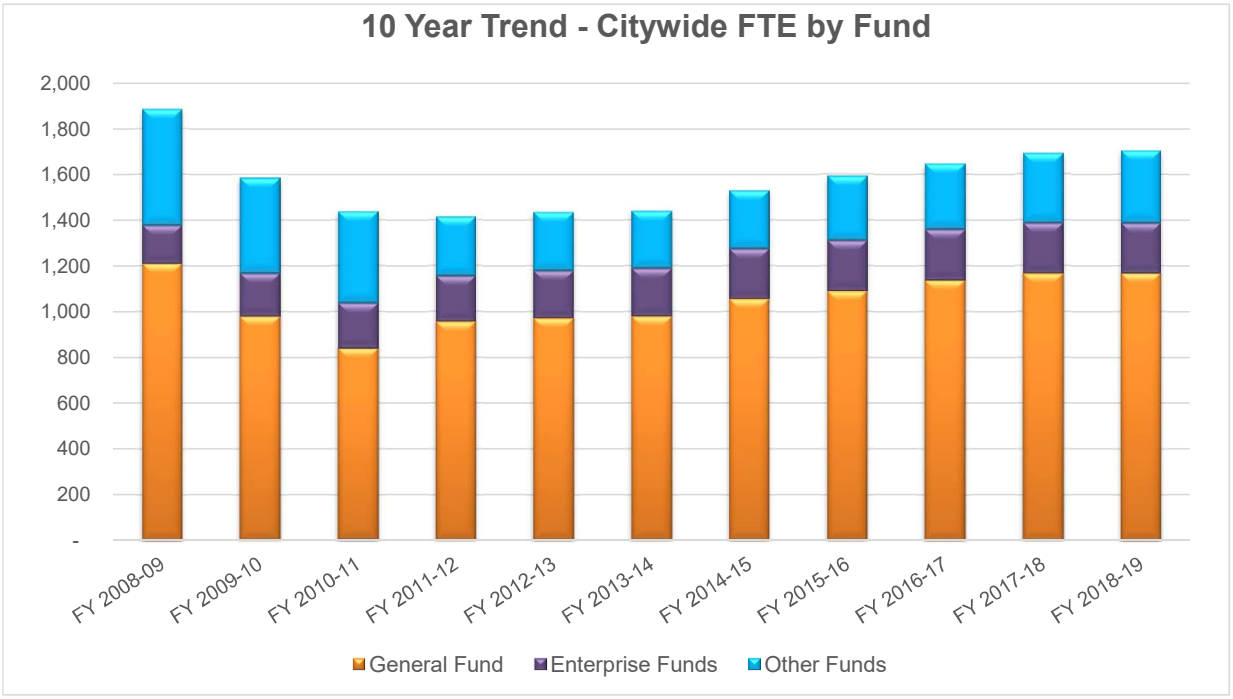
FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19
Internal Service Funds					
Fleet	27	27	27	0	27
General Liability Insurance	3	3	3	0	3
Workers' Compensation	3	3	3	0	3
Health Benefits	6	6	6	0	6
Information Technology	39	42	53	0	53
Radio	2	1	1	0	1
Telecommunications	1	0	0	0	0
Document Services	2	2	2	0	2
	83	**84**	**95**	**0**	**95**
Total All Funds	**1,593**	**1,647**	**1,691**	**14**	**1,705**

Endnotes

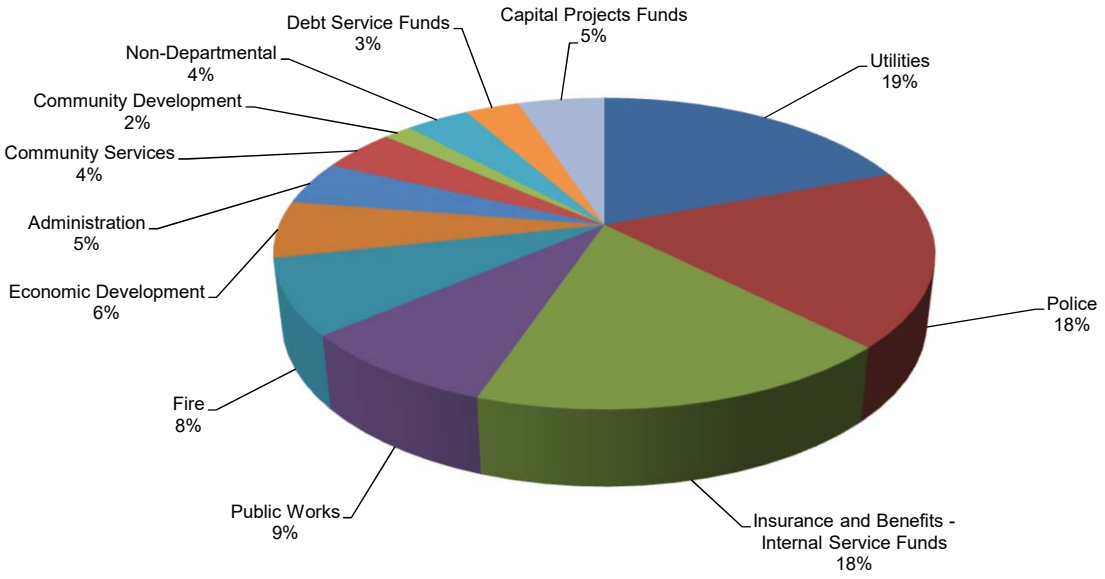
Staffing Changes

Remove Community Services vacant position	-1
Remove Grant funded positions	-2
New positions in FY 2018-19 Budget	17
Total	**14**



City of Stockton
Citywide Expenditures
FY 2018-19 Annual Budget

$709,419,235



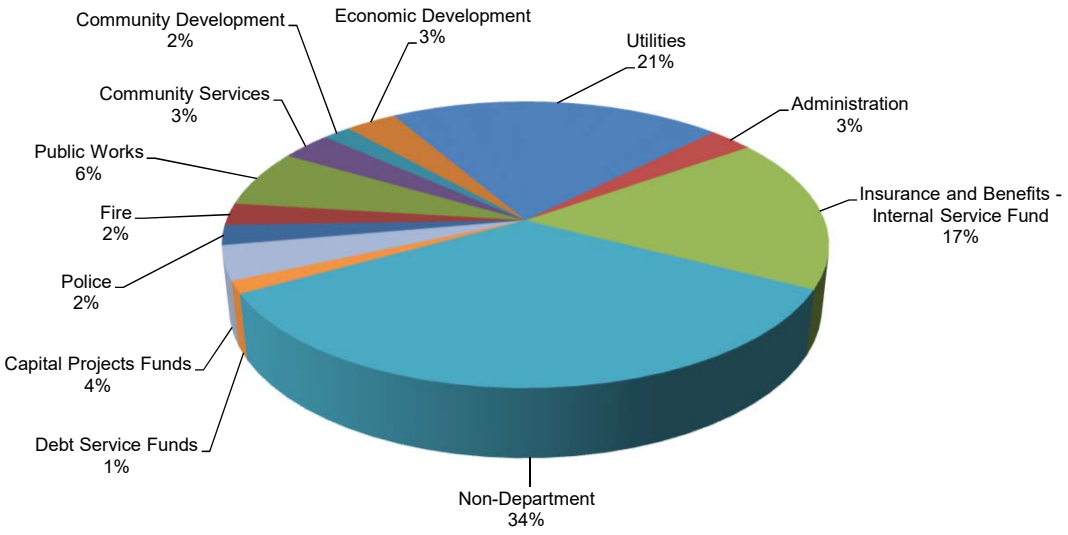
	Operating Budget	Debt Service Budget	Capital Budget	Total	% of Total
Program Appropriations					
Utilities	85,922,778	27,654,504	22,453,437	136,030,719	19%
Police	$ 130,367,165	$ -	$ 27,000	$ 130,394,165	18%
Insurance and Benefits - Internal Service Funds	125,333,779	-	-	125,333,779	18%
Public Works	45,553,058	4,243,839	10,819,600	60,616,497	9%
Fire	55,213,433	-	350,149	55,563,582	8%
Economic Development	35,958,461	3,673,096	2,040,000	41,671,557	6%
Administration	28,415,943	-	3,750,400	32,166,343	5%
Community Services	25,766,848	-	5,320,000	31,086,848	4%
Community Development	11,689,140	-	-	11,689,140	2%
Non-Departmental Funds					
Non-Departmental	26,120,419	-	475,000	26,595,419	4%
Debt Service Funds	-	22,429,736	-	22,429,736	3%
Capital Projects Funds	311,799	-	35,529,651	35,841,450	5%
	$ 570,652,823	$ 58,001,175	$ 80,765,237	$ 709,419,235	100%
				-	
Net Budgeted Expenditures					
Internal Service Charges				$ (121,753,132)	
Interfund Transfers				(41,553,662)	
				$ 546,112,441	

City of Stockton
Citywide Expenditures
FY 2018-19 Annual Budget

All Funds - by Fund Type	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
General Fund				
General Fund	$ 193,044,817	$ 206,448,331	$ 228,149,136	$ 220,615,124
Special Revenue Funds				
SJAFCA /PEG	703,797	772,490	1,351,387	1,746,508
Asset Forfeiture	17,203	59,276	73,665	347,359
COPS Hiring Recovery	426,468	535,461	884,331	893,768
Police Grants Fund	4,708,368	3,989,960	4,318,728	538,851
Street Maintenance/Gas Tax	6,626,345	6,364,204	9,044,765	14,325,273
Library Services	10,156,788	12,007,761	11,276,584	11,853,508
Fire Emergency Communications	-	2,560,513	2,710,242	3,098,965
Recreation Services	5,299,234	5,026,187	4,655,353	4,721,864
Boat Launching Facilities	84,927	111,401	124,765	136,827
Solid Waste & Recycling	1,378,525	1,542,451	1,688,323	1,850,803
Development Services	7,864,325	10,017,926	12,108,183	14,193,971
Federal Housing Grant Funds	6,453,789	8,223,994	5,500,837	8,698,864
State Housing Funds	194,604	289,537	-	294,070
Assessment Districts	4,502,377	4,284,804	4,415,048	6,596,301
Measure W	9,487,408	10,485,758	10,256,250	10,576,775
Strong Communities	-	82,505	3,268,307	12,210,198
Entertainment Venues	6,992,724	7,462,340	8,015,425	9,190,974
Low & Moderate Income Housing	3,982,094	1,731,902	227,450	3,427,242
	68,878,976	75,548,470	79,919,643	104,702,121
Enterprise Funds				
Stormwater Fund	5,046,690	5,034,851	6,801,698	7,209,389
Wastewater Fund	48,157,126	43,415,812	67,657,361	77,644,199
Water Fund	42,729,032	38,549,987	48,502,078	50,830,629
Golf Course Fund	2,183,790	2,173,725	2,202,695	2,246,278
Downtown Marina	365,768	472,254	484,948	717,452
Parking Authority	5,690,670	5,957,319	6,152,185	16,042,914
	104,173,076	95,603,948	131,800,965	154,690,861
Internal Service Funds				
Fleet	11,269,110	11,340,014	15,949,028	15,979,606
Information Technology	10,259,314	10,278,116	15,792,226	15,872,569
Radio	1,357,178	2,139,882	1,772,994	2,725,353
Office Equipment	441,009	291,001	379,779	399,931
General Liability	3,853,654	10,040,187	7,937,459	9,413,453
Workers Comp ISF	14,082,995	(3,509,663)	10,739,945	23,962,421
Health Benefits	17,391,440	19,683,412	21,350,400	24,062,574
Retirement ISF	43,815,144	50,590,741	51,410,040	65,980,463
Other Benefit Funds	1,517,562	1,306,021	2,001,307	1,914,868
	103,987,406	102,159,711	127,333,178	160,311,238
Capital				
General Capital	5,353,895	4,401,829	19048011	9,143,406
Capital Project Administration	-	-	-	4,577,123
Public Art	117,906	-	-	245,000
Measure K	3,910,259	10,014,640	10,449,479	10,860,417
Captial Grants	5,406,764	6,929,671	12,300,352	12,988,783
Public Facility Fees	564,485	699,038	942,550	8,572,660
	15,353,309	22,045,178	42,740,392	46,387,389
Debt Service	3,853,334	14,901,529	6,430,974	22,429,736
Permanent	454,614	313,936	258,874	282,766
All Fund Total	**$ 489,745,532**	**$ 517,021,103**	**$ 616,633,162**	**$ 709,419,235**

City of Stockton
Citywide Revenues
FY 2018-19 Annual Budget

$630,945,383



	Taxes	Program Revenues	Enterprise Revenues	Total	% of Total
Revenues by Department*					
Police	$ 5,279,000	$ 8,985,159	$ -	$ 14,264,159	2%
Fire	5,279,000	10,316,626	-	15,595,626	2%
Public Works	-	40,693,794	-	40,693,794	6%
Community Services	10,538,544	8,040,848	1,563,927	20,143,319	3%
Community Development	-	11,059,653	-	11,059,653	2%
Economic Development	-	13,847,385	6,474,476	20,321,861	3%
Utilities	-	324,206	131,394,814	131,719,020	21%
Administration	-	17,577,406	-	17,577,406	3%
Insurance and Benefits - Internal	-	109,520,765	-	109,520,765	17%
Non-Departmental Funds					
Non-Department	203,575,147	13,193,660	-	216,768,807	34%
Debt Service Funds	-	8,831,155	-	8,831,155	1%
Capital Projects Funds	-	24,449,818	-	24,449,818	4%
	$ 224,671,691	$ 266,840,475	$ 139,433,217	$ 630,945,383	100%
				-	
Citywide Revenues with Interfund Transfers					
Interfund Transfers				$ 47,524,089	
				$ 678,469,472	
Net Citywide Revenues					
Citywide Revenues				$ 678,469,472	
Interfund Transfers				(47,524,089)	
Internal Service Charges				(121,753,132)	
				$ 556,716,340	

*Excludes interfund transfers

FISCAL YEAR 2018-19 REVENUES

GENERAL FUND

The total General Fund revenue budget for FY 2018-19 is $229.6 million, a 2.0% increase from FY 2017-18 year-end projections.

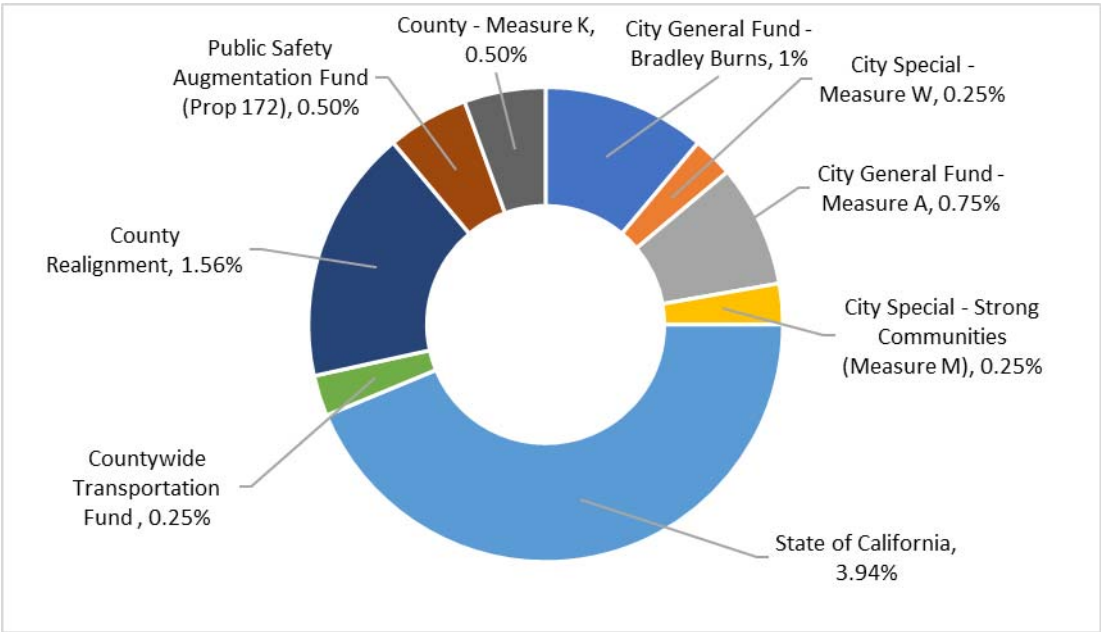
General Tax Revenues

The “Tax" revenue category comprises the majority of the City's General Fund revenues. This category comprises 88.7% of total estimated General Fund Revenue in FY 2018-19. The estimated FY 2018-19 tax revenue of $203.6 million is an increase of approximately 2.0% from the estimate in the FY 2017-18 Budget.

Property Taxes are a significant source of funds for most California municipalities. Under Proposition 13, the assessed valuation of properties held by the same owner from year-to-year is adjusted each year by the lesser of 2% or the percent change in the California Consumer Price Index. Property tax revenue has increased due to the higher assessed valuation of residential and commercial properties. Property tax revenues are based, in part, on assessed valuation from new construction, resale of existing properties, and property improvement projects. The FY 2018-19 Budget predicts a $1.7 million (3.0%) increase in overall property taxes over the FY 2017-18 projection.

Sales Taxes are the largest revenue source in the Tax category, as well as overall General Fund revenues, comprising 39.2% of the Tax category and 34.8% of all General Fund revenue. Sales tax revenue budgeted for FY 2018-19 reflects a 1.2% increase over the revised FY 2017-18 estimate and an increase of 1.9% over the original FY 2017-18 budget.

The sales tax rate in Stockton is 9.0%. For every dollar spent on taxable goods in the City, sales tax revenue is distributed as follows:



The Utility Users Tax (UUT) revenue estimate for FY 2018-19 is 1.6% higher than the revised FY 2017-18 estimates. The City levies a 6% tax on water, electricity, gas, communications technology, and video services. Multiple factors influence UUT revenue, including population growth, utility rate fluctuations, weather conditions affecting power usage, conservation, and legislation affecting the telecommunications industry.

Franchise Taxes are projected to grow 1.7%. The City assesses Pacific Gas and Electric Company 2% of the gross receipts representing its sale of electricity and natural gas for a calendar year within the City limits for the use of City streets in the distribution of natural gas and electricity.

The City collects a Cable Television Franchise Tax from any company that provides cable television. The current fee requires each State video franchise holder to pay the City a franchise fee that is 5% of gross revenues derived from subscriptions.

Waste Haulers Franchise Taxes are collected from Waste Management and Allied Waste for residential, commercial and industrial waste collection services.

Business License Tax revenue is projected to increase by 2.9%. Included in this category are the Medical Cannabis businesses which pay an annual business license tax to the City.

Revenue from the Hotel/Motel Room Tax is estimated to increase in FY 2018-19. The City levies a 12% tax on hotel and motel rentals within the City limits. The City experienced growth in the category in over the past fiscal years due to increased occupancy demand.

Based on actual year-to-date numbers and the housing market, revenue from the Document (Real Property) Transfer Tax is estimated to increase 4% from FY 2017-18. A tax is collected every time a real property exchanges hands or is sold through public records. The documentary transfer tax rate is a 55 cents per one thousand dollars of property value transferred.

The Interest revenue category is comprised of investment proceeds and CalPERS prepayment credits.

Program Revenues

Fire Contracts revenues include payments to the City for fire protection service agreements with four Rural Fire Protection Districts. District assessment rates are initially determined each year based on a formula that factors in the Fire Department annual adopted budget and gross taxable property valuation of the City and the Districts. A true-up calculation is made at the end of each fiscal year to adjust the District's payment based on actual costs as reflected in the City's final audited financial statements.

Code Enforcement revenue includes fines and fees collected from property owners for code violations. If fines and fees are not paid, the City places a lien on the property and collects the amount due through the property tax bill.

Charges for Services includes revenues from City fees to cover all or part of the cost of providing a wide variety of City services. The main revenue sources in this category continue to be related to public safety services. The FY 2018-19 estimate for Charges for Services is

approximately 11.6% higher than the amount projected for FY 2017-18.

Fines and Forfeitures include police vehicle, traffic, and parking citations, as well as a small amount from criminal fines. Due to State law, a large portion of fine revenues goes to the State of California and San Joaquin County.

Revenues from Other Agencies includes property taxes passed through to the City from the former Redevelopment project areas, excess tax increment from the Successor Agency, Homeowners' Property Tax Exemption, and Peace Officer Standards & Training (POST) reimbursements. The Homeowners' Property Tax Exemption allocation estimate is based on information from San Joaquin County concerning the current year allocation amount. The POST reimbursement for police officer training varies from year to year by the number of officers trained and the State reimbursement formula.

Licenses and Permits include fees such as animal licenses, certain police permits, and cannabis business application and permit fees. Revenue is projected to decrease from $496,000 to $491,000 for FY 2018-19, based on actual year-to-date collections, and projections made by the Police Department for police-related permits.

Sale of Fixed Assets revenue is projected to decrease to $375,000 in FY 2018-19 from the $583,000 projected in FY 2017-18 as a result of a reduction in the number of City surplus properties for sale.

The Misc. Other Revenues category is used to record those revenues that are miscellaneous in nature and the government fund allowance for uncollectible accounts receivable.

Interfund Reimbursements

The Indirect Cost Allocation category includes the cost recovery allocations for General Fund services provided to all other City funds. Allocations are based on annual Full Cost Allocation Plan updates.

Refunds & Reimbursements are comprised of costs incurred in the City's General Fund that are the legal responsibility of a private party or other separate entity.

Rents/Leases/Concessions are comprised mainly of property rentals including rent paid to the General Fund by other City funds. The City purchased the Waterfront Towers located at 501 and 509 West Weber Avenue during FY 2017-18 and negotiated lease agreements with the existing tenants. The lease revenue is estimated to be $847,974 in FY 2018-19.

Loan Repayments and Transfers In

For FY 2018-19, the General Fund expects a Successor Agency loan repayment of $147,919. Also, a transfer from the Parking Authority of $714,547 is being processed to pay for the annual debt service payment and fees. In addition, some Areas of Benefit had remaining funds after completion of improvement. A total of $1,158,162 from the Areas of Benefit are being proposed to be transferred to the General Fund.

SPECIAL REVENUE FUNDS

Gas Tax Funds

Stockton receives gas taxes as specified by Sections 2104-2107 of the California Streets and Highways Code. State law specifically designates this money for the research, planning, construction, improvement, maintenance, and operation of public streets and highways. California Revenue and Taxation Code (Section 7360) sets the statewide gas tax rate at $0.18 per gallon. This amount is static, and does not increase or decrease with the price per gallon of gasoline; rather, fluctuations in revenue are tied to the volume of fuel purchased in any given year. The City's gas tax apportionment increased 104.1% in FY 2018-19 compared to FY 2017-18 due to the passage of Senate Bill 1 (SB1), which authorized additional transportation funding to fix roads, freeways and bridges in communities across California. SB1 funding is anticipated to provide a significant positive impact on the City's street maintenance program moving forward.

Library Fund

The City-County library system receives funding from the City's General Fund, San Joaquin County property tax revenues, State library funds, service contracts, fines, and fees for service. In FY 2018-19, revenue from the County and other cities are anticipated to decrease by 3.1% from the original FY 2017-18 estimate of $6.7 million to $6.4 million. The County's contribution for FY 2018-19 is adjusted to utilize prior year County fund balance. The City's General Fund subsidy of $4.0 million is expected to remain the same.

Emergency Communications Fund

The San Joaquin County Regional Fire Dispatch Authority (Authority) was established on August 17, 2015. The purpose of the Authority is to provide emergency and non-emergency dispatch and related services to the general public within the service areas of the cities of Stockton, Lodi, Manteca, Tracy and the Lathrop-Manteca Fire Protection District.

On July 1, 2016, the Authority contracted with the City to provide regional dispatch and administrative services to the Authority. The Emergency Communications Fund was created to account for the revenue and expenditures associated with the contracted dispatch and administrative services. The Authority fully reimburses the City for the costs of the services it provides.

Recreation Services Fund

The Recreation Services Fund is comprised of the recreation sections of the Community Services Department. Revenue is from fees for recreation programs such as sports and instruction, after-school and summer camp programs, rental of facilities such as community centers. Recreation Services is not expected to be self-sustaining and receives an annual subsidy from the General Fund. The General Fund subsidy of approximately $3.4 million in FY 2018-19 is down 0.3% from the FY 2017-18 subsidy which included some one-time funding.

Solid Waste and Recycling Fund

This fund is supplied by 3.5% of the waste haulers gross rate revenues and is called the AB 939 fee because it was created to fund compliance with the recycling and diversion programs required by State legislation (AB 939). The City uses this fund for franchise oversight in addition

to various recycling and compliance initiatives. Several new state requirements (AB 341, AB 1826, and SB 1383) will impact this fund going forward. The revenue estimates assume no growth in FY 2018-19, based on current revenue trends from waste hauler fees.

Development Services

Development Services is mostly self-sustaining with full cost recovery fees for development and General Fund support for general planning activities. Development revenues are subject to wide fluctuations based upon planning and building activity. The FY 2018-19 revenue estimates reflect the robust growth in construction and the housing market.

CDBG / Emergency Solutions Grant / HOME Funds

Community Development Block Grant (CDBG), HOME Program, and Emergency Solutions Grant are grant programs managed by the Federal Housing and Urban Development Department (HUD). The City's annual entitlement amounts are unknown at this time, so the FY 2017-18 amounts have been used for FY 2018-19. The revenue budgets for these grant programs also include funds received from repayments of housing program loans.

Measure K Fund

In 1990, San Joaquin County voters passed a one-half percent sales tax increase dedicated to transportation projects. This original sales tax increase was set to expire in 2011; however, in 2006, voters passed a 30-year extension of the sales tax increase. The San Joaquin Council of Governments (SJCOG) administers the Measure K program.

35% of the sales tax revenue is dedicated to maintenance activities and is distributed by SJCOG to its members which include San Joaquin County and cities of Stockton, Lodi, Manteca, Tracy, Ripon, Escalon, and Lathrop. Stockton receives Measure K maintenance funding on a quarterly basis and historically used this funding for maintenance, local capital projects, and to provide matching funds to leverage state and federal grant programs.

Measure W Fund

Stockton voters approved Measure W in November 2004, which authorized a one-quarter percent transaction and use tax to be used for police and fire protection services. The Measure W tax proceeds are split evenly between the Police and Fire Departments. Measure W revenues are expected to increase by 1.6% in FY 2018-19 for total receipts of $10.6 million.

Measure M - Strong Communities Fund

Passed by Stockton voters in 2016, the Strong Communities initiative (Measure M) levies a one-quarter percent transactions and use tax for Library and Recreation services. The initiative went into effect on April 1, 2017, and will be in effect for 16 years. It is estimated to generate an average of between $9.4 and $11.8 million per year. In its first year, the measure has brought in revenues in line with estimates. Measure W revenues are expected to increase by 1.6% in FY 2018-19 for total receipts of $10.6 million.

Entertainment Venues Fund

The Entertainment Venues Fund accounts for the revenues associated with the City's

entertainment venues that are managed by SMG. The FY 2018-19 budget estimates those revenues at $5.3 million, a 6.7% increase from the $5.0 million projected for FY 2017-18. This fund is not expected to be self-sustaining and receives a subsidy from the General Fund. The subsidy for FY 2018-19 is estimated to be $3.3 million, representing a 4.6% decrease compared to FY 2017-18.

ENTERPRISE FUNDS

Parking Authority Fund

The Parking Authority receives revenue from parking lots, parking meters, parking enforcement citations and district assessments. Based on fee increases and updated usage data, the City anticipates total FY 2018-19 parking revenue will be 8.4% more than FY 2017-18.

Water, Wastewater and Stormwater Utilities

The FY 2018-19 budget assumes a water rate increase of 3% based on the Proposition 218 rate study passed in June 2016. At fiscal year's end for FY 2017-18, water consumption levels are projected to be 12% higher than in FY 2016-17. The consumption trend is expected to remain constant in FY 2018-19. The revenue associated with the proposed 3% water rate increase and projected water consumption levels in FY 2018-19 will alleviate the need for the Stage 1 Drought Surchage in FY 2018-19.

Wastewater rates will remain the same in FY 2018-19. The Wastewater Utility has commenced a comprehensive rate study to evaluate the level of revenue necessary to fully support the Utility and expects to complete the study in FY 2018-19.

The Stormwater Utility is funded by a fee that has not changed since 1992. As a result, the Stormwater Enterprise Fund has been under-funded for a number of years. The City attempted a Proposition 218 ballot measure in 2010 to approve a new Clean Water fee that would supplement the current fee. The rate study prepared determined the Utility was under-funded by approximately $9 million a year. The ballot measure failed, and the new user fee was not imposed. The possibility of advancing another ballot measure in FY 2018-19 to provide needed funding for this Utility is currently under review.

PUBLIC FACILITY FEES FUNDS

Public Facility Fees are development fees the City established to mitigate the impacts of new development that create the need for public facilities such as libraries, parks, fire stations and transportation infrastructure.

PERMANENT / AGENCY FUNDS

Permanent and Special Purpose funds include money given to the City from individuals or corporate donors, or through program revenues, to fund a specific activity or purpose. The revenue estimates are based on historical revenue and current year estimates.

FUND – DEPARTMENT RELATIONSHIP

City funds by fund type and associated departments

Fund Type	Sub Type	Fund #	Fund Description	Administrative Svs.	Community Dev.	Community Services	Economic Dev.	Fire	Human Resources	Information Tech.	Municipal Utilities	Non-Departmental	Police	Public Works	Charter Offices
				Department											
G		10	General Fund												
G	Special Revenue	20	Special Purpose Grant Funds												
G		23	Asset Seizure												
G		24	State Citizens Options for Public Safety												
G		25	Special Revenue Grants												
G		30	Street Maintenance/Gas Tax												
G		34	Transportation Development Act												
G		38	Federal Capital Grants												
G		41	Library												
G		42	Emergency Communications												
G		44	Recreation Services												
G		45	Boat Launching Facilities												
G		47	Solid Waste & Recycling												
G		48	Development Services												
G		53	Special Purpose CDBG Loan Programs												
G		54	Community Development Block Grants												
G		57	Emergency Solutions Grant												
G		58	HOME Grant												
G		60	CALHOME Loan												
G		61	State Housing Loan (HELP)												
G		63	Neighborhood Stabilization Program												
G		64	Neighborhood Stabilization Program #3												
G		71	Lighting Maintenance												
G		72	Assessment District Maintenance												
G		73	Tourism & Business Improvement Fund												
G		74	Storm Drain Maintenance District												
G		80	Measure K Capital												
G		81	Measure W												
G		82	Measure K - Maintenance												
G		83	Strong Communities												
G		86	Entertainment Venues												
G		329	Low & Moderate Income Housing												
G	Debt	201	City Debt Service Fund												
G		231	Successor Agency Debt Service Fund												
G		250	CFD and 1915 ACT Debt Service												
G	Capital	301	General Capital												
G		305	Capital Projects-Bond Funded												
G		306	Public Art												
G		308	Capital Grants												
P	Enterprise	418	Parking Authority												
P		421	Water Utility												
P		431	Wastewater Utility												
P		441	Stormwater Utility												
P		460	Downtown Marina Complex												
P		481	Golf												

Fund Categories: F Fiduciary, G Governmental, P Proprietary

FUND – DEPARTMENT RELATIONSHIP

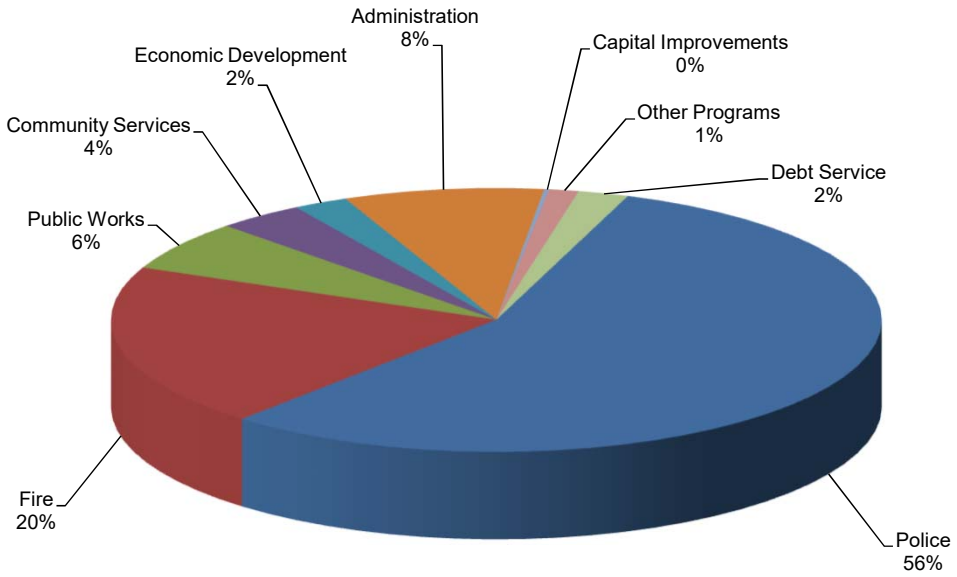
City funds by fund type and associated departments

Fund Type	Sub Type	Fund #	Fund Description	Administrative Svs.	Community Dev.	Community Services	Economic Dev.	Fire	Human Resources	Information Tech.	Municipal Utilities	Non-Departmental	Police	Public Works	Charter Offices
				Department											
P	Internal Services funds	501	Fleet Services											■	
P		502	Computer Equipment Internal Service							■					
P		503	Radio Equipment Internal Service							■					
P		504	Telephone Equipment Internal Service							■					
P		505	Office Equipment Internal Service	■											
P		541	General Liability Insurance						■						
P		551	Workers' Compensation						■						
P		552	Health Benefits						■						
P		556	Unemployment						■						
P		557	LTD and Life Insurance						■						
P		561	Retirement						■						
P		562	Compensated Absence						■						
G	Permanent / Agency	613	Arts Endowment			■									
G		614	Kolak Trust			■									
G		622	Cady Endowment			■									
G		627	Wagner - General Special Revenue									■			
F		633	Successor Agency				■								
G		642	General Special Revenue									■			
G		643	Parks & Recreation Trust			■									
G		644	Library Special Revenue Fund			■									
G		645	Special Revenue										■		
G		646	Special Revenue					■							
G	Public Facility Fees	900	Traffic Signals Citywide		■									■	
G		901	Traffic Signals Zone 1		■									■	
G		902	Traffic Signals Zone 2		■									■	
G		903	Traffic Signals Zone 3		■									■	
G		904	Traffic Signals Zone 4		■									■	
G		910	Street Improvements Citywide - 910-915		■									■	
G		917	Street Improvements Reg Traffic		■									■	
G		920	Community Recreation Centers - Citywide		■	■									
G		930	City Office Space		■										
G		940	Fire Station Citywide		■			■							
G		950	Library Citywide		■	■									
G		960	Police Station Expansion		■								■		
G		970	Parkland Citywide		■	■								■	
G		978	Street Trees		■									■	
G		979	Street Trees		■									■	
G		980	Street Light City Wide		■									■	
G		983	Street Light Zone 3 & 4		■									■	
G		985	Street Lights Zone 5		■									■	
G		990	Air Quality		■										
G		999	Public Facilities Fee Administration		■										

Fund Categories: F Fiduciary, G Governmental, P Proprietary

TAB 3 GENERAL FUND SUMMARY

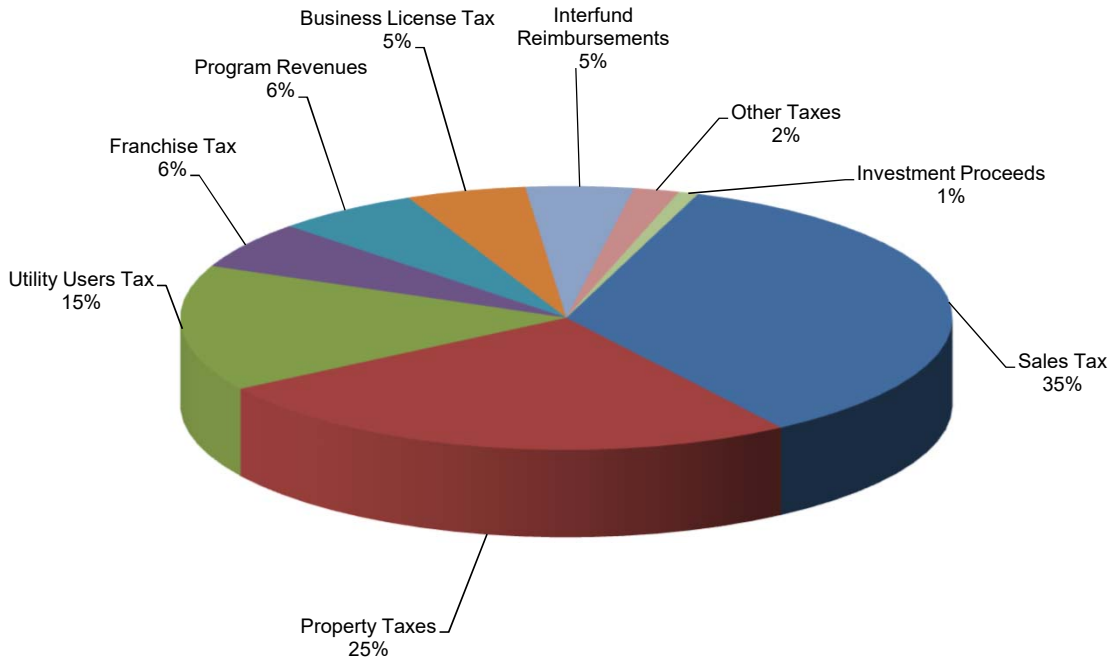
General Fund Expenditures
FY 2018-19 Annual Budget



Program Appropriations

Police	$ 123,460,656	56%
Fire	44,217,062	20%
Public Works	13,557,128	6%
Community Services	8,080,000	4%
Economic Development	5,063,578	2%
Administration	18,572,806	8%
Capital Improvements	232,924	0%
Other Programs	2,746,868	1%
Debt Service	4,684,102	2%
	$ 220,615,124	

General Fund Revenues
FY 2018-19 Annual Budget



General Fund Revenues by Category*

Sales Tax	$	79,827,975	35%
Property Taxes		57,618,977	25%
Utility Users Tax		35,227,000	15%
Franchise Tax		13,236,706	6%
Program Revenues		13,720,547	6%
Business License Tax		11,427,900	5%
Interfund Reimbursements		10,288,802	5%
Other Taxes		4,335,000	2%
Investment Proceeds		1,901,589	1%
Revenues By Category sub-total	$	227,584,496	
Interfund Transfers		2,020,628	
Total Revenues with Transfers	$	229,605,124	

*Excludes interfund transfers

General Fund - 010
Fund Balance Summary
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 33,601,588**	**$ 33,898,632**	**$ 36,183,616**	**$ 47,175,313**
Revenues	213,755,012	217,923,626	225,001,691	229,605,124
	213,755,012	**217,923,626**	**225,001,691**	**229,605,124**
Expenditures				
Employee Services	119,504,488	135,970,197	144,529,077	149,666,599
Other Services	33,969,557	38,769,969	44,988,841	43,729,628
Materials & Supplies	3,985,995	4,808,572	5,272,049	4,713,140
Other Expenses	2,060,161	2,547,409	4,132,159	4,589,998
Capital Outlay	3,266,166	2,212,978	742,414	167,149
Loan Repayment	1,420,238	1,443,873	4,906,848	4,684,102
Transfer Out	28,838,212	20,695,333	23,577,748	13,064,508
	193,044,817	**206,448,331**	**228,149,136**	**220,615,124**
Net Annual Activity	**20,710,195**	**11,475,295**	**(3,147,445)**	**8,990,000**
Reserves				
Reserve for future appropriation	243,776	(806,000)	806,000	-
Reserve Policy Contributions	(28,481,066)	(16,912,000)	8,750,000	-
Change in Fund Balance restrictions	7,824,139	8,527,689	4,583,142	-
	(20,413,151)	**(9,190,311)**	**14,139,142**	**-**
Ending Available Balance	**$ 33,898,632**	**$ 36,183,616**	**$ 47,175,313**	**$ 56,165,313**
Available Balance Calculation				
Cash		$ 80,313,098		
Accounts Receivable		35,897,400		
Prepaid Items/Inventory		1,079,356		
Accounts Payable		(19,845,108)		
Non-Spendible		(1,281,230)		
Encumbrances		(4,701,448)		
Other Commitments & Reserves		(55,278,452)		
Ending Available Balance		$ 36,183,616		
General Fund balance including funded reserves				
Working Capital Reserve - 16.67%		$ 36,183,616	$ 36,183,616	$ 36,776,541
Known Contingency Reserves		48,212,000	44,325,697	52,722,772
Risk-Based Reserves		4,983,000	4,983,000	4,983,000
Total		**$ 89,378,616**	**$ 85,492,313**	**$ 94,482,313**

FY 2016-17 Working Capital Reserve is included in the FY 2017-18 beginning available balance. Known Contingencies are held in reserves are removed from available fund balance and Risk Based Reserves are held in Fiscal Sustainability and Reserve Fund (012).

Known Contingencies amounts for FY 2017-18 and FY 2018-19 are projected subject to Council approval of reserve targets and year end results.

General Fund - 010
Revenues
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Adopted Budget	FY 2017-18 Projected	FY 2018-19 Budget
General Tax Revenues					
Property Taxes					
Property Taxes	$ 30,646,304	$ 32,411,463	$ 33,222,000	$ 33,223,472	$ 34,299,127
In-Lieu of Motor Vehicle Fees	20,229,972	21,281,416	22,390,179	22,708,979	23,319,850
	50,876,275	53,692,879	55,612,179	55,932,451	57,618,977
Sales Tax					
Point of Sale	38,751,156	43,566,239	45,732,298	46,318,695	46,739,921
25% County ERAF Backfill	8,774,722	-	-	-	-
Measure A Transaction Tax	29,259,106	30,048,605	31,020,000	31,007,686	31,458,459
Proposition 172	1,458,579	1,510,388	1,558,000	1,593,892	1,629,595
	78,243,563	75,125,232	78,310,298	78,920,273	79,827,975
Utility Users Tax					
Water	3,510,586	3,985,709	4,103,000	4,290,000	4,401,000
Electric & Gas	19,783,286	21,069,824	20,989,000	21,406,282	21,985,000
Cable	2,603,260	2,422,755	2,305,000	2,580,000	2,723,000
Telecommunications	7,527,903	7,196,619	6,936,000	6,389,000	6,118,000
	33,425,036	34,674,907	34,333,000	34,665,282	35,227,000
Franchise Tax					
Electric & Gas	2,131,826	2,325,787	2,255,000	2,372,260	2,419,706
Cable/Video	2,471,933	2,383,041	2,215,000	2,343,000	2,319,000
Waste Haulers	7,792,935	8,580,244	8,170,000	8,298,817	8,498,000
	12,396,693	13,289,072	12,640,000	13,014,077	13,236,706
Business License Tax	10,669,613	10,781,783	11,836,700	11,110,255	11,427,900
Hotel/Motel Tax	2,710,538	2,996,990	2,990,000	3,117,271	3,242,000
Document Transfer Tax	856,442	801,444	750,000	897,000	933,000
Motor Vehicle License	123,869	141,381	140,000	168,735	160,000
Investment Proceeds	1,473,300	1,421,316	1,720,000	1,723,876	1,901,589
	15,833,761	16,142,914	17,436,700	17,017,137	17,664,489
Program Revenues					
Fire Contracts	3,562,986	3,733,398	3,928,803	3,872,295	4,217,014
Code Enforcement	3,715,944	4,402,545	3,444,631	3,641,695	3,599,869
Charges for Services	2,241,428	1,787,799	1,458,435	1,828,280	2,039,923
Fines & Forfeitures	382,670	385,215	325,475	332,863	327,932
Revenues from Other Agencies	2,479,072	2,613,655	1,772,461	3,177,462	2,733,975
Licenses & Permits	483,601	481,949	513,303	496,153	491,543
Sale of Fixed Assets	378,993	492,346	500,000	583,000	375,000
Misc. Other Revenues	414,876	511,294	241,440	(92,097)	(64,709)
	13,659,568	14,408,201	12,184,548	13,839,651	13,720,547
Interfund Reimbursements					
Indirect Cost Allocation	4,238,460	4,223,997	4,372,606	4,644,116	5,379,725
Refunds & Reimbursements	1,602,943	1,862,319	1,904,386	1,911,916	1,465,772
Rents/Leases/Concessions	2,572,252	2,508,011	2,490,051	3,042,469	3,443,305
	8,413,655	8,594,327	8,767,043	9,598,501	10,288,802
Loan Repayments and Transfers In					
Loan Repayment	-	1,086,000	922,035	53,242	147,919
From Parking for Debt Service	906,459	910,094	914,894	914,894	714,547
From Districts/Area of Benefits	-	-	-	307,242	1,158,162
From General Capital Fund	-	-	-	738,941	-
	906,459	1,996,094	1,836,929	2,014,319	2,020,628
Total Revenues	**$ 213,755,012**	**$ 217,923,626**	**$ 221,120,697**	**$ 225,001,691**	**$ 229,605,124**

General Fund - 010
Revenues by Department
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Adopted Budget	FY 2017-18 Projected	FY 2018-19 Budget
General Tax Revenues					
Taxes	$ 168,948,188	$ 170,080,892	$ 174,081,998	$ 174,947,630	$ 178,193,708
Licenses & Permits	113,699	141,295	162,652	177,416	174,996
Intergovernmental Revenue	22,229,544	23,699,814	24,232,640	24,897,602	26,128,825
Charges for Services	-	1,416	-	-	-
Uses of Money & Property	3,905,697	3,781,555	4,070,756	4,614,966	5,192,645
Reimbursements/Other Revenues	4,505,337	4,700,847	4,472,606	4,618,070	5,179,725
Sale of Fixed Assets	375,188	496,151	500,000	583,000	375,000
	200,077,653	202,901,970	207,520,652	209,838,684	215,244,899
Police Department					
Licenses & Permits	369,540	339,166	350,651	318,737	316,547
Intergovernmental Revenue	187,203	77,875	70,000	150,607	85,000
Charges for Services	3,600,606	4,412,070	3,695,087	4,015,577	4,238,906
Fines & Forfeitures	554,120	1,088,243	795,837	906,508	879,510
Uses of Money & Property	144,284	149,211	152,700	327,006	204,200
Reimbursements/Other Revenues	2,682,582	2,235,798	2,056,792	2,011,659	1,834,297
Sale of Fixed Assets	3,805	(3,805)	-	-	-
	7,542,140	8,298,558	7,121,067	7,730,094	7,558,460
Fire Department					
Intergovernmental Revenue	416,166	258,762	-	1,006,967	-
Charges for Services	4,539,813	3,895,656	4,068,911	4,032,594	4,368,431
Fines & Forfeitures	-	-	8,000	-	4,000
Reimbursements/Other Revenues	89,985	64,696	106,708	86,157	97,699
	5,045,964	4,219,114	4,183,619	5,125,718	4,470,130
Public Works					
Licenses & Permits	362	1,487	-	-	-
Uses of Money & Property	8,681	10,000	7,000	10,000	10,000
Reimbursements/Other Revenues	17,038	27,639	22,680	22,681	22,681
	26,081	39,126	29,680	32,681	32,681
Administrative Services					
Charges for Services	30,245	229,271	42,250	42,285	50,837
Fines & Forfeitures	(25,647)	13,630	6,000	2,933	5,000
Reimbursements/Other Revenues	(970)	31,794	239,015	64,077	62,300
	3,628	274,695	287,265	109,295	118,137
Charter Offices					
Charges for Services	19,365	23,979	9,390	9,527	8,540
	19,365	23,979	9,390	9,527	8,540
Human Resources					
Charges for Services	-	16,800	-	-	9,600
	-	16,800	-	-	9,600
Economic Development					
Uses of Money & Property	133,722	137,770	132,095	141,373	142,049
Reimbursements/Other Revenues	-	15,520	-	-	-
	133,722	153,290	132,095	141,373	142,049
Loan Repayments and Transfers In					
Loan Repayment	-	1,086,000	922,035	53,242	147,919
From Parking for Debt Service	906,459	910,094	914,894	914,894	714,547
From Districts/Area of Benefits	-	-	-	307,242	1,158,162
From General Capital Fund	-	-	-	738,941	-
	906,459	1,996,094	1,836,929	2,014,319	2,020,628
Total Revenues	**$ 213,755,012**	**$ 217,923,626**	**$ 221,120,697**	**$ 225,001,691**	**$ 229,605,124**

General Fund - 010
Expenditures by Program
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Adopted Budget	FY 2017-18 Projected	FY 2018-19 Budget
Expenditures					
Programs					
Police	$ 97,514,838	$ 112,232,253	$ 119,872,529	$ 116,962,807	$ 123,460,656
Fire	39,108,922	40,846,099	42,105,239	43,954,948	44,217,062
Public Works	9,183,435	12,276,788	11,800,711	13,672,146	13,557,128
Economic Development	1,141,227	2,014,309	2,519,661	3,380,366	1,486,994
Office of Violence Prevention	1,242,652	1,286,689	1,486,484	1,797,903	1,571,868
	148,191,074	168,656,138	177,784,624	179,768,170	184,293,708
Program Support for Other Funds					
Library	5,312,525	4,504,000	3,984,500	3,984,500	3,984,500
Recreation	3,585,112	3,915,000	3,407,000	3,407,000	3,395,500
Entertainment Venues	3,445,000	3,445,000	3,445,000	3,445,000	3,285,000
Development Services	1,000,000	1,000,000	925,000	925,000	925,000
Golf Courses	550,000	850,000	700,000	700,000	700,000
Downtown Marina	215,000	220,000	212,000	212,000	262,000
Grant Match	60,575	70,333	300,000	300,000	250,000
Capital Improvement	11,635,000	6,691,000	868,600	9,893,600	232,924
Low & Moderate Income Housing	-	-	184,397	10,648	29,584
Radio ISF	-	-	700,000	700,000	-
Information Technology ISF	1,035,000	-	-	-	-
Parking Technology Improvement	1,000,000	-	-	-	-
Retirement ISF	500,000	-	-	-	-
Workers Comp ISF	500,000	-	-	-	-
	28,838,212	20,695,333	14,726,497	23,577,748	13,064,508
Administration					
City Council	406,960	596,225	681,325	816,206	748,996
City Manager	1,333,846	1,404,493	1,456,904	1,250,297	1,518,264
City Attorney	1,137,610	1,337,337	1,374,113	1,360,777	1,560,395
City Clerk	759,168	834,222	910,301	871,757	943,406
City Auditor	604,453	639,252	560,004	946,693	613,787
Administrative Services	4,006,914	4,543,800	5,379,646	5,182,770	5,439,244
Human Resources	1,721,574	1,938,281	2,339,061	2,145,030	2,344,398
Tax Collection & Election	2,781,096	3,215,902	3,078,000	3,137,648	3,143,500
Other Administration	609,710	883,050	1,357,080	1,735,192	(639,184)
Labor Litigation/Sustainability	1,233,962	260,425	500,000	500,000	900,000
	14,595,293	15,652,987	17,636,434	17,946,370	16,572,806
Debt Service	1,420,238	1,443,873	4,906,848	4,906,848	4,684,102
Contingency	-	-	2,000,000	1,950,000	2,000,000
Total	**$ 193,044,817**	**$ 206,448,331**	**$ 217,054,403**	**$ 228,149,136**	**$ 220,615,124**

General Fund - 010
Measures A and B
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Adopted Budget	FY 2017-18 Projected	FY 2018-19 Budget
Revenues					
Police					
Measure A Transaction and Use Tax	$ 29,259,106	$ 30,048,605	$ 31,020,000	$ 31,007,686	$ 31,458,459
Total Revenues	**29,259,106**	**30,048,605**	**31,020,000**	**31,007,686**	**31,458,459**
Expenditures (Public Safety Measure B)					
Police					
Salary & Benefits					
Sworn & Non-Sworn	8,202,924	13,390,973	20,435,631	17,982,728	21,648,032
Vacancy Savings	-	-	(2,300,000)	-	(1,046,464)
Other Services	775,634	1,217,757	1,813,468	1,773,084	1,948,515
Materials & Supplies					
Fuel	58,588	135,690	108,308	169,551	146,663
Other Supplies	212,470	441,864	418,200	445,228	398,200
Equipment					
Office Equipment	-	-	-	-	-
Radios	1,396,096	411,352	-	-	-
Vehicles	1,233,765	1,259,990	-	179,000	-
Other Expenses					
Technology Upgrades	104,547	170,401	-	86,000	-
Training	271,761	405,456	539,000	496,488	470,000
	12,255,785	17,433,483	21,014,607	21,132,079	23,564,946
Office of Violence Prevention					
Salary & Benefits					
Non-Sworn	302,489	615,792	654,522	609,809	686,203
Other Services	221,737	169,557	287,689	350,214	241,604
Materials & Supplies					
Fuel	-	-	12,000	5,000	6,731
Other Supplies	11,210	9,487	10,000	12,000	28,600
Equipment					
Office Equipment	451	20,928	17,500	8,500	13,000
Vehicles	74,274	23,746	-	-	-
Other Expenses	1,696	7,712	15,750	12,750	20,250
	611,857	847,222	997,461	998,273	996,388
Total Expenditures (Measure B)	**$ 12,867,642**	**$ 18,280,705**	**$ 22,012,068**	**$ 22,130,352**	**$ 24,561,334**
Measure B expenditures as a % of annual Measure A revenues	44%	61%	71%	71%	78%

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

LONG-RANGE FINANCIAL PLAN

Introduction

The City of Stockton continues to focus on the City Council's strategic goals including fiscal sustainability. As part of that effort, the City maintains a comprehensive and detailed long-term forecast for the City's General Fund, referred to as the Long-Range Financial Plan (L-RFP). The L-RFP serves as a tool for sound decisions, accurate projections and financial management of the City's General Fund and supported other funds. This financial planning tool was developed during the City's bankruptcy process to demonstrate that the City could achieve financial recovery with restructured debt. The L-RFP was reviewed by the judge and creditors as the foundation for the Plan of Adjustment. The Plan of Adjustment is the City's plan, filed with the court, for emerging from bankruptcy. The L-RFP withstood challenges by the City's creditors and was approved by the bankruptcy court. Since 2012, Fiscal Sustainability has been one of the City Council's main strategic goals, and all financial actions are evaluated in the light of future implications. The L-RFP is an integral part of maintaining and evaluating the City's success in addressing this goal.

The L-RFP calculates, predicts, and offers a visual snapshot of the City's General Fund financial position for the next two decades. It is dynamic and City staff make adjustments as new revenue, or expense data becomes available. More importantly, the L-RFP is used to evaluate the impact of hypothetical changes that can cause short or long-term problems. The model enables informed decision making by showing the long-term affordability of those decisions.

The City continues to revise and update the L-RFP model for inclusion in the FY 2018-19 Annual Budget. Predicting future budgets is challenging because of the wide number of variables, including economic, demographic and policy, that can shape the City's financial future. Many of these variables are beyond the City's control and inherently unpredictable. However, it is possible to make reasonable assumptions based on historical trends, knowledge of our specific environment, and fiscal maturity.

Forecasting is predicated on reasonable and relevant assumptions. Applying these assumptions of the future to financial data at a point in time creates the L-RFP model. The model is a living tool which is updated as necessary to account for inevitable future changes. This guiding document is the backbone of the financial decision-making process for the City. Key attributes of the L-RFP are:

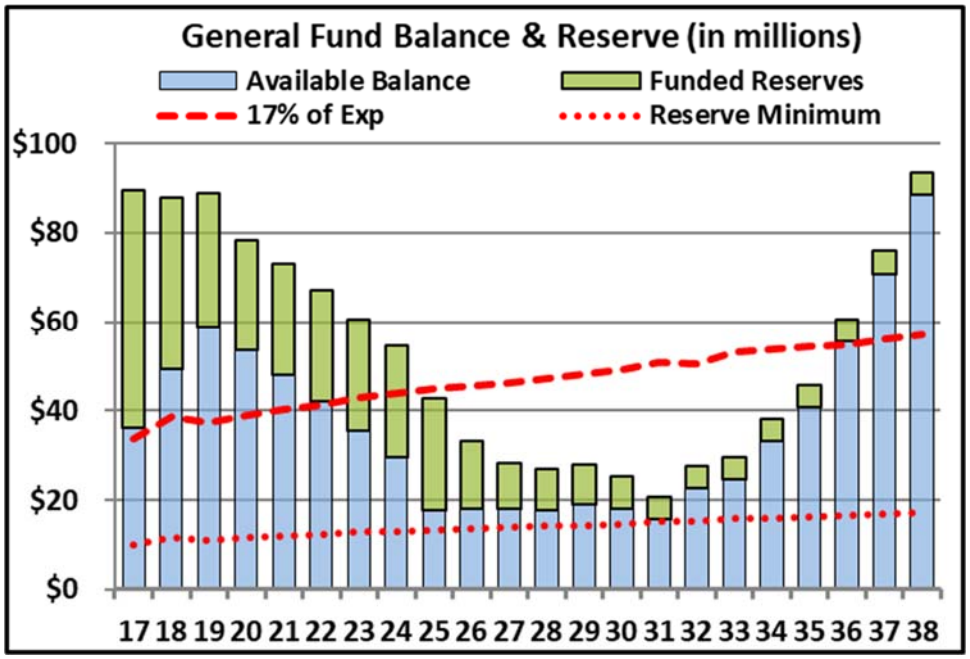
- Transparency - clear assumptions based on realistic rather than overly conservative or overly optimistic trends relative to revenues and expenditures.
- Fiscal Discipline - precludes wishful thinking about the City's capacity for revenue growth.
- Forward-Thinking - measuring significant financial decisions against the assumptions in the model avoids the perils of short-term focus without identifying and taking into consideration long-term impacts of policy decisions.
- Modeling "what if" scenarios - tests the long-term impact of fiscal decisions on the long-term fiscal position of the City.

Most city forecasts utilize a 5 to 10-year time span while Stockton's L-RFP measures a 20-year span. The much longer and more intricate model developed by Stockton proved its value through the toughest of tests: examination by all parties to a bankruptcy proceeding. Using the L-RFP, the City strengthened its financial condition and is now recognized as being one of the most financially-solvent cities in the country.

Long-Range Financial Plan Update

Chart 1.1 shows the current General Fund Balance and Reserve in the L-RFP incorporating the proposed FY 2018-19 Budget. The displayed years include ending balances for FY 2016-17 actuals, FY 2017-18 projections, FY 2018-19 Budget and projected revenues and expenses from FY 2019-20 through FY 2035-36.

Chart 1.1



The essence of a forecast picture is the fund balance status. Because city budgets cannot operate with fund balance deficits, when compiled the L-RFP must consistently result in a positive fund balance over time. The size of the fund balance chosen by a city can vary, but must be large enough to sustain the organization through unexpected negative conditions. The Government Finance Officers Association recommends a minimum reserve level of 17% just to support operations and account for fluctuations in cash flow. Additional reserves are recommended if conditions warrant, and examples include deferred maintenance, significant future cost increases, or anticipated changes.

As the chart indicates, the City is currently generating a General Fund balance more than the 17% goal, and will continue to exceed the goal for the next several years. This conclusion is based on the various assumptions utilized in the model. These assumptions reflect several factors, including projected economic slowdowns and the significant impact of pension costs that are predicted to be assessed by the CalPERS system. As shown above, the model predicts the City's General Fund balance will begin to decrease in FY 2018-19 and will reach its lowest level in FY 2030-31 before beginning to increase again. The fund balance is projected to be at or slightly above 5% in FY 2030-31. The 5% reserve level is the minimum acceptable level and a warning that cost cutting measures may be necessary. A slow improvement each year is projected to return the fund balance to the City Council's Working Capital goal level of 17% by FY 2035-36.

General Fund Reserves

In 2016, the City Council adopted a formal General Fund reserve policy to assist in planning for future years. The reserve policy sets a minimum working capital reserve level at 5% of the annual expenditures in any given year, and establishes a recommended level of at least 17% (or 2 months of expenditures). The policy also requires evaluation of known contingencies and future pressures, and Council has reserved funds for future priorities when implementing the policy. In prior years, Council reserved funds to achieve goals related to a new City Hall, the recruitment and retention of staff, improved financial and human capital management systems, and infrastructure maintenance. The reserves established by the policy will enable the City to maintain service levels during economic downturns.

The L-RFP incorporates the reserve policy. The current version of the L-RFP includes the working capital reserve, and establishes reserve goals for known contingencies and risk-based reserves. The known contingency reserves include funding for crucial projects and expenses the City is anticipating:

- CalPERS costs
- Employee recruitment and retention
- Replacement of legacy financial system
- Permanent City Hall (now Waterfront Office Towers)

In any given year, the City reserves funds for known contingencies after meeting the working capital goal. Although $48.2 million was designated for the known contingency reserve at the close of FY 2016-17, the identified need for known contingencies is far greater. For example, unfunded infrastructure plans are nearly $600 million.

The third component of the reserve policy is planning for unknown risks such as a severe economic downturn or catastrophic infrastructure failure. The City reserved approximately $5 million for these uncertain risks. Once the known contingency target is met, the City will allocate additional funds to this portion of the reserves.

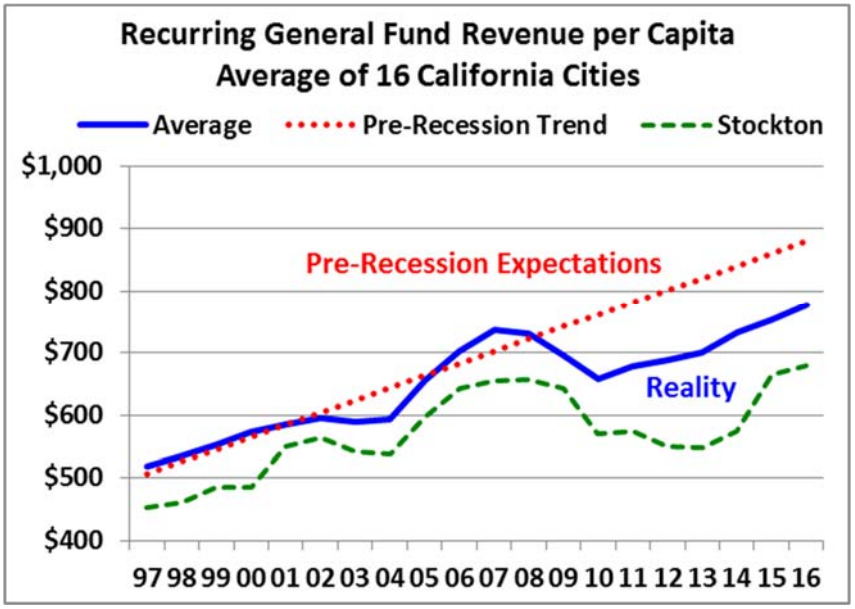
Recession Cycles

Economic downturns in the United States and the world economies are simply a fact of life that the City needs to consider in its long-term forecast. Later in this section, Chart 1.3 illustrates the history of economic slowdowns going back to the 1927 depression. From this data, the City can make some reasonable assumptions about the intervals between slowdowns. What is not as predictable is the severity and length of time of any given economic downturn.

Chart 1.2 displays twenty years of history of actual and projected revenues for the average of Stockton and 16 comparable California cities. What is clear in viewing this data is that cities do not recover immediately from economic downturns and that without expenditure reductions and the use of reserves, the line labeled “pre-recession trends” would have led all of the cities to the type of financial peril, and finally insolvency that Stockton experienced. It is also exceedingly clear that the downturn which began in approximately 2007 and 2008, now generally labeled the “the Great Recession”, still negatively affects the cities in this survey. In fact, most cities including Stockton have not seen revenues return to pre-recession levels even though it has been ten years since the recession first began. Stockton closed the gap faster than other cities during the last

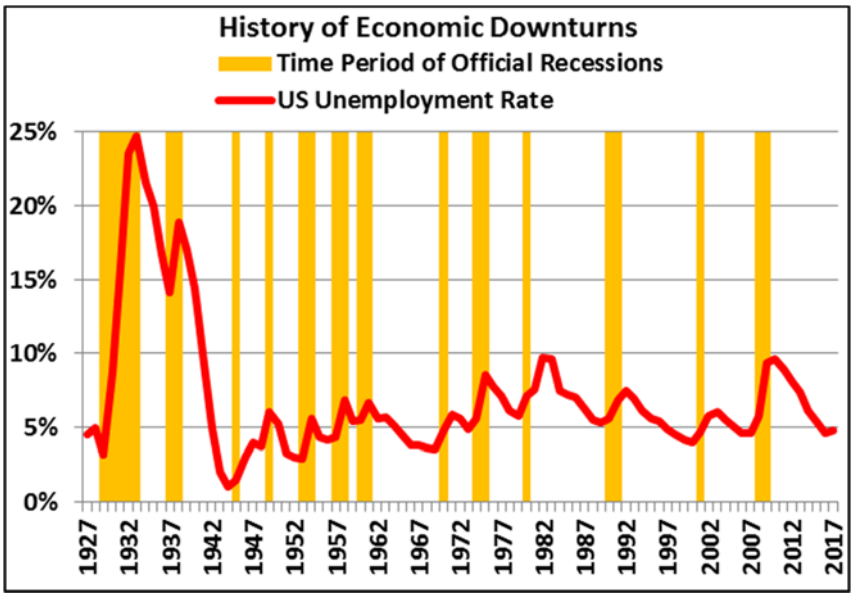
four years due to the solid support of the electorate who passed two large revenue-generating ballot measures, which allowed the City to address critical services to citizens including public safety, libraries, and recreation. In general, however, there are large gaps between past expectations and current reality in all the cities surveyed.

Chart 1.2



Using the history of economic downturn data displayed in Chart 1.3, recessions have occurred in the United States on an average of every 5.7 years since 1933 and every 6.6 years since 1961. The L-RFP assumes recessions every five years starting in FY 2019-20, with an associated 5% reduction in most revenue categories. As to the severity and time lag in revenue recovery, the model assumes the City to recover 90% of the past reduction in revenue within three years.

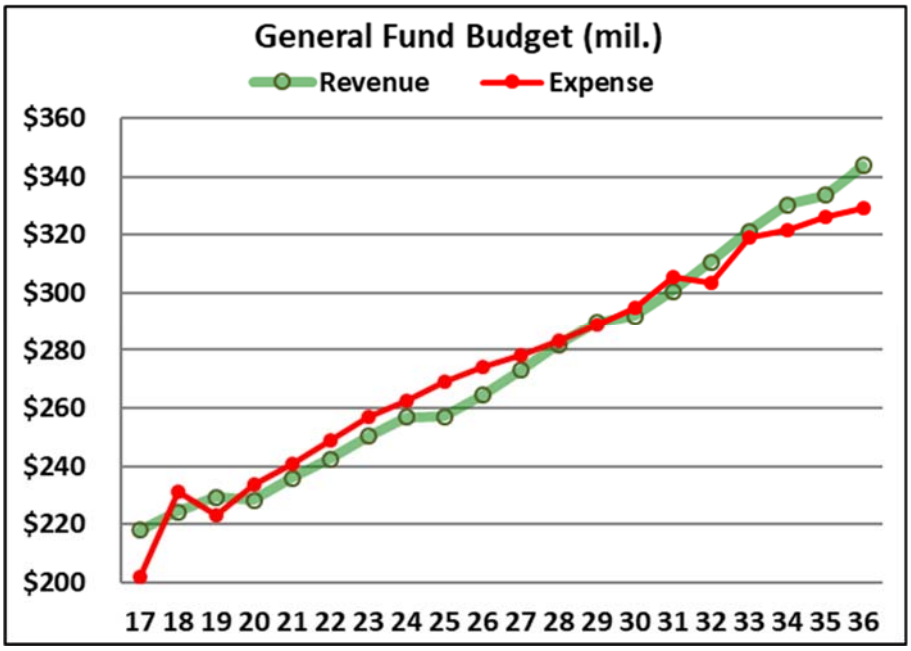
Chart 1.3



General Fund Revenue vs. Expenses

As illustrated in Chart 1.4, General Fund expenditures are projected to exceed General Fund revenues for seven years, beginning in FY 2019-20 and continuing until FY 2026-27. For the remaining years of the forecast, revenues are projected to meet or exceed estimated expenses. The largest gap between revenues and expenditures is expected in FY 2024-25 when the L-RFP anticipates an imbalance of approximately $12 million. The primary cause of this imbalance is anticipated increases in retirement liability costs as CalPERS implements its multi-year strategy to close the current unfunded liability gap and establish a set of actuarial assumptions that are designed to keep the pension system in a long-term stable and sustainable position. It is a necessary but painful fact that implementing this strategy can only be done by increasing the costs paid by the governmental organizations who comprise the pension system. CalPERS is doing all it can to minimize and stretch out the cost increases to lessen the financial strain on member organizations. In fact, there are critics of CalPERS that believe the changes are not being made as fast as necessary to keep the system from falling farther into unfunded liability levels.

Chart 1.4



The value of the L-RFP is that it enables the City to model the impact of significant financial and economic changes and City decisions on the fund balance and reserve over time. Based on the assumptions applied and illustrated in the General Fund Balance and Reserve graph (Chart 1.1), the City has reached a position where its General Fund balance and reserves can adequately withstand the coming cost increases. The City demonstrates its commitment to being fiscally sustainable by keeping its reserves levels above the 5% warning level at all times.

Revenues

General revenue assumptions included in the model are:

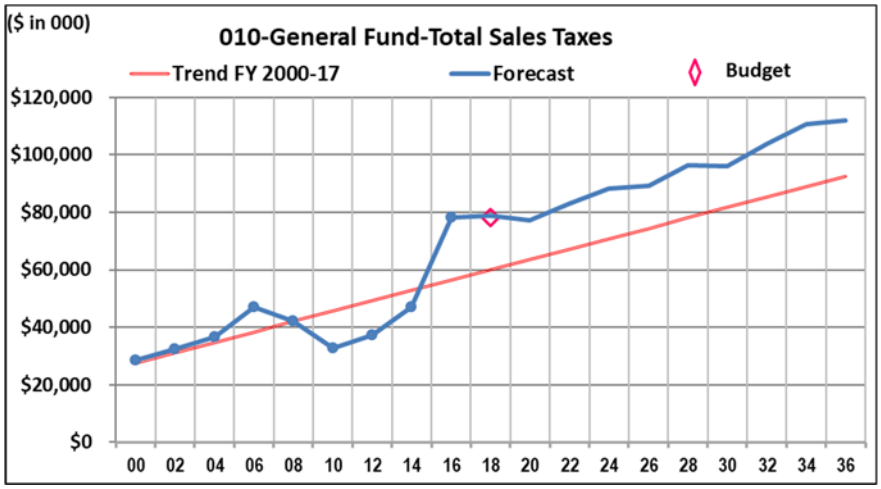
- Property tax growth rates: 4.2% plus some new construction
- Sales tax growth rates: 2.3%
- Utility users tax growth rates: ranges from -1.0% to 2.0%
- Other revenue growth rates: 1.5% to 2.0%
- Investment earnings of 1.5%
- Assumes continuation of the Measure A sales tax
- Assumes the Strong Communities sales tax will expire in FY 2032-33
- Assumes a revenue decline due to recession every five years

The following charts and discussion are intended to illustrate the assumed status of the General Fund's top three major revenue sources.

Sales Tax

The General Fund's largest funding source is sales and transactions taxes. The FY 2018-19 Annual Budget assumes sales tax proceeds to be approximately $79.8 million and constitute 35% of total General Fund revenue. As can be seen in Chart 1.5, a review of actual and projected sales taxes when compared to a trend calculation of the actual collections seen from FY 1999-2000 through FY 2016-17 shows the City recovered from the significant revenue dip suffered during the Great Recession. This recovery reflects a significant increase of approximately $31 million gained through the passage of Measure A and is projected to significantly exceed the old trend line for the duration of the forecast. The model also assumes that Measure A will remain intact through the entire period of the forecast. The assumptions used in the sales tax forecast include the first three years of growth projections from the City's sales tax consultant and an assumption of 2.3% growth for the subsequent years.

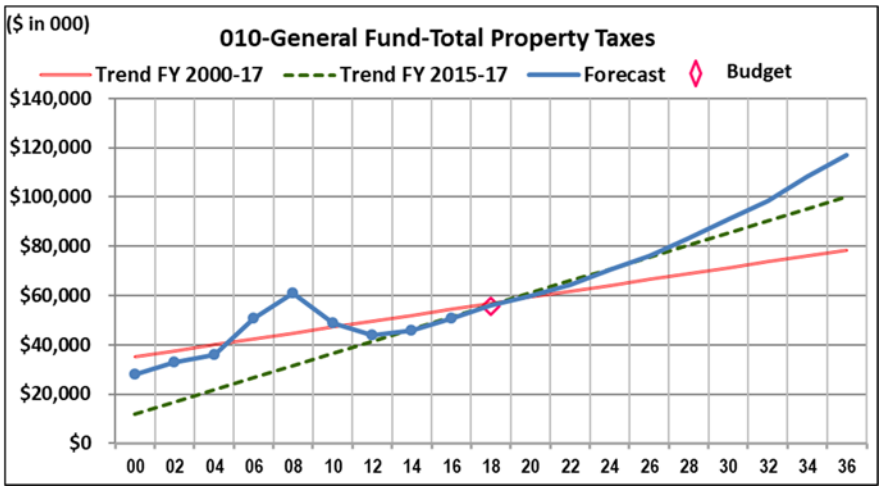
Chart 1.5



Property Tax

The second largest source of General Fund revenue is property tax. The FY 2017-18 Annual Budget assumes property tax collections of approximately $55.6 million, which is 25% of General Fund revenue. Chart 1.6 compares forecasted growth against the same FY 2000-17 period used for the sales tax chart (Chart 1.5) and indicates growth for the period of the L-RFP will exceed the collection trend. The assumption used is for property tax growth include the first three years of growth projections from the City's property tax consultant and increases of approximately 4.2% annually including growth from new construction.

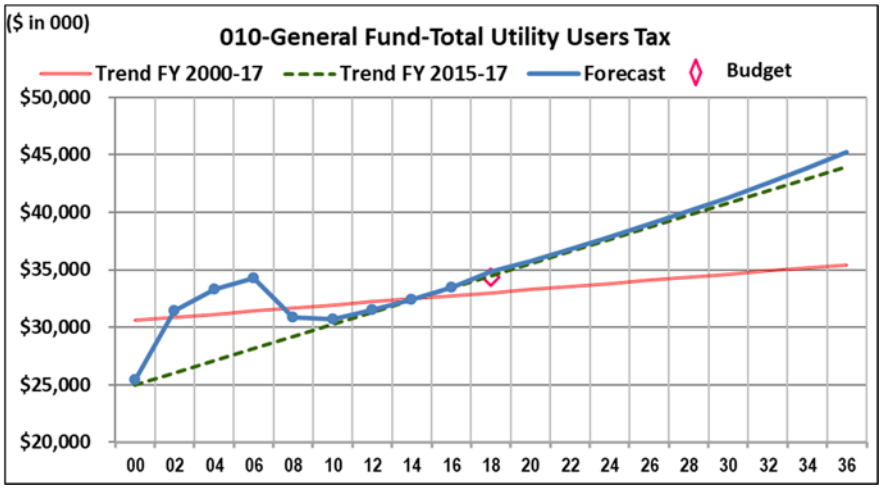
Chart 1.6



Utility Users Tax

Utility Users Tax (UUT) proceeds (see Chart 1.7) are the third largest General Fund revenue source. The FY 2017-18 Annual Budget assumes the City will receive approximately $34.3 million in proceeds from this tax, which constitutes 16% of the General Fund. Presumed out year growth rates for the four taxed utilities are: Water 2% annually, Energy (gas and electricity) 2% annually, Cable 0.5% annually, and Telecommunications negative 1% annually.

Chart 1.7



Expenses

General expenditure assumptions included in the model are:

- No service increases
- No part-time or new position growth
- No growth in capital improvement funding
- Employee compensation increases (includes health contribution) based on current employee agreements and 2% after that
- CalPERS discount rate of 7.375% in 2018-19, 7.25% in 2019-20, and 7% thereafter
- Other expenditure growth at 2%
- Resources available above reserve levels are spent on one-time needs

The City's primary expenses are employee costs, which are approximately 70% of total General Fund expenses. In addition to the L-RFP's assumed 2% compensation increases, the model assumes the following employee related cost factors:

- Merit Increases – an average of 0.25% annually
- Vacancy rates – a five year phased down decrease from current 5% rate to an annual average of 3%
- Health benefits increases – 2% annually
- Employee pension costs – based on actuarial reports (see pension section below)

All other general expenses are also projected to increase at a 2% annual growth, except the annual capital improvement contribution of $1.1 million and the annual contingency reserve which the L-RFP holds at $2 million annually with no increases.
The L-RFP also includes General Fund debt obligations including a settlement agreement that provides a revenue contingent payment to one of the City's bankruptcy creditors. These payments vary depending on projected revenues.

The General Fund also supports several programs whose finances are tracked outside the City's General Fund. The City broadly classifies these programs into the following categories:

1. *Program Support – Libraries, Recreation, and Venues*
   The General Fund supports the Library and Recreation Funds with approximately $7.4 million annually. The L-RFP holds the subsidy at this level during the 16-year life of the Strong Communities initiative (Measure M). Beyond this point, the L-RFP projects that the loss of the Measure M revenue will result in the need to replace it with General Fund support for the Library and Recreation Funds in the approximate amount of $14.2 million annually.

   The Golf Course Fund continues to require a General Fund transfer since revenues do not cover the costs to operate and maintain the courses. The L-RFP presumes that golf revenues will continue to decline and that some unavoidable repairs will need to be performed, increasing the subsidy to that fund from the current $700,000 to approximately $1 million per year in the future years.

The General Fund also continues to support venues like the Stockton Arena, Ballpark, Bob Hope Theatre, Marina and Ice Arena. These venues, due to new contracts and improved management, are not creating higher demands on the General Fund. The L- RFP continues to fund these contracts at the current subsidy level (approximately $3.5 million annually) with approximately 2% annual increases in the future years.

2. *Program Support - Public Safety*
   The model assumes that the cost of the 49 Police and Fire positions currently funded by the Measure W transaction and use tax will exceed the available tax resources in future years. As a result, the model assumes that a General Fund subsidy of approximately $8.3 million over 14 years will be required. The model also assumes that the General Fund continues to fund grant-funded Police sworn positions upon grant expiration.

3. *Program Support – Other*
   Other items supported by the General Fund include annual subsidies to the Development Services fund at $925,000, Capital Improvement Plan at $1.1 million, and Grant Match at $250,000.

Pension Costs

Some of the City's largest General Fund cost increases over the next several years will come from the actions being implemented by the CalPERS as it attempts to eliminate its unfunded liability and establish actuarial assumptions that better reflect current reality. Some changes, such as a phased-in lowering of the assumed discount rate and changes to actuarial life expectancy assumptions are already underway. Annual rate increases are included in the model through 2023 due to CalPERS lowering its discount rate from the current 7.5% to 7% over a seven-year period. Amortization assessments are intended to lower and eventually eliminate the current unfunded liability. In the model, these assessments are evident in the 2030s and 2040s, and after the unfunded liability is paid off, only the City's normal costs remain. These additional costs will be slightly offset (although will grow over time) with PEPRA savings as new employees receiving lower benefits are added to City retirement plans.

One significant risk that all CalPERS agencies will need to assess is that the CalPERS Board could reduce the discount rate below the planned 7%. There are more than a few advocates and actuarial experts who believe the CalPERS needs to reduce the rate to 6%. A reduction of this size would significantly impact the costs assessed to the City and other member agencies. Included below is a depiction of the impact on rates for both the Safety and Miscellaneous Plans under the planned reduction to 7% and potential decreases to 6.5% or 6%. As can be seen, at 6%, the rates as a percentage of payroll could double from that currently being experienced. In 2028, the City would have to contribute nearly $1 to CalPERS for every $1 paid to safety employees.

Chart 1.8a

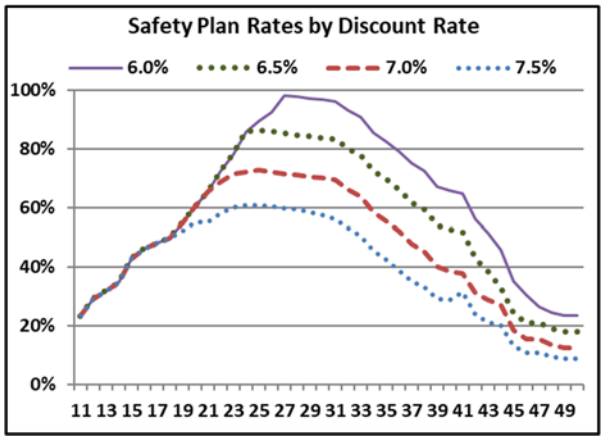
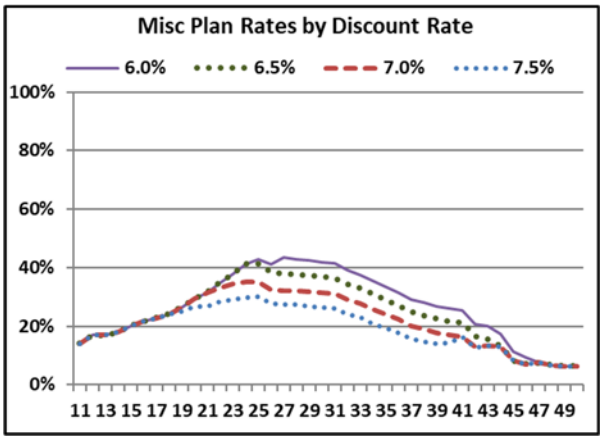


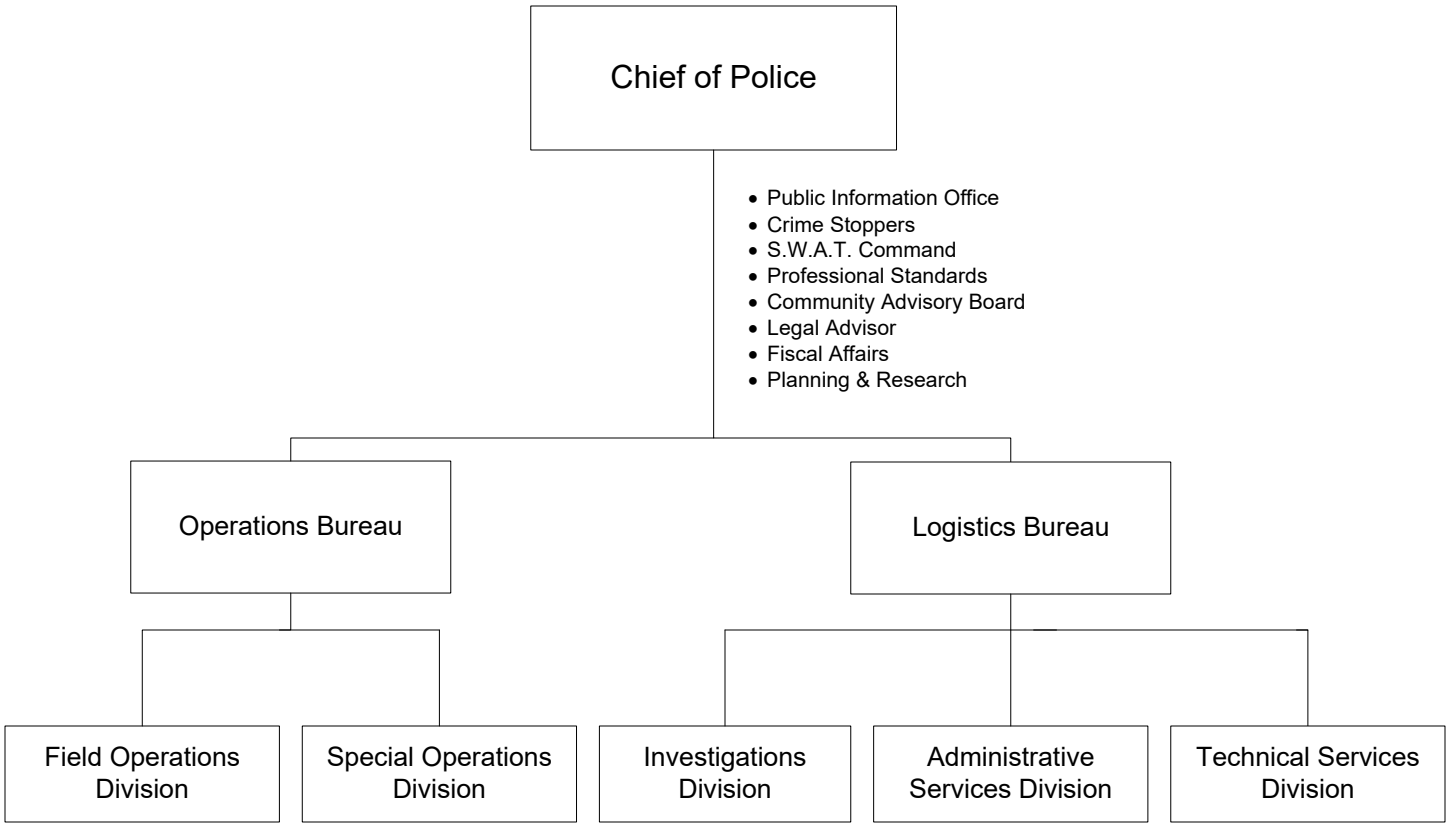
Chart 1.8b



Looking Forward

The City's prudent financial practices and utilization of the L-RFP provided stability to the services delivered to the public and will protect those services against future downturns. Continuing to update the model and maintaining realistic assumptions about future growth are essential to keeping the L-RFP a reliable decision-making tool. The model has been an important factor in the many positive financial outcomes in recent years including the buildup of reserves for known cost pressures and the cash purchase of Waterfront Office Towers, high rankings in various financial publications, and the restructuring of available resources for long-term savings. These encouraging results reinforce the City's commitment to fiscal sustainability and consistent long-term financial forecasting.

TAB 4 POLICE



POLICE DEPARTMENT

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

POLICE DEPARTMENT

MISSION STATEMENT

To work in partnership with our community, to build and maintain relationships founded on trust and mutual respect, while reducing crime and improving the quality of life.

Budget at a Glance:	
Total Revenues	$14,264,159
Total Expenditures	$130,394,165
Total Net Cost	$116,130,006
Total Staff	711

DEPARTMENT DESCRIPTION

The Chief of Police is appointed by the City Manager and under state law, is responsible for the delivery of law enforcement and related emergency services within the City of Stockton. The Chief of Police provides direction over all Police operations including:

- Field Operations Division, commonly known as Patrol.
- Special Operations Division, including Neighborhood Services and Neighborhood Betterment Team, Traffic and Events, and Strategic Operations sections.
- Investigations Division, including Crimes Against Persons and Property, Special Investigations and Ceasefire sections as well as the Community Response Team.
- Technical Services Division, including Telecommunications, Records Management, Evidence/Identification, Property Room and Crime Analysis sections.
- Administrative Services Division, including Personnel, Training, and Animal Services sections.
- Professional Standards section; Fiscal Affairs and Planning section; and Public Information Office.

There are also programs and specialized units that operate under the Divisions such as Special Weapons and Tactics (SWAT), Crisis Negotiations, Explosive Ordnance Disposal, Mobile Field Force, and the Canine Unit, among others.

DEPARTMENT STRATEGIC WORK PLAN

The Stockton Police Department has continued to focus its activities on meeting the goals outlined in its FY 2017-2019 Three-Year Strategic Plan. The plan components, which includes the above Mission Statement, discussion of the Department's policing philosophy, core values, and identified goals and objectives, are intended to focus the Department's work over the term of the plan. Each of the Strategic Plan goals is tied to the City Council's Priority Goals for increasing officer diversity, improving customer service and response times, increasing the number of officers, and further implementation of the Marshall Plan.

The policing philosophy of the Department is founded upon the pillars of Smarter Policing and Principled Policing. Smarter Policing refers to intelligence-led policing, an approach which includes evidence-based, data-driven, strategic, and innovative use of technology to inform and support real-time-policing and improved service delivery. Principled Policing refers to the underlying ethics, values, and principles of accountability, transparency, training, evaluation, listening, dialogue, community outreach and relationship-based problem solving which guide the actions of the Department.

POLICE DEPARTMENT

The Department's core values include integrity, professionalism, sensitivity, cooperation, and innovation. The core values define who we are and what we as an organization hold as paramount. Combined, the mission statement, policing philosophy, and core values establish a strong foundation for accomplishing the following four goals over the life of the plan:

1. Reduce crime and blight. A primary focus of the Department's resources and manpower is to reduce violent crime, property crime, traffic collisions, and other quality of life impacts such as neighborhood blight. The framework to achieve this goal remains the "Four P's" of Partnership, Prediction, Prevention, and Pursuit.

2. Increase trust between the community and police. Identifying trust as a key component to a sustainable and collaborative approach to improving public safety in Stockton has led the Department to implement several innovative strategies for increasing trust between the community and police. Building upon these initial efforts with the assistance of the National Initiative research effort, procedural justice and implicit bias training, and participating at local, regional, state and national levels of this important dialog furthers Stockton's ability to increase trust.

3. Recruit and hire a qualified diverse workforce. Rebuilding the Police Department while maintaining a commitment to high quality standards for hiring and by valuing all forms of diversity, including ethnicity, gender, culture, education, and experience will ensure Stockton builds a department that is representative of the community it serves. The Department is looking for those who see police service as a calling and not just an occupation. The Department is also focused on a long term recruitment strategy which includes supporting the Public Safety Academy and increasing participation in our Cadet and Sentinel volunteer programs.

4. Employ staff that are highly trained, knowledgeable and prepared. The Department's extensive turnover and hiring of new staff over the last few years requires a renewed focus on training, both in-house and industry specific. Police Officers have to meet specific mandates related to training to maintain Police Officer Standards and Training certification through the State. This goal includes implementation of a comprehensive training plan by developing professional training staff, a succession and career plan, and providing adequate training facilities and equipment for staff.

PRIOR YEAR ACCOMPLISHMENTS

Highlights of the accomplishments in FY 2017-18 include:

- Goal One – Reduce crime and blight:
  - Reinstated the Mounted Patrol Unit to provide enhanced patrol during special events.
  - Neighborhood Blitz Team completed work in all six of the Police Reporting Districts. Future work will be done under the Neighborhood Betterment Team.
- Goal Two – Increase trust between the community and police:
  - Deployment of over 350 upgraded body-worn cameras and the successful migration of over 100 terabytes of historic data.
  - Led by the Department's Special Operations Division, Stockton's participation in National Night Out ranked 9th in the nation out of cities with populations over 300,000.

  - The Virtual Crime Center received the 2017 ASTORS Homeland Security Platinum Award for Best Crime Prevention Program.
  - Completed upgrades to the Animal Shelter's electrical panel, allowing for the installation of a donated portable x-ray machine and subsequent reduction in operating costs.
- Goal Three – Recruit and hire a qualified diverse workforce:
  - Hiring goals were achieved for the third year in a row and improvements to diversity numbers in underrepresented categories were made.
- Goal Four – Employ staff that are highly trained, knowledgeable and prepared:
  - Completion of the upgrade to the Computer Aided Dispatch/Records Management System and received the 2017 Best in California award for Demonstrated Excellence in Project Management from the Center for Digital Government.
  - The Department's Wellness Unit was recognized as the national winner for the category of Officer Wellness by the Department of Justice, Bureau of Justice Assistance, and the National Law Enforcement Officers Memorial Fund as part of the Destination Zero Program.
  - The expansion of the Stewart Eberhardt Building's east side of the fourth floor was completed which freed up space at the Operations facility to improve locker room space and accommodate increased staff.

KEY CONSIDERATIONS

The Police Department FY 2018-19 Budget includes funding for 711 full-time staff, part-time staffing, academy costs for new hires, and funds to cover the cost of enhanced recruiting and training strategies. The key considerations fulfill the Council's strategic work plan by increasing officer diversity, improving customer service and response times, increasing the number of officers, and further implementation of the Marshall Plan. Two full-time non-sworn positions funded with grant dollars in FY 2017-18 will be eliminated as the grants are closed out. A third grant funded police officer position will be absorbed in the General Fund part way through FY 2018-19. Highlights of the General Fund budget include:

- The employee services budget has increased reflecting progress made in filling authorized police positions, an increase in pension rates for safety employees, and reduced grant dollars for staffing. Police vacancy savings are budgeted at five percent across the board with no additional savings budgeted for Marshall Plan positions.
- Funding for part-time staff has been retained in key areas to enhance police services, improve revenue collections, and increase hiring capacity.
- Police service contracts with two school districts, the Housing Authority of San Joaquin and San Joaquin Regional Transit District continue, reflecting approximately $1 million in both revenues and employee expenses.
- The budget increased to fund costs associated with expansion of the body worn cameras to other field units such as Neighborhood Services and Investigations, service costs for the fiber optic network connectivity critical to the Department's camera system and a contract with the City's new Animal Services partner; the Animal Protection League. Other Expenses increased to support a higher level of ballistic safety vest for sworn officers, fund medical needs, food and other basic items to ensure adequate care of animals at the Animal Shelter.

Police Department
FY 2018-19 Annual Budget

	General Fund 010	Measure W 081	Asset Seizure 023	State COPS 024
	See Page D-8	*See Page D-11*	*See Page D-13*	*See Page D-15*
Beginning Available Balance			**$ 347,360**	**$ 493,153**
Revenues				
Taxes	-	5,279,000	-	-
Grants	-	-	-	530,000
Program Revenue	7,558,460	-	48,000	-
Other Revenue	-	5,000	121,000	2,500
	7,558,460	**5,284,000**	**169,000**	**532,500**
Expenditures				
Salary & Benefits	99,995,063	4,444,984	-	171,824
Services & Supplies	23,438,593	423,224	347,359	721,944
Administration Overhead	-	232,360	-	-
Capital Outlay	27,000	-	-	-
	123,460,656	**5,100,568**	**347,359**	**893,768**
	-			
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**(115,902,196)**	**183,432**	**(178,359)**	**(361,268)**
Ending Available Balance			**$ 169,001**	**$ 131,885**

Police Department, Continued
FY 2018-19 Annual Budget

	Police Special Revenue 025	Special Revenue 645	Police Total
	See Page D-18	*See Page D-21*	
Beginning Available Balance	**$ 2,431,519**	**$ 634,928**	
Revenues			
	-	-	5,279,000
Grants	421,351	-	951,351
Program Revenue	-	148,848	7,755,308
Other Revenue	117,500	32,500	278,500
	538,851	**181,348**	**14,264,159**
Expenditures			
Salary & Benefits	538,851	-	105,150,722
Services & Supplies	-	52,963	24,984,083
Administration Overhead	-	-	232,360
Capital Outlay	-	-	27,000
	538,851	**52,963**	**130,394,165**
Transfers			
Transfer In	-	-	-
Transfer Out	-	-	-
	-	**-**	**-**
Net Annual Activity	**-**	**128,385**	**(116,130,006)**
			-
Ending Available Balance	**$ 2,431,519**	**$ 763,313**	

Revenues	$ 14,264,159
Transfers	-
Total Sources	$ 14,264,159
Expenditures	$ 130,394,165
Transfers	-
Total Appropriations	$ 130,394,165
	-

Police Department
General Fund - 010
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Total Police Department				
Employee Services	$ 75,824,259	$ 89,946,169	$ 94,905,805	$ 99,995,063
Other Services	15,942,495	16,929,811	18,273,041	19,997,828
Materials and Supplies	2,038,466	2,409,408	2,656,145	2,388,805
Other Expenses	975,472	1,229,828	883,816	1,051,960
Capital Outlay	2,734,146	1,717,037	244,000	27,000
Total	$ 97,514,838	$ 112,232,253	$ 116,962,807	$ 123,460,656
Administration				
Employee Services	5,671,781	6,893,836	6,987,570	7,032,198
Other Services	2,643,805	2,796,647	2,708,306	2,449,268
Materials and Supplies	321,372	345,912	378,559	447,442
Other Expenses	680,007	806,425	105,453	144,450
Total	9,316,965	10,842,820	10,179,888	10,073,358
Marshall Plan - Administration				
Employee Services	531,351	725,142	867,404	912,336
Other Services	16,145	36,567	30,240	45,976
Materials and Supplies	1,064	38	1,757	21,000
Total	548,560	761,747	899,401	979,312
Field Services				
Employee Services	39,374,200	40,949,056	40,043,878	39,694,067
Other Services	4,823,886	4,816,293	5,065,579	5,505,794
Materials and Supplies	844,051	726,619	837,896	804,206
Other Expenses	20,358	2,635	139,834	185,000
Capital Outlay	-	1,411	4,000	4,000
Total	45,062,495	46,496,014	46,091,187	46,193,067
Marshall Plan - Field Services				
Employee Services	7,074,947	11,429,058	15,189,376	14,867,721
Other Services	657,945	1,029,831	1,247,541	1,466,649
Materials and Supplies	262,656	648,191	588,382	476,417
Other Expenses	271,760	405,456	496,488	470,000
Capital Outlay	1,233,766	1,715,626	240,000	-
Total	9,501,074	15,228,162	17,761,787	17,280,787
Investigations				
Employee Services	14,170,177	19,012,517	19,820,222	21,932,057
Other Services	1,291,403	1,294,972	1,492,086	2,280,685
Materials and Supplies	159,674	119,396	165,062	182,160
Other Expenses	2,285	14,457	91,559	151,000
Capital Outlay	20,528	-	-	-
Total	15,644,067	20,441,342	21,568,929	24,545,902

Police Department
General Fund - 010
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Marshall Plan - Investigations				
Employee Services	-	388,263	925,809	3,590,089
Other Services	15,050	45,344	142,947	289,586
Materials and Supplies	5,265	2,627	2,640	25,246
Total	20,315	436,234	1,071,396	3,904,921
Support Services				
Employee Services	3,685,207	4,072,314	4,476,198	4,602,870
Other Services	779,879	1,183,749	1,607,064	2,412,480
Materials and Supplies	368,567	481,716	560,787	323,334
Other Expenses	750	765	17,232	21,260
Capital Outlay	-	-	-	23,000
Total	4,834,403	5,738,544	6,661,281	7,382,944
Marshall Plan - Support Services				
Employee Services	95,820	232,735	324,234	386,876
Other Services	2,903	6,681	9,337	29,703
Materials and Supplies	483	44	-	-
Total	99,206	239,460	333,571	416,579
Telecommunications				
Employee Services	4,719,969	5,627,473	5,595,209	6,132,303
Other Services	5,627,888	5,619,676	5,626,921	5,401,086
Materials and Supplies	52,951	32,811	74,062	86,800
Other Expenses	312	90	33,250	80,250
Total	10,401,120	11,280,050	11,329,442	11,700,439
Marshall Plan - Telecommunications				
Employee Services	500,807	615,775	675,905	844,546
Other Services	83,591	100,051	343,020	116,601
Materials and Supplies	22,383	52,054	47,000	22,200
Capital Outlay	1,479,852	-	-	-
Total	2,086,633	767,880	1,065,925	983,347

See summary of Public Safety Measure A funded Marshall Plan expenditures on page C-7.

MEASURE W FUND (081)

PROGRAM DESCRIPTION

Stockton voters approved Measure W in November 2004, which authorized a one-quarter percent Transaction and Use Tax to provide public safety services with the proceeds being split equally between the Police and Fire Departments. The program guidelines include an Economic Uncertainty fund provision to be funded at 25% of annually-budgeted revenues. This reserve is currently fully funded.

The Police Department uses 50% of the Measure W tax proceeds. These funds primarily pay for Police Officer salaries and benefits. Some Measure W dollars have also been used to purchase equipment, vehicles, and radios for Measure W-funded Police Officers.

KEY CONSIDERATIONS

- Measure W will continue to pay for salaries, benefits, and equipment for 24 Police Officer positions in FY 2018-19 assigned to Field Operations Division for street patrol.
- Measure W proceeds are anticipated to increase 2% from prior year projections.
- The State of California charges a quarterly administration fee for services associated with the collection of the Measure W Public Safety Sales Tax. A sales tax audit contract provides auditing/compliance services to ensure sales tax is properly collected and distributed.
- Revenues continue to be monitored closely to ensure they are sufficient to cover expenditures and maintain an adequate fund balance.
- In FY 2018-19 the recommended Economic Uncertainty reserve would be approximately $1,320,000. The overall budget projection indicate that the balance in the Measure W Economic Uncertainty Fund will meet or exceed the program guidelines.

Police and Fire Departments
Measure W - 081(a)
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 3,049,867**	**$ 3,404,851**	**$ 2,896,657**	**$ 3,046,407**
Revenues				
Police				
Measure W Sales Tax	4,905,605	4,991,839	5,198,000	5,279,000
Investment Proceeds	13,429	(2,685)	4,392	5,000
	4,919,034	4,989,154	5,202,392	5,284,000
Fire				
Measure W Sales Tax	4,905,605	4,991,839	5,198,000	5,279,000
Investment Proceeds	17,753	(3,429)	5,608	5,000
	4,923,358	4,988,410	5,203,608	5,284,000
	9,842,392	**9,977,564**	**10,406,000**	**10,568,000**
Expenditures				
Police				
Salary & Benefits	4,110,723	4,519,795	4,410,013	4,444,984
Services & Supplies	389,171	392,962	387,295	423,224
Administration	223,854	231,377	231,555	232,360
	4,723,748	5,144,134	5,028,863	5,100,568
Fire				
Salary & Benefits	4,258,743	4,624,766	4,496,506	4,730,640
Services & Supplies	113,453	147,716	243,535	297,820
Administration	222,976	232,166	235,329	237,747
Capital Outlay	168,488	336,976	252,017	210,000
	4,763,660	5,341,624	5,227,387	5,476,207
	9,487,408	**10,485,758**	**10,256,250**	**10,576,775**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	-	-	-
Net Annual Activity				
Police	195,286	(154,980)	173,529	183,432
Fire	159,698	(353,214)	(23,779)	(192,207)
	354,984	**(508,194)**	**149,750**	**(8,775)**
Ending Available Balance	**$ 3,404,851**	**$ 2,896,657**	**$ 3,046,407**	**$ 3,037,632**

Available Balance Calculation

Current assets	$ 3,288,124
Current liabilities	(209)
Program Commitments	(391,258)
Ending Available Balance	$ 2,896,657

(a) The portion of Measure W Fund - 081 relating to Fire is also presented in Fire on page E-15.

ASSET SEIZURE FUND (023)

PROGRAM DESCRIPTION

The City established asset seizure accounts to allow the Police Department to properly manage the proceeds of the sale of seized property under State and Federal forfeiture laws.

There are three sources of asset seizure funding. One source is properties from cases adjudicated by the San Joaquin County District Attorney's Office. The other two sources are from cases adjudicated by the Federal government. Each agency allocates a share of the proceeds from their case to the City. State and Federal law restricts use of these funds for expenditures that enhance law enforcement and drug/crime prevention and cannot be used to supplant existing General Fund programs or operations.

To comply with state and federal asset seizure laws, the Police Department established the following priority and program expenditures for asset forfeiture proceeds:

- SWAT Team surveillance and safety equipment, and related services and supplies.
- Explosive Ordnance Detail specialized equipment unique to this unit that does not depend on internal service fund support for replacement.
- Firearms Training System equipment for computer training program scenarios, equipment, and accessories used to train sworn staff in use-of-force decision making to improve officer and citizen safety and reduce liability to the City.

KEY CONSIDERATIONS

Federal seizure amounts remained low while local seizure amounts increased compared to recent years. In FY 2017-18, the Department purchased ammunition and SWAT equipment such as protective vests and sniper rifle replacement.

Revenues are not expected to vary from FY 2017-18 based on actual amounts received in prior years and known activity throughout the year. Projected staffing increases in the Special Investigations section should contribute to a higher volume of asset seizure cases; however, payments are largely tied to court proceedings and can take several years to materialize.

The level of safety equipment and supply purchases is in line with the availability of cash in the fund. Planned purchases in FY 2018-19 include ammunition and equipment for the SWAT Team, Explosive Ordinance Disposal and Special Investigations, as well as some replacement of specialized investigative software.

Police Department
Asset Seizure - 023
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 211,448**	**$ 228,120**	**$ 291,333**	**$ 347,360**
Revenues				
State/local seizures	30,943	122,552	13,216	45,000
Federal DOJ seizures	2,932	(63)	-	2,500
Federal Treasury seizures	-	-	-	500
Other Agency	-	-	116,476	120,000
Investment Proceeds	-	-	-	1,000
	33,875	**122,489**	**129,692**	**169,000**
Expenditures				
State/local seizures	15,042	57,936	69,386	300,191
Federal DOJ seizures	2,161	1,340	2,500	29,721
Federal Treasury seizures	-	-	1,779	17,447
	17,203	**59,276**	**73,665**	**347,359**
Transfers				
Transfer In	-	-	-	-
Transfer Out - 025	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**16,672**	**63,213**	**56,027**	**(178,359)**
Ending Available Balance	**$ 228,120**	**$ 291,333**	**$ 347,360**	**$ 169,001**

Available Balance Calculation

Cash and Interest Receivable	$ 295,998
Vouchers payable	(4,665)
Ending Available Balance	$ 291,333

STATE CITIZENS OPTIONS FOR PUBLIC SAFETY FUND (024)

PROGRAM DESCRIPTION

The State of California established the Citizens Options for Public Safety program to assist in funding frontline law enforcement activities. The Department uses these funds for equipment and public safety programs. During the years of fiscal uncertainty, the City began funding Community Service Officer personnel from this source.

KEY CONSIDERATIONS

- The Police Department purchased various equipment, materials, and supplies to support surveillance, communications, safety and specialized investigations in FY 2017-18.
- The FY 2017-18 equipment expenses included the partial funding of a replacement bomb robot to be used on incidents requiring Explosive Ordnance Detail response.
- Revenue projections remain stable as staff continues to monitor any available information from the State of California on potential changes to funding allocations.
- Two Community Service Officer positions remain funded through this source in FY 2018-19.
- Funds will be used to purchase equipment and supplies that are one-time in nature and do not require ongoing financial support. Purchases slated for this fiscal year include rifles, hand guns, mobile command post equipment, firing range improvements, and various items for special teams. Additionally, undercover vehicles and maintenance of the automated vehicle locator equipment will be purchased.

Police Department
State Citizens Options for Public Safety (COPS) - 024
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 25,941**	**$ 28,670**	**$ 841,944**	**$ 493,153**
Revenues				
State COPS Grant	426,469	535,462	533,040	530,000
Investment Proceeds	2,728	10,030	2,500	2,500
	429,197	**545,492**	**535,540**	**532,500**
Expenditures				
Salary & Benefits	183,203	174,475	176,004	171,824
Services & Supplies	226,833	144,868	701,178	621,944
Other Expenses	16,432	216,118	7,149	100,000
	426,468	**535,461**	**884,331**	**893,768**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**2,729**	**10,031**	**(348,791)**	**(361,268)**
Ending Available Balance	**$ 28,670**	**$ 38,701**	**$ 493,153**	**$ 131,885**

Available Balance Calculation

Cash and Interest Receivable	$ 980,275
Accounts Payable	(138,331)
Ending Available Balance	$ 841,944

SPECIAL REVENUE GRANTS FUND (025)

PROGRAM DESCRIPTION

Police Department activities supported by special revenues including Federal and State Grants, donations, and Supplemental Police Services event contracts are tracked in this fund. The separate tracking provides accountability for restricted sources of revenue. Major programs currently active in this fund include: the Community Corrections Partnership Taskforce, 2014 Federal COPS Hiring Grant and Police Supplemental Services Contracts.

KEY CONSIDERATIONS

Expenditures in this fund vary year to year based on the grants awarded and the associated performance periods.

New grants awarded in FY 2017-18 include:

- State of California Department of Alcoholic Beverage Control – funding for staff costs, training and equipment dedicated to reduction and eradication of alcohol-related crimes including the sale of alcohol to minors.
- Office of Traffic Safety's DUI Enforcement, Distracted Driving, and Checkpoints – funding for various overtime missions and equipment to improve traffic safety.
- United States Department of Justice Office of Community Oriented Policing, Community Police Development – funding for the Safety, Health, Resilience, Endurance, and Development program costs including contractual services and supplies.
- State of California Department of Boating and Waterways- funding for Surrendered and Abandoned Vessel Exchange contract services for the abatement, removal, and disposal of wrecked and abandoned vessels.
- PetSmart Charities, Inc.- funding for items associated with spaying and neutering adoptable animals at the Stockton Animal Shelter. Additional funding provides for medical costs, adoption preparation, and the purchase of a pet transport vehicle to relocate shelter pets for adoption.

The Community Corrections Partnership Taskforce, funded through San Joaquin County AB 109 funds and residual State funds from prior year allocations to local law enforcement, proactively addresses violent crimes and early-release offenders. Funds cover salaries, overtime, and equipment for Task Force. Participation on the Task Force is from Police Departments of Stockton, Lodi, and Manteca, and Tracy, as well as the San Joaquin County Sheriff. In FY 2018-19, the funds will continue to support the full cost of the core team. The special revenue fund balance cannot continue to support expanded operations funded in prior years due to the elimination of state revenue allocations in FY 2016-17. As a result, the Crime Analyst position supporting the Task Force was eliminated.

Partial funding of 15 entry-level Police Officer positions continues with the 2014 Federal COPS Hiring Grant. The use of these funds coincides with the fulfillment of the 120 Police Officers in support of the Marshall Plan.

The State of California Board of State and Community Corrections Strengthening Grant funding supports the evidence-based ceasefire initiative. The Police Department continues to partner with community organizations to strengthen the relationship with the community and reduce shootings and recidivism among those at highest risk of violence. The grant ended in FY 2017-18, eliminating the provisional Administrative Analyst II position which provided grant support.

Firearms Reduction Consortium funding from Edward J. Byrne Memorial Justice Assistance provides upgrades for the Integrated Ballistics Identification System, a full-time Firearms Examiner position, training, and overtime for Police, Sheriff, and Probation to conduct firearms missions. The grant is expected to provide continued funding, however uncertainty with the Federal budget has delayed FY 2017-18 funding agreements and may also impact FY 2018-19 activity.

The California Office of Emergency Services Law Enforcement Specialized Unit Program provides funding for a collaborative program between the Stockton Police Department and the Women's Center Youth & Family Services of San Joaquin County. The focus of these funds is on investigating sexual assault crimes and providing victim assistance. The grant ends mid FY 2018-19 and the Police Officer assigned will be funded from the General Fund for the remainder of the year.

Several local businesses and organizations requested additional police services for special events via Supplemental Services Contracts. During FY 2017-18, six organizations are estimated to pay approximately $110,000 for these services. Contract services anticipated in the FY 2018-19 budget include:

- Stockton Ports – Thursday, Friday, and Saturday home baseball games
- High School Football – Bear Creek, Lincoln, Lodi, and McNair
- Stone Brothers, Sherwood Mall and Weberstown Mall – Holiday shopping
- SMG Stockton Arena and the Bob Hope Theatre – Hockey, concerts, and other community events as needed.
- San Joaquin County Fairgrounds – special events

Police Department
Special Revenue Grants - 025
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 36,314**	**$ 40,122**	**$ 1,410,830**	**$ 2,431,519**
Revenues				
Federal Grants	2,701,808	2,062,938	2,319,060	421,351
State Grants	1,632,981	1,731,132	2,703,086	-
Other Grants / Donations	187,230	5,488	120,000	-
Contract Reimbursements	127,015	119,743	93,597	117,500
Investment Proceeds	2,567	9,020	-	-
	4,651,601	**3,928,321**	**5,235,743**	**538,851**
Expenditures				
Federal Grants	2,762,383	2,128,106	2,409,178	421,351
State Grants	1,632,981	1,736,575	1,695,953	-
Other Grants / Donations	185,989	5,535	120,000	-
Contract Reimbursements	127,015	119,744	93,597	117,500
	4,708,368	**3,989,960**	**4,318,728**	**538,851**
Transfers				
Transfer In - Grant Match - General Fund				
Sexual Assault Match	60,575	1,780	68,167	-
Sexual Assault Match	-	63,109	21,951	-
Strength LE & Comm Relatn Match	-	5,444	13,556	-
	60,575	**70,333**	**103,674**	**-**
Net Annual Activity	**3,808**	**8,694**	**1,020,689**	**-**
Ending Available Balance	**$ 40,122**	**$ 48,816**	**$ 2,431,519**	**$ 2,431,519**

Available Balance Calculation	
Cash and Interest Receivable	$ 1,700,085
Accounts Payable	(289,255)
Due to Other Governments	-
Ending Available Balance	$ 1,410,830

STOCKTON FOUNDED JUNE 1849
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POLICE SPECIAL REVENUE FUND (645)

PROGRAM DESCRIPTION

The Police Department maintains a variety of special revenue programs in this fund. These programs historically provided accounting and management support for activities that are specific to the funding sources, but do not require the same level of oversight as a grant or contract.

Revenues in this fund are derived from donations or charges for services from programs. The Geraldine Schmidt Trust was established to provide a direct benefit to the Stockton Animal Shelter and accounts for the majority of the Police Special Revenue fund balance.

KEY CONSIDERATIONS

Donations for the Volunteers in Police Service, miscellaneous equipment, and community events increased in FY 2017-18 compared to prior years.

Funds from the Geraldine Schmidt Trust as well as additional grants and donations are allocated for capital improvements at the Animal Shelter. With an upgrade completed to the electrical panel and the installation of a portable x-ray machine, injured animals are now triaged on-site, which has contributed to a faster recovery process for countless animals.

Staff continue to review available balances and expend funds for their intended purposes including community events, equipment, and special programs such as Cadets, Sentinels, and Volunteers in Police Service.

The Pet Overpopulation Fund supports Spay and Neuter Clinics. Revenues have been insufficient to cover program expenditures, and thus, program activities will remain suspended until revenues can support the associated costs.

Police Department
Police Special Revenue - 645
FY 2018-19 Annual Budget

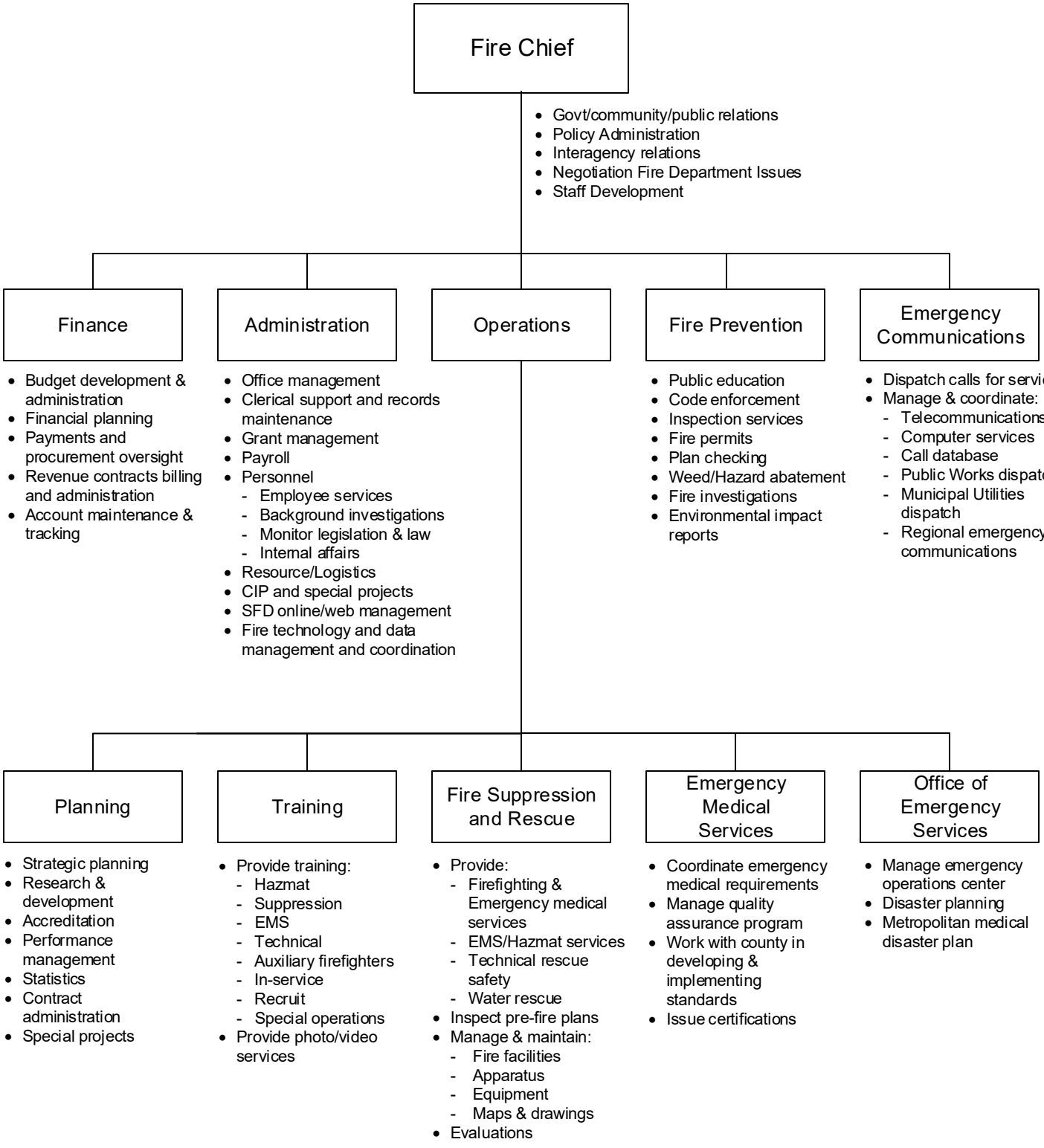
	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 578,040**	**$ 492,561**	**$ 539,372**	**$ 634,928**
Revenues				
Investment Proceeds				
Animal Pound Trust				
Pet Overpopulation Program	134,759	130,561	149,687	148,848
Other Revenue	31,485	44,121	40,864	32,500
	166,244	**174,682**	**190,551**	**181,348**
Expenditures				
Pet Overpopulation Program	249,790	109,105	-	-
Program Expense	1,933	18,766	24,995	52,963
	251,723	**127,871**	**24,995**	**52,963**
Transfers				
Transfer In	-	-	-	-
Transfer Out - Capital Fund	-	-	(70,000)	-
	-	**-**	**(70,000)**	**-**
Net Annual Activity	**(85,479)**	**46,811**	**95,556**	**128,385**
Ending Available Balance	**$ 492,561**	**$ 539,372**	**$ 634,928**	**$ 763,313**

Available Balance Calculation

Cash	$ 541,108
Vouchers Payable	(1,736)
Ending Available Balance	$ 539,372

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

TAB 5 FIRE



FIRE DEPARTMENT

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

FIRE DEPARTMENT

MISSION STATEMENT

The Stockton Fire Department is committed to providing excellent emergency and non-emergency customer service. Our dedicated members ensure a safe community through public education, prevention, and aggressive fire suppression and rescue activities.

Budget at a Glance:	
Total Revenues	$15,595,626
Total Expenditures	$55,563,582
Total Net Cost	$39,967,956
Total Staff	211

DEPARTMENT DESCRIPTION

The Fire Department is responsible for fire protection, and emergency medical services within Stockton city limits and under contract to four bordering fire districts. It also provides regional fire and emergency medical dispatch services to Stockton and other municipalities in the county.

The department is organized into five divisions: Administration, Operations, Fire Prevention, Training, and Emergency Communications.

- Administrative Division provides overall policy direction and management support for the department including office administration, finance, planning and logistics.
- Operations Division provides fire suppression and emergency medical and rescue services; mitigates hazardous material incidents, conducts arson investigations and assists in fire permit inspections.
- Fire Prevention Division issues fire code operational permits and performs related annual inspections, conducts fire safety education programs, provides code enforcement, and plan checking for fire code compliance.
- Training Division coordinates and monitors the professional and technical training plans and programs for over 180 sworn positions related to fire and medical service certifications and licensure; fulfills statutory mandated reporting requirements, and develops the curriculum for and oversees all fire fighter training academies.
- Emergency Communications Division dispatches fire and emergency medical calls to Stockton and other municipalities as a regional dispatch contract service provider for the San Joaquin County Regional Fire Dispatch Authority.

DEPARTMENT STRATEGIC WORK PLAN

As part of the Department's commitment to continued excellence, sustaining a thoughtful comprehensive strategic plan is critical as it will drive the organization toward a common vision while optimizing its resources.

The Department's strategic priorities are to evaluate and improve service delivery, implement advanced technologies, employ sound budget practices, develop our workforce and enhance our leadership. We will continue to strengthen our community relationships to improve our preparedness and enhance resiliency during emergency events. We will assist in revitalizing the local economy by hiring the most qualified candidates that also reflect the City's diverse population, and by attracting and supporting new business by improving our fire prevention services.

PRIOR YEAR ACCOMPLISHMENTS

Administrative Division
Contracted for a public safety specific scheduling software that will automate the Department's complex and labor-intensive workforce scheduling process.

Completed the Station No. 4 kitchen remodel, Station No. 2 burn room, and Station No. 12 rebuild and renovation project.

Received a $59,089 grant from the Federal Emergency Management Agency's Department of Homeland Security to replace compressed air cylinders and Photo Ionization Detectors.

Received a $35,000 grant from the State Department of Fish and Wildlife to purchase an oil spill clean-up trailer and related equipment.

In January 2018, City Council approved an Automatic Aid Agreement with Waterloo Morada Fire Protection District for automatic emergency response needs during major events or disasters. Mutual aid arrangements with specific neighboring agencies provide timely, coordinated and efficient access to various resources for major emergencies.

Operations Division
The Department responded to more than 47,000 incidents, including 27,536 rescue and emergency medical service responses, 3,178 fires, 687 hazardous conditions, and other calls for emergency services. Using industry specific metrics, the demands in Stockton are among the highest in the country.

California experienced one of its worst and devastating fire seasons in 2017, and the Department responded to over 40 State requests for emergency wildland fire assistance. The cost of resources deployed to these incidents are fully reimbursed by the requesting agencies.

Fire Prevention Division hired an additional inspector to perform annual fire permit inspections. By completing 117 school inspections, the City remains 100% compliant with State-mandated Kindergarten to 12th grade school fire code requirements. In 2017, staff completed 10,767 fire inspections, 1,168 fire and building plan checks, 191 plan applications and project reviews, 1,187 new construction related inspections and 110 formal fire investigations. Staff provided fire safety education to 13,000 Kindergarten through second grade students and to the public through social media, conducting three firehouse open house events, and attendance at 83 public education events.

Training Division conducted a Fire Training Academy to fill seven vacancies and various development training events for regular Fire personnel including: officers conference, captain academy, active shooter situation training and defensive driving training.

Emergency Communications Division
The Department accepted $399,900 from the State of California for the replacement of 9-1-1 equipment and call-taker workstations of the Stockton Dispatch Center. The division purchased and installed a new 911 caller data management and reporting system that will improve telecommunicator's medical assessment and reporting capabilities.

KEY CONSIDERATIONS

The department continuously evaluates its current processes and technology to increase its operational efficiency and to enhance its services. Staff will be working on the installation and implementation of the Telestaff and Firstwatch softwares; and the replacement of the Firehouse Report Management System (RMS) software in the upcoming fiscal year. Once complete, the Telestaff software will automate and provide the tools to manage and schedule workforce efficiently and eliminate the current labor and time-intensive manual scheduling process. The FirstWatch Early Event Detection software will provide efficient communication and 9-1-1 caller data management and reporting that will be used to assess and improve the Department's operational performance. Lastly, the Firehouse RMS will be replaced with new data and performance management software that will be compatible with an upgraded Fire computer aided dispatch (CAD) system for efficient and timely completion of incident reports.

With 13 facilities, the Department is constantly challenged by the lack of deferred maintenance resources, vandalism, and aging equipment. Fire will continue to work with Public Works to address fire station repair and improvement needs to preserve and improve the department's aging infrastructure and equipment. The City expects to complete the Fire Station No. 2 Kitchen Improvements, Firehouse Security Systems and Exterior Painting projects next fiscal year. The Five Year Capital Improvement Plan includes funding for Fire Station No. 2 Window Replacement and Security Systems projects in FY 2018-19. The annual budget also includes funds for the replacement of a generator for the Morada North Communications Tower and a replacement for the self- contained breathing apparatus (SCBA) fill equipment at Fire Station No. 3.

Expanding relationships and working together with various agencies allow enhancement and advancing of overall City and County fire protection and emergency services. Discussions and planning for a regionalized response network continue between the City and neighboring agencies to identify the necessary resources for providing mutual emergency responses for major events or disaster.

With over 180 sworn positions, the department has a continuous need to fill and train new firefighters. The budget includes an appropriation to conduct a Fire Academy to meet the demand for replacement staff.

Operational levels remain unchanged in FY 2018-19 from past fiscal year. Twelve fire engines and three ladder trucks will remain in operation to provide fire protection and emergency medical service needs to the community. Staffing levels remain at three personnel for fire engines and four personnel on ladder trucks.

Fire Department
FY 2018-19 Annual Budget

	General Fund 010	Emergency Communication 042	Development Services 048	Measure W 081
	See Page E-8	*See Page E-11*	*See Page E-13*	*See Page E-15*
Beginning Available Balance		**$ -**		
Revenues				
Taxes	-	-	-	5,279,000
Program Revenue	4,470,130	3,098,965	2,742,531	-
Other Revenue	-	-	-	5,000
	4,470,130	**3,098,965**	**2,742,531**	**5,284,000**
Expenditures				
Salary & Benefits	32,201,967	2,233,001	-	4,730,640
Services & Supplies	11,874,946	546,124	-	297,820
Administration Overhead	-	319,840	-	237,747
Fire Prevention & Education	-	-	2,720,662	-
Capital Outlay	140,149	-	-	210,000
	44,217,062	**3,098,965**	**2,720,662**	**5,476,207**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**(39,746,932)**	**-**	**21,869**	**(192,207)**
Ending Available Balance		**$ -**		

Fire Department, Continued
FY 2018-19 Annual Budget

	Special Revenue 646	Fire Total
	See Page E-17	
Beginning Available Balance	**$ 54,972**	
Revenues		
Taxes	-	5,279,000
Program Revenue	-	10,311,626
Other Revenue	-	5,000
	-	**15,595,626**
Expenditures		
Salary & Benefits	-	39,165,608
Services & Supplies	50,686	12,769,576
Administration Overhead	-	557,587
Fire Prevention & Education	-	2,720,662
Capital Outlay	-	350,149
	50,686	**55,563,582**
Transfers		
Transfer In	-	-
Transfer Out	-	-
	-	**-**
Net Annual Activity	**(50,686)**	**(39,967,956)**
Ending Available Balance	**$ 4,286**	

Revenues	$ 15,595,626
Transfers	-
Total Sources	$ 15,595,626
Expenditures	$ 55,563,582
Transfers	-
Total Appropriations	$ 55,563,582

Fire Department
General Fund - 010
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Total Fire Department				
Employee Services	$ 31,560,689	$ 31,244,551	$ 33,157,999	$ 32,201,967
Other Services	4,859,234	6,515,764	7,365,852	7,382,449
Materials and Supplies	961,177	983,405	1,377,169	1,296,215
Other Expenses	1,598,619	1,630,184	1,641,290	3,196,282
Capital Outlay	129,203	472,195	412,638	140,149
Total	$ 39,108,922	$ 40,846,099	$ 43,954,948	$ 44,217,062
Administration				
Employee Services	1,442,793	1,583,963	2,028,952	2,140,645
Other Services	498,734	505,213	379,366	437,094
Materials and Supplies	25,779	31,839	28,441	30,762
Other Expenses	1,368,155	1,375,273	1,376,625	2,927,654
Total	3,335,461	3,496,288	3,813,384	5,536,155
Fire Suppression				
Employee Services	27,064,498	28,364,995	29,927,051	28,763,918
Other Services	3,715,836	3,957,701	4,375,585	4,416,815
Materials and Supplies	864,424	912,628	1,212,669	1,068,217
Other Expenses	2,506	9,447	3,000	5,800
Capital Outlay	129,203	89,963	225,689	140,149
Total	31,776,467	33,334,734	35,743,994	34,394,899
Safe and Sane Fireworks Program				
Employee Services	-	30,924	61,697	76,918
Other Services	-	2,193	3,836	3,871
Materials and Supplies	-	4,587	5,000	10,167
Total	-	37,704	70,533	90,956
Training/Emergency Services				
Employee Services	1,137,105	1,038,522	997,401	1,079,444
Other Services	118,654	163,760	516,982	348,605
Materials and Supplies	55,613	30,575	129,794	186,968
Other Expenses	227,634	245,464	261,665	262,828
Total	1,539,006	1,478,321	1,905,842	1,877,845
Dispatch				
Employee Services	1,916,293	226,147	142,898	141,042
Other Services	526,010	1,886,897	2,090,083	2,176,064
Materials and Supplies	15,361	3,776	1,265	101
Other Expenses	324	-	-	-
Capital Outlay	-	382,232	186,949	-
Total	2,457,988	2,499,052	2,421,195	2,317,207

STOCKTON FOUNDED JUNE 1849
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EMERGENCY COMMUNICATIONS FUND (042)

PROGRAM DESCRIPTION

The San Joaquin County Regional Fire Dispatch Authority (Authority) was established on August 17, 2015. The purpose of the Authority is to provide emergency and non-emergency dispatch and related services to the general public within the service areas of the cities of Stockton, Lodi, Manteca, Tracy and the Lathrop-Manteca Fire Protection District.

On July 1, 2016, the Authority contracted with the City of Stockton to provide regional dispatch and administrative services to the Authority. The Emergency Communications Fund was created to account for the revenue and expenditures associated with the contracted dispatch and administrative services. The Authority fully reimburses the City for the costs of the services it provides.

KEY CONSIDERATIONS

The Stockton dispatch center received a daily average of 289 service calls in 2017 or a 25% increase in daily service call volume from the prior year. To meet the increasing call volume in the dispatch center, the FY 2018-19 annual budget includes two new Fire Telecommunicator positions.

Staff will be focusing on the following efforts in the upcoming fiscal year:

- Completion and implementation of the Fire computer aided dispatch system upgrade project. The new system will replace the outdated software currently used at the dispatch center for the improved receipt and management of emergency service calls from the public.
- Prepare for the 2019 National Academies of Emergency Dispatch Center of Excellence Accreditation process.
- Complete the installation and replacement of the 9-1-1 call-taker workstations using funding from the State's 9-1-1 Emergency Communications Office.
- Develop a comprehensive Communications Training Officer Program.
- Initiate the review and update to the Emergency Communications Policies & Procedures.

Fire Department
Emergency Communications - 042
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ -**	**$ -**	**$ -**	**$ -**
Revenues				
Contract Revenue	-	2,411,227	2,578,242	2,966,190
Reimbursements	-	149,286	132,000	132,775
	-	**2,560,513**	**2,710,242**	**3,098,965**
Expenditures				
Salary & Benefits	-	1,918,725	1,952,374	2,233,001
Services & Supplies	-	513,345	495,254	546,124
Utilities & Maintenance	-	89,651	99,642	102,840
Other Expenses	-	38,792	162,972	217,000
	-	**2,560,513**	**2,710,242**	**3,098,965**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**-**	**-**	**-**	**-**
Ending Available Balance	**$ -**	**$ -**	**$ -**	**$ -**

Available Balance Calculation

Current assets	$ -
Current liabilities	-
Ending Available Balance	$ -

DEVELOPMENT SERVICES FUND
FIRE PREVENTION (048)

PROGRAM DESCRIPTION

The Fire Prevention Division safeguards the lives, welfare, and economy of the community by providing specialized services including fire and life safety education services. These specialized services include inspections of various operations, industrial and commercial buildings and multi-family dwellings for California Fire Code compliance. The division also performs technical services such as plan review of fire alarm and extinguishing systems; management and issuance of fire code operational permits; and investigation of suspicious fires and hazardous materials incidents. Fees from fire prevention inspections and technical services finance the operations of the Division.

KEY CONSIDERATIONS

State-mandated inspection workload has increased significantly, which is instrumental in maintaining the public's safety and the economic welfare of the business community. Inspections the City performs on behalf of the State include all hospitals, schools, high rises, hotels & multi-family residential housing units, and business that uses compressed gas or volatile chemicals. The department has over 1,000 state mandated inspections and a similar number of city permit inspections, and expects 270 new businesses and 500 building plans for review, all of which dictate a need for additional permit staff. To address that workload and to maintain compliance with the California Fire Code, two additional Fire Prevention Inspectors, one additional Permit Technician, and one Office Assistant are included in the FY 2018-19 proposed budget.

Staff will also work collaboratively with other City departments and the San Joaquin County Building Department to ensure all new businesses requiring Fire Operational Permits are readily identified and properly tracked.

The Division is preparing to conduct a fee study in FY 2018-19 that will validate the permit pricing and methods used to develop fees.

Fire Department
Development Services - 048 (a)
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Revenues				
Fire Prevention				
User Fees	$ 2,378,431	$ 2,216,031	$ 2,265,152	$ 2,677,391
Safe & Sane Fireworks Program	26,085	-	-	-
Fines & Penalties	72,242	55,994	61,997	62,015
Other Revenue	3,170	3,532	3,110	3,125
	2,479,928	**2,275,557**	**2,330,259**	**2,742,531**
Expenditures				
Fire Prevention				
Fire Prevention	1,225,947	1,857,923	1,964,830	2,661,922
Fire Public Education	33,663	5,649	14,200	58,740
Safe & Sane Fireworks Program	27,862	31,237	-	-
	1,287,472	**1,894,809**	**1,979,030**	**2,720,662**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**$ 1,192,456**	**$ 380,748**	**$ 351,229**	**$ 21,869**

(a) The total Development Services Fund - 048 is presented with the Community Development Department budget on page H-9.

MEASURE W FUND (081)

PROGRAM DESCRIPTION

Stockton's voters approved Measure W in November 2004, which authorized a one-quarter percent Transaction and Use Tax to provide public safety services with the proceeds being split equally between the Police and Fire Departments. The program guidelines include an Economic Uncertainty fund provision to be funded at 25% of annually-budgeted revenues. This reserve is currently fully funded.

The Fire Department uses the funds primarily to pay for a portion of Fire Suppression personnel salary and benefits assigned to Fire Company No. 3 (southeast Stockton), Fire Company No. 4 (central Stockton) and Fire Company No. 13 (northeast Stockton). Proceeds have also been used for one-time purchases of fire engines, radios, and fire station equipment. For the past five years, Measure W proceeds have consistently funded the salary and benefits of 25 firefighting positions that provide fire protection and other emergency services.

KEY CONSIDERATIONS

In FY 2018-19, Measure W revenues will continue to pay for 25 firefighting positions and will also pay for one-time funding for defibrillators and remaining equipment needed to completely equip and outfit new fire apparatus. Measure W revenues are projected to increase by approximately 2% from prior year projections. The program guidelines recommend a reserve in the event revenues fall short of estimates. This reserve is now fully funded and will continue to be in the coming fiscal year.

Fire Department
Measure W - 081 (a)
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Revenues				
Measure W Sales Tax	$ 4,905,605	$ 4,991,839	$ 5,198,000	$ 5,279,000
Investment Proceeds	17,753	(3,429)	5,608	5,000
	4,923,358	**4,988,410**	**5,203,608**	**5,284,000**
Expenditures				
Salary & Benefits	4,258,743	4,624,766	4,496,506	4,730,640
Services & Supplies	113,453	147,716	243,535	297,820
Administration Overhead	222,976	232,166	235,329	237,747
Capital Outlay	168,488	336,976	252,017	210,000
	4,763,660	**5,341,624**	**5,227,387**	**5,476,207**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**$ 159,698**	**$ (353,214)**	**$ (23,779)**	**$ (192,207)**

(a) The total Measure W Fund - 081 is presented with the Police Department budget on page D-11.

FIRE SPECIAL REVENUE FUND (646)

PROGRAM DESCRIPTION

The Fire Department receives donations and uses them for supplies, equipment, training and safety awareness expenses that have no other funding source.

KEY CONSIDERATIONS

The projected available balance is fully appropriated in anticipation of costs for expenses or programs that are needed but have no funding source.

Fire Department
Special Revenue - 646
FY 2018-19 Annual Budget

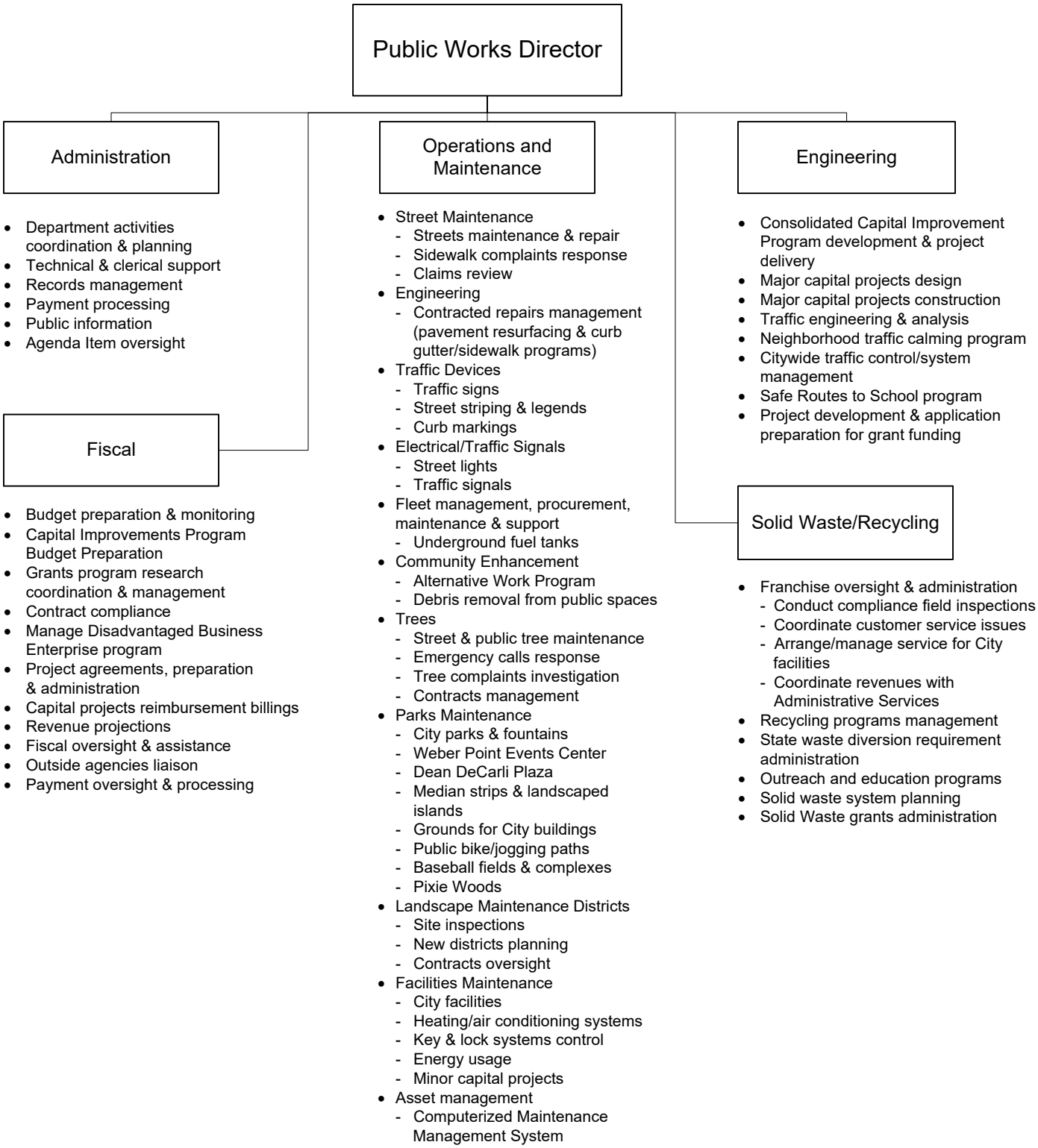
	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 149,254**	**$ 105,376**	**$ 79,719**	**$ 54,972**
Revenues				
Donations	2,000	500	500	-
Other Revenue	530	781	-	-
	2,530	**1,281**	**500**	**-**
Expenditures				
Program Expenses	46,408	26,938	25,247	50,686
	46,408	**26,938**	**25,247**	**50,686**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**(43,878)**	**(25,657)**	**(24,747)**	**(50,686)**
Ending Available Balance	**$ 105,376**	**$ 79,719**	**$ 54,972**	**$ 4,286**

Available Balance Calculation

Current assets	$ 82,346
Current liabilities	(2,627)
Ending Available Balance	$ 79,719

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

TAB 6 PUBLIC WORKS



PUBLIC WORKS DEPARTMENT

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

PUBLIC WORKS DEPARTMENT

MISSION STATEMENT

Plan, design, build, and maintain public works for residents, businesses, and departments of the City of Stockton to meet their needs and expectations with pride and professionalism in a cost-effective manner.

Budget at a Glance:	
Total Revenues	$44,176,217
Total Expenditures	$60,616,497
Total Net Cost	$16,440,280
Total Staff	163

DEPARTMENT DESCRIPTION

Public Works is comprised of four divisions: Engineering, Solid Waste/Recycling, Operations and Maintenance, Fiscal and Administration.

Engineering oversees traffic engineering, traffic system management and delivery of the City's Capital Improvement Program (CIP) projects. The CIP is a robust compilation of transportation, infrastructure, and building upgrades or new improvements. The CIP list of improvements includes work to the City's roads, bridges, signals, lighting, as well as library, fire and police facilities.

Solid Waste and Recycling manages the City's recycling programs and oversees the City's franchise agreements. These programs include:

- 3-cart residential trash, recycling, and green/food waste collection.
- Recycling education and outreach.
- "Clean Sweep" by appointment (bulky waste pick-up).
- Construction/demolition recycling permits, multi-family and business recycling.

This division also oversees contracted street sweeping services, manages garbage, recycling and special waste services for City facilities, and coordinates collection for community cleanups and events. These activities are funded by fees collected from the franchised haulers' gross rate revenues.

Operations and Maintenance is responsible for maintaining transportation infrastructure, parks, trees, Landscape and Lighting Assessment Districts, City facilities, and the City fleet.

- State gas tax and Measure K maintenance monies support the City's transportation infrastructure and fund the maintenance, repair and replacement of:
  - 763 miles of roads.
  - Over 1,200 miles of sidewalk, pavement striping and markings.
  - More than 16,000 regulatory/warning signs.
- The Community Enhancement program removes weeds, graffiti, and approximately 450 tons of illegally dumped debris from public right-of-way.

- Manages contracts for over 2.0 million square feet of median and streetscape landscape maintenance, alley maintenance, and weed spraying.
- The Landscape Maintenance Assessment District function provides maintenance services to 27 separate zones where fees are collected from benefiting properties. Services include landscaping and irrigation work for streetscapes and medians, painting and repair of walls, landscape/janitorial services at 12 parks, and street lighting repair and electricity costs.
- Maintains and pays the electrical power costs for over 19,000 street lights and 308 traffic signals.
- Fleet operations are funded by rental rates charged to user departments. Fleet services include:
  - Maintaining and replacing the City's mixed fleet of approximately 1,120 vehicles and equipment.
  - Providing preventive maintenance inspections to full engine rebuilds, specialized auto body repairs, and vehicle setups. This work is performed either by an in-house team of mechanics and specialists or by outside vendors.
  - Replacing aging vehicles and equipment including police vehicles, heavy fire equipment, and large construction units.

Fiscal and Administration provides management support for the department, which includes office administration and finance.

Public Works' budget consists mainly of restricted funding sources augmented by General Fund monies, and is used for parks, trees, facilities, and administrative expenses comprising of:

- Maintenance, minor repairs, and capital replacements for 800,000 square feet of City buildings at 60 sites, including janitorial, grounds maintenance, roof maintenance, HVAC, plumbing, carpentry, and key/alarm control services.
- Contracted maintenance services at 50 parks, including janitorial, landscape, vandalism repair, and irrigation work.
- Maintenance of approximately 98,000 trees along streets and in parks, with services limited to safety trimming and emergency response using a combination of City and contracted personnel.

Gas tax and Measure K maintenance funds support traffic engineering, traffic system management, and delivery of the various projects in the Capital Improvement Program. The budget for the capital function is separate from, and in addition to, the operating budget. Public Works staff seek out and secure various capital grants, without which, the needed capital improvements could not be completed. Measure K maintenance funds and developer fees provide important matching funds for capital projects grants.

DEPARTMENT STRATEGIC WORK PLAN

The Department is focused on infrastructure maintenance and on maintaining the level of service provided by our Fiscal, Solid Waste, Engineering, and maintenance operations. Engineering will continue to garner federal and state funding opportunities to deliver the City's capital needs with a focus on delivering portions of the Bike Master plan, Safe Routes to School plan, together with

active transportation projects. The City's long term infrastructure maintenance and renewal strategy is contained in the 5-year Capital Improvement Plan which is updated annually. Operations and Maintenance will focus on enhancing asset inventory tracking, continued progress and implementation of its computerized maintenance management system, and considering efficiency improvements related to maintenance and customer service practices. Solid Waste operations will continue to work with the franchised haulers to address recycling contamination issues, and to ensure ongoing service.

PRIOR YEAR ACCOMPLISHMENTS

The department was successful in utilizing existing Measure K funding to leverage a variety of ongoing and new federal and state funding sources. These grant opportunities made it possible to bring tens of millions in additional funding to add improvements to the City's transportation, infrastructure, and building assets. In addition, completion of the Bike Facility Master plan and the Safe Route to School plan will enable the City to strongly compete for more grant funding in these program areas. Significant progress was made on major road projects such as Hammer Lane, Thornton Road, Pacific Avenue and Miner Avenue.

The operations and maintenance division continues to strive for on time maintenance of the City's transportation system comprised of 763 miles of roads, 308 traffic signals, more than 19,000 street lights and 16,000 regulatory/warning signs. Staff filled over 5,800 potholes and installed over 4,500 signs, completed conversion of over 5,300 street lights, removed over 600 tons of debris from Mormon Slough, and replaced several damaged playgrounds.

Solid Waste launched the "Think Before You Toss" pilot program to reduced contamination, visited over 11,000 customers to inspect carts and provide information on proper use, completed a Division review, and developed a hazardous waste disposal program for City departments.

KEY CONSIDERATIONS

Key considerations for Department divisions that are funded separately from the General Fund are addressed in the following sections. For General Fund functions, which are limited to Parks, Trees, and Facilities, the FY 2018-19 budget fully funds the new parks maintenance contract and increases the funds for water to allow for sufficient irrigation to keep the parks green. Tree maintenance continues to be a concern, as resources do not permit a proactive trimming, removal and replacement program. The FY 2018-19 budget includes $50,000 for emergency tree removals. Facility considerations primarily focus on the shift of City Hall to Waterfront Office Towers and the remaining maintenance needs at unoccupied facilities.

Public Works Department
FY 2018-19 Annual Budget

	General Fund 010	Street Maintenance Gas Tax 030	Measure K Street Maintenance 082	Solid Waste Recycling 047
	See Page F-9	*See Page F-11*	*See Page F-13*	*See Page F-15*
Beginning Available Balance		**$ 1,872,926**	**$ 6,251,647**	**$ 1,722,840**
Revenues				
State Gas Tax	-	13,330,837	-	-
Measure K Sales Tax	-	-	5,278,882	-
User Fees	-	-	-	1,503,566
Interfund Project Charges	-	-	-	-
Other Revenue	32,681	151,430	-	11,899
	32,681	**13,482,267**	**5,278,882**	**1,515,465**
Expenditures				
Salary and benefits	5,573,115	4,374,930	-	1,042,036
Operating expenses	7,984,013	4,600,343	3,403,385	808,767
Debt service	-	-	-	-
Capital outlay	-	5,350,000	2,349,600	-
	13,557,128	**14,325,273**	**5,752,985**	**1,850,803**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**(13,524,447)**	**(843,006)**	**(474,103)**	**(335,338)**
Ending Available Balance		**$ 1,029,920**	**$ 5,777,544**	**$ 1,387,502**

Public Works Department, Continued
FY 2018-19 Annual Budget

	Lighting Maintenance 071	Assessment District Maintenance 072	Capital Project Administration 399/999	Fleet Services 501	Public Works Total
	See Page F-17	*See Page F-19*		*See Page N-9*	
	$ 298,761	**$ 12,667,187**	**$ -**	**$ 2,346,129**	
Revenues					
State Gas Tax	-	-	-	-	13,330,837
Measure K Sales Tax	-	-	-	-	5,278,882
User Fees	15,821	3,362,230	-	12,224,695	17,106,312
Interfund Project Charges	-	-	4,577,123	-	4,577,123
Other Revenue	1,630	63,000	-	140,000	400,640
	17,451	**3,425,230**	**4,577,123**	**12,364,695**	**40,693,794**
					-
Expenditures					
Salary and benefits	16,607	-	4,577,123	-	15,583,811
Operating expenses	-	4,429,760	-	8,585,767	29,812,035
Debt service	-	-	-	4,243,839	4,243,839
Capital outlay	-	120,000	-	3,000,000	10,819,600
	16,607	**4,549,760**	**4,577,123**	**15,829,606**	**60,459,285**
					-
Transfers					
Transfer In	-	-	-	3,482,423	3,482,423
Transfer Out	-	(7,212)	-	(150,000)	(157,212)
	-	**(7,212)**	**-**	**3,332,423**	**3,325,211**
Net Annual Activity	**844**	**(1,131,742)**	**-**	**(132,488)**	**(16,440,280)**
	$ 299,605	**$ 11,535,445**	**$ -**	**$ 2,213,641**	

Revenues	$ 40,693,794
Transfers	3,482,423
Total Sources	$ 44,176,217
Expenditures	$ 60,459,285
Transfers	157,212
Total Appropriations	$ 60,616,497

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

Public Works Department
General Fund - 010
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Total Public Works Department				
Employee Services	$ 3,626,325	$ 4,542,862	$ 5,394,169	$ 5,573,115
Other Services	4,602,723	6,560,719	7,244,215	7,164,181
Materials and Supplies	855,912	1,107,941	986,466	743,632
Other Expenses	40,582	65,266	47,296	76,200
Capital Outlay	57,893	-	-	-
Total	$ 9,183,435	$ 12,276,788	$ 13,672,146	$ 13,557,128
Administration				
Employee Services	413,034	542,764	1,007,487	1,131,989
Other Services	260,865	434,856	424,594	353,703
Materials and Supplies	47,198	126,628	15,436	9,079
Other Expenses	10,163	9,658	9,490	14,600
Capital Outlay	16,463	-	-	-
Total	747,723	1,113,906	1,457,007	1,509,371
Operations & Maintenance				
Employee Services	873,849	1,083,845	1,203,916	1,185,618
Other Services	360,840	989,955	544,644	443,407
Materials and Supplies	260,260	342,324	379,896	29,900
Other Expenses	4,797	4,020	20,523	12,300
Total	1,499,746	2,420,144	2,148,979	1,671,225
Parks & Street Trees				
Employee Services	1,028,845	1,205,172	1,266,011	1,219,113
Other Services	3,231,466	3,822,001	4,458,891	4,686,197
Materials and Supplies	204,329	169,682	149,857	245,224
Other Expenses	11,192	33,405	6,764	21,800
Total	4,475,832	5,230,260	5,881,523	6,172,334
Facilities Maintenance				
Employee Services	1,310,597	1,711,081	1,916,755	2,036,395
Other Services	749,552	1,313,907	1,816,086	1,680,874
Materials and Supplies	344,125	469,307	441,277	459,429
Other Expenses	14,430	18,183	10,519	27,500
Capital Outlay	41,430	-	-	-
Total	2,460,134	3,512,478	4,184,637	4,204,198

GAS TAX FUND (030)

PROGRAM DESCRIPTION

The State of California transfers Gas Tax Fund revenues to the City based on an allocation formula that distributes taxes collected on fuel sales.

The Fund supports a transportation system comprised of approximately 763 miles of roads, 308 traffic signals, 19,000 street lights, 16,000 regulatory/warning signs, together with sidewalks, bridges, ditches, graffiti abatement, and the City's street trees.

KEY CONSIDERATIONS

- The State recently approved additional transportation funding via Senate Bill 1 (SB1) the Road Repair and Accountability Act of 2017 to fix roads, freeways, and bridges in communities across California. SB1 funding is anticipated to provide a positive impact on the maintenance program moving forward. The City's SB1 funding allocation is estimated to be almost $5.3 million. $3.3 million of this amount is allocated to the Local Streets Resurfacing Project, and $2 million is allocated to the Curb, Gutter, and Sidewalk Replacement Project. The continuation of this funding source is pending the outcome of the SB1 repeal initiative that is anticipated to be on the ballot in November.
- Two vacant Maintenance Repair Technician positions will be filled to support delivery of SB1 projects, and three additional positions have been approved in support of SB1 activities.
- The non-capital budget funds operational activities related to engineering, pavement, street lighting, traffic signals, and pavement markings and signs to improve the City's infrastructure.

Public Works Department
Gas Tax - 030
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 3,493,794**	**$ 3,044,731**	**$ 2,151,838**	**$ 1,872,926**
Revenues				
State Gas Tax	4,834,085	4,749,252	5,326,608	10,873,274
Prop 42 Replacement Gas Tax	1,328,069	692,946	3,256,673	2,457,563
Refunds and reimbursements	1,076	1,384	172,572	151,430
Investment Proceeds	14,052	27,724	10,000	-
	6,177,282	**5,471,306**	**8,765,853**	**13,482,267**
Expenditures				
Salary and benefits	3,822,133	3,799,603	3,582,459	4,374,930
Electricity	25,586	-	-	-
Maintenance and repair services	196,210	214,748	673,368	722,000
Insurance premiums	118,625	110,633	131,104	117,699
Auto equipment rental	970,155	770,615	1,133,247	948,009
Computer/Tech/Operating support	428,613	361,436	443,572	356,054
Engineering services	17,425	169,743	106,148	-
Construction services	199,878	156,553	208,646	105,000
Materials and supplies	753,264	705,354	2,490,000	1,602,199
Fuels - gas/oil/propane	56,119	50,151	116,919	106,862
All other expenses	38,337	25,368	109,302	642,520
Capital projects	-	-	50,000	5,350,000
	6,626,345	**6,364,204**	**9,044,765**	**14,325,273**
Transfers				
Transfer In - Measure K - 082	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**(449,063)**	**(892,898)**	**(278,912)**	**(843,006)**
Ending Available Balance	**$ 3,044,731**	**$ 2,151,833**	**$ 1,872,926**	**$ 1,029,920**

Available Balance Calculation

Current assets	$ 2,509,867
Current liabilities	(358,029)
Ending Available Balance	$ 2,151,838

MEASURE K MAINTENANCE FUND (082)

PROGRAM DESCRIPTION

In 1990, voters in San Joaquin County passed a ½ cent sales tax increase dedicated to transportation projects. This original sales tax increase was set to expire in 2011; however, in 2006, voters passed a 30-year extension of the sales tax increase. The Measure K program is administered by the San Joaquin Council of Governments (SJCOG).

35% of the sales tax revenue is dedicated to maintenance activities and is distributed to member jurisdictions of the SJCOG which include the San Joaquin County and cities of Stockton, Lodi, Manteca, Tracy, Ripon, Escalon, and Lathrop. Stockton receives Measure K maintenance funding on a quarterly basis and has historically used this funding for maintenance, local capital projects, and to provide matching funds to leverage state and federal grant programs.

KEY CONSIDERATIONS

- The San Joaquin Council of Governments indicates Measure K revenues are projected to increase by approximately 4% in FY 2018-19.
- The Department has utilized a portion of Measure K revenues to leverage State and Federal Grant sources such as the Active Transportation, Congestion Mitigation, Highway Bridge, and Highway Safety Programs. The Department is presently delivering approximately $25 million in state and federally-funded projects that involve new safety improvements, bike facilities, signalization and traffic upgrades, Safe Routes to Schools improvements, and major transportation improvements to identified streets in the City. In addition, Measure K helps support critical engineering programs in the areas of Neighborhood Traffic Calming, Traffic Signal control and Modifications, Utility Undergrounding, and Bridges.
- The FY 2018-19 budget supports operational activities related to engineering, pavement, street lighting, traffic signals, and pavement markings and signs to improve the City's infrastructure.
- Delivery of the City's robust capital and maintenance programs require additional staffing. Three new engineering and administrative support positions have been approved to assist successful delivery of the programs and to avoid loss of federal and state funding.

Public Works Department
Measure K - Maintenance - 082
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 6,610,879**	**$ 11,255,518**	**$ 3,576,869**	**$ 6,251,647**
Revenues				
Sales Tax	4,887,468	4,833,332	5,083,224	5,278,882
Investment Proceeds	165,666	39,153	60,000	-
Other Revenues	2,365,566	25,395	904,871	-
	7,418,700	**4,897,880**	**6,048,095**	**5,278,882**
Expenditures				
Operating	2,490,303	1,690,161	1,388,000	3,403,385
Capital projects	252,944	1,942,993	1,985,317	2,349,600
Debt service	30,814	-	-	-
	2,774,061	**3,633,154**	**3,373,317**	**5,752,985**
Transfers				
Transfer In - Capital - 080	-	-	-	-
Transfer Out - Gas Tax - 030	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**4,644,639**	**1,264,726**	**2,674,778**	**(474,103)**
Ending Available Balance	**$ 11,255,518**	**$ 12,520,244**	**$ 6,251,647**	**$ 5,777,544**

Available Balance Calculation

Current assets	$ 12,830,299
Current liabilities	(310,055)
Capital Appropriation	(8,943,375)
Ending Available Balance	$ 3,576,869

SOLID WASTE AND RECYCLING FUND (047)

PROGRAM DESCRIPTION

This fund tracks financial activities in compliance with state mandates for solid waste division and expansion of recycling programs. Revenues for this fund are from a 3.5% surcharge on waste haulers' gross rate revenues. This revenue is authorized by State Assembly Bill 939 titled The Integrated Waste Management Act (AB 939) and was created to fund compliance with the recycling and diversion programs required by AB 939. This program provides franchise oversight in addition to the various recycling and compliance initiatives. Several new state requirements (AB 341, AB 1826, and SB 1383) are now in effect which will impact this fund as implementation proceeds.

KEY CONSIDERATIONS

The primary focus for the coming year will be extension of the current franchise agreement that expires in 2019. The extension must be structured to maintain the current high service level, and to provide flexibility for modifications to address changing state requirements for diversion and organics processing. Community outreach is an important emphasis in the proposed budget and is also a compliance requirement.

Public Works Department
Solid Waste & Recycling - 047
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 1,908,740**	**$ 1,890,701**	**$ 1,897,710**	**$ 1,722,840**
Revenues				
Recycling Fees				
Residential	741,178	846,101	786,096	787,149
Commercial	499,374	631,418	636,286	637,138
Other	8,017	8,238	13,784	13,803
Industrial	78,125	57,984	65,389	65,476
	1,326,694	1,543,741	1,501,555	1,503,566
Investment Proceeds	33,792	2,997	5,014	5,015
Other Revenues	-	2,722	6,884	6,884
	1,360,486	**1,549,460**	**1,513,453**	**1,515,465**
Expenditures				
Salaries and Benefits	1,046,902	1,160,781	1,296,483	1,042,036
Rents and Support	80,496	125,353	91,719	136,054
Professional & Special Services	46,218	51,548	101,040	371,558
Materials and Supplies	24,165	28,461	30,000	65,088
Training & Travel	14,356	15,033	10,117	28,550
Indirect Costs	153,964	153,964	153,964	123,567
All Other Expenses	12,424	7,311	5,000	83,950
	1,378,525	**1,542,451**	**1,688,323**	**1,850,803**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**(18,039)**	**7,009**	**(174,870)**	**(335,338)**
Ending Available Balance	**$ 1,890,701**	**$ 1,897,710**	**$ 1,722,840**	**$ 1,387,502**

Available Balance Calculation

Current assets	$ 1,960,809
Current liabilities	(63,099)
Ending Available Balance	$ 1,897,710

LIGHTING ASSESSMENT DISTRICT FUND (071)

PROGRAM DESCRIPTION

This fund tracks financial activity relative to the Central Stockton Lighting Maintenance Assessment District formed under the Landscape and Lighting Act of 1972 and collects assessments for the “Special Lighting Benefit” received.

The current district is a reformation of the original Lighting & Maintenance Districts 74 and 75 formed under the Street Light Acts of 1927 and 1931. There were originally five zones between these two districts.

Only one of the original five zones is still active. The Oxford Manor zone contains 278 street lights.

KEY CONSIDERATIONS

- A plan for gradual replacement of the District’s ongoing infrastructure, including conversion to LED fixtures will be developed.
- Assessment rates will remain the same as in FY 2017-18.

Public Works Department
Lighting Maintenance - 071
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 249,545**	**$ 275,438**	**$ 297,141**	**$ 298,761**
Revenues				
Charges for services	23,901	23,901	15,821	15,821
Investment Proceeds	4,712	559	1,620	1,630
	28,613	**24,460**	**17,441**	**17,451**
Expenditures				
Operations	2,720	2,758	15,821	16,607
	2,720	**2,758**	**15,821**	**16,607**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**25,893**	**21,702**	**1,620**	**844**
Ending Available Balance	**$ 275,438**	**$ 297,140**	**$ 298,761**	**$ 299,605**

Available Balance Calculation	
Cash & Interest Receivable	$ 297,553
Accounts receivable	-
Accounts payable	(412)
Ending Available Balance	$ 297,141

STOCKTON CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT 96-2 FUND (072)

PROGRAM DESCRIPTION

In previous years, this fund combined Landscape Maintenance Assessment Districts and Storm Drain Maintenance Districts. This fund currently reflects only the Landscape Maintenance Districts, which are managed by Public Works.

On February 26, 1996, Council adopted Resolution No. 96-0084 that consolidated the eight Landscape Maintenance Districts that existed at the time into the new Consolidated Landscape District 96-2.

There are 34 separate zones in the Consolidated Landscape District. Assessments are levied in 27 zones. Assessments are not levied in the remaining seven zones as no improvements have been constructed and maintenance is not required.

This fund includes the aggregate fund balances for each of the 27 zones. Funds from one zone cannot be used in a different zone. The fund balances for each zone are intended to be used for replacement of infrastructure, such as irrigation systems, back up walls, street lights, and playground equipment, and for replacement of plant material. However, only certain zones were created with assessments that keep pace with inflation. The fund balance in zones without a cost of living adjustment is reserved to meet future increases in maintenance costs, and may be insufficient to replace aged infrastructure in future years.

Improvements maintained include, but are not limited to: street and median landscaping, fountains, ornamental structures, public lighting (such as street lights and traffic signals), walls, irrigation, parks, and park equipment. Maintenance typically includes mowing, edging, trash collection, irrigation system operation and repairs, and replanting of landscape.

All maintenance services are provided by contract except for some lighting work performed by City staff.

KEY CONSIDERATIONS

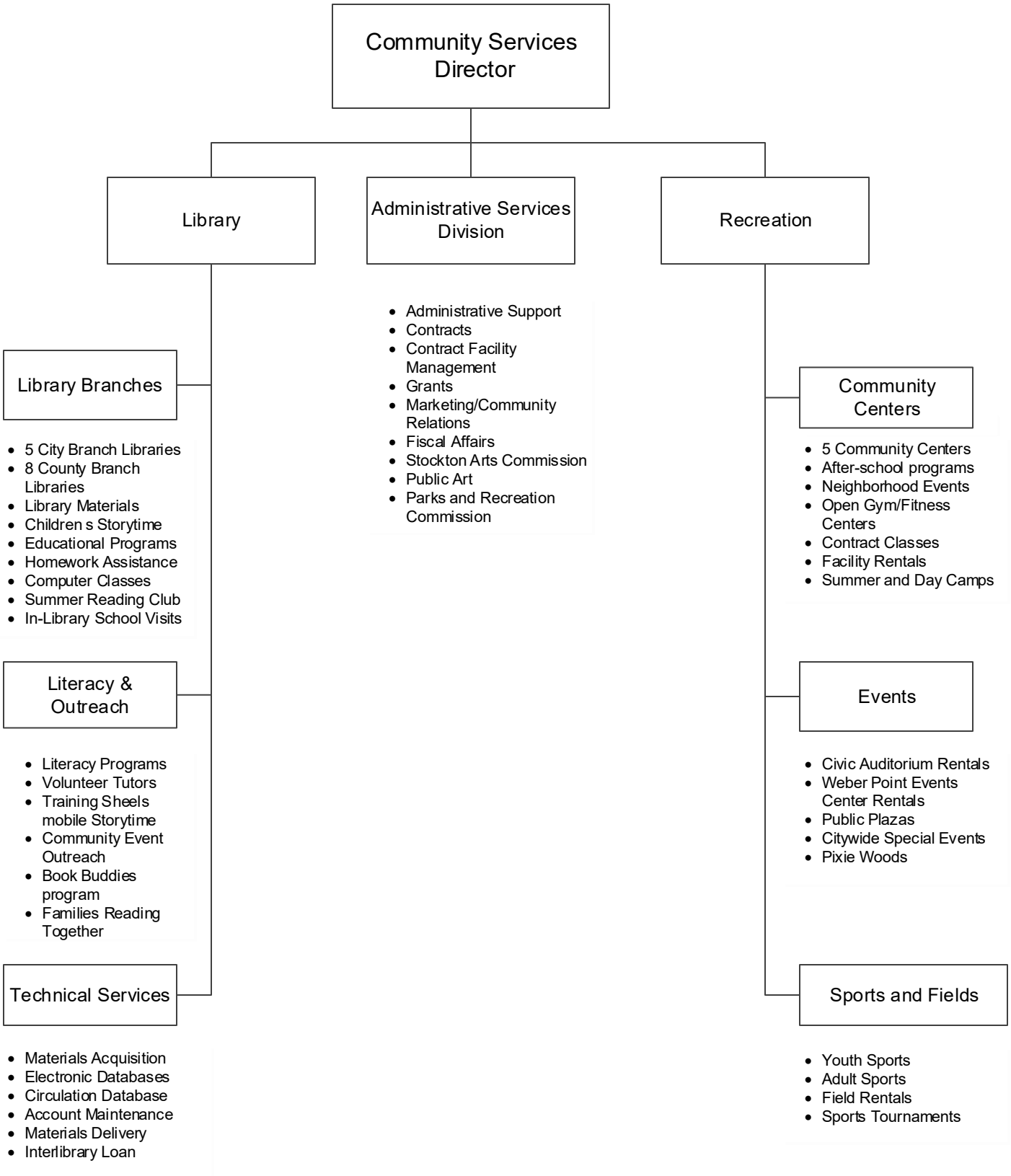
- The assessment will remain the same for FY 2018-19 for the seven zones with fixed assessments.
- For the 20 zones where the assessment formula provides for adjustment, the actual FY 2018-19 assessment will remain the same as the FY 2017-18 assessment in seven zones, and be increased in 13 zones.
- FY 2018-19 budget increase of approximately $640,000 compared to the FY 2017-18 adopted budget of $3.9 million is attributable to increased contracted maintenance costs, water costs, wall repair costs, and corresponding contingency budgets.

Public Works Department
Assessment District Maintenance - 072
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 11,320,143**	**$ 11,758,679**	**$ 11,955,666**	**$ 12,667,187**
Stormwater Maintenance District				
Adjusted, Beginning Available Balance				
Revenues				
Assessments	2,846,721	2,865,150	3,103,446	3,362,230
Investment Proceeds	207,608	15,033	60,000	63,000
	3,054,329	**2,880,183**	**3,163,446**	**3,425,230**
Expenditures				
Miscellaneous expenditures	2,615,793	2,683,195	2,444,713	4,429,760
Capital projects	-	-	-	120,000
	2,615,793	**2,683,195**	**2,444,713**	**4,549,760**
Transfers				
Transfer In	-	-	-	-
Transfer Out - Storm Drain Maint. Dist.	-	-	(7,212)	(7,212)
	-	**-**	**(7,212)**	**(7,212)**
Net Annual Activity	**438,536**	**196,988**	**711,521**	**(1,131,742)**
Ending Available Balance	**$ 11,758,679**	**$ 11,955,667**	**$ 12,667,187**	**$ 11,535,445**
Available Balance Calculation				
Cash and Interest Receivable		$ 12,189,342		
Accounts payable		(233,676)		
Encumbrances				
Ending Available Balance		$ 11,955,666		

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

TAB 7 COMMUNITY SERVICES



COMMUNITY SERVICES DEPARTMENT

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

COMMUNITY SERVICES DEPARTMENT

MISSION STATEMENT

Building resilient communities by cultivating healthy bodies and curious minds.

Budget at a Glance:	
Total Revenues	$28,223,319
Total Expenditures	$31,086,848
Total Net Cost	$2,863,529
Total Staff	112

DEPARTMENT DESCRIPTION

Community Services has three primary budgetary program areas: Library, Recreation, and Golf.

The Library provides experiences and resources designed to improve the lives of residents in our community. Programs such as story-time, tutoring, and summer reading focus on literacy, learning, and building strong families and communities. Library collections support this goal and include high-speed internet access, computer labs, books, music, movies, electronic research tools and digital format materials.

The Library system, known as the Stockton-San Joaquin County Public Library, is operated by the City of Stockton yet serves all of San Joaquin County through an arrangement to provide a regional, multi-branch system. The system is made up of five branches within Stockton city limits, eight branches throughout the rest of San Joaquin County, and a bookmobile. This centralized system allows all the sites to circulate materials between one another and benefit from combined administrative and management costs.

General Fund allocations from the City of Stockton and San Joaquin County have made up the majority of the funding for the library system. Operating and system-wide administration and support costs are tracked separately and assigned to the two agencies in accordance with a contract for services. Additional funding for City of Stockton libraries is provided through the Strong Communities (Measure M) special tax measure.

Recreation is comprised of programs that improve the lives of Stockton residents. Recreation programs are known to foster physical health, promote social equity, build life skills and strengthen community bonds. Through neighborhood facilities, the City offers youth and adult sports leagues, special events, meals for seniors, day camps, after-school programs, instructional classes and a variety of other leisure events and activities.

Recreation facilities include: community centers, ball field complexes, swimming pools and special event venues including the Civic Auditorium, Weber Point Events Center, and Pixie Woods children's theme park. Some facilities and programs are operated by the City directly, some are jointly used with other agencies, and others are contracted out to private and non-profit agencies for full or partial management. Operating costs for recreation programs have historically been funded by fees and an allocation of General Fund revenues. Program registration and facility rental price points were developed to maximize recreational opportunities for citizens, and have not traditionally been based on full cost recovery, but rather have been set at a level commensurate to local needs. Additional funding for City of Stockton recreation programs and services is provided through the Strong Communities (Measure M) special tax measure.

Golf operations at the Swenson and Van Buskirk municipal courses are managed through a contract with Kemper Sports, Inc. that began in July 2011. Due to the significant number of competitor courses and a decrease in regional golf rounds, these municipal courses are unable to cover operating costs through course fees and require support from the General Fund. Although the early expectations of contract management were for the courses to be self-sustaining, it is evident the courses require a significant ongoing subsidy. Management of the courses and the subsidy must be carefully monitored and reviewed to identify measures to minimize the General Fund impact.

In addition to operational areas, the department provides oversight to the Parks and Recreation Commission, Stockton Arts Commission, and Teen Leadership Council.

DEPARTMENT STRATEGIC WORK PLAN

The Community Services Department supports the City Council's strategic work plan specifically in the areas of working with education partners to improve student outcomes, improving quality of life, and creating improved infrastructure. Activities planned for the coming year include developing a free afterschool program available at all Community Services facilities, opening at least one additional "Micro Library" within a City Community Center, and targeting programs to focus on the diverse communities in the Department's service area.

Infrastructure improvements include moving forward on planned Capital projects designated in the Strong Communities Initiative (Measure M) spending priorities and selecting architect and design services for a new Library/Community Center. The Department will also facilitate the introduction of "Small City Hall," a mobile service vehicle to bring City services closer to resident neighborhoods and implement an online customer-facing portal to the Department's new recreation management system.

PRIOR YEAR ACCOMPLISHMENTS

The Department accomplished several goals during the last budget cycle. Major accomplishments include recruiting and hiring 17 of the 23 positions approved as part of the Strong Communities (Measure M) initiative, completing the transition to high-speed bandwidth at all Library facilities and implementing RecTrac, a new online Recreation Management System.

The Department experienced service growth in several areas. The Library Summer Reading Club saw a significant increase with participation rising 56% and the number of books read by children ages 0-12 increasing by 50%. Bookings at the Civic Auditorium increased by 6% over the previous year from 163 to 174 and attendance at Pixie Woods also grew 6% with 1,000 more visitors than the prior year. The Department's Youth in Government Day almost tripled the number of student participants as the previous year and annual events such as Movies at the Point and Holiday Tree Lighting continued their strong attendance patterns from previous years.

The Department introduced new programs including Family Night activities and Holiday Workshops at Community Centers and a new initiative during Stockton Arts Week called Collide which brought disparate art forms together for the public to enjoy.

KEY CONSIDERATIONS

Key considerations for FY 2018-19 include completing recruitments of Strong Communities (Measure M) positions, focusing staff resources on program restoration and expansion, and exploring solutions for reducing the City's increasing General Fund subsidy for golf courses.

Staff will begin work on the capital projects identified in the City Council Strong Communities spending priorities. In FY 2018-19 the Department expects to have fully restored hours at Libraries and Community Centers including evenings and weekends, adding 87 additional open hours at City Libraries and 63 additional hours at Community Centers. Staff will also conduct a review of all department afterschool offerings and redesign them to offer a comprehensive free after-school program in all City-operated Libraries and Community Centers. Library staff will also be designing new programs utilizing the high-speed bandwidth that the City implemented in FY 2017-18 at all Library sites. The Department will add a second Micro Library site in the Oak Park Senior Center, and Sports offerings will be expanded to include outdoor soccer and additional basketball programs.

Increasing General Fund expenses for City golf courses will also be studied with the goal of developing solutions to reduce or eliminate costs. Capital project considerations include completion of the design of a new Library/Community Center facility in North Stockton, completion of the design for City Aquatics facilities, and improvements to City soccer fields.

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

Community Services Department
FY 2018-19 Annual Budget

	Strong Communities	Library	Recreation	Total
	See Page G-9	*See Page G-11*	*See Page G-17*	
Beginning Available Balance	**$ 9,495,683**	**$ 3,412,810**	**$ 1,164,913**	**$ 14,073,406**
Revenues				
Measure M Sales Tax	10,538,544	-	-	10,538,544
San Joaquin County Contract	-	6,240,000	-	6,240,000
Additional Hours Contracts	-	163,330	-	163,330
Fines	-	252,760	-	252,760
Other Revenues	-	115,558	2,400	117,958
Recreation Programs	-	-	2,217,927	2,217,927
Facility Admission and Rentals	-	-	313,300	313,300
Community Centers	-	-	299,500	299,500
	10,538,544	**6,771,648**	**2,833,127**	**20,143,319**
Expenditures				
Administration	870,370	1,578,331	1,265,198	3,713,899
Library Operations	2,737,479	10,285,177	-	13,022,656
Recreation Programs	3,282,349	-	1,191,193	4,473,542
Civic Auditorium	-	-	470,283	470,283
Community Centers	-	-	1,795,190	1,795,190
Other Programs	-	-	2,291,278	2,291,278
Capital Projects	5,320,000	-	-	5,320,000
	12,210,198	**11,863,508**	**7,013,142**	**31,086,848**
Transfers				
Transfer In - General Fund	-	3,984,500	4,095,500	8,080,000
Transfer In - Other Funds	-	-	-	-
Transfer Out - Other Funds	-	-	-	-
	-	**3,984,500**	**4,095,500**	**8,080,000**
Net Annual Activity	**(1,671,654)**	**(1,107,360)**	**(84,515)**	**(2,863,529)**
				-
Ending Available Balance	**$ 7,824,029**	**$ 2,305,450**	**$ 1,080,398**	**$ 11,209,877**

Revenues	$ 20,143,319
Transfers	8,080,000
Total Sources	$ 28,223,319
Expenditures	$ 31,086,848
Transfers	-
Total Appropriations	$ 31,086,848

STRONG COMMUNITIES FUND (083)

PROGRAM DESCRIPTION

- Passed in 2016, the Strong Communities initiative (Measure M) levies a ¼ cent sales transactions and use tax for Library and Recreation services.
- The initiative went into effect on April 1, 2017, will be in effect for 16 years and is estimated to generate an average of between $9.4 and $11.8 million per year.
- In its first year, the measure has brought in revenues in line with estimates and has been used to add staff positions for restored and expanded services as well as allow a balance for future Capital projects as outlined in the City Council Spending Priorities for the measure. The first of those projects will begin in FY 2018-19 .

KEY CONSIDERATIONS

Key considerations for the Strong Communities Fund in FY 2018-19 include moving forward with capital improvements to the City's soccer and aquatics facilities, provide resources for the construction of a new Library and Community Center facility in Northeast Stockton, and increase program space at the Troke Branch Library. Budget changes include the reclassification of a Library Supervisor position to Library Division Manager, part-time staff to support restored hours in all facilities, and broadband technology equipment to enhance Library programming.

Community Services Department
Strong Communities - 083
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ -**	**$ -**	**$ 2,391,590**	**$ 9,495,683**
Revenues				
Measure M Sales Tax	-	2,474,095	10,372,400	10,538,544
	-	**2,474,095**	**10,372,400**	**10,538,544**
Expenditures				
Administration	-	52,740	418,270	860,370
Library Programs	-	-	1,298,322	2,737,479
Recreation Programs	-	29,765	1,543,215	3,282,349
Tax Collection & Audit Costs	-	-	8,500	10,000
Capital Projects	-	-	-	5,320,000
	-	**82,505**	**3,268,307**	**12,210,198**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**-**	**2,391,590**	**7,104,093**	**(1,671,654)**
Ending Available Balance	**$ -**	**$ 2,391,590**	**$ 9,495,683**	**$ 7,824,029**

Available Balance Calculation

Cash	$ 543
Accounts Receivable	2,421,355
Accounts Payable	(30,308)
Capital Projects	-
Ending Available Balance	$ 2,391,590

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

Community Services Department
Library Programs
FY 2018-19 Annual Budget

	Library 041	Special Revenue 644	Kolak Trust 614	G. Cady Trust 622	Library Programs Total
	See Page G-13	*See Page G-14*	*See Page G-15*	*See Page G-16*	
Beginning Available Balance	**$ 3,377,998**	**$ 39,557**	**$ (4,620)**	**$ (125)**	**$ 3,412,810**
Revenues					
San Joaquin County	6,240,000	-	-	-	6,240,000
Additional Hours Contracts	163,330	-	-	-	163,330
Fines	252,760	-	-	-	252,760
Other Revenues	113,933	500	1,000	125	115,558
	6,770,023	**500**	**1,000**	**125**	**6,771,648**
Expenditures					
Branch operations	8,877,865	10,000	-	-	8,887,865
Technical services	867,651	-	-	-	867,651
Programming and outreach	529,661	-	-	-	529,661
Administration and delivery	1,578,331	-	-	-	1,578,331
	11,853,508	**10,000**	**-**	**-**	**11,863,508**
Transfers					
Transfer In - General Fund	3,984,500	-	-	-	3,984,500
Transfer In - Other	-	-	-	-	-
Transfer Out	-	-	-	-	-
	3,984,500	**-**	**-**	**-**	**3,984,500**
Net Annual Activity	**(1,098,985)**	**(9,500)**	**1,000**	**125**	**(1,107,360)**
Ending Available Balance	**$ 2,279,013**	**$ 30,057**	**$ (3,620)**	**$ -**	**$ 2,305,450**

LIBRARY FUND (041)

PROGRAM DESCRIPTION

- This fund tracks the financial activities for the Stockton-San Joaquin Public Library.
- Under City of Stockton management, library services have been made available County-wide since 1910.
- Currently, five City and eight County facilities are open to the public between 25 and 42 hours per week.
- Resources for operations recorded in this Fund are provided from the City of Stockton General Fund, San Joaquin County General Fund, contracts for automation services, support from outlying cities, donations from individuals and charitable organizations, and fines and fee revenues.

KEY CONSIDERATIONS

The General Fund allocation to the Library Fund remains at the FY 2014-15 level in accordance with the Strong Communities measure. The ordinance states the General Fund allocation may not be at any level lower than FY 2014-15 unless there is a decrease in overall General Fund revenues, in which case the City Council may decrease support only to the level of the decrease in General Fund revenue. This maintenance of effort requirement is reviewed on an annual basis to determine if there should be any increase or decrease in General Fund support for the Library Fund.

Community Services Department
Library - 041
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 4,329,044**	**$ 6,019,960**	**$ 3,730,595**	**$ 3,377,998**
Revenues				
San Joaquin County	5,863,930	4,648,800	6,445,800	6,240,000
Material Match Program	58,210	4	-	-
Additional Hours Contracts	138,193	163,300	163,320	163,330
Fines & Fees	261,040	243,174	224,111	252,760
Other Revenues	177,771	146,651	106,256	113,933
	6,499,144	**5,201,929**	**6,939,487**	**6,770,023**
Expenditures				
Administration	1,138,335	1,131,040	1,228,253	1,396,417
Programming and Outreach	367,344	488,191	480,530	529,661
Technical Services	758,787	1,093,051	790,700	867,651
Branch Operations				
Branch Operations - County	3,864,675	4,003,725	4,817,379	5,515,902
Branch Operations - City	3,702,584	3,617,351	3,738,883	3,361,963
Delivery Services	211,408	195,546	189,036	181,914
Capital projects	113,655	483,857	31,803	-
	10,156,788	**11,012,761**	**11,276,584**	**11,853,508**
Transfers				
Transfer In - General Fund	5,312,525	4,504,000	3,984,500	3,984,500
Transfer In - Other	36,035	12,433	-	-
Transfer Out - Capital 301	-	(995,000)	-	-
	5,348,560	**3,521,433**	**3,984,500**	**3,984,500**
Net Annual Activity	**1,690,916**	**(2,289,399)**	**(352,597)**	**(1,098,985)**
Ending Available Balance	**$ 6,019,960**	**$ 3,730,561**	**$ 3,377,998**	**$ 2,279,013**

Available Balance Calculation

Current Assets	$ 4,455,334
Current Liabilities	(724,739)
Capital Projects	
Ending Available Balance	$ 3,730,595

Community Services Department
Library Special Revenue Fund - 644
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 106,979**	**$ 63,064**	**$ 30,772**	**$ 39,557**
Revenues				
Program Revenue	-	-	25,690	-
Other Revenue	10,353	4,396	21,779	-
Investment Proceeds	313	1,076	555	500
	10,666	**5,472**	**48,024**	**500**
Expenditures				
Program Expenditures	18,546	25,331	39,239	10,000
	18,546	**25,331**	**39,239**	**10,000**
Transfers				
Transfer In	-	-	-	-
Transfer Out	(36,035)	(12,433)	-	-
	(36,035)	**(12,433)**	**-**	**-**
Net Annual Activity	**(43,915)**	**(32,292)**	**8,785**	**(9,500)**
Ending Available Balance	**$ 63,064**	**$ 30,772**	**$ 39,557**	**$ 30,057**

Available Balance Calculation	
Cash	$ 30,772
Accounts Receivable	-
Accounts Payable	-
Ending Available Balance	$ 30,772

Community Services Department
Kolak Trust - 614
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 172,175**	**$ 175,205**	**$ (5,620)**	**$ (4,620)**
Revenues				
Investment Proceeds	3,030	268	1,000	1,000
	3,030	**268**	**1,000**	**1,000**
Expenditures				
Operating Expenditures	-	-	-	-
	-	**-**	**-**	**-**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**3,030**	**268**	**1,000**	**1,000**
Ending Available Balance	**$ 175,205**	**$ 175,473**	**$ (4,620)**	**$ (3,620)**

Available Balance Calculation

Cash	$ 175,473
Accounts Payable	-
Principal endowment	(181,093)
Ending Available Balance	$ (5,620)

Community Services Department
Cady Endowment - 622
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 10,060**	**$ 10,238**	**$ (251)**	**$ (125)**
Revenues				
Investment Proceeds	178	15	126	125
	178	**15**	**126**	**125**
Expenditures				
Library Materials	-	-	-	-
	-	**-**	**-**	**-**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**178**	**15**	**126**	**125**
Ending Available Balance	**$ 10,238**	**$ 10,253**	**$ (125)**	**$ -**

Available Balance Calculation

Cash	$ 10,253
Principal endowment	(10,504)
Ending Available Balance	$ (251)

Community Services Department
Recreation Division
FY 2018-19 Annual Budget

	Recreation 044	Golf 481	Arts Endowment 613	Parks & Recreation Trust 643	Recreation Total
	See Page G-19	*See Page G-21*	*See Page G-22*	*See Page G-23*	
Beginning Available Balance	**$ 904,203**	**$ 149,923**	**$ -**	**$ 110,787**	**$ 1,164,913**
Revenues					
Recreation Programs	643,000	1,563,927	-	11,000	2,217,927
Facility Admission and Rentals	313,300	-	-	-	313,300
Community Centers	299,500	-	-	-	299,500
Other Revenue	900	-	-	1,500	2,400
	1,256,700	**1,563,927**	**-**	**12,500**	**2,833,127**
Expenditures					
Administration	1,265,198	-	-	-	1,265,198
Civic Auditorium	470,283	-	-	-	470,283
Community Centers	1,795,190	-	-	-	1,795,190
Pixie Woods	295,471	-	-	-	295,471
Programs - After School	3,090	-	-	-	3,090
Programs - Sports	808,777	-	-	-	808,777
Silver Lake Camp	-	-	-	-	-
Special Events	83,855	-	-	-	83,855
Program Costs	-	2,246,278	-	45,000	2,291,278
	4,721,864	**2,246,278**	**-**	**45,000**	**7,013,142**
Transfers					
Transfer In - General Fund	3,395,500	700,000	-	-	4,095,500
Transfer Out	-	-	-	-	-
	3,395,500	**700,000**	**-**	**-**	**4,095,500**
Net Annual Activity	**(69,664)**	**17,649**	**-**	**(32,500)**	**(84,515)**
Ending Available Balance	**$ 834,539**	**$ 167,572**	**$ -**	**$ 78,287**	**$ 1,080,398**

RECREATION FUND (044)

PROGRAM DESCRIPTION

- Recreation programs and facilities are enjoyed by thousands of Stockton residents and visitors every year.
- This fund is used to record the activities related to recreation facilities and programs that are funded by an allocation of the General Fund.
- Facility rentals and registration fees, donations, admissions, and the City's General Fund are used to support these programs.

KEY CONSIDERATIONS

The General Fund allocation to Recreation Fund remains at the FY 2014-15 level in accordance with the Strong Communities measure. The ordinance states that that General Fund allocation may not be at any level lower than FY 2014-15 unless there is a decrease in overall General Fund revenues, in which case the City Council may decrease support only to the level of the decrease in General Fund revenue. This maintenance of effort requirement is reviewed on an annual basis to determine if there should be any increase or decrease in General Fund support for the Recreation Fund.

Community Services Department
Recreation Services - 044
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 1,162,554**	**$ 939,452**	**$ 899,110**	**$ 904,203**
Revenues				
Recreation Programs	976,766	475,365	639,606	643,000
Facility Admission and Rentals	286,366	312,188	368,975	313,300
Community Centers	220,000	266,438	243,950	299,500
Other Revenue	7,888	16,852	915	900
	1,491,020	**1,070,843**	**1,253,446**	**1,256,700**
Expenditures				
Administration	1,080,763	951,111	1,104,436	1,265,198
Civic Auditorium	346,160	386,835	427,578	470,283
Community Centers	2,173,493	2,058,099	1,573,906	1,795,190
Pixie Woods	126,120	211,493	259,475	295,471
Programs - After School	462,718	65,734	74,744	3,090
Programs - Sports	723,102	844,313	1,113,410	808,777
Special Events	386,878	508,602	101,804	83,855
	5,299,234	**5,026,187**	**4,655,353**	**4,721,864**
Transfers				
Transfer In - General Fund	3,585,112	3,915,000	3,407,000	3,395,500
Transfer Out - Other	-	-	-	-
	3,585,112	**3,915,000**	**3,407,000**	**3,395,500**
Net Annual Activity	**(223,102)**	**(40,344)**	**5,093**	**(69,664)**
Ending Available Balance	**$ 939,452**	**$ 899,108**	**$ 904,203**	**$ 834,539**

Available Balance Calculation

Cash	
Accounts Receivable	$ 1,493,301
Current Liabilities	(594,191)
Encumbrances	
Ending Available Balance	$ 899,110

GOLF FUND (481)

PROGRAM DESCRIPTION

This fund tracks the financial activities related to the operation and maintenance of the Swenson and Van Buskirk municipal golf courses, which offer twenty-seven and eighteen holes of play, respectively. Kemper Sports Management, Inc. manages operations of the courses with funding from fees and a General Fund subsidy. The local golf market closely mirrors national trends which have indicated for some time that golf play is declining. Diminishing rounds and golf revenues nationwide have led to a steady stream of course closures all over the United States. Locally, this market decline has resulted in an increasing General Fund subsidy and an inability to make the necessary capital improvements to City golf courses.

KEY CONSIDERATIONS

The FY 2018-19 budget includes $700,000 from the General Fund to support the golf program. The Department is closely studying golf course operations and utilization for solutions to reduce dependence on the General Fund and scale the golf enterprise to a sustainable level of fiscal resources and community need. Significant deferred maintenance issues continue at both courses. The most pressing of those issues are the pond and pump system at Van Buskirk, fencing replacement and tree and debris removal.

Community Services Department
Golf - 481
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 143,203**	**$ 18,822**	**$ 56,984**	**$ 149,923**
Revenues				
Swenson Golf Course	1,069,628	991,374	1,152,400	1,120,693
Van Buskirk Golf Course	423,746	352,249	420,534	420,534
Other Revenues	16,035	18,264	22,700	22,700
	1,509,409	**1,361,887**	**1,595,634**	**1,563,927**
Expenditures				
Swenson Golf Course	1,355,341	1,344,180	1,379,890	1,340,384
Van Buskirk Golf Course	744,295	783,842	711,100	777,183
City Costs Contingency	38,030	45,703	111,705	128,711
Repairs and Maintenance	46,124	-	-	-
	2,183,790	**2,173,725**	**2,202,695**	**2,246,278**
Transfers				
Transfer In - General Fund	550,000	850,000	700,000	700,000
Transfer Out	-	-	-	-
	550,000	**850,000**	**700,000**	**700,000**
Net Annual Activity	**(124,381)**	**38,162**	**92,939**	**17,649**
Ending Available Balance	**$ 18,822**	**$ 56,984**	**$ 149,923**	**$ 167,572**

Available Balance Calculation

Current assets	$ 195,317
Current liabilities	(138,333)
Ending Available Balance	$ 56,984

Community Services Department
Arts Endowment - 613
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 25,463**	**$ 538**	**$ 538**	**$ -**
Revenues				
Investment Proceeds	-	-	-	-
	-	**-**	**-**	**-**
Expenditures				
Grants Awarded	24,925	-	538	
	24,925	**-**	**538**	**-**
Transfers				
Transfer In - Arts Commission (641)	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**(24,925)**	**-**	**(538)**	**-**
Ending Available Balance	**$ 538**	**$ 538**	**$ -**	**$ -**

Available Balance Calculation

Cash	$ 538
Ending Available Balance	$ 538

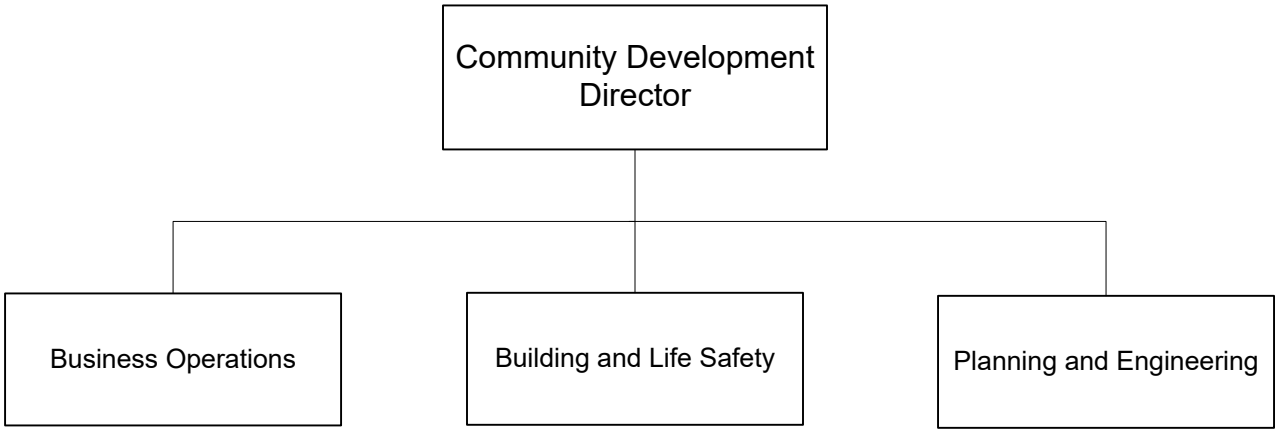
Community Services Department
Parks & Recreation Trust - 643
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 121,941**	**$ 131,889**	**$ 117,778**	**$ 110,787**
Revenues				
Donations	118	-	-	600
Program revenue	15,750	11,250	11,000	11,000
Investment Proceeds	505	1,398	900	900
	16,373	**12,648**	**11,900**	**12,500**
Expenditures				
Program costs	6,425	2,783	15,000	45,000
	6,425	**2,783**	**15,000**	**45,000**
Transfers				
Transfer In - General Fund	-	-	-	-
Transfer Out	-	(23,976)	(3,891)	-
	-	**(23,976)**	**(3,891)**	**-**
Net Annual Activity	**9,948**	**(14,111)**	**(6,991)**	**(32,500)**
Ending Available Balance	**$ 131,889**	**$ 117,778**	**$ 110,787**	**$ 78,287**

Available Balance Calculation	
Cash	$ 117,778
Accounts Receivable	
Accounts Payable	
Ending Available Balance	$ 117,778

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

TAB 8 COMMUNITY DEVELOPMENT



- Department Process Improvement Program
- Public Facilities Fees Programmatic Lead
- Technical and graphic support
- Implement development fees and charges
- Nexus studies
- Monthly construction valuation and permit reports
- Administrative support for boards and commissions:
  - Planning Commission
  - Development Oversight Commission
  - Climate Action Plan Advisory Committee
  - Cultural Heritage Board
  - Development Review and Architectural Review Committees
  - Building/Housing Board of Appeals
  - Handicapped Access Board of Appeals
- Mapping, graphics, data and other technical services
- Building Inspection scheduling
- Permit Tracking system management
- Cashier
- Stockton Economic Stimulus Program Compliance and Administration

- Building life/safety and fire plan checks
- Building life safety inspections
- Disabled Access Plan Check and inspections
- Flood Plain Management review and inspection
- Flood Community Rating System documentation and administration
- Mandatory enforcement:
  - State Health & Safety Code
  - State Business Code
  - Uniform Building Code
  - Federal Building Laws
  - California Energy and Green Building Code
  - Uniform Construction Codes
  - Locally adopted construction codes and standards
- Regulate:
  - Energy conservation
  - Handicapped access
  - Seismic safety
  - Fire and life safety
  - Demolition of structures
- Assist departments
  - Code Enforcement inspection & investigation
  - Fire damage inspection
  - Building Construction projects
- Prepare Stockton Municipal Code documentation
- Work without permit investigations with State Contractors Board
- Green Building
- Special inspections
- Pre-application advisory meetings
- Interface with the following entities:
  - PG&E
  - Army Corps of Engineers
  - Reclamation Districts
  - Cal Water
  - California State License Board
  - State Architect's Office

- Prepare, maintain and administer the General Plan
- Administer, enforce and maintain the Development Code
- Administer and enforce environmental regulations
- Implement and administer the State Subdivision Map Act
- Maintain computerized land use data file
- Conduct planning related studies
- Provide transportation planning services
- Flood Plain administration
- Coordinate historical/architectural preservation
- Review and approval of Master Development/ Specific Plans
- Review and approval of use permits
- Review and approval of maps and associated agreements
- Administer Climate Action Plan
- Green Building Code development
- Assist Economic Review Committee & Site Plan Review Committee
- Work with San Joaquin Partnership on future projects
- Pre-application advisory meetings
- Attend/monitor Delta Stewardship Council
- Provide transportation planning and engineering services
- Area of Benefit formation and administration
- Review utility master plans
- Administer/manage developer reimbursements
- Administer outsourced land surveying services
- Property/easement dedication
- Code enforcement research and interpretation
- Legislative Analysis

COMMUNITY DEVELOPMENT DEPARTMENT

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

COMMUNITY DEVELOPMENT DEPARTMENT

MISSION STATEMENT

To serve the public by providing courteous, effective, efficient and accurate planning and development services to ensure a safe community that enhances the quality of life for all residents of the City of Stockton.

Budget at a Glance:	
Total Revenues	$11,984,653
Total Expenditures	$11,689,140
Total Net Revenue	$295,513
Total Staff	43

DEPARTMENT DESCRIPTION

The Community Development Department is comprised of the Building and Life Safety Division, Planning and Engineering Division, and the Business Operations Division. The operational center of the department is at the City Permit Center. The purpose of the department is to:

- Plan for future growth, infrastructure needs, and service demands of the City.
- Review and process permit applications for development activities.
- Provide permit and life safety inspections of buildings, storage tanks, mechanical equipment lines and other structures.
- Provide emergency operations inspection services and action plan support.
- Coordinate floodplain management efforts.
- Assist in economic development, climate action planning, design review, historic building analysis, environmental impact review, and geographic information mapping and analysis.
- Serve as the Public Facilities Fees citywide programmatic lead.

The department supports the Planning Commission, Development Oversight Commission, Climate Action Plan Advisory Committee, Cultural Heritage Board, Building and Housing Board of Appeals, and the Handicap Access Board of Appeals. Community-based planning efforts are funded by intergovernmental grants and the General Fund. Development permitting is largely funded by user fees.

DEPARTMENT STRATEGIC WORK PLAN

The operative General Plan 2035 was completed in 2007. Stockton has dramatically changed since 2007 to the extent that the baseline conditions, reasoning, and vision of that plan are no longer applicable. The City Council continues to identify a revised General Plan as a strategic priority, and the department has begun the process to update it. This process includes a comprehensive update of the General Plan and the various other complimentary documents, public policies, and programs that stem from the General Plan. Additionally, the department will review the Capital Improvement Program, Stockton Municipal and Development Code, and development impact fees within the City Fee Schedule for potential revisions. The department entered into a contract to facilitate the 2040 General Plan completion goal, and it remains a top FY 2018-19 budget priority.

PRIOR YEAR ACCOMPLISHMENTS

The department made significant strides to improve its customer service at the permit center. Since the implementation of a cloud-based permit management system, the department has made continued adjustments over the past year to improve it. The department has also made significant efforts to develop in-house expertise on the system.

The department started to digitize permit records, plan sets, and convert microfiche/microfilms. The project is anticipated to be completed by the end of the year 2018. Electronic files are already delivered, indexed, setup and uploaded to the City's document management system for staff's ease of use.

Upgrades to plan checking staff hardware have enabled the successful soft roll-out of electronic plan checking. Several contractors and applicants have been taking advantage of this process improvement with positive feedback.

Other notable departmental actions for this year include: 1) Establish a queuing management system to improve customer service wait times in the Permit Center; 2) Advise other City departments to expand existing permitting capability to non-development functions; 3) Continue customer service and technical training of all staff.

The General Fund continues to contribute approximately $1 million to pay for general government expenses that are not directly related to development services. The ongoing contribution from the General Fund may be adjusted as future analysis is completed and work programs are mandated or refined.

KEY CONSIDERATIONS

Department Resources have been greatly extended this fiscal year. The department has experienced an significant growth in number of permits processed. As of April, 2017, the department processed 7,097 permits with a valuation of approximately $334 million thus far in FY 2017-18, compared to FY 2016-17 where there were 6,731 permits processed with a valuation of $306 million. Future projections continue an estimated increase in permit activity over the next three years based on planning projects in the pipeline. The budget includes five new positions and $1 million in professional services contract funding to fulfill those goals.

The new resources are vital to address the demands and for all of FY 2016-17 to maintain a sufficient level of service, meet customer service expectations of the department, fulfill proposed initiatives and implement the department's goals.

The schedule for revising the General Plan sets forth a 24 to 30 month effort to conduct the necessary technical analyses, environmental impact analysis and reporting, and workshop and hearing processes. Changes to the General Plan would be responsive to:

- The Economic Development Strategic Plan (February 2015).
- The 2008 Settlement Agreement with the State regarding alleged defects with General Plan 2035.

- The SB 375 Sustainable Communities Strategy goals for the region and how that impacts the City's Circulation Element and Housing Element of the General Plan.
- The AB 32 climate action planning policies and programs and how that impacts the General Plan.
- The SB 5 floodplain management regulations and related effects on the City's planning and building codes.
- The Downtown Area Plan focused on transit-oriented and mixed-use development opportunities.
- The production of baseline conditions for the preparation of a state-mandated Municipal Services Review to include the impact of the City's annexation policies and rules.

Flood Plain Management refers to the efforts to administer and operate Stockton's community flood program of corrective and preventative measures for reducing flood damage in compliance with the 100-year (National Flood Insurance Program) and 200-year State (SB 5 Urban Level of Flood Protection) programs. The SB 5 Urban Level of Flood Protection regulations went into full effect on July 1, 2016 and requires significant attention to the consideration of new development in Stockton. In addition to working with the recently expanded San Joaquin Area Flood Control Agency, the Federal Emergency Management Agency (FEMA) and other State agencies, the department will be active in achieving an improved Community Rating System score which helps to lower all citywide homeowner flood insurance rates.

Community Development Department
FY 2018-19 Annual Budget

	Development Services 048	Public Facilities Fee Administration 999	Total
	See Page H-7 (excludes Fire portion of fund)	*See Page H-8*	
Beginning Available Balance		**$ 946,794**	
Revenues			
Fees	10,569,653	385,000	10,954,653
Other Revenues	100,000	5,000	105,000
	10,669,653	**390,000**	**11,059,653**
Expenditures			
Operating Expense	11,473,309	215,831	11,689,140
	11,473,309	**215,831**	**11,689,140**
Transfers			
Transfer In - General Fund	925,000	-	925,000
Transfer Out	-	-	-
	925,000	**-**	**925,000**
Net Annual Activity	**121,344**	**174,169**	**295,513**
Ending Available Balance		**$ 1,120,963**	

Revenues	$ 11,059,653
Transfers	925,000
Total Sources	$ 11,984,653
Expenditures	$ 11,689,140
Transfers	-
Total Appropriations	$ 11,689,140

Community Development and Fire Departments - Combined
Development Services - 048
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 5,666,794**	**$ 8,439,076**	**$ 9,264,478**	**$ 10,291,255**
Revenues				
Community Development				
User Fees	5,583,396	6,492,570	8,193,928	9,005,336
Development Oversight	110,011	55,554	104,155	90,000
Technology Fee	326,578	347,330	461,241	503,008
Comm. Rating System Admin. Fee	88,047	96,336	101,231	100,000
General Plan Maint & Implementation	462,144	333,447	619,783	516,842
Development Code Maintenance	71,220	-	-	-
Climate Action Plan	71,220	-	-	-
Housing Element Prep/Impl/Maint	35,143	-	-	-
Capital Preservation	236,749	222,351	284,531	344,650
Fines & Penalties	-	6,334	20,914	9,817
Other Revenues	172,171	13,849	93,918	100,000
	7,156,679	7,567,771	9,879,701	10,669,653
Fire Prevention				
User Fees	2,378,431	2,216,031	2,265,152	2,677,391
Safe & Sane Fireworks Program	26,085	-	-	-
Fines & Penalties	72,242	55,994	61,997	62,015
Other Revenues	3,170	3,532	3,110	3,125
	2,479,928	2,275,557	2,330,259	2,742,531
	9,636,607	**9,843,328**	**12,209,960**	**13,412,184**
Expenditures				
Community Development				
Business Ops and Customer Service	1,930,049	2,788,252	3,198,284	3,286,879
Planning & Engineering Services	611,399	2,968,371	3,558,115	4,988,507
Building and Life Safety	1,486,322	1,779,994	2,882,254	3,197,923
Department restructuring	2,549,083	-	-	-
	6,576,853	7,536,617	9,638,653	11,473,309
Fire Prevention				
Fire Prevention	1,225,947	1,857,923	1,964,830	2,661,922
Fire Public Education	33,663	5,649	14,200	58,740
Safe & Sane Fireworks Program	27,862	31,237	-	-
	1,287,472	1,894,809	1,979,030	2,720,662
	7,864,325	**9,431,426**	**11,617,683**	**14,193,971**
Transfers				
Transfer In - General Fund	1,000,000	1,000,000	925,000	925,000
Transfer Out - CIP	-	(586,500)	(490,500)	-
	1,000,000	**413,500**	**434,500**	**925,000**
Net Annual Activity				
Community Development	1,579,826	444,654	675,548	121,344
Fire	1,192,456	380,748	351,229	21,869
	2,772,282	**825,402**	**1,026,777**	**143,213**
Ending Available Balance	**$ 8,439,076**	**$ 9,264,478**	**$ 10,291,255**	**$ 10,434,468**

Available Balance Calculation

Current Assets	$ 10,381,437
Current Liabilities	(1,116,959)
Encumbrances	-
Ending Available Balance	$ 9,264,478

(a) The total Development Services Fund - 048 is presented with the Community Development Department budget. The portion relating to Fire has also been included on page E-13.

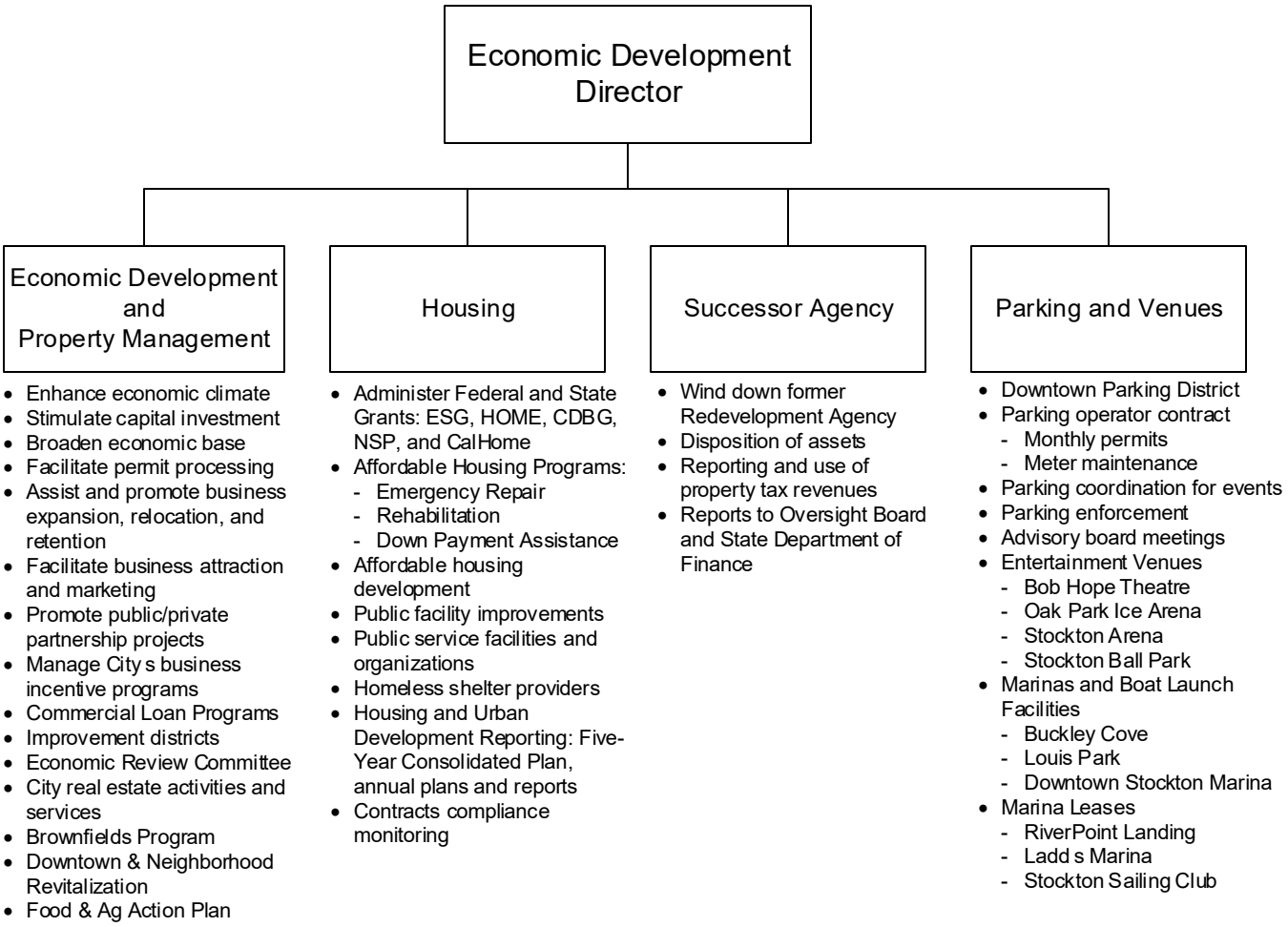
Community Development
Public Facilities Fee Administration - 999
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 190,828**	**$ 521,938**	**$ 706,456**	**$ 946,794**
Revenues				
Public Facilities Fee	422,242	275,608	384,423	385,000
Investment Proceeds	7,869	2,197	5,000	5,000
	430,111	**277,805**	**389,423**	**390,000**
Expenditures				
Operating Expenses	99,001	93,286	149,085	215,831
	99,001	**93,286**	**149,085**	**215,831**
Transfers				
Transfer In - General Fund	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**331,110**	**184,519**	**240,338**	**174,169**
Ending Available Balance	**$ 521,938**	**$ 706,457**	**$ 946,794**	**$ 1,120,963**

Available Balance Calculation

Cash	$ 709,513
Accounts Payable	(3,057)
Ending Available Balance	$ 706,456

TAB 9 ECONOMIC DEVELOPMENT



ECONOMIC DEVELOPMENT DEPARTMENT

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

ECONOMIC DEVELOPMENT DEPARTMENT

MISSION STATEMENT

To expand and diversify the City of Stockton's economic base; to provide real property services to City staff and efficient parking facilities downtown, and to facilitate the preservation and production of affordable housing.

Budget at a Glance:	
Total Revenues	$36,296,973
Expenditures	$41,671,557
Total Net Cost	$5,374,584
Total Staff	19

DEPARTMENT DESCRIPTION

The Economic Development Department is comprised of four divisions: Economic Development, Housing, Parking and Venues, and Successor Agency.

The Economic Development Division engages in activities that expand and diversify the City of Stockton's economic base to attract and retain businesses, assist with the creation of quality jobs, and to promote business and developments in Downtown Stockton to establish an economically sustainable community. The division works directly with businesses to facilitate business start-up or expansion within Stockton and interacts with resource providers, such as the San Joaquin Partnership, San Joaquin County WorkNet, San Joaquin Delta College Small Business Development Center, and chambers of commerce to connect those resources to local businesses. This division also supports the Miracle Mile, Downtown Stockton Alliance, and Tourism improvement districts, and is responsible for overseeing implementation of the Economic Development Strategic Plan. The division manages several Economic Development Incentive Programs including the Commercial Facade Improvement and Micro Loan, Commercial Emergency Grant, Downtown Financial Incentive, Non-Residential Fee Deferral, Office and Industrial Sales Tax Incentive, and Downtown Infill Infrastructure Incentive programs. In addition to economic development activities, this division provides property management and real estate support services to all departments. Additionally, the Economic Development Department will continue to manage and provide oversight of the Waterfront Office Towers buildings until the space planning, design, and improvements phases begin.

The Housing Division is responsible for administering several Federal and State grant programs. The division uses these funds to preserve and produce affordable and workforce housing, fund non-profit organizations that provide public services for low-income residents of the community, rehabilitate or construct public facilities, and assist the homeless. The Federal funds are also used to fund some economic development activities. The division works with a Community Development Committee that acts as an advisory board to the City Council and assists with the preparation of the Five-Year Consolidated and One-Year Action plans. The Committee also evaluates proposals from non-profit organizations requesting federal funds. The division is responsible for ensuring all of these activities meet State and Federal guidelines.

The Parking and Venues Division manages City parking facilities, entertainment venues, and marina/boat launching facilities. The division administers third-party contracts with operators who are responsible for daily operations at the Downtown Stockton Marina, Arena, Stockton Ballpark, Bob Hope Theatre, Oak Park Ice Rink, and parking in the Downtown Stockton area. This division is also responsible for the boat launching facilities located at Louis Park and Buckley Cove, in

addition to overseeing long-term leases for Ladd's and Riverpoint Marinas, and the Stockton Sailing Club. Parking compliance and enforcement services are also provided by this division.

The Successor Agency Division is responsible for winding down the activities of the former Stockton Redevelopment Agency. The Agency financed development activities in four targeted geographic "project areas," adopted between 1961 and 2009. Activities were financed through incremental property taxes earned on property value appreciation over and above the baseline valuations at the time of project area formation. Through the passage of State Assembly Bills x1 26 and 1484, all California redevelopment agencies were dissolved and replaced with successor agencies effective February 1, 2012. The City of Stockton elected to become the Successor Agency. An Oversight Board directs and/or approves actions of the Successor Agency.

DEPARTMENT STRATEGIC WORK PLAN

The Economic Development Department has been focused on several programs and initiatives that further the City and Council's goals, which are described in more detail below:

Economic Development: The City Council approved the Economic Development Strategic Plan in 2015 which outlines specific actions to expand employment and investment in core businesses and industries, as well as strengthen quality of life and foundational conditions. In addition to the Strategic Plan, a Food & Agriculture Action Plan was completed in July 2017 to leverage the region's agricultural resources and improve communities by helping to address food insecurity. A number of programs and initiatives have been completed or underway as a result of these plans, including:

- Partnering with Visit Stockton to host the first farm-to-table event in May 2018 at the Bob Hope Theatre featuring locally sourced food.
- Creating a new program to assist convenience stores in retrofitting their facilities so that they are able to offer fresh produce.
- Coordinating with Valley Vision to begin the process of exploring an Agriculture Ordinance for the City.
- Hosted an Ag Business Workshop to connect businesses with funding, exporting, and marketing resources.
- Finalized Purchase Option Agreements for Airport Way City-owned properties.

Housing: The City Council approved the FY 2017-18 Annual Action Plan allocating a total of approximately $7.6 million in Federal funds towards affordable housing programs and projects, emergency housing and shelters, economic development programs and other public services. Other Housing-related initiatives underway or approved include:

- A total of $1.66 million in Federal and Low-Income Housing funds were awarded to several affordable housing development projects in February 2018, including one that would create permanent housing for the homeless. Once completed, these projects combined would create an estimated 195 affordable housing units.
- Public Facilities Fees exemptions for new affordable housing projects constructed within the Stockton city limits (and not just limited to downtown).

- Residential Neighborhood Reinvestment program enabling new homeowners and investors to forgive City liens to renovate blighted properties.
- Adopted the Homeless Housing Mitigation Fund program

Successor Agency: The Successor Agency approved a Recognized Obligation Payment Schedule in January 2018 to utilize Redevelopment Property Tax Trust Funds (former Tax Increment) to meet the obligations of the former Redevelopment Agency. Funding for debt, administration, and City loan payments in excess of $5 million were included in the schedule. Twenty percent (20%) of the City loan payments must be used for affordable housing.

Parking and Venues: The centralized management of parking assets, marina assets, and entertainment venues continues to improve efficiencies in planning, parking, and coordination of the events, as well as improve business and customer services. In FY 2018-19, the Parking Authority is proposing to replace on-street parking meters, garage equipment, and parking enforcement equipment with innovative, parking technology. The implementation of this new technology will provide real time data regarding the day to day operations, tighter internal controls, improved enforcement efficiency, as well as better support options for downtown businesses. Beginning in FY 2017-18 and continuing into FY 2018-19, there will be additional improvements to the parking facilities, including LED lighting, interior painting, wayfinding and signage to better serve patrons of Downtown Stockton. These implementations will further improve operational efficiency in each of the parking and venues operations, and will also help to attract new and returning venue attendees, consumers, and business partners to Downtown Stockton and the surrounding areas.

PRIOR YEAR ACCOMPLISHMENTS

Some highlights of the Departments accomplishments in FY 2017-18 include:

- Assisted 32 new or expanding business, creating more than 400 new jobs in 2017.
- Facilitated the development of more than three million square feet of industrial space, including CT Realty/NorCal Logistics, Buzz Oates, Phelan Development, and Amazon which will result in thousands of new jobs once completed.
- Adopted a Short-term Fee Deferral Program.
- Completed a Food and Agriculture Action Plan and initiated an Economic Gardening Program.

In 2017, the Successor Agency received approval to repay approximately $1.8 million to the City for loans provided to the former Redevelopment Agency. Payments to the City's Community Development Block Grant and Capital Improvement funds totaled $1.7 million, and approximately $100,000 was repaid to the City's Parking and General Funds. From these payments, approximately $360,000 was used for affordable housing projects.

The Housing Division funded several single-family and multi-family projects. During the year 176 rental units were rehabilitated or constructed and rented to low income households at four complexes. In addition, 4,578 homeless people received housing and shelter with the City's Emergency Solutions Grant funds.

With the transition of the previous operator, the Stockton Downtown Marina experienced substantial operational clean up in FY 2017-18, including the removal of eight derelict or abandoned vessels, the issuance of a new wharfage contract, and extensive maintenance and repair on the lighting, fire monitoring system, sails, and gates.

The entertainment venues continued to see growth in number of events and attendees. A total of 220 events, and over 600,000 attendees are anticipated to visit the event venues combined by the end of FY 2017-18, which is an increase of 11% in events, and 25% in attendees as compared to FY 2016-17. Oak Park Ice Rink offered new programs including “Try Skating for Free” and “Try Hockey for Free” that allow children to try these sports at no cost. Over 257 kids participated in the program, with many moving into youth hockey and the “Learn to Skate” programs.

The City acquired the Waterfront Office Towers buildings in January 2018 to serve as the permanent City Hall.

KEY CONSIDERATIONS

Staff will continue to provide management and oversight of the Waterfront Office Towers buildings until space planning, design, and improvements phase begins. In addition, there is a need to continue review and analysis of future plans for the Historic City Hall Building.

In November 2016, the third-party operator for the Downtown Marina facility terminated their agreement to manage the Stockton Downtown Marina. In the interim, the Marina was under the direct operation of City staff, while a competitive bidding process for a new operator took place. A management contract naming SMG as the new Marina operator was approved by the City Council and executed in March 2018. The Marina operation will transition from City staff, to SMG, with full operational management by SMG beginning FY 2018-19.

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

Economic Development Department
FY 2018-19 Annual Budget

	General Fund 010	HUD/ Housing	Parking and Venues	Economic Development Total
	See Page I-8	*See Page I-10*	*See Page I-28*	
Beginning Available Balance		**$ 4,098,997**	**$ 4,262,134**	
Revenues				
Grants & Entitlements	-	6,482,436	-	6,482,436
Assessment & User Fees	-	-	7,513,155	7,513,155
Fines & Forfeitures	-	-	710,519	710,519
Other Revenue	142,049	-	5,473,702	5,615,751
	142,049	**6,482,436**	**13,697,376**	**20,321,861**
Expenditures				
Employee Services	276,530	-	-	276,530
Other Services	43,255	-	-	43,255
Materials and Supplies	3,000	-	-	3,000
Other Expenses	6,520	100,000	-	106,520
Loan Programs	-	5,996,185	-	5,996,185
Program Expense	-	903,311	14,328,226	15,231,537
Operating Expense	-	2,564,066	-	2,564,066
Economic Development	1,157,689	450,000	-	1,607,689
Debt Service	-	1,941,928	1,731,168	3,673,096
Capital Projects	-	-	2,040,000	2,040,000
	1,486,994	**11,955,490**	**18,099,394**	**31,541,878**
	-			
Transfers				
Transfer In - General Fund	-	-	3,547,000	3,547,000
Transfer In - Other Funds	-	3,335,882	9,092,230	12,428,112
Transfer Out	-	(464,686)	(9,664,993)	(10,129,679)
	-	**2,871,196**	**2,974,237**	**5,845,433**
Net Annual Activity	**(1,344,945)**	**(2,601,858)**	**(1,427,781)**	**(5,374,584)**
Ending Available Balance		**$ 1,497,139**	**$ 2,834,353**	

Revenues	$ 20,321,861
Transfers	15,975,112
Total Sources	$ 36,296,973
Expenditures	$ 31,541,878
Transfers	10,129,679
Total Appropriations	$ 41,671,557

Economic Development Department
General Fund - 010
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Total Economic Development Department				
Employee Services	$ 762,954	$ 738,193	$ 763,821	$ 932,297
Other Services	340,813	1,250,016	2,584,495	490,827
Materials and Supplies	6,974	6,365	4,800	6,000
Other Expenses	30,486	19,735	27,250	57,870
Total	$ 1,141,227	$ 2,014,309	$ 3,380,366	$ 1,486,994
Economic Development				
Employee Services	532,339	509,087	477,470	655,767
Other Services	279,028	1,127,486	2,451,183	447,572
Materials and Supplies	2,910	4,083	1,600	3,000
Other Expenses	26,818	19,681	21,250	51,350
Total	841,095	1,660,337	2,951,503	1,157,689
Asset Management				
Employee Services	230,615	229,106	286,351	276,530
Other Services	61,785	122,530	133,312	43,255
Materials and Supplies	4,064	2,282	3,200	3,000
Other Expenses	3,668	54	6,000	6,520
Total	300,132	353,972	428,863	329,305

Economic Development Department
Housing Division
FY 2018-19 Annual Budget

	Community Development Block Grants 052/054/062	Emergency Solutions Grant 057	HOME 058/059	Special Purpose CDBG Loan Program 053	CALHOME Loan 060
	See Page I-13	*See Page I-15*	*See Page I-17*	*See Page I-19*	*See Page I-21*
Beginning Available Balance	**$ 846,466**	**$ -**	**$ 111,497**	**$ 8,221**	**$ 239,070**
Revenues					
Entitlements	4,323,590	283,028	1,190,818	-	-
Loan Repayments	307,925	-	200,000	-	55,000
Other Revenue	2,075	-	-	1,500	-
	4,633,590	**283,028**	**1,390,818**	**1,500**	**55,000**
Expenditures					
Program Expenses	630,000	273,311	-	-	-
Operating Expenses	1,378,866	9,717	1,112,195	-	-
Debt Service - Section 108	1,941,928	-	-	-	-
CHDO Set-aside loan pool	-	-	100,000	-	-
Economic Development	450,000	-	-	-	-
Loan programs	2,091,538	-	178,623	-	294,070
	6,492,332	**283,028**	**1,390,818**	**-**	**294,070**
Transfers					
Transfer In	2,323,428	-	-	-	-
Transfer Out	(464,686)	-	-	-	-
	1,858,742	**-**	**-**	**-**	**-**
Net Annual Activity	**-**	**-**	**-**	**1,500**	**(239,070)**
Ending Available Balance	**$ 846,466**	**$ -**	**$ 111,497**	**$ 9,721**	**$ -**

Economic Development Department
Housing Division, Continued
FY 2018-19 Annual Budget

	State Housing Loan 061	Neighborhood Stabilization Program 063/064	Low/Mod Housing 329	Housing Total
	See Page I-22	*See Page I-25*	*See Page I-27*	
Beginning Available Balance	**$ 24,939**	**$ 293,537**	**$ 2,575,267**	**$ 4,098,997**
Revenues				
Entitlements	-	-	-	5,797,436
Loan Repayments	4,500	68,000	-	635,425
Other Revenue	-	-	46,000	49,575
	4,500	**68,000**	**46,000**	**6,482,436**
Expenditures				
Program Expenses	-	-	-	903,311
Operating Expenses	-	20,000	43,288	2,564,066
Debt Service - Section 108	-	-	-	1,941,928
CHDO Set-aside loan pool	-	-	-	100,000
Economic Development	-	-	-	450,000
Loan programs	-	48,000	3,383,954	5,996,185
	-	**68,000**	**3,427,242**	**11,955,490**
Transfers				
Transfer In	-	-	1,012,454	3,335,882
Transfer Out	-	-	-	(464,686)
	-	**-**	**1,012,454**	**2,871,196**
Net Annual Activity	**4,500**	**-**	**(2,368,788)**	**(2,601,858)**
Ending Available Balance	**$ 29,439**	**$ 293,537**	**$ 206,479**	**$ 1,497,139**

COMMUNITY DEVELOPMENT BLOCK GRANTS (052, 054, AND 062)

PROGRAM DESCRIPTION

The Community Development Block Grant (CDBG) Program is authorized under Title I of the Housing and Community Development Act of 1974, as amended. The program must primarily benefit low and moderate-income persons. The primary objective of the Act is the development of viable communities by providing decent housing, suitable living environment, and expanded economic opportunities. The City receives a formula based annual entitlement from the U.S. Department of Housing and Urban Development (HUD).

The City uses twenty percent of its annual grant entitlement and program income for administrative costs. The CDBG budget includes the following components:

- Program Delivery and Administration – costs attributed to CDBG projects including staff costs, reporting, and project costs.
- Housing Loan Pool – housing programs for low income households.
- Sub-Recipient Assistance – funds provided to local non-profit organizations for public services and projects.
- Economic Development Programs – programs to assist businesses, including the Commercial Façade and Micro-Business Loan programs.
- Debt Service – repayment of two federal Section 108 Loans used to partially fund projects such as Dean DeCarli Waterfront Square, Stockton Arena, Stockton Ballpark, and Downtown Stockton Marina.

In FY 2017-18 the CDBG entitlement decreased by 8% from the prior fiscal year. Two single family rehabilitation projects were completed or are underway and four Commercial Façade Loans were approved and are underway.

KEY CONSIDERATIONS

For FY 2018-19, the annual CDBG budget is based on the FY 2017-18 entitlement and includes estimated remaining prior years' grant entitlement funds, and estimated program income.

A key priority goal of City Council is to develop solutions that address housing infrastructure for the homeless. To help address this issue, the City awarded $300,000 of CDBG funds for permanent housing for the homeless household's project in FY 2017-18. The FY 2018-19 budget assumes $800,000 for homeless initiatives.

Housing Division
Community Development Block Grants - 052 - 054 - 062
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 1,215,967**	**$ 773,492**	**$ 740,662**	**$ 846,466**
Revenues				
CDBG Entitlement	3,218,742	3,214,448	2,768,942	4,323,590
Investment Proceeds	4,977	-	-	-
Loan Repayments	338,365	317,801	338,000	307,925
Other Revenue	3,511	48,024	700	2,075
	3,565,595	**3,580,273**	**3,107,642**	**4,633,590**
Expenditures				
Administration	628,658	632,723	446,000	1,077,092
Program Delivery	202,922	158,159	172,700	301,774
Debt Service - Section 108	1,860,746	1,892,299	1,918,659	1,941,928
Subrecipient Assistance	322,040	455,254	650,000	630,000
Housing Loan Pool	476,153	129,876	425,000	2,091,538
Economic Dev Program	287,547	126,646	200,000	450,000
Code Enforcement	230,004	216,717	-	-
Interest Paid to HUD	-	-	-	-
	4,008,070	**3,611,674**	**3,812,359**	**6,492,332**
Transfers				
Transfer In	-	-	810,521	2,323,428
Transfer Out		-	-	(464,686)
	-	**-**	**810,521**	**1,858,742**
Net Annual Activity	**(442,475)**	**(31,401)**	**105,804**	**-**
Ending Available Balance	**$ 773,492**	**$ 742,091**	**$ 846,466**	**$ 846,466**

Available Balance Calculation

Current Assets	$ 827,571
Current Liabilities	(86,909)
Ending Available Balance	**$ 740,662**

EMERGENCY SOLUTIONS GRANT (057)

PROGRAM DESCRIPTION

The City receives an annual federal entitlement of Emergency Solutions Grant (ESG) funds. ESG funds can be used for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and Homeless Management Information System; as well as administrative activities. The City's sub-recipients use ESG funds to operate homeless shelters and services and to provide rapid re-housing assistance. The City's ESG funding is fully committed each year to local homeless shelters, homeless service providers and a minor allocation to program administration.

The City can use up to 7.5% of its allocation for administrative activities. ESG funds are required to be matched 100% with other funding by the sub-recipient. The City has 180 days to obligate all funds, except for the amount for administrative costs. All ESG funds must be expended within 24 months after the U.S. Department of Housing and Urban Development (HUD) signs the grant agreement with the City.

In FY 2017-18, the City's annual entitlement increased 3% from the prior fiscal year. In addition, HUD awarded a one-time additional $607,521 in Supplemental ESG funds to serve people experiencing homelessness.

KEY CONSIDERATIONS

Currently, the City's annual ESG entitlement is unknown due to delays at the federal level, so the FY 2018-19 budget is based on the FY 2017-18 entitlement. The City will continue to use ESG funds to address the needs of the homeless community.

Housing Division
Emergency Solutions Grant - 057
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 21,098**	**$ -**	**$ 300**	**$ -**
Revenues				
ESG Entitlement	228,900	334,428	971,153	283,028
HPRP Grant	-	-	-	-
	228,900	**334,428**	**971,153**	**283,028**
Expenditures				
ESG Community Program Services	241,551	323,634	970,131	273,311
Administration	8,447	10,793	1,322	9,717
	249,998	**334,427**	**971,453**	**283,028**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**(21,098)**	**1**	**(300)**	**-**
Ending Available Balance	**$ -**	**$ 1**	**$ -**	**$ -**

Available Balance Calculation

Current Assets	$ 19,827
Current Liabilities	(19,827)
Due from HUD - ESG	300
Ending Available Balance	$ 300

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) FUND (058 AND 059)

PROGRAM DESCRIPTION

The federal HOME program was created by the National Housing Act of 1990, as amended. The objectives of the HOME Program are to provide decent affordable housing to lower-income households; strengthen the ability of state and local governments to provide housing; and leverage private-sector participation. The City uses HOME monies to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. It is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

The City's HOME budget includes the following components:

- Program Delivery and Administration - Includes the general costs associated with the administration and oversight of the HOME Program. Ten percent of its annual entitlement plus program income received can be used toward administrative costs.
- Community Housing Development Organization Set-Aside – HUD regulations require that 15% of the City's HOME allocation be reserved for community-based organizations that develop affordable housing.
- Housing Loan Fund – housing programs for low income households including single-family rehabilitation, down payment assistance, and multi-family residential projects.

KEY CONSIDERATIONS

For FY 2018-19, the City's amount of the annual HOME entitlement is unknown due to a delay in Federal budgeting. The budget is based on the City's FY 2017-18 entitlement and includes estimated entitlement and program income.

Based on the Council's strategic priorities, in 2017 the City issued a Notice of Funding Availability of approximately $1.6 million of affordable housing funds to provide gap financing for new construction and rehabilitation activities that will result in the provision of housing affordable to households with incomes at or below 80 percent of the Area Median Income.

Housing Division
HOME - 058/059
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 311,809**	**$ 223,736**	**$ 111,497**	**$ 111,497**
Revenues				
HOME Entitlement	413,274	2,241,531	209,800	1,190,818
Loan Repayments	301,605	140,734	257,000	200,000
Investment Proceeds	1,097	-	-	-
	715,976	**2,382,265**	**466,800**	**1,390,818**
Expenditures				
Administration	77,668	91,150	14,200	139,082
CHDO Set-aside loan pool	9,847	63,481	32,600	100,000
Housing Loan Programs	643,480	137,547	170,000	178,623
Program Delivery	73,054	2,202,326	250,000	973,113
Loan Forgiveness	-	-	-	-
	804,049	**2,494,504**	**466,800**	**1,390,818**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**(88,073)**	**(112,239)**	**-**	**-**
Ending Available Balance	**$ 223,736**	**$ 111,497**	**$ 111,497**	**$ 111,497**

Available Balance Calculation	
Current Assets	$ 124,125
Current Liabilities	(12,628)
Encumbrances	-
Due from HUD	-
Ending Available Balance	$ 111,497

SPECIAL PURPOSE CDBG LOAN PROGRAMS FUND (053)

PROGRAM DESCRIPTION

This fund was established to manage one-time Community Development Block Grant (CDBG) special purpose grants and loans. Federal U.S. Department of Housing and Urban Development entitlements such as Economic Development Initiative, Brownfields Economic Development Initiative (BEDI) and CDBG-R have moved through this fund in previous years.

KEY CONSIDERATIONS

In FY 2015-16, the City received its final reimbursement of $1.1 million in BEDI funds which were transferred back to the General Fund in FY 2016-17.

No additional activity is planned for this fund.

Housing Division
Special Purpose CDBG Loan Programs - 053
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 2,606,046**	**$ 1,089,716**	**$ 4,221**	**$ 8,221**
Revenues				
EDI Grant Funds	-	-	-	-
BEDI Grant Funds	-	-	-	-
CDBG-R Grant 2009-10	-	-	-	-
Investment Proceeds	1,893	1,563	4,000	1,500
	1,893	**1,563**	**4,000**	**1,500**
Expenditures				
CDBG-R Expenditures	-	-	-	-
	-	**-**	**-**	**-**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	(1,086,000)	-	-
	-	**(1,086,000)**	**-**	**-**
Net Annual Activity	**1,893**	**(1,084,437)**	**4,000**	**1,500**
Ending Available Balance	**$ 2,607,939**	**$ 5,279**	**$ 8,221**	**$ 9,721**

Available Balance Calculation

Current Assets	$ 1,524,171
Cash with Fiscal Agent	(1,261,275)
Section 108 Debt Reserve	(258,675)
Ending Available Balance	$ 4,221

STATE OF CALIFORNIA FUNDING
CAL HOME (060) / HELP (061)

PROGRAM DESCRIPTION

In prior fiscal years, the City received approximately $1.1 million in State HELP funding, fully expended it, and the debt to the State of California was paid in full in FY 2010-11.

The City received approximately $1.5 million in State CalHOME funding in prior fiscal years, and fully spent all grant funds. CalHOME funding may be used for single-family rehabilitation projects and down payment assistance to benefit low and moderate-income persons and families.

The City continues to recycle program income from housing loan repayments under both HELP and CalHOME back into additional low and moderate-income housing loans.

KEY CONSIDERATIONS

CalHOME program income will be used to fund down payment assistance or rehabilitation loans.

Housing Division
CALHOME Loan - 060
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 203,084**	**$ 338,641**	**$ 109,070**	**$ 239,070**
Revenues				
CalHome Loan Program	290,666	-	-	-
Loan Repayments	37,343	59,966	130,000	55,000
Other Revenues	700	-	-	-
Investment Proceeds	1,452	-	-	-
	330,161	**59,966**	**130,000**	**55,000**
Expenditures				
Housing Loan Programs	194,604	289,537	-	294,070
	194,604	**289,537**	**-**	**294,070**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**135,557**	**(229,571)**	**130,000**	**(239,070)**
Ending Available Balance	**$ 338,641**	**$ 109,070**	**$ 239,070**	**$ -**

Available Balance Calculation	
Current Assets	$ 109,070
Current Liabilities	-
Ending Available Balance	$ 109,070

Housing Division
State Housing Loan (HELP) - 061
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 7,162**	**$ 13,984**	**$ 20,439**	**$ 24,939**
Revenues				
HELP Loan Repayments	6,775	6,455	4,500	4,500
Investment Proceeds	47	-	-	-
	6,822	**6,455**	**4,500**	**4,500**
Expenditures				
Housing Loan Programs	-	-	-	-
	-	**-**	**-**	**-**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**6,822**	**6,455**	**4,500**	**4,500**
Ending Available Balance	**$ 13,984**	**$ 20,439**	**$ 24,939**	**$ 29,439**

Available Balance Calculation	
Current Assets	$ 20,439
Current Liabilities	-
Ending Available Balance	$ 20,439

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

NEIGHBORHOOD STABILIZATION GRANT (063 AND 064)

PROGRAM DESCRIPTION

The City was awarded $16.3 million of Neighborhood Stabilization Program Grant (NSP) funding in 2009 and 2011. The City used those funds to acquire 107 foreclosed homes, rehabilitate them, and sell them to qualified low and moderate-income buyers. Five rehabilitated apartment complexes have been completed and are providing 119 units for low income households. These rental projects utilized HOME and NSP funds. 25% of NSP funding is required to be used for households with incomes below 50% of Area Median Income.

KEY CONSIDERATIONS

The City has fully committed all of its NSP funds. Remaining projects include: Dream Creek, a single-family home ownership project, and Hunter Street Apartments, a 72-unit multi-family rental project. These projects were underway in FY 2017-18.

Housing Division
Neighborhood Stabilization Program - 063
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 92,463**	**$ -**	**$ 186,357**	**$ 257,357**
Revenues				
NSP Entitlement	429,843	(6,961)	249,405	-
Loan Repayments	98,537	22,952	71,000	53,000
	528,380	**15,991**	**320,405**	**53,000**
Expenditures				
Administration	51,876	15,842	2,405	15,000
Program Delivery	7,118	150	-	-
Housing Loan Programs	561,849	-	247,000	38,000
	620,843	**15,992**	**249,405**	**53,000**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**(92,463)**	**(1)**	**71,000**	**-**
Ending Available Balance	**$ -**	**$ (1)**	**$ 257,357**	**$ 257,357**

Available Balance Calculation	
Current Assets	$ 710
Current Liabilities	(710)
Available Grant Funds	186,357
Ending Available Balance	$ 186,357

Housing Division
Neighborhood Stabilization Program #3 - 064
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 480,598**	**$ -**	**$ -**	**$ 36,180**
Revenues				
NSP Entitlement	72,540	681,396	37,000	-
Investment Proceeds	1,931	-	-	-
Loan Repayments	215,760	-	-	15,000
	290,231	**681,396**	**37,000**	**15,000**
Expenditures				
Administration	72,142	15,713	820	5,000
Program Delivery	3,085	9,935	-	-
Housing Loan Programs	695,602	655,749	-	10,000
	770,829	**681,397**	**820**	**15,000**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**(480,598)**	**(1)**	**36,180**	**-**
Ending Available Balance	**$ -**	**$ (1)**	**$ 36,180**	**$ 36,180**

Available Balance Calculation	
Current Assets	$ (6)
Current Liabilities	6
Ending Available Balance	$ -

Economic Development Department
Low & Moderate Income Housing - 329
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 2,991,140**	**$ 3,218,570**	**$ 1,782,598**	**$ 2,575,267**
Revenues				
Investment Proceeds	107,080	85,295	40,000	45,000
Other Revenues	1,000	4,155	3,000	1,000
	108,080	**89,450**	**43,000**	**46,000**
Expenditures				
Administration	-	6,902	2,450	43,288
Housing Loan Programs	1,047,926	1,725,000	225,000	3,383,954
Capital projects	-	-	-	-
	1,047,926	**1,731,902**	**227,450**	**3,427,242**
Transfers				
Transfer In - GF and Other	-	-	359,257	1,012,454
Transfer In - 20% Set-Aside	4,101,444	-	617,862	-
Transfer Out - Debt Fund	(2,934,168)	-	-	-
Transfer Out	-	-	-	-
	1,167,276	**-**	**977,119**	**1,012,454**
Net Annual Activity	**227,430**	**(1,642,452)**	**792,669**	**(2,368,788)**
Ending Available Balance	**$ 3,218,570**	**$ 1,576,118**	**$ 2,575,267**	**$ 206,479**

Available Balance Calculation

Current Assets	$ 1,782,598
Current Liabilities	-
Encumbrances	-
Ending Available Balance	$ 1,782,598

Economic Development Department
Parking and Venues
FY 2018-19 Annual Budget

	Boat Launching 045	Tourism and Business Improvement 073	Entertainment Venues 086
	See Page I-31	*See Page I-32*	*See Page I-35*
Beginning Available Balance	**$ 693,050**	**$ 125,289**	**$ 661,194**
Revenues			
Taxes/Assessments	-	1,676,220	-
User Fees	190,842	-	-
Fines & Forfeitures	-	-	-
Rent	-	-	-
Other Revenue	5,932	-	5,349,906
	196,774	**1,676,220**	**5,349,906**
Expenditures			
Operating Expenses	136,827	1,676,220	8,310,974
Debt Service	-	-	-
Capital Improvement	-	-	880,000
	136,827	**1,676,220**	**9,190,974**
Transfers			
Transfer In - General Fund	-	-	3,285,000
Transfer In - Other Funds	-	-	-
Transfer Out	-	-	-
	-	**-**	**3,285,000**
Net Annual Activity	**59,947**	**-**	**(556,068)**
Ending Available Balance	**$ 752,997**	**$ 125,289**	**$ 105,126**

Economic Development Department
Parking and Venues, Continued
FY 2018-19 Annual Budget

	Parking Authority 418/419	Marina 460	Parking and Venues Total
	See Page I-37	*See Page I-39*	
Beginning Available Balance	**$ 2,395,308**	**$ 387,293**	**$ 4,262,134**
Revenues			
Taxes/Assessments	1,188,272	-	2,864,492
User Fees	4,153,760	304,061	4,648,663
Fines & Forfeitures	710,519	-	710,519
Rent	-	-	-
Other Revenue	117,864	-	5,473,702
	6,170,415	**304,061**	**13,697,376**
Expenditures			
Operating Expenses	3,486,753	717,452	14,328,226
Debt Service	1,731,168	-	1,731,168
Capital Improvement	1,160,000	-	2,040,000
	6,377,921	**717,452**	**18,099,394**
Transfers			
Transfer In - General Fund	-	262,000	3,547,000
Transfer In - Other Funds	9,092,230	-	9,092,230
Transfer Out	(9,664,993)	-	(9,664,993)
	(572,763)	**262,000**	**2,974,237**
Net Annual Activity	**(780,269)**	**(151,391)**	**(1,427,781)**
Ending Available Balance	**$ 1,615,039**	**$ 235,902**	**$ 2,834,353**

BOAT LAUNCHING FACILITIES FUND (045)

PROGRAM DESCRIPTION

The City maintains boat launching facilities at Louis Park and Buckley Cove. A third boat launching facility, Morelli Park, can be found in the Downtown Stockton Marina Fund which is operated by a third party in unison with the Downtown Marina. This Fund receives launching fees collected from vehicles that launch boats at Buckley Cove. Expenditures from the fund provide dock and landscape maintenance at Louis Park and Buckley Cove and cover security services/fee collection personnel. When sufficiently accumulated, the fund balance will be utilized to dredge Buckley Cove, dock infrastructure improvements, traffic control devices, and parking lot maintenance and landscaping.

KEY CONSIDERATIONS

Launching fees are expected to increase slightly in FY 2018-19 due to improved control of the hyacinth in the waterways and increases in boat launching and park usage. A minimal increase to expenses is also anticipated for FY 2018-19 to support wage increases for ongoing security.

Parking and Venues
Boat Launching Facilities - 045
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 494,545**	**$ 568,058**	**$ 624,835**	**$ 693,050**
Revenues				
Boat Launching Fees	152,301	157,914	187,048	190,842
Investment Proceeds	2,658	6,833	2,500	2,500
Reimbursements	3,481	3,431	3,432	3,432
	158,440	**168,178**	**192,980**	**196,774**
Expenditures				
Salaries & Benefits	1,665	2,925	3,387	4,800
Utilities	7,951	2,020	3,600	3,600
Maintenance & Repair	-	7,558	21,770	24,600
Security Contractor	65,818	87,377	85,325	93,150
Materials & Supplies	309	1,149	1,000	1,500
Other Expenses	9,184	10,372	9,683	9,177
	84,927	**111,401**	**124,765**	**136,827**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**73,513**	**56,777**	**68,215**	**59,947**
Ending Available Balance	**$ 568,058**	**$ 624,835**	**$ 693,050**	**$ 752,997**

Available Balance Calculation	
Current Assets	$ 633,284
Current Liabilities	(8,449)
Ending Available Balance	$ 624,835

Parking and Venues
Tourism and Business Improvement Fund - 073
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 442,972**	**$ 112,067**	**$ 125,289**	**$ 125,289**
Revenues				
Taxes/Assessments				
Tourism Business Improvement	1,325,968	1,461,425	1,596,400	1,676,220
Investment Proceeds	2,260	1,401	-	-
Other Revenues	-	-	-	-
	1,328,228	**1,462,826**	**1,596,400**	**1,676,220**
Expenditures				
Pass-Through				
TBID - Convention & Visitors	1,629,507	1,416,918	1,548,508	1,625,933
Administration	29,626	32,686	47,892	50,287
	1,659,133	**1,449,604**	**1,596,400**	**1,676,220**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**(330,905)**	**13,222**	**-**	**-**
Ending Available Balance	**$ 112,067**	**$ 125,289**	**$ 125,289**	**$ 125,289**

Available Balance Calculation

Current Assets	$ 132,016
Current Liabilities	(6,727)
Ending Available Balance	$ 125,289

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

ENTERTAINMENT VENUES FUND (086)

PROGRAM DESCRIPTION

The City owns four specialty sports and entertainment venues; the 12,000 seat Stockton Arena, 5,000 seat Stockton Ballpark, 2,042 seat Bob Hope Theatre, and Oak Park Ice Rink. These venues are managed by SMG, a worldwide entertainment and convention venue management corporation, pursuant to a contract approved by Council in 2011. SMG develops an annual operating budget and capital repair and improvement plan budget as part of its Annual Report, which is submitted to the City each year. The Entertainment Venues Fund budget represents the SMG operating fund, direct City expenditures, and an allocation for maintenance repairs and improvements. The venues continue to require a subsidy from the General Fund.

KEY CONSIDERATIONS

The FY 2018-19 subsidy of approximately $3.4 million will remain flat to the previous three year's allocation and includes planned maintenance projects. The venues' operating revenue estimate includes a projected 17% increase, based on increasing trends in event bookings and attendance at the Arena and Bob Hope Theatre. Due to growing demand for ice time and concession sales, Oak Park Ice Rink is also anticipated to experience increased revenue. The venues' operating expenditure budget is anticipated to increase overall by 9%, largely due to the state mandatory minimum wage increase, increases in ancillary services and supplies, and continuing building/systems preventative maintenance and repairs.

An estimated 400,000 people will attend 220 events at the Bob Hope Theatre and Stockton Arena in FY 2018-19. Additionally, an estimated 170,000 people will attend games or events at the Ballpark and approximately 30,000 people will visit the Ice Rink. Attendance at events will continue to provide positive exposure to the City, and direct and indirect benefits to the community through increased economic activity, hotel stays, and local tax proceeds. Finally, FY 2018-19 includes the addition of the Stockton Kings as a new tenant of the Stockton Arena. The Stockton Kinds are a professional basketball team of the NBA G League, owned and operated by the Sacramento Kings. The Arena will be host to the Stockton Kings' 25 regular season home games.

Parking and Venues
Entertainment Venues - 086
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ (444,914)**	**$ (380,950)**	**$ 217,874**	**$ 661,194**
Revenues				
Operations:				
Stockton Arena	2,267,767	2,695,673	2,857,502	3,426,208
Bob Hope Theatre	647,344	640,618	882,812	1,052,638
Oak Park Ice Arena	405,252	415,686	439,964	506,060
Ballpark	456,780	352,160	385,467	365,000
Other Revenue	(211,491)	50,279	448,000	-
	3,565,652	**4,154,416**	**5,013,745**	**5,349,906**
Expenditures				
Operations:				
Stockton Arena	4,207,417	4,627,109	4,847,030	5,204,670
Bob Hope Theatre	914,450	890,751	1,036,423	1,294,362
Oak Park Ice Arena	680,495	682,933	706,555	765,076
Ballpark	901,168	821,272	816,743	876,046
Administration	159,733	112,814	153,674	170,820
Facility Maint. & Equipment	129,461	327,461	455,000	880,000
Capital Reserve	-	-	-	-
	6,992,724	**7,462,340**	**8,015,425**	**9,190,974**
Transfers				
Transfer In - General Fund	3,445,000	3,445,000	3,445,000	3,285,000
Transfer In - Other	46,036	-	-	-
Transfer Out	-	-	-	-
	3,491,036	**3,445,000**	**3,445,000**	**3,285,000**
Net Annual Activity	**63,964**	**137,076**	**443,320**	**(556,068)**
Ending Available Balance	**$ (380,950)**	**$ (243,874)**	**$ 661,194**	**$ 105,126**

Available Balance Calculation

Current Assets	$ 1,149,292
Current Liabilities	(931,418)
Encumbrances	-
Ending Available Balance	$ 217,874

PARKING AUTHORITY FUND (418 AND 419)

PROGRAM DESCRIPTION

This fund maintains and operates the downtown parking garages, lots, and meters; and parking compliance. Prior to FY 2014-15 all downtown event parking was provided through the Central Parking Division. In FY 2013-14 the City Council established a Parking Authority to oversee the City's parking programs within the Downtown Parking District. In FY 2014-15, the Parking Authority approved an agreement with SP Plus Corporation to operate and manage the parking facilities within the District. In August 2015, the Department assumed parking enforcement responsibilities.

KEY CONSIDERATIONS

Due to ongoing parking meter theft, parking revenues experienced a drastic reduction in FY 2017-18. Over the course of a year, nearly 1,400 parking meters were stolen, resulting in an approximate $700,000 deficit to on-street, hourly, and monthly parking revenue. Significant capital investment from this Fund is planned for early FY 2018-19, which will include the purchase and installation of new parking technology. Pay-by-plate machines are proposed to replace meters on the street, and license plate recognition technology is proposed for some of the downtown parking garages and enforcement vehicles. The implementation of this new technology will not only provide real-time data regarding the day-to-day operations, it will also allow for tighter internal controls and improved enforcement efficiency.

The Fund will see minimal changes to the parking administrative and operating budgets. FY 2018-19 revenues are budgeted to increase by 8%, primarily due to increases in special event parking revenue, and anticipated replacement of on-street payment machines. FY 2018-19 expenses for are budgeted to increase by 5%, based on the state-mandated increase in the minimum wage.

In FY 2018-19, an opportunity exists for the City to pay off debt and save approximately $2.0 million. The Parking Authority fund could borrow from internal service fund reserves for workers compensation claims projected to be paid more than ten years in the future and use that cash to pay off existing debt with interest rates over 4%. The Parking Authority fund would then make scheduled loan payments to the Workers Compensation fund at a 2% rate, which is what the City’s investments have historically yielded.

Parking and Venues
Parking Authority - 418/419
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance (a)	**$ 751,337**	**$ 2,314,389**	**$ 2,791,307**	**$ 2,395,308**
Revenues				
Investment Proceeds	43,814	1,082	-	-
Assessments	1,238,709	1,292,249	1,263,483	1,188,272
Operating Revenue/Fees	4,279,026	4,209,788	3,553,463	4,153,760
Parking Citations/Fines	556,037	777,981	686,964	710,519
Reimbursements	21,839	24,005	11,593	11,941
Other Revenues	114,297	129,132	176,896	105,923
	6,253,722	**6,434,237**	**5,692,399**	**6,170,415**
Expenditures				
Administration	533,785	703,670	680,786	617,108
Other Services	280,201	264,328	271,415	105,570
Parking Operations	1,844,746	1,819,860	1,753,037	1,931,292
Management Fee	168,949	172,329	175,776	179,292
Parking Enforcement	462,415	639,339	518,413	653,491
Debt Service	1,420,393	1,420,599	1,425,106	1,731,168
Parking Improvements	73,722	27,100	400,000	1,160,000
Capital Improvements	-	-	-	-
	4,784,211	**5,047,225**	**5,224,533**	**6,377,921**
Transfers				
Transfer In - General Fund	1,000,000	-	-	-
Transfer In - Successor Agency	-	-	63,787	177,230
Transfer In - Workers' Comp Loan	-	-	-	8,915,000
Transfer Out - SEB Debt	(906,459)	(910,094)	(914,894)	(9,629,547)
Transfer Out - Low/Mod Housing	-	-	(12,758)	(35,446)
	93,541	**(910,094)**	**(863,865)**	**(572,763)**
Net Annual Activity	**1,563,052**	**476,918**	**(395,999)**	**(780,269)**
Ending Available Balance	**$ 2,314,389**	**$ 2,791,307**	**$ 2,395,308**	**$ 1,615,039**

Available Balance Calculation

Current Assets	$ 3,484,969
Current Liabilities	(693,662)
Capital Projects	-
Ending Available Balance	$ 2,791,307

(a) Beginning balance from close out of Central Parking District 416/417 fund.

DOWNTOWN MARINA COMPLEX FUND (460)

PROGRAM DESCRIPTION

This fund operates, maintains, and services the debt for the Downtown Stockton Marina. The Marina has been in operation for nine years providing permanent slips and short-term berthing as well as management of the Morelli Park Boat launch. The Downtown Marina continues to require a subsidy from the General Fund.

In FY 2009-10, the City approved an agreement with Westrec, a third-party operator, to manage and operate the Stockton Downtown Marina. In November 2016, Westrec terminated its operating agreement with the City, causing the Marina operation to be provided directly by City staff until the contract could be re-bid. On March 20, 2018, Council approved awarding the contract to SMG.

KEY CONSIDERATIONS

Revenues for FY 2018-19 are budgeted to increase by 61% primarily due to the presence of a dedicated Marina operator and addition of a sundry shop. SMG will be able to devote more resources and effort to event related promotions for guest docking and monthly patrons. Expenses for FY 2018-19 are budgeted to increase by 27% to support a full staff of Marina employees, including a full-time Marina Manager, as well as additional marketing and promotional efforts.

The General Fund subsidy will be increased to $262,000 to address maintenance and safety concerns, such as increased security, electrical parts and repairs, dock access system replacement, and a new operator management fee.

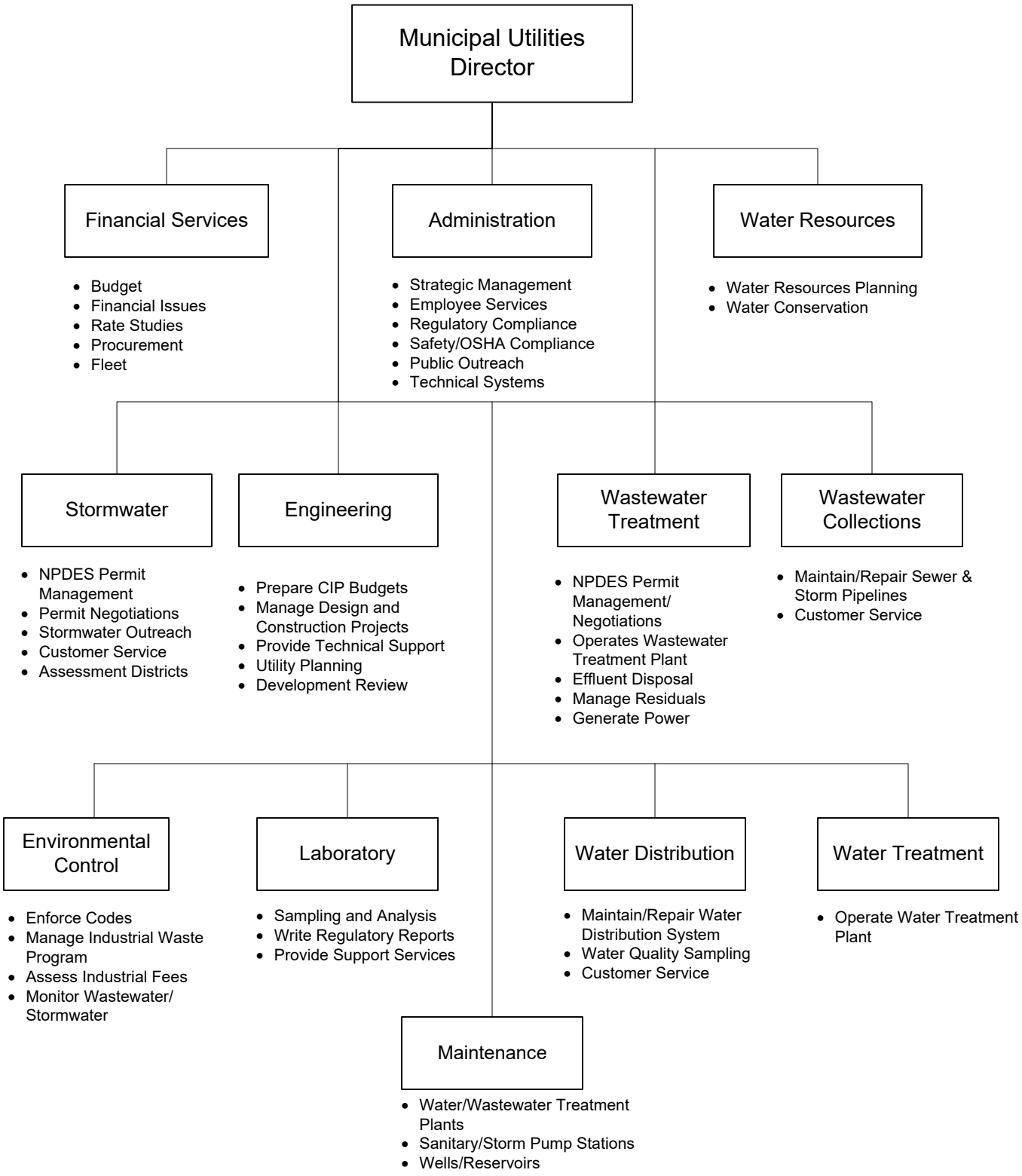
Parking and Venues
Downtown Marina Complex - 460
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 223,491**	**$ 317,885**	**$ 371,817**	**$ 387,293**
Revenues				
User Fees	239,909	305,460	288,424	304,061
Investment Proceeds	5,253	726	-	-
	245,162	**306,186**	**288,424**	**304,061**
Expenditures				
Administration	2,467	26,377	80,575	27,700
Operating Costs	317,305	424,532	404,373	539,752
Management Contract	45,996	21,345	-	50,000
Capital Projects	-	-	-	100,000
	365,768	**472,254**	**484,948**	**717,452**
Transfers				
Transfer In - General Fund	215,000	220,000	212,000	262,000
Transfer Out	-	-	-	-
	215,000	**220,000**	**212,000**	**262,000**
Net Annual Activity	**94,394**	**53,932**	**15,476**	**(151,391)**
Ending Available Balance	**$ 317,885**	**$ 371,817**	**$ 387,293**	**$ 235,902**

Available Balance Calculation	
Current Assets	$ 438,484
Current Liabilities	(66,667)
Encumbrances	-
Ending Available Balance	$ 371,817

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

TAB 10 UTILITIES



MUNICIPAL UTILITIES

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

MUNICIPAL UTILITIES DEPARTMENT

MISSION STATEMENT

The Municipal Utilities Department mission is to provide high-quality drinking water on demand; collect, treat, and dispose of wastewater; and collect and dispose of stormwater, all in accordance with applicable regulations and responsible business practices.

Budget at a Glance:	
Total Revenues	$131,726,232
Total Expenditures	$136,030,719
Total Net Cost	$4,304,487
Total Staff	217

DEPARTMENT DESCRIPTION

The Municipal Utilities Department (MUD) is comprised of the Water, Wastewater, and Stormwater Enterprises, which are regulated for the protection of public health, the environment, and supported by user fees restricted to the specific Utility. For operational efficiency, the department includes 12 divisions that operate, maintain, and support the Enterprises. Additionally, the Enterprises are managed to recognize the independent financial structure and regulatory requirements unique to each.

The Water Utility provides drinking water service to approximately 55% of the Stockton Metropolitan Area, with the California Water Service Company and San Joaquin County serving the remaining 45%. The Delta Water Supply Treatment Plant began operation in May 2012, providing up to 30 million gallons per day of treated surface water from the Sacramento/San Joaquin Delta and Mokelumne River. Stockton's other water supply is derived from a water supply agreement with the Stockton East Water District and 21 groundwater wells. The Water Utility maintains a water transmission and distribution system that includes eight reservoirs, 590 miles of pipeline, 48,000 water meters and 7,000 fire hydrants. The Water Utility also provides long term water resources planning and supports a water conservation program.

The Wastewater Utility features a collection system of approximately 900 miles of gravity sewer main, 554 miles of lower lateral pipe, 27 pump stations, and 30 miles of pressurized force main that route sewage to the Regional Wastewater Control Facility. The system collects sewage from many properties within the City, special districts outside the City, and certain areas within San Joaquin County. The Facility has a 55 million gallon per day advanced treatment capacity and is located on nearly 700 acres in the southwestern portion of the City, adjacent to the San Joaquin River. On average, the Facility treats 30 million gallons of wastewater daily and discharges into the San Joaquin River, under a National Pollutant Discharge Elimination System permit.

The Stormwater Utility consists of 74 pump stations, over 600 miles of pipeline, and 22,500 drain inlets that route stormwater from city streets into local basins and waterways. Regular system maintenance is necessary to prevent flooding from storm runoff. The Stormwater Utility is also responsible for oversight and compliance with the City's National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System permit, which requires extensive water quality monitoring and public outreach programs to promote pollution prevention in the San Joaquin Delta.

DEPARTMENT STRATEGIC WORK PLAN

An important FY 2018-19 priority is the Regional Wastewater Control Facility (RWCF) Modifications Project to improve wastewater treatment processes. The RWCF upgrades and improvements were identified in the 2011 Capital Improvement and Energy Management Plan (CIEMP) and are necessary to meet treated wastewater discharge limits stipulated by the Central Valley Regional Water Quality Control Board. The project has been progressing steadily, with 25% design plans currently under review. The design incorporates upgrades to achieve treated wastewater limits by June 1, 2024. Biosolids and energy production are not part of the current RWCF Modifications Project but have been identified as future phases of the CIEMP.

Additionally, in FY 2018-19, the Wastewater Utility intends to contract for a comprehensive rate analysis to evaluate the level of revenue necessary to fully support the Utility. The City completed the last wastewater rate study in 2009, and this effort is not only timely but also meets the Council Strategic Goal for Fiscal Sustainability.

Also, in 2015, the State Water Resources Control Board (State Water Board) adopted a statewide Trash Provision Order to address the beneficial uses of our surface waters. The water quality objective established by the Trash Provisions serves as a water quality standard, federally mandated under the Clean Water Act section 303(c), and the federal regulations (33 U.S.C.§ 1312, 40 C.F.R. § 131.) The City of Stockton does not currently have a funding mechanism in place to meet the Trash Provision Order. In 2017, the City of Stockton Stormwater Division conducted a Trash Amendment Compliance and Planning Level Cost Analysis, which found that significant additional funding over the next 20 years is necessary to maintain compliance with the Order. For background, the City attempted a Proposition 218 ballot measure in 2010 to approve a new Clean Water fee that would supplement the current fee. The rate study prepared for the Proposition 218 ballot determined the Utility was under-funded by approximately $9 million a year. The ballot measure failed, and the new Clean Water fee was not implemented. The possibility of advancing another ballot measure in FY 2018-19 to provide needed funding for this Utility is currently under review. This effort too meets the Council Strategic Goal for Fiscal Sustainability. The Department is committed to ensuring the City meets water quality objectives to protect public health and the environment.

PRIOR YEAR ACCOMPLISHMENTS

Engineering:

- Prepared Cogeneration Engine #1 and #4 overhaul bid documents, selected a contractor and managed the engine and generator rebuild project.
- Designed and managed the construction of biotower #4 and #5 arm replacements.
- Completed contract negotiations for the following projects:
  - Delta Water Supply Project – Intake Pump Station Repair and Improvements.
  - Storm and Sanitary Sewer Pump Stations and Force Mains Cathodic Protection Improvements.
  - Water Service Lateral Replacements.
  - Harding Way and Wilson Way Storm Sewer Pump Station Improvements.

Maintenance:

Main Plant

- Replaced the floor and rails in Primary Sedimentation Basin #1.
- Added a clutch drive system to Primary Sedimentation Basin #7.
- Completed Gaseous to Liquid Hypochlorite Disinfection System.
- Replaced Chlorine Contact Channel safety net.

Pump Stations

- Significant sanitary sewer overflow due to failed pump at 14 Mile Sanitary Pump Station avoided.
- Completed Legion Storm Pump station rebuild.
- Completed Eighth Street Storm engine rebuild.
- Completed Cumberland isolation valve replacement.
- Completed two isolation valve replacements at North Pump Station.
- Completed Quail Lakes engine rebuild.

Delta Water Treatment Plant

- Replaced valves on membrane skids.
- Rebuilt one Flocculation/Sedimentation sludge collector system.
- Replaced Ozone IGBT circuit board.
- Redesigned the river intake log boom attachment system.

Stormwater Collections:

- Met the Storm Water Coalition Settlement Agreement requirement to clean and inspect 1,000 direct discharge catch basins.
- Installed a pilot “Full capture” storm water screen on Lower Sacramento Road prior to the entrance of the lift station to test effectiveness and assess the maintenance needed with a full capture device.
- Cleaned more than 50% of the Storm Water pump stations.
- Inspected 2,556 catch basins and stenciled 1,649 catch basins.
- Repaired the Buena Vista Storm Pump station 24” discharge pipe.

Stormwater:

- Completed a Trash Amendment Compliance and Planning Level Cost Analysis to comply with the Trash Amendment implementation.
- Met regulatory deadline for the full capture system equivalency selection, in compliance with the Trash Amendment.
- Complied with the Stormwater Coalition Settlement Agreement.
- Revised commercial inspection process to better align program outputs to National Pollutant Discharge Elimination System (NPDES) permit requirements.
- Revised industrial inspection process to better align program outputs to NPDES permit requirements.

Wastewater Collections:

- Conducted efficient collection system routine maintenance resulting in a nearly 50% decrease in sanitary sewer overflows over the last year. At the end of calendar year 2017, there were 66 overflows, compared to 110 in 2016.
- Corrosion and odor control projects in the industrial area of System 8 (Pock Ln.) and System 3 (Sanguinetti pump station). Staff is continuing to study dosing at Swenson Park (North pump station) to control corrosion and odors emanating from the northern portion of the City. A study and proposal to dose downstream of North pump station is complete and a Purchase Order to acquire all the equipment and chemicals is currently in progress.
- Completed the biennial internal audit of the FY 2016-2020 Sewer System Management Plan.
- Completed the first phase of a root control project and will soon have the contractor performing follow-up CCTV inspection to verify the effectiveness of their work.
- The Collection System Asset Management and Master Plan for the City’s Gravity Sanitary Sewer Collection System, executed by HDR, is nearing completion. The final report is being completed and expected to transition to the MUD Engineering Division to generate Capital Improvement Projects (CIP). The project will serve as a management tool, not only for making immediate repairs and/or replacement decisions but also for future CIP projects to rehabilitate gravity sewers.

Wastewater Operations:

- Replaced several chemical storage and delivery tanks to improve dosing management and storage capacity.
- Carried out a new treatment process pilot test to remove excess sludge from the treatment ponds.
- Implemented a regulatory reporting responsibilities transition program as part of succession planning.
- Laboratory staff has been attending workshops and informational seminars on the new Unregulated Contaminant Monitoring Rule 4 compliance regulations. This training has been in advance of the new lab protocols expected from the State.

Water Resources:

- Revised the Stockton Municipal Code to be compliant with the State Water Resources Control Board order related to water conservation.
- The City has elected and joined the Sustainable Groundwater Management Act Joint Powers Authority for the Eastern San Joaquin Groundwater Sub-Basin.

KEY CONSIDERATIONS

Key considerations for the Municipal Utilities Department Enterprises are addressed in the following sections for each utility.

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

Utilities
FY 2018-19 Annual Budget

	Water 421-427	Wastewater 431-438	Stormwater 441/447	Storm Districts 074	Utilities Total
	See Page J-11	*See Page J-13*	*See Page J-15*	*See Page J-17*	
Beginning Available Balance	**$ 35,269,804**	**$ 62,077,948**	**$ 4,994,290**	**$ 2,610,103**	**$ 104,952,145**
Revenues					
User Services	48,557,218	65,972,366	5,525,550	316,298	120,371,432
Connection Fees	2,127,700	2,005,211	-	-	4,132,911
Storm Drain Districts	-	-	84,500	-	84,500
Fines and Penalties	1,046,410	1,348,657	-	-	2,395,067
Investment Proceeds	413,453	253,130	33,395	7,908	707,886
Build America Bond Rebate	3,781,434	-	-	-	3,781,434
Rate Stabilization Deposit	-	-	-	-	-
Other Revenue	9,948	117,093	118,749	-	245,790
	55,936,163	**69,696,457**	**5,762,194**	**324,206**	**131,719,020**
Expenditures					
Administration	3,296,877	5,523,437	3,277,426	-	12,097,740
Customer Service	840,233	2,858,397	380,930	-	4,079,560
Operations and Maintenance	13,235,730	42,218,541	2,749,638	346,502	58,550,411
Water Treatment	303,280	-	-	-	303,280
Water Conservation	191,787	-	-	-	191,787
Purchased Water	10,700,000	-	-	-	10,700,000
Debt Service	21,157,304	6,497,200	-	-	27,654,504
Capital Projects	1,105,418	20,546,624	801,395	-	22,453,437
	50,830,629	**77,644,199**	**7,209,389**	**346,502**	**136,030,719**
Transfers					
Transfer In	-	-	-	7,212	7,212
Transfer Out	-	-	-	-	-
	-	**-**	**-**	**7,212**	**7,212**
Net Annual Activity	**5,105,534**	**(7,947,742)**	**(1,447,195)**	**(15,084)**	**(4,304,487)**
Ending Available Balance	**$ 40,375,338**	**$ 54,130,206**	**$ 3,547,095**	**$ 2,595,019**	**$ 100,647,658**

Revenues	$ 131,719,020
Transfers	7,212
Total Sources	$ 131,726,232
Expenditures	$ 136,030,719
Transfers	-
Total Appropriations	$ 136,030,719

WATER ENTERPRISE FUND (421, 423-427)

PROGRAM DESCRIPTION

The Water Enterprise Fund supports the operation and maintenance of the City's Water Utility. In addition to water user rate fees, developer impact fees fund the capital improvement program.

KEY CONSIDERATIONS

Beginning in 2016 the City implemented a water rate increase of 38.5% over a 5-year period. The first increase of 18.5% was implemented on August 1, 2016; the second, of 11%, was effective July 1, 2017 and the third, of 3%, will become effective July 1, 2018.

As part of the water rate increases, Council adopted the use and implementation of the Drought Surcharge, an additional per unit charge that may be added to consumption charge rates and activated by a declared water reduction due to conservation efforts. Updating the Drought Surcharge each time the water rates are revised maintained the sufficient revenue levels necessary to fund the operating and capital needs of the Water Utility during times of drought and reduced consumption levels.

Since the State's declaration of a drought emergency, the Water Utility had seen a 28% decline, on average, in water consumption throughout its service area, due to significant water conservation efforts. However, in FY 2017-18, water consumption grew 12% in comparison with FY 2016-17, resulting in an increase in revenue. Due to the increase in revenue in FY 2017-18 and higher consumption projections for FY 2018-19, the City is suspending the Drought Surcharge.

Properly and adequately funding capital improvement needs for renewal and replacement projects is a key component in developing the water revenue requirement. As existing infrastructure needs replacement, the Utility is making continual investments to maintain the integrity of the facilities. Although capital improvements are limited, the FY 2018-19 budget proposes to initiate the first year of funding for Delta Water Treatment Plant membrane filter replacement over a seven-year period, at which point the cycle will begin again, accounting for annual depreciation.

Continued changes in water use requirements from the State of California create uncertainty in expected customer water use and corresponding Water Enterprise revenue.

Utilities
Water - 421/423/424/425/426/427
FY 2018-19 Annual Budget

	FY 2015-16 Actual *	FY 2016-17 Actual *	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 134,751,408**	**$ 126,186,105**	**$ 26,358,448**	**$ 35,269,804**
Revenues				
User Services Fees	32,542,168	41,516,568	49,993,134	48,557,218
% increase	*-5%*	*28%*	*54%*	*17%*
Connection Fees	1,298,336	1,349,565	2,127,700	2,127,700
Fines and Penalties	670,810	781,828	1,015,932	1,046,410
Investment Proceeds	1,175,374	(14,985)	379,790	413,453
Federal Build America Bond Grant	3,776,328	3,889,251	3,886,930	3,781,434
Rate Stabilization Deposit	2,155,539	-	-	-
Other Revenue	63,828	9,733	9,948	9,948
	41,682,383	**47,531,960**	**57,413,434**	**55,936,163**
Expenditures				
Administration	2,310,320	2,279,780	2,641,148	3,296,877
Customer Service	837,393	927,133	902,401	840,233
Operations and Maintenance	10,734,896	10,138,299	12,118,594	13,235,730
Water Treatment	403,629	220,653	278,449	303,280
Water Conservation	204,025	116,089	232,376	191,787
Purchased Water	8,441,509	7,699,278	8,469,206	10,700,000
Debt Service	17,104,215	16,802,898	21,505,904	21,157,304
Capital Projects	446,432	365,857	2,354,000	1,105,418
	40,482,419	**38,549,987**	**48,502,078**	**50,830,629**
Transfers				
Transfer In	-	-	-	-
Transfer Out	(2,246,613)	-	-	-
	(2,246,613)	**-**	**-**	**-**
Net Annual Activity	**(1,046,649)**	**8,981,973**	**8,911,356**	**5,105,534**
Non-Current Transactions	7,518,654	4,336,095	-	-
Prior Period Adjustment	-	1,975,012	-	-
Ending Available Balance	**$ 126,186,105**	**$ 132,806,995**	**$ 35,269,804**	**$ 40,375,338**

Available Balance Calculation

Current Assets	$ 45,693,697
Current Liabilities	(11,217,674)
Encumbrances	(285,538)
Capital Appropriations	(7,832,037)
Ending Available Balance	$ 26,358,448

* Ending Available Balance amounts are presented in GAAP.

WASTEWATER ENTERPRISE FUND (431, 433, 434, 435, 437, 438)

PROGRAM DESCRIPTION

The Wastewater Enterprise Funds supports the operation and maintenance of the City's Wastewater Utility. The Utility is supported by user fees, restricted to the Wastewater Utility use only.

KEY CONSIDERATIONS

A Consumer Price Index rate adjustment was not implemented in FY 2017-18, and there will be no rate increase again in FY 2018-19. The Wastewater Utility has commenced a comprehensive rate study to evaluate the level of revenue necessary to fully support the Utility. The study is expected to be completed in FY 2018-19.

The RWCF Modifications Project, being delivered under a Progressive Design-Build contract, is currently in process to improve the wastewater treatment processes. Currently, 25% of the design plans are under review. The design incorporates upgrades mandated by the Central Valley Regional Water Quality Control Board for new nitrate discharge limits. The upgrades are required to be in effect by June 1, 2024.

As mentioned in the Department Strategic Work Plan, biosolids and energy production are not part of the Progressive Design-Build contract but need to be evaluated to meet changing regulations and improved process. The FY 2018-19 budget includes funding for a consultant to compare current biosolid management and energy production and use with regulatory changes to land application; removing Fats, Oils, and Grease from the primary treatment process; and managing increased energy production with the upgraded treatment processes.

The completion of the Asset Management Plan for the City's Gravity Sanitary Sewer Collection System will serve as a management tool not only for making immediate repairs and/or replacement decisions but also for future capital improvement program projects to the City's Sanitary Sewer Collection System. Considerations for funding those improvements will be part of the comprehensive rate study.

Utilities
Wastewater - 431/433/434/435/437/438
FY 2018-19 Annual Budget

	FY 2015-16 Actual *	FY 2016-17 Actual *	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 261,378,527**	**$ 274,775,911**	**$ 57,781,415**	**$ 62,077,948**
Revenues				
User Services Fees	67,354,883	65,287,997	65,972,366	65,972,366
% increase	*4%*	*-3%*	*-2%*	*1%*
Connection Fees	2,263,463	1,609,994	2,002,211	2,005,211
Fines and Penalties	1,376,764	1,376,898	1,348,658	1,348,657
Investment Proceeds	1,330,339	147,950	274,380	253,130
Other Revenue	206,541	167,740	117,096	117,093
	72,531,990	**68,590,579**	**69,714,711**	**69,696,457**
Expenditures				
Administration	3,320,812	3,642,797	4,010,268	5,523,437
Customer Service	2,527,646	2,552,949	2,884,677	2,858,397
Operations and Maintenance	35,366,506	28,049,354	42,023,814	42,218,541
Debt Service	2,698,827	2,571,177	6,488,167	6,497,200
Capital Projects	3,773,942	5,785,245	12,250,435	20,546,624
	47,687,733	**42,601,522**	**67,657,361**	**77,644,199**
Transfers				
Transfer In - District Funds	-	-	2,239,183	-
Transfer Out	(469,393)	(814,290)	-	-
	(469,393)	**(814,290)**	**2,239,183**	**-**
Net Annual Activity	**24,374,864**	**25,174,767**	**4,296,533**	**(7,947,742)**
Non-Current Transactions	10,977,480	7,936,529	-	-
Prior Period Adjustment	-	4,421,328	-	-
Ending Available Balance	**$ 274,775,911**	**$ 296,435,477**	**$ 62,077,948**	**$ 54,130,206**

Available Balance Calculation

Current Assets	$ 98,742,923
Current Liabilities	(6,714,230)
Encumbrances	(7,453,298)
Capital Appropriations	(26,793,980)
Ending Available Balance	$ 57,781,415

* Ending Available Balance amounts are presented in GAAP.

STORMWATER ENTERPRISE FUND (441, 447)

PROGRAM DESCRIPTION

The Stormwater Enterprise Funds supports the operation and maintenance of the City's Stormwater Utility. The Stormwater Utility is supported by user fees which are restricted for Stormwater Utility use only.

KEY CONSIDERATIONS

The Stormwater Utility is funded by a fee that was implemented in 1992. As a result, the Stormwater Enterprise Fund has been under-funded for a number of years. As described in the Department Strategic Work Plan, the City attempted a Proposition 218 ballot measure in 2010 to approve a new Clean Water fee that would supplement the current fee. The rate study prepared for the Proposition 218 ballot determined the Utility was under-funded by approximately $9 million a year. The ballot measure failed, and the new user fee was not implemented. The possibility of advancing another ballot measure in FY 2018-19 to provide needed funding for this Utility is currently under review.

As stated, the current fee is insufficient to fund the operations and maintenance needs of the City's aging stormwater and flood control system. Additionally, the Central Valley Regional Water Quality Control Board issued a new Interim Municipal Separate Storm Sewer System NPDES Permit in 2015 that imposes additional requirements on the Stormwater Utility. Significant cuts in operation and maintenance activities have been implemented to stay within the available budget. Insufficient funding to maintain the City's aging infrastructure increases the potential for system failures and deterioration, such as flooding during heavy rain events, among other impacts. In FY 2018-19, significant infrastructure improvement projects continue to be on hold pending necessary funding. However, emergency infrastructure repairs and costs due to vandalism are being completed, resulting in reduced funding for operations and maintenance activities.

As mentioned in the Department Strategic Work Plan, the State Water Resources Control Board (State Water Board) adopted statewide Trash Provisions in 2015 to protect beneficial uses of our surface waters. The water quality objective established by the Trash Provisions serves as a water quality standard, federally mandated under the Clean Water Act section 303(c), and the federal regulations (33 U.S.C.§ 1312, 40 C.F.R. § 131.) The City of Stockton does not currently have a funding mechanism in place to meet the Trash Provision Order. In 2017, the City of Stockton Stormwater Division conducted a Trash Amendment Compliance and Planning Level Cost Analysis, which found that significant additional funding over the next 20 years is necessary to maintain compliance with the Order. The MUD is committed to ensuring the City meets water quality objectives to protect public health and the environment.

Utilities
Stormwater - 441/447
FY 2018-19 Annual Budget

	FY 2015-16 Actual *	FY 2016-17 Actual *	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 49,593,279**	**$ 48,663,437**	**$ 4,833,740**	**$ 4,994,290**
Revenues				
User Services	5,548,552	5,430,117	5,525,550	5,525,550
% increase	*2%*	*-2%*	*0%*	*2%*
Admin Fee Storm Drain Districts	-	84,500	84,500	84,500
Agency Reimbursements	24,033	104,045	18,849	118,749
Investment Proceeds	99,185	4,647	32,381	33,395
	5,671,770	**5,623,309**	**5,661,280**	**5,762,194**
Expenditures				
Administration	2,261,992	2,094,630	2,583,383	3,277,426
Customer Service	359,357	382,792	398,825	380,930
Operations and Maintenance	2,046,838	2,107,272	2,939,690	2,749,638
Capital Projects	377,400	450,157	879,800	801,395
	5,045,587	**5,034,851**	**6,801,698**	**7,209,389**
Transfers				
Transfer In - District Funds	-	-	1,300,968	-
Transfer Out	(1,103)	-	-	-
	(1,103)	**-**	**1,300,968**	**-**
Net Annual Activity	**625,080**	**588,458**	**160,550**	**(1,447,195)**
Non-Current Transactions	1,554,922	248,383	-	-
Prior Period Adjustment	-	484,217	-	-
Ending Available Balance	**$ 48,663,437**	**$ 49,487,729**	**$ 4,994,290**	**$ 3,547,095**

Available Balance Calculation

Current Assets	$ 6,831,703
Current Liabilities	(312,803)
Encumbrances	48,658
Capital Appropriations	(1,733,818)
Ending Available Balance	$ 4,833,740

* Ending Available Balance amounts are presented in GAAP.

CONSOLIDATED STORM DRAIN MAINTENANCE DISTRICT AND 5 STORM DRAINAGE BASIN DISTRICTS (074)

PROGRAM DESCRIPTION

The Storm Drainage Maintenance Assessment Special Districts were formed under the Municipal Improvement Act of 1913, Division 12 of the California Streets and Highways Code, and the Stockton Improvement Procedure Code. They are managed by the Municipal Utilities Department. The Districts provide for the maintenance and operation of capital improvements that impart a special benefit to a designated area, including stormwater quality treatment and/or flood control.

The Special Districts require an annual Engineer's Report to identify the budgets, changes to boundaries and assessments for each parcel contained within each District. The budgets for each District include engineering fees for the preparation of the annual Engineer's Report and tax rolls; attorney's fees; estimated costs of maintenance work to the device(s) ; City administrative costs; County costs to collect the assessments on the tax rolls; replacement reserve costs; and contingency fees. City administrative costs include staff salary expenses to oversee the annual Engineer's Report and tax rolls, maintenance service contracts, coordinate device inspections and maintenance schedules, as well as District finances management. The assessments are approved by a separate public hearing process.

Prior to FY 2014-15, Special Districts were accounted for in Fund 072, along with the Landscape Maintenance Assessment Districts in the Public Works Department budget.

KEY CONSIDERATIONS

The contract for basin maintenance services for storm drainage maintenance assessment districts runs through FY 2019-20, with two possible one-year extensions.

The budgets include the individually-approved budgets for the Consolidated Storm Drain Maintenance District and each of the 5 Storm Drainage Basin Districts. Specific details of the budgets and assessments for each District can be found in the approved Engineer's Reports, which are on file with the City Clerk.

The Public Hearing and approval of the Engineer's Reports and Assessment Rolls will be presented to City Council in June 2018. There will be no increase to the assessments in FY 2018-19.

Utilities
Storm Drain Maintenance District - 074
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 2,292,202**	**$ 2,434,694**	**$ 2,630,172**	**$ 2,610,103**
Revenues				
Assessments	324,566	340,128	316,298	316,298
Investment Proceeds	42,657	4,597	7,323	7,908
	367,223	**344,725**	**323,621**	**324,206**
Expenditures				
Miscellaneous expenditures	224,731	149,247	350,902	346,502
Capital projects	-	-	-	-
	224,731	**149,247**	**350,902**	**346,502**
Transfers				
Transfer In	-	-	7,212	7,212
Transfer Out	-	-	-	-
	-	**-**	**7,212**	**7,212**
Net Annual Activity	**142,492**	**195,478**	**(20,069)**	**(15,084)**
Ending Available Balance	**$ 2,434,694**	**$ 2,630,172**	**$ 2,610,103**	**$ 2,595,019**

Available Balance Calculation

Current Assets	$ 2,632,425
Current Liabilities	(2,253)
Encumbrances	-
Ending Available Balance	$ 2,630,172

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

TAB 11 ADMINISTRATION & SUPPORT

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

Administration and Support
FY 2018-19 Annual Budget

	Charter Offices	Administrative Services		Human Resources	
	City Council, Manager, Clerk, Attorney, Auditor 010	General Fund 010	Office Equipment Internal Service 505	General Fund 010	Insurance and Benefits Internal Service 541-562
	See Page K-23	*See Page K-28*	*See Page N-17*	*See Page K-34*	*See Page N-19*
Beginning Available Balance			**$ 1,428,706**		**$ 42,901,660**
Revenues					
Operating Revenues	-	-	366,000	-	92,523,308
Other Revenue	8,540	118,137	-	9,600	16,997,457
	8,540	**118,137**	**366,000**	**9,600**	**109,520,765**
Expenditures					
Employee Services	3,792,937	4,113,401	-	1,413,255	-
Other Services	1,394,694	1,172,593	-	698,809	-
Materials and Supplies	83,817	98,150	-	19,419	-
Capital Outlay	-	-	-	-	-
Debt Service	-	-	-	-	-
Other Expenses	113,400	55,100	399,931	212,915	112,936,356
	5,384,848	**5,439,244**	**399,931**	**2,344,398**	**112,936,356**
	-	-		-	
Transfers					
Transfer In - General Fund	-	-	-	-	-
Transfer In - Other Funds	-	-	-	-	-
Transfer Out - Other Funds	-	-	-	-	(12,397,423)
	-	**-**	**-**	**-**	**(12,397,423)**
Net Annual Activity	**(5,376,308)**	**(5,321,107)**	**(33,931)**	**(2,334,798)**	**(15,813,014)**
Ending Available Balance			**$ 1,394,775**		**$ 27,088,646**

Summary by Department

	Charter Offices	Administrative Services	Human Resources
Revenues	$ 8,540	$ 484,137	$ 109,530,365
Transfers	-	-	-
Total Sources	$ 8,540	$ 484,137	$ 109,530,365
Expenditures	$ 5,384,848	$ 5,839,175	$ 115,280,754
Transfers	-	-	12,397,423
Total Appropriations	$ 5,384,848	$ 5,839,175	$ 127,678,177

	Information Technology Internal Service 502-504	Non-Departmental General Fund 010	Non-Departmental Other Special Programs 020/627/642	Administration & Support Total
	See Page N-11	*See Page K-46*	*See Page K-48*	
Beginning Available Balance	**$ 16,267,356**		**$ 1,090,736**	
Revenues				
Operating Revenues	17,005,129	-	1,413,508	111,307,945
Other Revenue	70,000	-	110,400	17,314,134
	17,075,129	**-**	**1,523,908**	**128,622,079**
Expenditures				
Employee Services	-	1,644,564	771,632	11,735,789
Other Services	-	5,428,247	166,876	8,861,219
Materials and Supplies	-	77,102	-	278,488
Capital Outlay	3,750,400	-	475,000	4,225,400
Debt Service	-	-	-	-
Other Expenses	14,847,522	(173,729)	124,117	128,515,612
	18,597,922	**6,976,184**	**1,537,625**	**153,616,508**
		-		
Transfers				
Transfer In - General Fund	-	-	-	-
Transfer In - Other Funds	-	-	-	-
Transfer Out - Other Funds	-	(17,748,610)	(333,000)	(30,479,033)
	-	**(17,748,610)**	**(333,000)**	**(30,479,033)**
Net Annual Activity	**(1,522,793)**	**(24,724,794)**	**(346,717)**	**(55,473,462)**
Ending Available Balance	**$ 14,744,563**		**$ 744,019**	

Summary by Department

	Information Technology	Non-Departmental
Revenues	$ 17,075,129	$ 1,523,908
Transfers	-	-
Total Sources	$ 17,075,129	$ 1,523,908
Expenditures	$ 18,597,922	$ 8,513,809
Transfers	-	18,081,610
Total Appropriations	$ 18,597,922	$ 26,595,419

	Administration & Support
Expenditures	$ 153,616,508
Transfers	30,479,033
Total Appropriations	$ 184,095,541
Appropriation by Function	
Administration	$ 32,166,343
Insurance and Benefits	125,333,779
Non-Departmental	26,595,419
	$ 184,095,541

OFFICE OF THE CITY COUNCIL

MISSION STATEMENT

The mission of the City Council is to serve the community by providing innovative, courteous and responsive service; promoting economic opportunity; enhancing the quality of life for its citizens; and building a better Stockton for future generations.

Budget at a Glance:	
Total Revenues	$0
Total Expenditures	$748,996
Total Net Cost	$748,996
Total Staff	10

DEPARTMENT DESCRIPTION

The City Council is the policy-setting body that initiates, studies, discusses, holds public hearings on, and decides various civic issues affecting the citizens of Stockton, based on facts gathered, represented, and citizen input. The Council hires and supervises four officers: City Attorney, City Auditor, City Clerk and City Manager.

DEPARTMENT STRATEGIC WORK PLAN

A key function of the City Council as the policy-setting body for the City is to establish strategic priorities. The City Council developed a strategic work plan including Strategic Targets and Priority Goals as outlined in the budget document. The City Council receives regular reports from the City Manager related to progress toward implementation of the strategic work plan.

PRIOR YEAR ACCOMPLISHMENTS

Important citywide accomplishments in support of the City Council strategic workplan include institutionalization of good fiscal planning and use of the Long-Range Financial Plan, resulting in the growth of financial reserves for known and unknown contingencies, and leading to national recognition for the positive financial condition of the City.

The City achieved public safety hiring goals, reaching an all-time high for sworn police officers. The Neighborhood Betterment Teams and Office of Violence Prevention reached full staffing. The City cleaned up multiple blight hot spots through community clean-ups and city programs. Overall crime was the lowest it has been in 17 years and violence reduction strategies showed progress toward reducing group gun violence.

In addition, the City implemented development incentive tools including the Short-term Fee Deferral Program and Residential Neighborhood Reinvestment Program. Progress toward the elements of the Economic Development Strategic Plan also included adoption of a Food & Agriculture Plan, Economic Gardening Program, and entrepreneurship partnerships. The City attracted the development of more than three million square feet of industrial space representing more than a thousand new jobs, facilitated dramatic growth to the University Park health care hub and assisted 32 new and expanding businesses for a total of more than 400 jobs.

Furthermore, the City received more than $14.5 million in infrastructure grants for transit and safety projects, completed multiple street repair projects, improved utility infrastructure systems, and acquired a new City Hall building. The City also began enhancing public park and library spaces in alignment with the Strong Communities funding plan. Finally, the City allocated

significant resources toward infrastructure that supports the homeless population and developed partnerships to address homelessness and the impacts of homelessness.

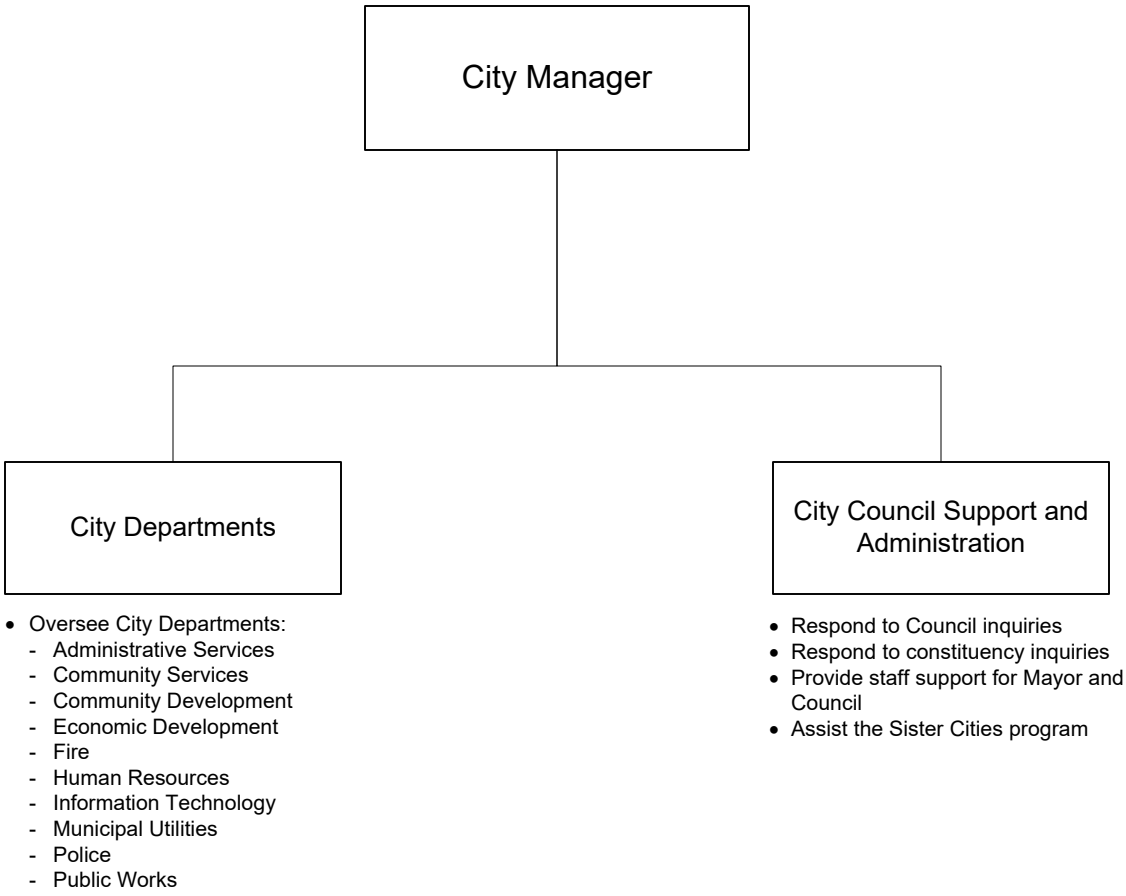
KEY CONSIDERATIONS

In recent years, the City Council has taken difficult but critical steps to restructure its finances and put in place the policies and practices which make possible a financially stable future for the City. Due to an acute imbalance between revenues and expenditures for the City, had this restructuring not occurred, the City would have had to cut services to a point that the City and community could not afford. Following several years of significant reductions in spending, the City entered the protection of Chapter 9 bankruptcy. With bankruptcy proceedings concluded, the City of Stockton has implemented the Plan of Adjustment and is committed to the Long-Range Financial Plan that will help the City sustain its restructuring efforts and chart a course for our financial future.

While the Long-Range Financial Plan does not forecast revenue increases that would allow the City to restore services to former levels, the financial restructuring effort safeguarded existing revenues to maintain the safety and well-being of our citizens. Restructuring our finances was critical to maintain fiscal sustainability and enable the City to pursue the Marshall Plan on Crime which is intended to reduce the level of crime in Stockton. A critical component of this restructuring was the passage of Measures A and B. The resources made possible by Measure A will position to the City to fully implement the Marshall Plan and enable the City to implement the bankruptcy Plan of Adjustment while sustaining services. Significant progress has been made in the implementation of the Marshall Plan and expenditure of Measure A revenues. Reducing crime is essential to providing a quality of life that will encourage economic development and result in job growth and a revitalized Stockton.

In addition, the more recent passage of the Strong Communities tax measure (Measure M) provides funding specific to restoring needed library and recreation services that were severely impacted during bankruptcy. This marks a shift in growth and rebuild for City services that has not been possible in recent years.

The City Council has stayed focused throughout challenges faced in recent years and has pursued aggressive work plans to accomplish their priorities. Funds are allocated in FY 2017-18 Annual Budget targeted to these efforts. A description of these activities can be found in the departmental sections contained in the Annual Budget.



CITY MANAGER

OFFICE OF THE CITY MANAGER

MISSION STATEMENT

To provide direction and oversight of all phases of City operations, including City departments and programs, and to ensure Council goals, policy and established administrative practices are effectively carried out within the fiscal and physical abilities of the various City departments during normal operations, as well as emergency situations.

Budget at a Glance:	
Total Revenues	$0
Total Expenditures	$1,518,264
Total Net Cost	$1,518,264
Total Staff	12

DEPARTMENT DESCRIPTION

The Office of the City Manager provides direction and administration of City departments and general oversight of City operations under the policy direction of the City Council. Other functions within the City Manager's Office include: Office of Violence Prevention, Grants, Legislative Advocacy, Communications, Public Relations and Channel 97 Government Access Cable Channel.

DEPARTMENT STRATEGIC WORK PLAN

As a City Charter Appointed Office, the strategic work plan of the City Manager's Office is to ensure the implementation of the City Council Strategic Targets and Priority Goals as outlined earlier in the budget document. The City Manager's Office is responsible for the oversight of other City departments in developing strategic work plans in support of the City Council Priority Goals and prioritizing the work of departments based on the Council's Strategic Targets.

PRIOR YEAR ACCOMPLISHMENTS

Important citywide accomplishments in support of the City Council strategic workplan include institutionalization of good fiscal planning and use of the Long-Range Financial Plan, resulting in the growth of financial reserves for known and unknown contingencies, and leading to national recognition for the positive financial condition of the City.

The City achieved public safety hiring goals, reaching an all-time high for sworn police officers. The Neighborhood Betterment Teams and Office of Violence Prevention reached full staffing. The City cleaned up multiple blight hot spots through community clean-ups and city programs. Overall crime was the lowest it has been in 17 years and violence reduction strategies showed progress toward reducing group gun violence.

In addition, the City implemented development incentive tools including the Short-term Fee Deferral Program and Residential Neighborhood Reinvestment Program. Progress toward the elements of the Economic Development Strategic Plan also included adoption of a Food & Agriculture Plan, Economic Gardening Program, and entrepreneurship partnerships. The City attracted the development of more than three million square feet of industrial space representing more than a thousand of new jobs, facilitated dramatic growth to the University Park health care hub and assisted 32 new and expanding businesses for a total of more than 400 jobs.

Furthermore, the City received more than $14.5 million in infrastructure grants for transit and safety projects, completed multiple street repair projects, improved utility infrastructure systems, and acquired a new City Hall. The City also began enhancing public park and library spaces in

alignment with the Strong Communities funding plan. Finally, the City allocated significant resources toward infrastructure that supports the homeless population and developed partnerships to address homelessness and the impacts of homelessness.

KEY CONSIDERATIONS

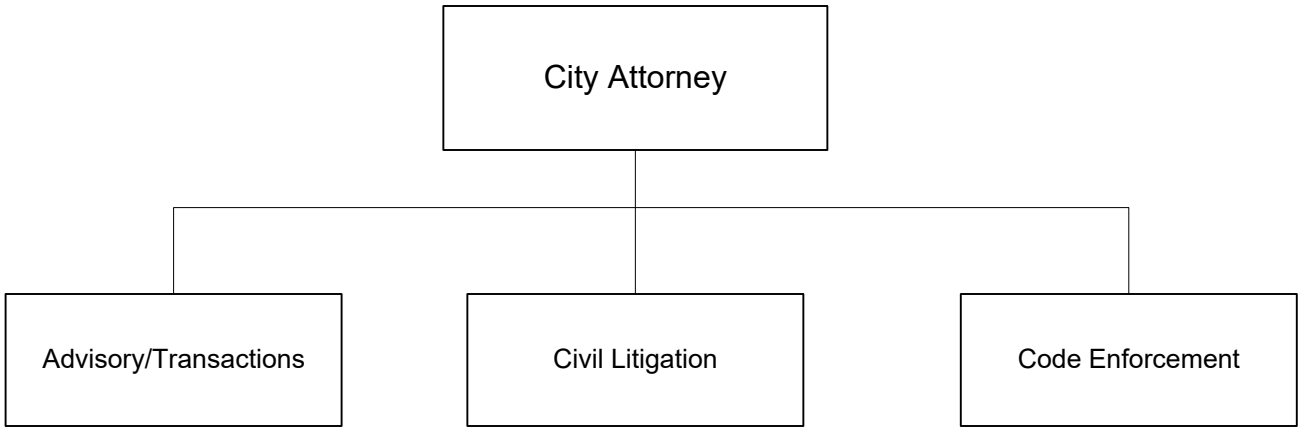
The City of Stockton has implemented the court approved Plan of Adjustment and restructured its finances by making difficult decisions for how to balance revenues and expenditures for the City. Throughout the years of declining revenues and the bankruptcy process, the City Manager's Office provided direction and oversight to City departments to address these factors and pursue the restructuring of the City's finances. With the fiscal restructuring, the City is fiscally solvent, has set aside necessary reserves and has a clear picture of our financial condition. Stockton has the unique advantage of having a 30-year economic forecast specific to the City, the Long-Range Financial Plan, which allows the City to understand the long term ramifications of fiscal decisions. The City Manager's Office will ensure that the Long-Range Financial Plan remains a financial guidepost and is institutionalized in the City organization.

These efforts have taken place at the same time that the City Manager's Office has been engaged in overseeing the regular operations of the City as well as pursuing the City Council strategic priorities. In recent years, significant progress has been made in modernizing the organization, streamlining and creating operational efficiencies, developing organizational capacity and implementing innovative solutions to the challenges of our community.

In addition, the City Manager's Office addressed a number of other priorities that have emerged through the bankruptcy process. Of particular importance is collaboration with the City Auditor in implementing the Internal Audit Plan to mitigate risk and address internal controls as well as the implementation of the Marshall Plan and creation of the Office of Violence Prevention following passage of Measure A. More recently, approval of the Strong Communities tax measure has provided funds to restore needed library and recreation services that were severely impacted during bankruptcy. The City Manager's Office will continue to make prudent financial decisions as it remains consistent in its efforts to maintain financial solvency in the future.

The City Manager's Office will continue to pursue the accomplishment of the City Council strategic priorities as well as address the numerous challenges that the City will face along the path to fiscal sustainability, reduced crime, increased economic development and improved service delivery to the community.

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850



- Counsel to:
  - City Council/Successor Agencing & Financing Authority
  - Boards & Commissions
  - City Departments
- Draft/Approve as to form:
  - Ordinances
  - Resolutions
  - Contracts
  - Documents
- Legal opinions & interpretations
- Legal support for:
  - Building & road construction
  - Environmental cleanup
  - Land use and planning
  - Debt financing
  - Economic development

- Defend & prosecute lawsuits involving the City
- Direct & coordinate outside counsel

- Prosecute violations of Stockton Municipal Code
- Provide counsel to Code Enforcement Administration and Officers
- Administer administrative adjudication system
- Initiate proactive litigation for nuisance, Drug & Gang Enforcement
- Community and Neighborhood Outreach
- Coordination with District Attorney's Office
- Coordinate with Neighborhood Blitz and Community Response Teams

CITY ATTORNEY

OFFICE OF THE CITY ATTORNEY

MISSION STATEMENT

The mission of the Office of the City Attorney is to provide professional, quality legal advice and services that ultimately protect the interests of the City of Stockton, its departments, the City Council, and the citizens of the community.

Budget at a Glance:	
Total Revenues	$0
Total Expenditures	$1,560,395
Total Net Cost	$1,560,395
Total Staff	12

DEPARTMENT DESCRIPTION

The Office of the City Attorney provides legal services and advice to the City Council, officials, boards, commissions, and departments regarding legal and regulatory matters of concern to the City and its operations, including:

- Providing advice regarding matters relating to their official duties.
- Defending lawsuits and preparing legal opinions and documents, ordinances, and resolutions.
- Reviewing and approving contracts, bonds, deeds, and other legal documents.
- Prosecuting violations of the Stockton Municipal Code.

The City of Stockton, due to its size and complexity, suffers a significant amount of litigation filed against it annually. Managing this litigation in a cost-effective manner, without sacrificing the quality of representation, is a constant challenge that is met through the balancing of in-house and contract resources on a case-by-case basis.

The Office of the City Attorney consists of one city attorney, one assistant city attorney, six deputy city attorneys (with one position vacant), and four support staff members. This department is currently comprised of two divisions. One division is primarily focused on litigation and code enforcement. The second division is primarily focused on advisory and employment-related matters.

The department supports a significant volume of litigation and expects this activity will increase in the next fiscal year. The department has continued to increase its caseload of criminal prosecution and code enforcement matters in keeping with Council priorities and to support the City's implementation of the Marshall Plan.

DEPARTMENT STRATEGIC WORK PLAN

As a City Charter Appointed Office, the strategic work plan of the Attorney's Office is to ensure the implementation of the City Council Strategic Targets and Priority Goals as outlined earlier in the budget document. For the next fiscal year, this office will focus on competently managing its significant workload while specifically enhancing its efforts to carry forward with a more robust slate of code enforcement activities. The proposed increase in the legal services budget request reflects this priority.

Given the need for increased reliance on computer-based resources and our need to enhance training opportunities for staff, the budget proposes modest increases in several associated line items.

No increase in staff has been proposed, despite a significant increase in workload over the last fiscal year. However, the budget proposes to increase the outside counsel budget to assist in a backlog of code enforcement and other litigation cases.

PRIOR YEAR ACCOMPLISHMENTS

Code Enforcement

The City Attorney's Office, in conjunction with the Police Department, Neighborhood Services, Fire Department, Community Development, and Public Works coordinated a joint task force for attacking the City's worst problematic properties. Referred to as the STOP Team, chronic problem properties were identified, triaged and systematically addressed through a comprehensive multi-department enforcement approach. In past years, this multi-department approach resulted in the closure of the New Grand Save Market for crime and nuisance conditions and the appointment of a court receiver to ensure that the property would be rehabilitated.

During this reporting period, the STOP team took on several problematic properties, the most significant of which was the closure of the Empire Theatre Building due to dangerous conditions created by the existence of numerous and substantial fire and building code violations. This building had been the subject of code enforcement actions for many years, with very little progress. Despite signing a compliance agreement pledging to address all the serious code violation in the building, the property owner failed to meet the terms of the agreement and caused additional serious violations to occur. After the discovery of an illegal dwelling unit by the Fire Department, the Building and Fire Department determined the extreme dangerous conditions warranted immediate closure of the building to prevent a significant fire incident such as the Ghost Ship fire in Oakland. The building remains vacant despite repeated efforts by City staff to work with the property owner on repair timelines and other matters. The City Attorney's Office has pursued a nuisance abatement action against the property and continues to pursue all remedies available to bring this property into compliance with all health and safety codes.

An additional STOP case involved 322 North California, where the Fire Department and Code Enforcement found numerous people were living in a motel property without benefit of a working fire alarm system or sprinkler system. The operators of this property were the same operators of a property in Oakland that caught fire and resulted in loss of life to inhabitants due to the decrepit conditions and lack of fire warning or suppression systems. In an effort to prevent vacating the building and displacing the numerous occupants, including children, the City Attorney's Office worked with California Rural Legal Assistance representing the occupants, and the property owner's attorney to negotiate a resolution that would provide the residents with the opportunity to relocate and provide the owner with the ability to pursue eviction proceedings against the operators.

Other significant STOP cases include:

- Assisting with the demolition of a long-vacant and neglected building that plagues the Magnolia neighborhood and was the constant source of break ins and fires.
- The pursuit of a receivership action against several vacant commercial properties with an adjacent auto repair business at which it was discovered that the business tenant had illegally occupied a portion of the commercial property as a residence.
- Pursuit of a criminal prosecution against a problematic landlord who had repeatedly failed to address the code violations at the residence of an elderly couple. The violations included an extreme mold issue that exacerbated the health issues of the wife who was a cancer patient. That case is scheduled to go to trial in March of 2018.
- Beginning the initial phase of demolition of a twenty-year nuisance property on Harding Way that has been the subject of much attention. Due to the death of the owner and the uncertainty of the responsible party, and the lack of response by the bank, the City had been unable resolve this case. However, once it became a STOP case in November 2017, a consistent, focused, and systematic approach has resulted in the demolition of the most egregious portion of the structure, with the remaining structure to be demolished in the near future.

Employment Litigation

Termination Settlement Agreements. City Attorney's Office negotiated settlements beneficial to the City. Three employees resigned in lieu of termination waiving appropriate appeal rights and waiving any and all discrimination claims with the condition the employees not re-apply; one employee resigned in lieu of demotion.

Discipline Settlement Agreements. The Office negotiated suspensions of several safety and non-safety employees that will not result in an appeal.

Arbitration. Termination of an 18-year employee upheld after an arbitration hearing (employee was under the influence of alcohol); termination of safety officer upheld after a hearing (dishonesty and battery of a co-worker); termination of administrative services employee upheld in arbitration; termination of safety officer who retaliated against a member of the public (upheld).

Defense Verdict in employment discrimination trial.

Discrimination Litigation. The Office negotiated a settlement with an employee claiming disability discrimination without monetary consideration resulting in employee dismissing lawsuit in state court.

Workplace Violence Restraining Order. The Office pursued the City's first employment restraining order and were successful. This resulted in the employee being terminated through the arbitration process.

The City Attorney's Office recently tried a code enforcement matter and received a successful verdict convicting a local slumlord of four misdemeanor criminal counts. On April 16, 2018, a restitution hearing will be held to determine restitution owed to the tenant who occupied the dilapidated property. Additionally, at the same hearing, the judge will sentence Defendant Jacob Winding and impose fines.

CA Office worked with Municipal Utilities Department (MUD) in implementing the settlement agreement regarding the *Coalition for a Sustainable Delta v. City of Stockton/County San Joaquin* and continuing injunctive measures that the City must engage in.

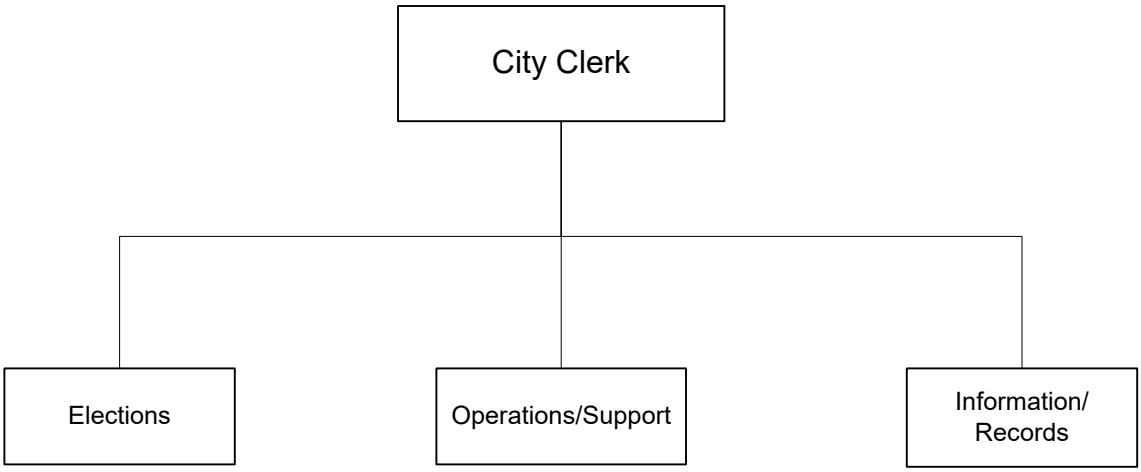
Assisted MUD to obtain Council approval for applying to the State Water Resources Control Board Clean Water State Revolving Fund program.

KEY CONSIDERATIONS

The primary focus of the work of the City Attorney's Office remains the effectuation of Council goals through support of the various activities undertaken by all City departments. However, there are areas in which there is the need to enhance our efforts:

- Code Enforcement-related litigation – There is an ongoing backlog of Code Enforcement matters that has developed as the Police Department has enhanced its Code Enforcement related staff and activities following the passage of Measure A. These efforts generate the need for additional specialized legal work that should be funded at a higher level than the previous fiscal year.
- Due to our increased reliance on electronic systems and processes, the need for additional specialized IT support and resources devoted to increasing subscription costs is essential.
- The City has undertaken significant new efforts over the last three fiscal years, while the staffing in the City Attorney's office devoted to advisory activities has remained static. Given this situation, there is an additional need for robust training and cross-training of staff to ensure that services can continue to be provided in a timely and effective manner.

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850



- Review and process petitions for ballot measures and recall efforts
- Conduct elections
- Process Council candidate nomination filings
- Produce Candidate Election Guide
- Produce election calendars
- Monitor and file the following statements per State regulations for elected officials and City staff:
  - Campaign disclosure
  - Economic interests/conflicts of interests
  - Ethics training compliance
- Produce Council district maps
- Promote voter registration and awareness

- Provide meeting services including agenda preparation, meeting packet distribution, meeting attendance, and minutes preparation for the City Council, Council Committees, and City Boards & Commissions
- Maintain and update:
  - Stockton Municipal Code
  - City Charter
  - Civil Service Rules/Regulations
  - Council Policy Manual
  - Boards & Commissions Roster
  - Clerk's Web page
- Conduct recruitment and interviews for the City's Boards & Commissions
- Process official documents – resolutions, ordinances, minute orders, and contracts.
- Receive bids and conduct bid openings
- Prepare, track, and publish all legal notifications

- Manage City's official records and vital records program
- Provide records management direction & support services to Departments
- Establish policies for document naming conventions, retention, and imaging
- Maintain City's records retention schedule and arrange for document destruction
- Provide research & information services for City staff and the public
- Manage and administer City tickler system
- Establish and maintain disaster recovery & prevention plan
- Maintain City archives
- Off-site records storage & tracking Scan official City documents

CITY CLERK

OFFICE OF THE CITY CLERK

MISSION STATEMENT

To support the City Council's stated goals and objectives to build trust and confidence in the community by promoting transparency and civic engagement, guaranteeing fair and impartial elections, while ensuring open access to information and the legislative process.

Budget at a Glance:	
Total Revenues	$8,540
Total Expenditures	$943,406
Total Net Cost	$934,866
Total Staff	7

DEPARTMENT DESCRIPTION

The Office of the City Clerk administers municipal elections, promotes voter registration and participation; monitors compliance with campaign filing requirements; updates Conflict of Interest Code and receives annual filings; ensures adherence to the Open Meetings Act; administers the City's Records Management program, preserving and protecting the official public record; attends all City Council meetings and assigned City meetings to record actions taken by these bodies; receives and conducts bid openings; manages the City's Board and Commission recruitment process.

DEPARTMENT STRATEGIC WORK PLAN

As a City Charter Appointed Office, the strategic work plan of the City Clerk's Office is to ensure the implementation of the City Council Strategic Targets and Priority Goals as outlined earlier in the budget document. Specific to the City Clerk's Office, the City Clerk works to ensure transparency to the public in the following areas:

Operations: Enhance preservation and access to City records in a cost-effective and environmentally smart manner while complying with legal record retention requirements. Develop Records Management Manual Training as an essential part of managing City records to maintain consistency in process, improve customer service and efficiency in supporting all aspects of city government.

Civic Engagement: Participate in activities that promote civic engagement through the electoral process by establishing the City Clerk's Office as a Voter Resource Center providing voter information and materials. Increase outreach with local agencies, schools, and community organizations to expand Board and Commission recruitment participation.

PRIOR YEAR ACCOMPLISHMENTS

Records Management

- Indexed and shipped 75 boxes for off-site storage.
- Implemented a new contract history database that provides electronic notice to departments for upcoming contract expirations.
- Engaged records management consultant to interview departments over a 2-day period, updating the City's records retention schedules and Records Management Manual.
- Researched software applications to replace failing off-site records management database.

- Provided training and guidance to departments for the destruction of records.
- Staff spent well over 500 hours completing research for both internal and external information requests.
- Processed 207 publications for legal notices, and 85 Bids/RFPs.

Boards and Commissions

- Conducted recruitments that produced 98 individual applications.
- Scheduled and conducted 38 applicant interviews, filling 56 vacancies.

Staff Development

- Clerk staff attended approximately 300 hours of City provided and off-site training for staff development.
- Two staff members completed the City's Supervisor Certificate program.
- Two staff members graduated from the Technical Training for Clerk's program.
- One staff member received her Certified Municipal Clerk designation.
- Four staff members graduated from the Certified Tourism Ambassador program.

KEY CONSIDERATIONS

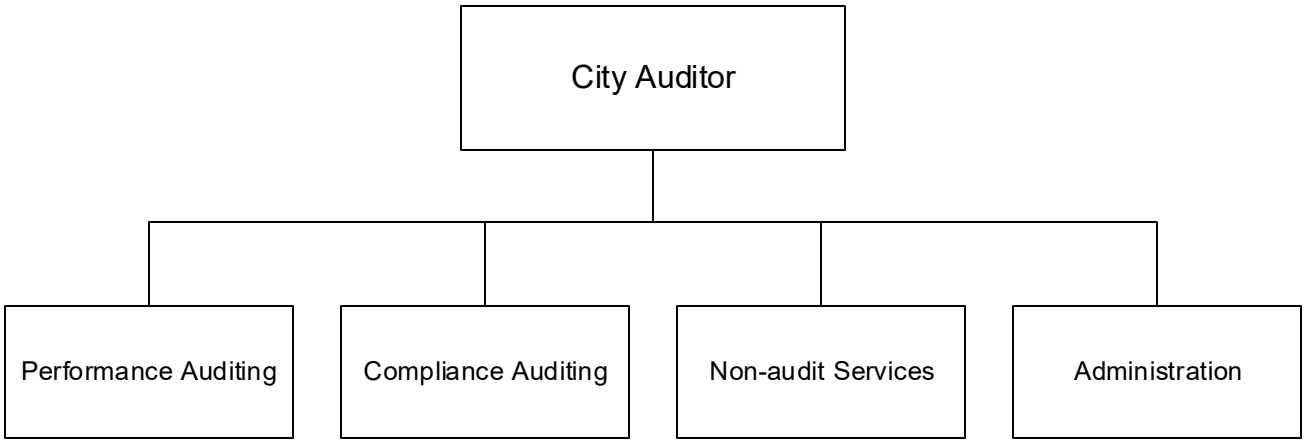
As the City implements new technology, such as the new ERP solution, records management will continue to be a priority for maintaining the City's archival integrity. The City Clerk's Office will play a significant role in developing the policies and procedures that will preserve the City's vital records.

There is an urgent need for citywide staff training in records management. The City Clerk's Office will develop a citywide training program to ensure staff is equipped to adhere to the Records Management guidelines set forth in the policy, gain an understand of information request procedures, statements of economic filings, and the relationship between staff work and City Council goals.

Another area of concern continues to be the lack of legal compliance with the State of California Trustworthy Electronic Records Act. With the City working to implement the new ERP solution, Clerk staff is working to prioritize the implementation of a solution that will help the City achieve mandated compliance for our electronic records.

Of great concern is the need to replace the City's off-site records storage tracking software, which is no longer being updated or supported by the vendor. Further complicating the continued use of this software is the need for the application to be running on a stand-alone machine outside of the City's secure network.

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850



- Performance audits
- Audit findings follow-up
- Substantive testing

- Compliance with:
  - Laws and regulations
  - Policies and procedures
  - Contracts and grants
- Revenue auditing

- Consult with departments
- Ethics and fraud hotline

- Quality assurance
- Planning & scheduling
  - Risk Assessment

CITY AUDITOR

CITY AUDITOR

MISSION STATEMENT

The Office of the City Auditor independently promotes ethical, efficient, and effective governance for the citizens of Stockton.

Budget at a Glance:	
Total Revenues	$0
Total Expenditures	$613,787
Total Net Cost	$613,787
Total Staff	-

DEPARTMENT DESCRIPTION

The Office of the City Auditor provides the City Council, management, and employees with objective analyses, appraisals, and recommendations for improvements to the City systems and activities. The primary activity of the department is to conduct performance internal audits. These audits may focus on internal controls, compliance with laws and policies, accomplishment of goals and objectives, or a combination of these areas. The City Auditor in collaboration with the Chief Financial Officer also provides oversight for the external audit of the City's financial reports.

This department is funded primarily through the General Fund with appropriate cost allocations made to other funds. The Office of the City Auditor conducts regular organizational risk assessments and prepares a proposed annual internal audit plan listing potential projects. The City Council, through the Council Audit Committee, selects those audit projects to be included in the final annual audit plan.

DEPARTMENT STRATEGIC WORK PLAN

As a City Charter Appointed Office, the strategic work plan of the City Auditor is to ensure the implementation of the City Council Strategic Targets and Priority Goals as outlined earlier in the budget document. The City Auditor accomplishes this goal by completing annual risk assessments to determine the areas where the City has the greatest opportunities for strategic growth and areas where the City is exposed to risk. The City Auditor develops an annual Internal Audit Plan to test internal controls, develop necessary city policy and procedures and carry out special projects that will facilitate accomplish of the City Council Priority Goals.

PRIOR YEAR ACCOMPLISHMENTS

The FY 2017-18 Internal Audit Plan maintained focus on improvements to citywide policies, processes and controls. A rewrite of all Administrative Directives was completed, and the new internal policy framework was adopted citywide. In addition, the City's first citywide Performance Dashboard was adopted and made public. This Internal Audit Plan also included projects to support the enterprise resource planning software project, a Procurement Diversity Study and a Travel Expense Internal Control Audit. Furthermore, the City Auditor continued to conduct ongoing internal controls testing, audit findings validation, and Ethics Hotline administration.

KEY CONSIDERATIONS

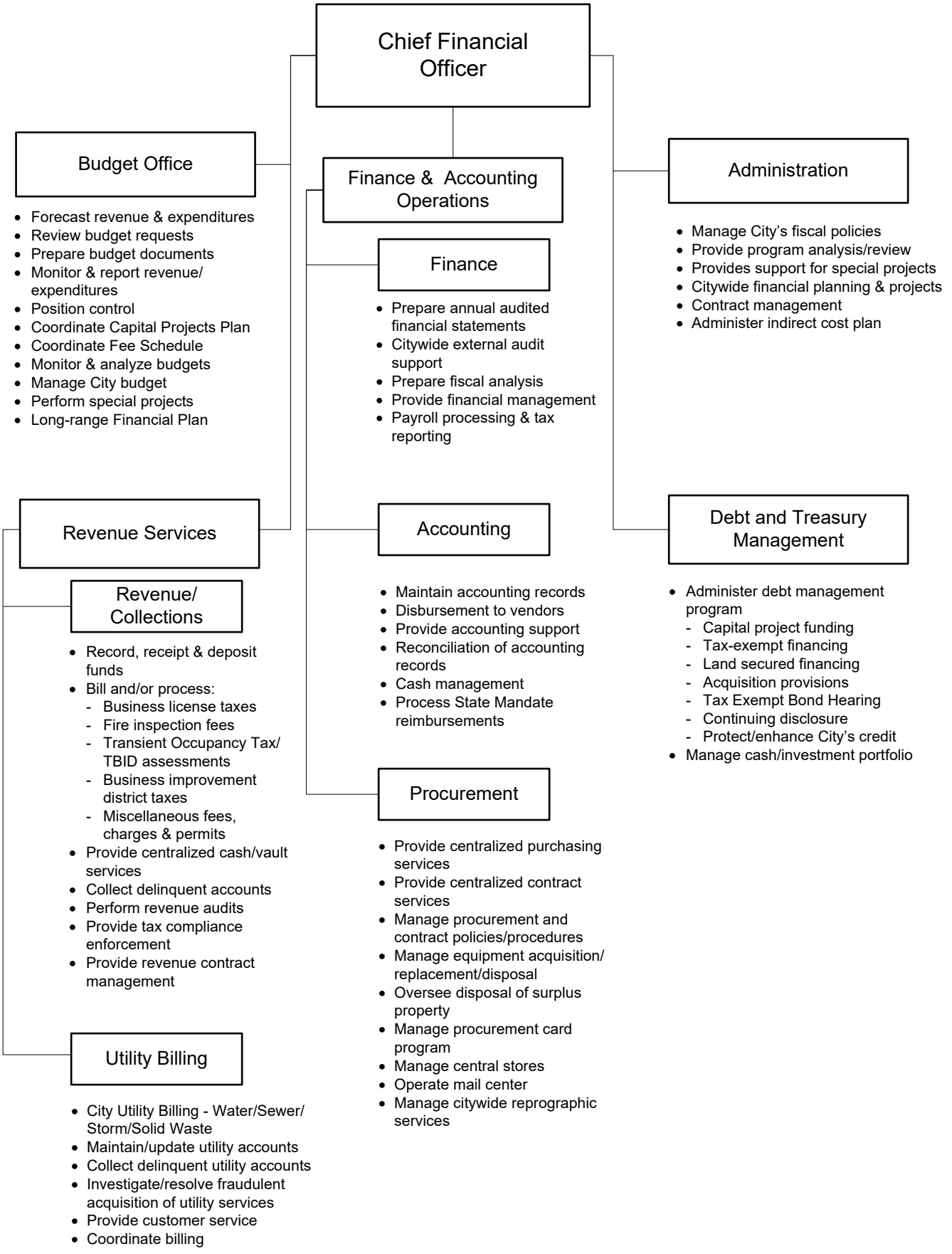
In 2012, the City Council authorized a contract to provide the services of the City Auditor. The contracted City Auditor was tasked with completing a comprehensive risk assessment and internal control review of the City. The intent of this agreement was to implement an Internal Audit Plan that would address the significant findings and issues noted through the bankruptcy and

restructuring process of the City. The contract was authorized over an initial pilot phase and a subsequent 5-year term. Several Internal Audit Plans have been completed during this term, making a significant impact to City operations and addressing areas of greatest risk in our controls, policies and procedures.

The current contract expires in October 2018. The City has anticipated issuing a Request for Proposals (RFP) at the end of the term. Each fiscal year the City Auditor presents an annual Internal Audit Plan. Rather than execute a change in internal auditor in the middle of a year, in October 2018, staff recommended Council extend the existing contract through the end of the fiscal year. ..

Charter Officers
General Fund - 010
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Total Charter Officers				
Employee Services	$ 2,888,260	$ 3,318,413	$ 3,352,688	$ 3,792,937
Other Services	1,173,742	1,293,203	1,712,764	1,394,694
Materials and Supplies	78,448	81,489	73,829	83,817
Other Expenses	101,587	118,424	106,449	113,400
Total	$ 4,242,037	$ 4,811,529	$ 5,245,730	$ 5,384,848
City Council				
Employee Services	306,200	415,978	599,543	664,736
Other Services	73,638	137,398	193,869	59,260
Materials and Supplies	3,477	13,834	5,665	8,000
Other Expenses	23,645	29,015	17,129	17,000
Total	406,960	596,225	816,206	748,996
City Manager				
Employee Services	1,131,481	1,200,348	1,043,524	1,254,518
Other Services	155,211	146,932	150,803	212,833
Materials and Supplies	6,048	9,012	9,500	10,913
Other Expenses	41,105	48,201	46,470	40,000
Total	1,333,845	1,404,493	1,250,297	1,518,264
City Attorney				
Employee Services	858,268	1,020,475	1,032,557	1,124,244
Other Services	213,110	252,172	259,706	354,547
Materials and Supplies	43,948	34,952	37,164	42,604
Other Expenses	22,285	29,738	31,350	39,000
Total	1,137,611	1,337,337	1,360,777	1,560,395
City Clerk				
Employee Services	592,311	681,612	677,064	749,439
Other Services	127,330	117,449	161,693	154,267
Materials and Supplies	24,975	23,691	21,500	22,300
Other Expenses	14,552	11,470	11,500	17,400
Total	759,168	834,222	871,757	943,406
City Auditor				
Employee Services	-	-	-	-
Other Services	604,453	639,252	946,693	613,787
Materials and Supplies	-	-	-	-
Other Expenses	-	-	-	-
Total	604,453	639,252	946,693	613,787



ADMINISTRATIVE SERVICES DEPARTMENT

ADMINISTRATIVE SERVICES DEPARTMENT

MISSION STATEMENT

To provide financial, administrative and technical support to residents, business partners, decision-makers and other City departments; and to safeguard and facilitate the optimal use of City resources for strategic financial planning.

Budget at a Glance:	
Total Revenues	$484,137
Total Expenditures	$5,839,175
Total Net Cost	$5,355,038
Total Staff	82

DEPARTMENT DESCRIPTION

The Administrative Services Department (ASD) provides vital systems and services administered through five divisions: Administration, Budget, Financial and Accounting Operations, Debt and Treasury, and Revenue Services.

The Administration Division provides support to the various areas within the Administrative Services Department and directs its overall activities. This unit also provides support to various citizens advisory committees.

The Budget Office is responsible for developing and monitoring the City's annual budget, coordinating financial planning and management, comparing budgeted with actual outcomes, and tracking financial progress relative to budget during the year. This division provides long term fiscal forecasts for the City through the City's fiscal forecasting tool (Long-Range Financial Plan) and throughout the fiscal year assists City management and departments by analyzing and evaluating financial performance and projections as it relates to budget.

The Financial and Accounting Operations Division is responsible for the following citywide operations:

- Finance is responsible for the recording and reporting of financial transactions; reporting financial positions in accordance with generally accepted accounting principles, and the preparation of the Comprehensive Annual Financial Report and other financial reports.
- Accounting includes payroll processing for over 1,700 employees, payroll tax compliance, benefit reporting, accounts payable, cash activity and all central accounting recording and monitoring.
- Procurement is responsible for the procurement of all supplies and services necessary for the operation of City departments. Purchasing also provides centralized printing and high-volume reprographic and mail services to departments.

The Debt and Treasury Division manages the City's $475 million pooled investment portfolio and debt issues which total approximately $522 million. Its services include oversight of the cash and investment portfolio, investor relations, market disclosures, and financing/refinancing programs. The Division regularly reviews the City's debt portfolio for potential savings and closely monitors its cash flow and investments to ensure the City is managing its assets efficiently and responsibly and complies with California investment regulations.

The Revenue Services Division is responsible for the following citywide services:

- The Customer Services Unit serves 115,000 utility customers who receive water, sewer, storm water or solid waste services, and 17,000 business license tax accounts.
- The Revenue Operations Unit manages accounts receivable for non-utility customers, centralized cash/vault services, and business licenses. It is responsible for the collection and audit of taxes, assessments, and other fees and charges owed to the City, as well as the accurate recording, reconciliation, receipting, control, and deposit of all monies received by City departments.
- The Collection, Compliance, and Revenue Reporting Unit is responsible for the recovery of City revenues from delinquent accounts. It promotes compliance through audits of the business license tax and transient occupancy tax. The unit also sends uncollectible accounts to the City's outside collection agency and provides revenue reporting functions such as cash collections and deposits, quarterly receivables and write-offs.

DEPARTMENT STRATEGIC WORK PLAN

The Administrative Services Department continues to focus on the City Council strategic goal of fiscal sustainability. Toward that goal, the department is engaged in several initiatives to improve and guide citywide fiscal practices and systems.

- Administrative Services is a key partner in the City's efforts to select and implement an Enterprise Resource Planning (ERP) system to replace the current outdated financial system. Current expert resources are being utilized and will continue throughout the next few years to accomplish this goal.
- In the years prior to and during the bankruptcy, the City received many audit findings from internal and external auditors. In collaboration with the City Manager's Office, Administrative Services has led consistent progress towards the resolution of audit findings and resulting recommendations and implementation of improvements.
- The Budget Office maintains the City's Long-Range Financial Plan model and its underlying assumptions. The L-RFP provides a long term view of the City's General Fund and demonstrates the City's ability to afford its current service levels. The Budget Office also anticipates creating Long-Range Financial Plans for the Water, Wastewater and Stormwater enterprise funds.
- With a focus on best practices in government operations, the ASD participates in the City's efforts to review and revise policies and procedures.

PRIOR YEAR ACCOMPLISHMENTS

During FY 2017-18, ASD focused on numerous initiatives in support of the goal of fiscal sustainability including:

- Became a participant and funded a Section Pension 115 trust to set aside and effectively invest funds specifically designated for pension costs.
- Cash purchase of the Waterfront Towers office complex to serve as the future City Hall.
- Transition to new banking, utility lockbox, and investment management vendors that will save the City over $850,000 in fees over the terms of the contracts and will optimize the City's investment returns.

- Improvements and updates to the Long-Range Financial Plan and its underlying assumptions.
- Improvements and updates to numerous policies and procedures in finance, accounting, procurement and travel.
- Obtained authority from Council to collect property owner utility delinquencies via the property tax roll and to lien said properties.

KEY CONSIDERATIONS

The Administrative Services Department continues to focus on the City Council strategic goal of fiscal sustainability. The Long-Range Financial Plan is one of those efforts that enables the City to understand the long term fiscal effects of its decisions and to plan for future challenges like CalPERS cost increases and recessions.

As development in the City picks up, particularly in the residential sector, Administrative Services is working with Community Development and other City departments to ensure the City grows in a fiscally sustainable and responsible manner. As part of its discussions with developers, the City is now requiring new residential development to address the permanent City service costs associated with that development.

Administrative Services enforces and monitors the General Fund Reserve and Fund Balance Policy that reflects best practices and prudently protects the fiscal solvency of the City. At the close of last fiscal year, the working capital reserve (2 months of expenditures) was fully funded in addition to setting aside funds for known contingencies (CalPERS costs, financial system replacement, etc.) and risk-based reserves (catastrophic infrastructure failure, recession, etc.).

Timeliness, accuracy, and transparency in financial reporting is an important City goal. The Finance and Accounting Operations Division continues to provide timely delivery of the Comprehensive Annual Financial Report, in which the independent auditor issued a clean opinion for last year. Administrative Services continues to promptly deliver budget, financial and investment updates to the City Council, various Committees and Commissions, and the public.

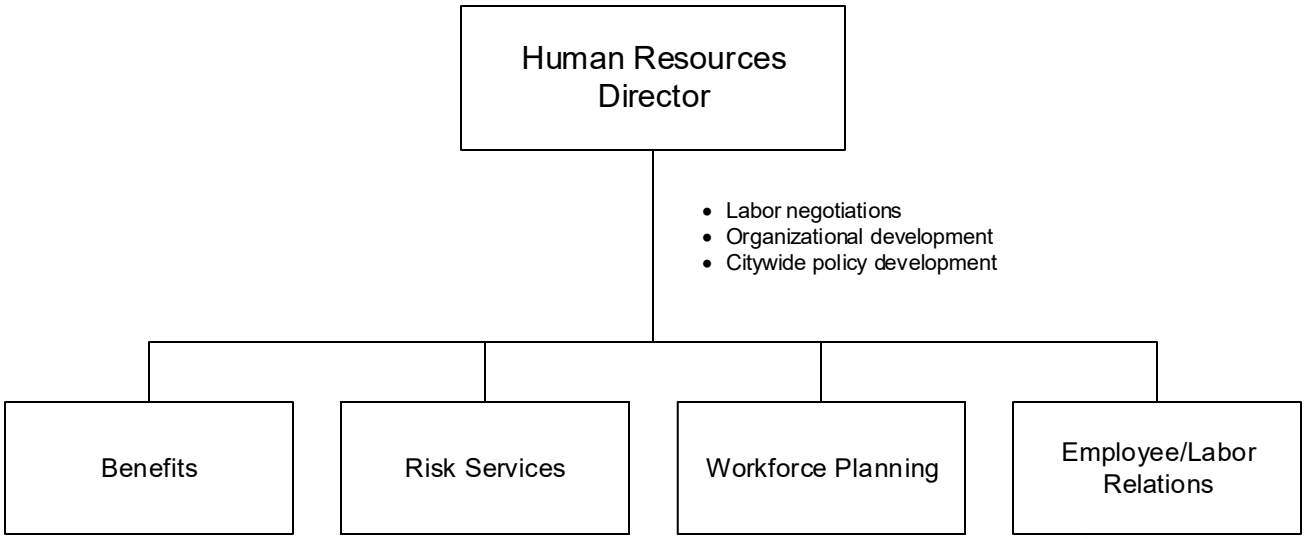
Extensive efforts continue to be made to address audits and resolve prior audit findings which require collaboration with all departments and timely accounting reporting. Significant City time and resources will continue to be required to work with auditors as they complete their fieldwork and to address prior audit findings.

ASD continues to proactively address delinquent accounts through its audit and collections efforts to maximize City collections and cash flow. The City Council recently granted the authority to collect property owner utility delinquencies via the property tax roll and to lien said properties.

In collaboration with other City departments, Administrative Services continues to plan for the eventual replacement of its 27-year old financial system with a new, modern Enterprise Resource Planning system. A new system will enable the City to serve the public and its internal customers more efficiently and effectively. City staff will be able to better access data and enable the City to make better, more informed decisions.

Administrative Services
General Fund - 010
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Total Administrative Services Department				
Employee Services	$ 2,626,765	$ 3,374,498	$ 3,826,597	$ 4,113,401
Other Services	1,277,647	955,465	1,193,287	1,172,593
Materials and Supplies	65,649	161,622	116,317	98,150
Other Expenses	36,853	52,215	46,569	55,100
Total	$ 4,006,914	$ 4,543,800	$ 5,182,770	$ 5,439,244
Administration				
Employee Services	327,145	638,517	705,343	685,323
Other Services	286,501	188,984	164,522	247,856
Materials and Supplies	10,791	99,779	53,481	51,700
Other Expenses	4,455	7,610	9,903	11,800
Total	628,892	934,890	933,249	996,679
Budget				
Employee Services	369,757	414,097	594,537	586,960
Other Services	90,835	107,810	189,189	144,265
Materials and Supplies	9,803	1,821	5,156	7,000
Other Expenses	2,241	4,704	9,350	11,500
Total	472,636	528,432	798,232	749,725
Financial Services				
Employee Services	787,769	970,346	1,017,146	1,263,006
Other Services	405,059	284,852	374,396	306,680
Materials and Supplies	18,116	33,229	13,337	11,800
Other Expenses	10,463	8,375	9,107	12,100
Total	1,221,407	1,296,802	1,413,986	1,593,586
Revenue Services				
Employee Services	855,360	964,635	986,156	1,130,377
Other Services	238,512	216,211	307,724	318,920
Materials and Supplies	18,567	17,391	21,622	11,250
Other Expenses	15,549	24,303	6,203	7,200
Total	1,127,988	1,222,540	1,321,705	1,467,747
Procurement				
Employee Services	286,734	386,903	523,415	447,735
Other Services	256,740	157,608	157,456	154,872
Materials and Supplies	8,372	9,402	22,721	16,400
Other Expenses	4,145	7,223	12,006	12,500
Total	555,991	561,136	715,598	631,507



- Health Benefits Administration
  - Medical
  - Dental
  - Vision
  - Medicare coordination
  - Consolidated Omnibus Budget Reconciliation Act
  - Healthcare Reform Compliance
- Retirement
  - California Public Employees Retirement System
  - Deferred Compensation
  - Public Agency Retirement Services
- Ancillary Benefits
  - Life Insurance
  - Accidental Death and Dismemberment
  - Long Term Disability
  - Voluntary Insurance Product
  - State Disability Insurance
- Leave Entitlements
  - Family Medical Leave Act
  - California Family Rights Act
  - Pregnancy Disability Act
  - Disability Eligibility
  - Military Leave Coordination
  - Catastrophic Leave Donation Program
- Miscellaneous
  - Unemployment
  - Flexible Spending Accounts
  - Exit interviews

- City property insurance program
- City workers compensation program
- Self-insurance tort liability program
- Third party recovery program
- Safety/Occupational Safety and Health Administration Program
- Insurance certificates
- Americans with Disabilities Act Coordinator
- City Driving Program/ Department of Transportation
- Conduct City onsite safety inspections
- Record and analyze risk data statistics
- City insurance policies
- Risk policies and procedures
- Special events advisory
- Office of Emergency Services Program Advisory
- Investigate liability claims
- Facilitate City safety meetings
- Ergonomic assessments

- Civil Service Commission
  - Agenda preparation
  - Rules formulation
- Equal Employment Commission
  - Equal Employment Plan
- Salary Setting Commission
  - Salary for Mayor
  - Salary for City Council
- Training & organizational development
  - Staff development
  - Needs assessment
- Recruitment/promotions
  - Classification of eligible employees
  - Pre-employment processing
  - New employee orientation
  - Internship program
  - Job Fairs
  - New Employee Onboarding
- Employee Services
  - Maintenance of classification plan
  - Classification and equity studies
  - Employee performance evaluations
  - Employee file maintenance
  - Certification of eligible lists
  - Establish and maintain seniority lists
  - Maintenance of layoff reemployment list
  - Placement assistance
- Position Control

- Employee relations
  - Labor negotiations
  - Memorandum of Understanding administration
  - Grievance resolution
  - Disciplinary action
  - Equal Employment Opportunity / Department of Fair Employment and Housing complaints
  - Public Employment Relations Board
  - Employee investigations
  - Informal conflict management/resolution
- Civil Service Commission
  - Policy advice
  - Disciplinary appeals
- Employee Transportation
  - Ride-Share Program
  - Spare-the-Air Program
- Temporary Agency Contracts

HUMAN RESOURCES DEPARTMENT

HUMAN RESOURCES DEPARTMENT

MISSION STATEMENT

Human Resources is a cohesive, collaborative team of professionals dedicated to attracting, hiring and developing a qualified diverse workforce. Human Resources provides quality and innovative customer-driven services and programs to support organizational goals and objectives, and to create a healthy and positive work environment for City employees to deliver high quality service to the citizens of Stockton.

Budget at a Glance:	
Total Revenues	$109,530,365
Total Expenditures	
General Fund	$2,344,398
Benefits Program	$125,333,779
Total Net Cost	$18,147,812
Total Staff	30

DEPARTMENT DESCRIPTION

The Human Resources Department consists of four divisions: Workforce Planning and Training, Employee/Labor Relations, Risk Management Services, and Benefits Administration.

The Workforce Planning and Training Division Assists City departments with refining organizational structures to maximize efficiency and provide equal employment opportunities by hiring, retaining and developing a skilled, diverse and efficient workforce for the City. The City strives to retain employees by providing training tools and skills needed to be successful in their current jobs and assists with growth and development for upward mobility within the City.

The Employee/Labor Relations Division develops, negotiates, implements, and administers policies, procedures and labor agreements that support and promote workplace diversity, fairness and equality for City employees. This division provides counseling and advisement on employee and labor relations matters, provides assistance in the timely resolution of grievances, complaints and other personnel-related matters.

The Risk Management Services Division protects the City's resources by proactively working to limit liability exposures and by providing cost-effective risk management programs, such as employee safety, workers' compensation, contract review, and insurance monitoring. The division also purchases insurance to protect City property and liability, and works to recover General Fund monies from third parties for damages.

The Benefits Administration Division assists in providing and coordinating all aspects of employee benefit compensation packages. This includes, but is not limited to: health insurance, retirement services, leave entitlements, employee assistance program, flexible spending accounts, life insurance, and long term disability. In addition to assisting current employees, this division provides services to retirees and dependents.

DEPARTMENT STRATEGIC WORK PLAN

To meet the City Council strategic targets, the Human Resources Department is focusing on the following areas:

Public Safety: Through our Risk Management Division, Human Resources will continue to provide information to departments regarding claims that may impact public safety.

Economic Development: The Workforce Planning Division will continue to assist City departments in organizational restructuring and strategic staffing placements to support organizational and departmental missions including positions funded through Measure A. Workforce Planning will continue its efforts to diversify the workforce Police Officer hiring is a top priority as Human Resources and the Police Department work toward the goal of filling 485 sworn positions. A focused Firefighter Trainee recruitment within the local community is aimed at attracting and hiring Stockton area talent.

Fiscal Sustainability: The City's health plans are designed to attract and retain a quality workforce, protect and promote healthy living, and fall within financially sustainable parameters. In FY 2018-19, the City's health plan rates are modestly increasing due to plan utilization and increased plan costs.

PRIOR YEAR ACCOMPLISHMENTS

Human Resources staff are proud to share some of our accomplishments for 2017 that align with the City Council strategic targets and other accomplishments that support other departments within the City:

Workforce Planning

Filled 145 positions city-wide, including 76 Police and 8 Fire.

Risk Services

- Initiated a city-wide defensive driver training program. All new non-safety employees are now enrolled in an online driving module at new hire orientation.
- Decreased workers' compensation claim reserves by $1.1 million through aggressive claims management during the first 6 months of 2017 and collected $403,786 in subrogation, revenue recovery, and insurance reimbursements claim.

Labor/Employee Relations

- Processed 21 grievances.
- Processed 17 formal complaints and investigations.

Benefits

- Conducted a health benefit open enrollment for approximately 1,500 employees.
- Administered the full portfolio of employee benefits, including four medical plans, two dental plans, two vision plans, long term disability insurance, life insurance, pension, deferred compensation, voluntary supplemental insurance, and Section 125 plans.
- Conducted 3 deferred compensation liaison review meetings with bargaining unit representatives.

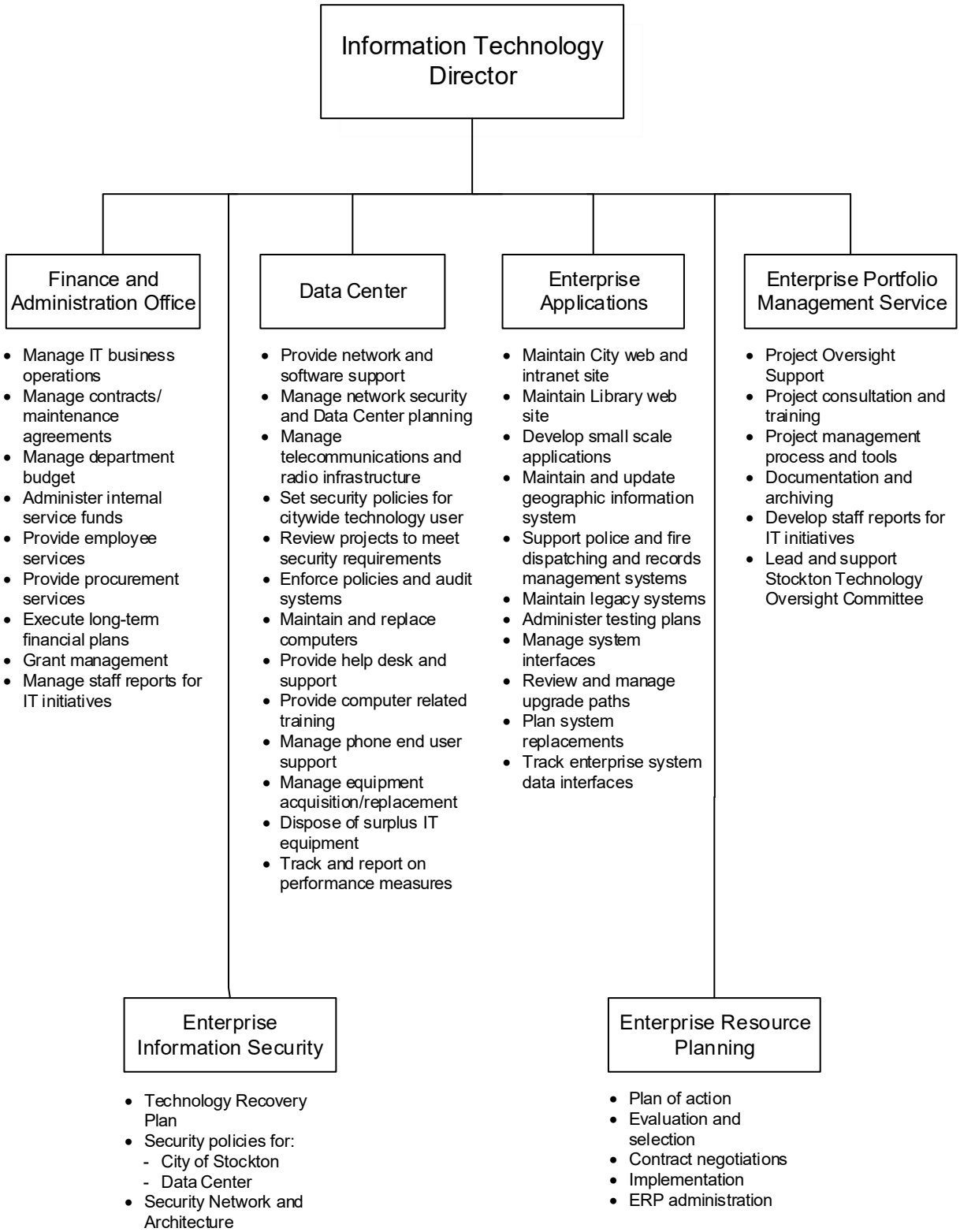
KEY CONSIDERATIONS

Human Resources is challenged with meeting the demands of recruiting a significant number of public safety and other city-wide employees each year, managing and closing insurance claims to limit loss exposure, and selecting health care providers who meet employee needs. Upgrading the City's financial and human resources system will positively impact the Department when the personnel and position control modules are installed and come on line. Human Resources staff are part of the ERP team and are currently working toward selecting a vendor. Transition, implementation and training will take approximately three years and a significant amount of Human Resources staff time.

Human Resources
General Fund - 010
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Total Human Resources Department				
Employee Services	$ 1,146,142	$ 1,324,467	$ 1,381,320	$ 1,413,255
Other Services	480,542	431,767	572,677	698,809
Materials and Supplies	17,842	19,155	20,893	19,419
Other Expenses	77,048	162,892	170,140	212,915
Capital Outlay	-	-	-	-
Total	$ 1,721,574	$ 1,938,281	$ 2,145,030	$ 2,344,398
Workforce Planning				
Employee Services	472,264	537,832	565,701	583,151
Other Services	305,182	300,110	361,333	444,949
Materials and Supplies	8,972	11,303	9,620	11,369
Other Expenses	6,551	11,635	11,840	13,798
Total	792,969	860,880	948,494	1,053,267
Employee Relations				
Employee Services	673,878	786,635	815,619	830,104
Other Services	175,360	131,657	211,344	253,860
Materials and Supplies	8,870	7,852	11,273	8,050
Other Expenses	70,497	151,257	158,300	199,117
Total	928,605	1,077,401	1,196,536	1,291,131

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850



INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY DEPARTMENT

MISSION STATEMENT

A focus on business solutions, service reliability, innovations, and customer satisfaction.

Budget at a Glance:	
Total Revenues	$17,075,129
Total Expenditures	$18,597,922
Total Net Cost	$1,522,793
Total Staff	54

DEPARTMENT DESCRIPTION

The Information Technology (IT) Director oversees operations and is responsible for providing:

- leadership and vision for integrating City Council, City Manager, and departmental goals into a citywide information technology strategy;
- flexible, cost-effective enterprise business systems for the City;
- reliable and secure data center services and support for citywide technology systems;
- network design and support, including network monitoring and security;
- support for internet and intranet services as well as desktop support services;
- support for citywide telecommunications;
- partnering with departments to develop technology solutions and provide project management process and tools.

Finance and Administration Office directs and maintains efficient administrative systems and control mechanisms to ensure economical operations and compliance with administrative, human resources, procurement and financial rules and procedures.

Data Center provides reliable and secure enterprise computing and telecommunications infrastructure. Directs the delivery of computer purchases, repairs, replacements and services to departments and provides support for computer hardware, software, and technology solutions as well as providing computer-related training for City staff. Evaluates and plans for the upgrade, consolidation and/or the replacement of IT infrastructure. Explores new technologies such as cloud computing and determines how to apply the new technologies to the current infrastructure.

Enterprise Applications supports custom and third-party applications, including the geographic information system, enterprise resource planning, public safety dispatch, records management system and analytics systems. This service area also supports testing and web applications and develops in-house solutions. Supports Enterprise Architecture and the overall strategy to provide enterprise business systems. Optimizes and transforms business processes, information application systems and technologies into an efficient and integrated environment. This service area provides system interface management, integrations, and replacement planning.

Enterprise Portfolio Management Office (EPMO) facilitates all phases of the IT governance process; partners with departments to develop technology solutions based upon business needs, facilitates all phases of the information technology governance process, and provides guidance and oversight of project management processes; tools; project consultation and training; documentation and archiving.

Enterprise Information Security Office provides oversight for security policies for the Data Center and the City's lines of business to ensure alignment and optimization of business strategy and IT security. Develops and maintains the City's security architecture and technology recovery plans. Enforces security policies and performs audits of systems for security compliance. This service area also performs eDiscovery data collection requests.

Enterprise Resource Planning (ERP) provides oversight for planning, organization, and control of business and technical operations for the City's ERP project while ensuring its alignment with City business objectives. The goal is to ensure project success, which entails on-time and within budget evaluation, selection, and delivery of a new ERP system that meets business users' current and emerging needs. This is a multi-year project that will satisfy multiple Council strategic priorities and resolve outstanding audit findings.

DEPARTMENT STRATEGIC WORK PLAN

The IT Strategic Plan objectives are tied to the City Council's targets and goals for Public Safety with a focus on providing technology solutions and support to improve public safety services and response times. Fiscal Sustainability is another area of focus, implementing solutions that provide financial transparency to the community.

Security – Security Operations and Response is a part of the City's Security immune system. It consists of solutions that deliver core functionality to prevent, detect and respond to attacks, including security analytics, threat hunting, incident response and threat intelligence with network and endpoint protection.

Cloud Services – With the rise of mobility across the enterprise - research has shown that cloud migration and integration services are the largest priority for IT today. Migration provides many benefits for the City - both in mobilizing the workforce and delivering things faster and better to end-users.

Consolidation / Optimization – Ongoing consolidation and optimization have laid a foundation for success. IT and the departments will continue their work on the following three priorities: (1) creating high-quality citizen and business experiences with City programs; (2) supporting City employees with common and efficient enterprise solutions; and (3) providing secure and reliable information technology solutions.

Broadband / Wireless Connection – Establishing guidelines for wireless network deployment and service expansion of high-speed internet and data service is essential for critical public services. In collaboration with city departments, IT seeks to identify the wireless-related business and operational requirements for the City and the public, providing a process the City can follow to evaluate areas of potential build-out and leverage existing infrastructure to expand services.

Budget and Cost Control – Knowing the initiatives business units will propose enables a head start on forecasting IT costs. Forecasting operating costs requires an accurate view of historical costs and an understanding of how business changes will affect IT costs. With the implementation of the EPMO, ongoing portfolio management and governance led project prioritizations will enable the City to provide better forecasts. Cost reductions will be tied to service reductions and deferred projects.

Talent Management (People/Culture) – Creating a culture that embraces organizational excellence – right people, defined career path, and education – promotes ownership and accountability.

Mobility / Information / Social – Mobile is evolving quickly. The City must decide which mobile strategy will let them keep up in a mobile world. Solution set, onsite workshop and guided implementation is the blueprint for leveraging the powerful potential of mobile to generate enterprise growth.

Technology Recovery Plan (TRP) / Business Continuity – A TRP for recovery of applications that are critical to business operations is a key component of the business strategy.

Customer Centric – Empowering city departments with data, tools and enabling autonomy to function efficiently in the best interest of the City and the public. Achieved through understanding departmental goals and business needs and finding ways to work together to meet those needs.

Aging Infrastructure – Technology infrastructure is critical to the operations of the City. IT equipment has an expected lifecycle and needs to be replaced at the end of its useful life. The business benefits of maintaining technology currency are many, better performance, greater efficiency, reduced cost, reduced outages attributed to failures of old equipment, new capabilities, and modernized services.

PRIOR YEAR ACCOMPLISHMENTS

- Enterprise Resource Plan (ERP) – This multi-year project is underway with Council approval of 11 new positions for the core project team and a consultant contract to assist the City with the vendor selection process. In FY 2017-18, the system needs assessment and gap analysis was completed, project staff and consultants were selected, and the request for proposals was released.
- Superion Version Management – Upgraded the financial and human capital system to latest version.
- SharePoint Architect and Training – Initiated citywide migration off network drives toward using SharePoint. Provided 16 SharePoint Admin, Site Owner, Essentials and Open Q&A classes for enhanced usability and improved Team sites and Project sites for end users.
- City Website Redesign – Redesigned the City's landing page and Police Department (PD) homepage on a SharePoint platform.
- Security Assessment – Performed a technology hosting assessment that reviewed the technology environment (networks, servers, IT practices). Interviewed all City departments, identifying technologies with significant impact, and established a uniform technical design process.
- Telephone Equipment Upgrades/Replacements – Completed the planned move to a cloud-based VoIP system.
- Public Safety Radio Infrastructure – Finalized Radio Infrastructure Strategy and developed plans for upgrades.
- Completed 3-year replacement cycle for portable and mobile radios approved by City Council.

- PD CAD Upgrade – Upgraded Police Dispatch 911 Software
- Improve Connectivity to Remote Locations – Increased bandwidth for all Library locations to 1GB connection.
- Data Center Management Plan – Refreshment of the data center technology infrastructure equipment and end-user devices included a refresh of the network infrastructure for library branches, delivery of 324 desktop computers, 86 laptops, 51 surface pros, and 52 iPad tablets. Replaced 150 outdated public library computers.
- Student Internship Program – Established an internship program and partnership with the University of Pacific that provides on-the-job training and career readiness for students. Expanded the program to include other local colleges and universities such as Delta College and Sacramento State.
- Enterprise Portfolio Management Office (EPMO) – Published a Citywide EPMO SharePoint site to share objectives, mission, and project management best practices to the organization and managed all Stockton Technology Oversight Committee (STOC) meetings, IT Project Master List, Project Roadmaps, and Project Prioritization process.

KEY CONSIDERATIONS

- Enterprise Resource Plan (ERP) – In FY 2018-19, completing the vendor selection and starting the implementation work focused on core Finance and HR processes starting in late 2018 and continuing through 2019. This will involve significant staff hours spent on this project, including an onsite vendor implementation team.
- Replace Fire CAD system – Consolidation of Fire and Police computer-aided dispatch (CAD) into one system.
- Superion Hardware Replacement – Identification of server equipment supporting the ERP system that will have a functional lifespan to support the duration of the migration of the ERP program.
- Network Security – Improve the network security platform that will address the detection of virus, malware, and attempts to compromise the City's network infrastructure.
- Network Redesign – Address single points of failure in the City's internal networking environment. Priority will be given to locations with the largest concentrations of City employees. This effort will include use of new technologies such as 5G cellular and software-defined networks.
- Delta Water Supply Network Upgrade – Increase the bandwidth for Delta Water Supply by providing the City's standard fiber network solution.
- Student Internship Program.
- SharePoint – Initiate migration of intranet functions to SharePoint.
- City Website Redesign – Continue to Phase 2 of redesigning the City website in the new format. Hire a dedicated Systems Analyst for the website.
- Initiate Public Safety Radio Infrastructure – Initiate a public safety radio infrastructure plan that will address core, console and microwave equipment needed to provide stability of the radio communication system.

Information Technology
Internal Service Funds
FY 2018-19 Annual Budget

	Computer Equipment 502	Radio Equipment 503	Telephone Equipment 504	Internal Service Total
	See Page N-11	*See Page N-13*	*See Page N-14*	
Beginning Available Balance	**$ 13,852,398**	**$ 2,414,958**	**$ -**	**$ 16,267,356**
Revenues				
Charge for Services				
Police	5,976,297	1,252,457	-	7,228,754
Fire	1,120,854	616,625	-	1,737,479
Other General Fund	1,797,754	2,563	-	1,800,317
Other Funds	6,086,680	151,899	-	6,238,579
	14,981,585	2,023,544	-	17,005,129
Refunds & Reimbursements	-	-	-	-
Investment Proceeds	60,000	10,000	-	70,000
	15,041,585	**2,033,544**	**-**	**17,075,129**
Expenditures				
General & Administrative	1,846,538	-	-	1,846,538
Operations & Maintenance	12,072,131	928,853	-	13,000,984
Equipment Replacements	1,953,900	1,796,500	-	3,750,400
Debt Service	-	-	-	-
	15,872,569	**2,725,353**	**-**	**18,597,922**
				-
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**(830,984)**	**(691,809)**	**-**	**(1,522,793)**
Ending Available Balance	**$ 13,021,414**	**$ 1,723,149**	**$ -**	**$ 14,744,563**

Revenues	$ 17,075,129
Transfers	-
Total Sources	$ 17,075,129
Expenditures	$ 18,597,922
Transfers	-
Total Appropriations	$ 18,597,922

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

NON-DEPARTMENTAL

MISSION STATEMENT

To provide for citywide General Fund expenses not solely related to one department. Functions include: reporting, securing and providing technical assistance for grant funding from state, local and federal agencies; and prevention and intervention; providing timely, accurate, and complete information that is readily accessible to the public, via print, web-based and broadcast mediums, about City services, events, issues and actions; responding to public inquiries and requests for public information; and reaching out to the community to encourage public participation in local government.

Budget at a Glance:

Total Revenues	$1,523,908
Total Expenditures	$26,595,419
Total Net Cost	$25,071,511
Total Staff	17

DEPARTMENT DESCRIPTION

Non-Departmental is a funding source category for functions within the City Manager's Office that have citywide impact and are not directly attributable to any single department. The programs funded, in whole or part, through Non-Departmental, include: Channel 97, Office of Violence Prevention, Labor Litigation, Communications and Public Relations. Non-Departmental funds are also used to pay for expenses and costs related to receipt of tax revenues from other agencies, general elections costs, advertising and outreach for the City of Stockton, contracts for legislative advocacy, and dues to the California League of Cities. Also contained in the Non-Departmental section are three other categories of funding that are citywide in nature. These are:

- Debt service payments, which under the Plan of Adjustment are limited to payments on the Stuart Eberhardt Building, the Civic Auditorium HVAC lease, Assured Guaranty Settlement Agreement, and a small amount of staff time.
- Transfers for Program Support for Other Funds (e.g. Capital Improvement Fund, Development Services, Golf, Entertainment Venues, Library, Recreation, etc.)
- Contingency Reserve of $2 million to cover unexpected expenditures or emergencies

DEPARTMENT STRATEGIC WORK PLAN

Because the Non-Departmental budget is the funding source for functions within the City Manager's Office that have a citywide impact, the strategic work plan of these functions is to support the implementation of the City Council Strategic Targets and Priority Goals as outlined earlier in the budget document. Specific initiatives for FY 2019-20 include negotiation with the City's labor partners pending conclusion of the current 3-year term agreements, increased presence and advocacy with the Federal government, and preparations to deliver Channel 97 services at the Waterfront Towers and other satellite locations. In addition, key strategic initiatives of the Office of Violence Prevention include acquisition of a client database to provide better analytics and reporting for Operation Ceasefire efforts, developing more robust life-skills curriculum for successful Operation Ceasefire clients, leveraging City funds to expand Operation Ceasefire client services, and building additional partnerships in support of Operation Ceasefire and violence prevention efforts.

PRIOR YEAR ACCOMPLISHMENTS

Important citywide accomplishments in support of the City Council strategic workplan include institutionalization of good fiscal planning and use of the Long-Range Financial Plan, resulting in the growth of financial reserves for known and unknown contingencies, and leading to national recognition for the positive financial condition of the City.

The City achieved public safety hiring goals, reaching an all-time high for sworn police officers. The Neighborhood Betterment Teams and Office of Violence Prevention reached full staffing. The City cleaned up multiple blight hot spots through community clean-ups and city programs. Overall crime was the lowest it has been in 17 years and violence reduction strategies showed progress toward reducing group gun violence.

In addition, the City implemented development incentive tools including the Short-term Fee Deferral Program and Residential Neighborhood Reinvestment Program. Progress toward the elements of the Economic Development Strategic Plan also included adoption of a Food and Agriculture Plan, Economic Gardening Program, and entrepreneurship partnerships. The City attracted the development of more than three million square feet of industrial space representing more than a thousand of new jobs, facilitated dramatic growth to the University Park health care hub and assisted 32 new and expanding businesses for a total of more than 400 jobs.

Furthermore, the City received more than $14.5 million in infrastructure grants for transit and safety projects, completed multiple street repair projects, improved utility infrastructure systems, and acquired a new City Hall building. The City also began enhancing public park and library spaces in alignment with the Strong Communities funding plan. Finally, the City allocated significant resources toward infrastructure that supports the homeless population and developed partnerships to address homelessness and the impacts of homelessness.

In addition, it is worth noting that funding from the Non-Departmental budget specifically supported development of the City Council strategic work plan, City Council discretionary funding projects, full staffing and client services expansion for the Office of Violence prevention and one-time funding projects that included Mobile City Hall, addressing impacts of homelessness, youth summer employment, and additional funding to community organizations serving our at-risk populations.

KEY CONSIDERATIONS

Despite improved conditions in the overall economy in recent years, funding from outside sources such as foundations and granting agencies remains limited, resulting in a continued need for the functions provided by Non-Departmental funding. Grant funding opportunities are scarce and available grants have more stringent requirements and qualifications, requiring additional time and resources for grant research and application processing.

Fortunately, the Office of Violence Prevention was successfully awarded a two-year grant to assist in the implementation of Operation Ceasefire, however it is important to note that a majority of grant funds have been distributed to local community-based organizations to support the Ceasefire effort. The Office of Violence Prevention is at full staffing and is fully implementing Operation Ceasefire. Vacancy savings that were experienced in prior fiscal years as the Office was established will no longer occur. The Office of Violence Prevention budget is anticipated to be fully expended implementing Operation Ceasefire and other violence reduction efforts. As the

Office of Violence Prevention continues to enhance violence reduction strategies, funds for data tracking analysis and reporting will be important. In addition, as strategies are implemented, funding for client services delivered by the City or community partners will be critical to success.

In broader consideration of the Non-Departmental budget, as the City moves forward post-bankruptcy, legislative advocacy, community outreach and strategic media relations will play a pivotal role in moving forward with our recovery. The City needs to work with government delegations, employees, citizens, visitors, and ultimately employers that may wish to locate their businesses here to continue the progress that this organization and community have made. The City is poised to build on the many outstanding accomplishments and recognition that Stockton is receiving and leverage these successes to enhance Stockton's public image.

Non-Departmental
General Fund - 010
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Total Non-Departmental				
Employee Services	$ 1,069,094	$ 1,481,044	$ 1,746,678	$ 1,644,564
Other Services	5,292,361	4,833,224	6,042,510	5,428,247
Materials and Supplies	(38,473)	39,187	36,430	77,102
Other Expenses	(800,486)	(731,135)	1,209,349	(173,729)
Capital Outlay	344,924	23,746	85,776	-
Transfers Out	30,258,450	22,139,206	28,484,596	17,748,610
Total	$ 36,125,870	$ 27,785,272	$ 37,605,339	$ 24,724,794
Office of Violence Prevention				
Employee Services	358,277	336,554	556,476	466,964
Other Services	266,542	94,587	220,154	88,570
Materials and Supplies	5,977	8,326	10,500	17,446
Other Expenses	-	-	12,500	2,500
Total	630,796	439,467	799,630	575,480
Marshall Plan - Office of Violence Prevention				
Employee Services	302,489	615,792	609,809	686,203
Other Services	221,737	169,557	350,214	241,604
Materials and Supplies	11,660	30,415	25,500	48,331
Other Expenses	1,696	7,712	12,750	20,250
Capital Outlay	74,274	23,746	-	-
Total	611,856	847,222	998,273	996,388
Tax Collection & Election				
Other Services	2,331,383	2,700,281	2,592,648	2,583,500
Other Expenses	449,713	515,621	545,000	560,000
Total	2,781,096	3,215,902	3,137,648	3,143,500
Labor Litigation/Fiscal Sustainability*				
Other Services	1,233,962	260,425	500,000	900,000
Total	1,233,962	260,425	500,000	900,000
Other Administration				
Employee Services	408,328	528,698	490,886	491,397
Other Services	1,238,737	1,587,461	2,244,001	1,043,723
Materials and Supplies	(56,110)	446	430	1,325
Other Expenses	(1,251,895)	(1,254,468)	(1,310,901)	(2,790,679)
Capital Outlay	270,650	-	85,776	-
Total	609,710	862,137	1,510,192	(1,254,234)

* FY 2015-16 and FY 2016-17 include expenses previously reported under Fiscal Sustainability and Reserve fund combined with the General Fund in FY 2017-18.

Non-Departmental
General Fund - 010
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Homeless Program				
Employee Services	-	-	89,507	-
Other Services	-	20,913	135,493	-
Total	-	20,913	225,000	-
Waterfront Office Towers				
Other Services	-	-	-	570,850
Materials and Supplies	-	-	-	10,000
Other Expenses	-	-	-	34,200
Total	-	-	-	615,050
Debt Service				
Transfer Out - Debt Service - 201				
Assured Guaranty Contingent Payment	-	-	2,106,000	1,803,073
Assured Guaranty Settlement	-	-	1,337,175	1,337,175
Civic Aud. HVAC Lease	248,779	-	248,779	479,307
Parking Bond (SEB)	908,494	-	914,894	714,547
Debt Administration	262,965	1,443,873	300,000	350,000
Total	1,420,238	1,443,873	4,906,848	4,684,102
Program Support for Other Funds				
Transfers				
Library - 041	5,312,525	4,504,000	3,984,500	3,984,500
Recreation - 044	3,585,112	3,915,000	3,407,000	3,395,500
Entertainment Venues - 086	3,445,000	3,445,000	3,445,000	3,285,000
Development Services - 048	1,000,000	1,000,000	925,000	925,000
Golf - 481	550,000	850,000	700,000	700,000
Downtown Marina - 460	215,000	220,000	212,000	262,000
Grant Match - 025	60,575	70,333	300,000	250,000
Capital Improvement - 301	11,635,000	6,691,000	9,893,600	232,924
Low & Mod. Income Housing - 329	-	-	10,648	29,584
Parking Technology Improvement - 419	1,000,000	-	-	-
Information Technology ISF - 502	1,035,000	-	-	-
Radio ISF - 503	-	-	700,000	-
Retirement ISF - 561	500,000	-	-	-
Workers Comp ISF - 551	500,000	-	-	-
Total	28,838,212	20,695,333	23,577,748	13,064,508
Contingency				
Other Expenses	-	-	1,950,000	2,000,000
Total	-	-	1,950,000	2,000,000

Administration and Support
Special Purpose Grant Funds - 020
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 59,910**	**$ 451,411**	**$ 864,079**	**$ 882,901**
Revenues				
Flood Agency Reimbursement	696,373	729,548	904,206	938,508
Public Education Gov. Access Fee	398,925	455,610	466,003	475,000
	1,095,298	**1,185,158**	**1,370,209**	**1,413,508**
Expenditures				
San Joaquin Area Flood Control Agency				
Employee Services	589,003	604,325	718,853	771,632
Other Services	107,370	125,223	185,353	166,876
	696,373	729,548	904,206	938,508
Public Education Gov. Access Fee				
Equipment Purchases	7,424	42,942	114,181	475,000
	7,424	42,942	114,181	475,000
	703,797	**772,490**	**1,018,387**	**1,413,508**
Transfers				
Transfer In - General Fund	-	-	-	-
Transfer In - Technology 502	-	-	-	-
Transfer Out	-	-	(333,000)	(333,000)
	-	**-**	**(333,000)**	**(333,000)**
Net Annual Activity	**391,501**	**412,668**	**18,822**	**(333,000)**
Ending Available Balance	**$ 451,411**	**$ 864,079**	**$ 882,901**	**$ 549,901**

Other Special Programs
Wagner - General Special Revenue - 627
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 61,825**	**$ 62,911**	**$ 46,509**	**$ 44,009**
Revenues				
Program Revenue	-	-	-	-
Donations	-	-	-	-
Other Revenue	1,086	98	500	500
	1,086	**98**	**500**	**500**
Expenditures				
Program Expenses	-	1,500	3,000	3,000
	-	**1,500**	**3,000**	**3,000**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**1,086**	**(1,402)**	**(2,500)**	**(2,500)**
Ending Available Balance	**$ 62,911**	**$ 61,509**	**$ 44,009**	**$ 41,509**

Available Balance Calculation

Current assets	$ 61,509
Principal endowment	(15,000)
Ending Available Balance	$ 46,509

Other Special Programs
General Special Revenue - 642
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 92,455**	**$ 130,858**	**$ 131,035**	**$ 163,826**
Revenues				
Program Revenue	4,400	3,300	4,400	4,400
Donations	791	10,852	1,355	1,500
Other Revenue	103,764	79,130	104,000	104,000
	108,955	**93,282**	**109,755**	**109,900**
Expenditures				
Program Expenses	70,552	93,104	76,964	121,117
	70,552	**93,104**	**76,964**	**121,117**
Transfers				
Transfer In	-	-	-	-
Transfer Out - Grant Fund - 020	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**38,403**	**178**	**32,791**	**(11,217)**
Ending Available Balance	**$ 130,858**	**$ 131,036**	**$ 163,826**	**$ 152,609**

Available Balance Calculation

Current assets	$ 131,166
Current liabilities	(131)
Ending Available Balance	$ 131,035

TAB 12 DEBT

DEBT

CITY DEBT SERVICE FUNDS

Debt Service Funds are used to administer the City's General Government and Assessment District debt obligations.

Budget at a Glance:	
Total Revenues	$22,430,257
City Debt Service Fund	$14,761,183
CFD & Assessment Districts	$7,290,562
Administration	$377,991
Total Expenditures	$22,429,736
Total Net Revenue	$521

GENERAL FUND DEBT OBLIGATIONS

The City's General Fund secures a number of bonds and other debt obligations that are administered in the City's Debt Service Fund.

Lease Revenue Bonds 2006 Series A – Parking and Stewart-Eberhardt Building (see pages L-8 and I-37)

The 2006 Lease Revenue Refunding Bonds Series A were issued in the amount of $13,965,000 in March 2006. The Bonds were issued to finance the acquisition and construction of the parking facility adjacent to the Essential Services Building (the Stewart-Eberhardt Building). The source for repayment is from the Parking Authority Fund revenues. The City plans to refinance the bonds using interfund borrowing pending Council approval in FY 2018-19. The annual debt service payment of the bond, the payoff amount and the annual payment toward the interfund loan is budgeted at $9,762,066.

Capital Lease – Civic Auditorium HVAC System

On December 15, 2009, the City Council approved the execution of a Lease Purchase Agreement with Wells Fargo Securities, LLC to provide financing for the replacement of the Heating, Ventilation and Air Conditioning (HVAC) system for the Stockton Memorial Civic Auditorium. The lease is in the amount of $1,930,000, and the sources for repayment are savings from reductions in utility costs to operate the HVAC system and from the City's General Fund. The debt service payment for the lease is budgeted at $479,307. This amount includes an extra payment to pay off this lease early in FY 2018-19.

Assured Guaranty Settlement Repayment

Upon exit from bankruptcy in FY 2014-15, the City started paying on an agreement with the insurer that replaced payments formerly required on the following bonds:

- Pension Obligation Bonds 2007 Series A and B

  The 2007 Taxable Pension Obligation Bonds, Series A and B were issued in the amount of $125,310,000 in March 2007. The bonds were issued to refinance a portion of the City's unfunded actuarial liability with respect to retirement benefits accruing to its members of the California Public Employees' Retirement System.

- Lease Revenue Bonds 2007 Series A and B – City Administration Building

  The 2007 bonds were issued in two series: Series A (Tax-Exempt) in the amount of $36,500,000 and Series B (Taxable) in the amount of $4,270,000 in September 2007. The bonds were issued to finance the acquisition of property at 400 E. Main Street which the City planned to use as City Hall. The bonds were cancelled through the Plan of Adjustment and its accompanying settlement agreement, and the City surrendered the property to the insurer. The City entered into a separate lease to use portions of the building.

The City's settlement agreement covers both bond series and was confirmed by the bankruptcy court effective February 25, 2015. The City Plan of Adjustment contains the details of the modified agreement. The City's settlement agreement includes three series of payments to be made to the trustee. Beginning in FY 2018-19 the second series of payments begins. These payments are applied to the remaining bondholder debt service payments with the balance paid by the insurer. The City's settlement payment and fees under the modified reimbursement agreement with the insurer is budgeted at $2,851,556.

This agreement also contains provisions that require the City to make "contingent revenue" payments to Assured Guaranty if core General Fund revenues (as defined in the settlement agreement) increase above those projected in the settlement agreement. The contingent payment due to be paid June 1, 2019, is to be determined May 2, 2019, and is budgeted at $1,803,073.

INTERNAL SERVICE FUNDS DEBT SERVICE (*NOT INCLUDED IN BUDGET AT A GLANCE)

Capital Lease – Fire Vehicles (see page N-9)

On April 17, 2007, the City Council approved the execution of a Master Equipment/Lease Agreement with Banc of America Leasing and Capital, LLC to provide a tax-exempt financing mechanism and established the underlying financing tool for designated capital projects. The City authorized the purchase of an aerial fire truck and water rescue vehicle for the Fire Department amounting to $1,000,000. The City plans to refinance the lease using interfund borrowing pending Council approval in FY 2018-19. The annual debt service payment of the lease, the payoff amount and the annual payment toward the interfund loan is budgeted at $409,554 in the Fleet Internal Service Fund. This refunding is estimated to have over $3,800 annual savings through FY 2022-23.

Capital Lease - Fire Vehicles (see page N-9)

On January 24, 2012, the City Council approved a tax-exempt lease purchase agreement with Oshkosh Capital for the acquisition of four Pierce Fire Pumper vehicles. Subsequently, the City filed for Chapter 9 bankruptcy protection. On January 30, 2013, the U.S. Bankruptcy Court approved an amended agreement with a cost of $1,871,404 and delivery of the trucks occurred in the spring of 2013. The annual debt service payment for the lease is budgeted at $213,311 in the Fleet Internal Service Fund.

Capital Lease – Fire Vehicles (see page N-9)

On May 19, 2015, the City Council authorized the purchase of three Fire Engines and one Ladder Truck partially financed by entering a purchase lease agreement with Western Alliance Bank. The City finalized the lease agreement in August 2015. The City plans to refinance the lease

using interfund borrowing pending Council approval in FY 2018-19. The annual debt service payment of the lease, the payoff amount and the annual payment toward the interfund loan is budgeted at $1,788,794 in the Fleet Internal Service Fund. This refunding is estimated to have over $15,000 annual savings through FY 2025-26.

Capital Lease – Fire Vehicles (see page N-9)

On February 7, 2017, the City Council authorized the purchase of two Fire Engines and one Ladder Truck partially financed by entering a purchase lease agreement with Western Alliance Bank. The lease agreement was finalized in April 2017. The City plans to refinance the lease using interfund borrowing pending Council approval in FY 2018-19. The annual debt service payment of the lease, the payoff amount and the annual payment toward the interfund loan is budgeted at $1,832,180 in the Fleet Internal Service Fund. This refunding is estimated to have over $19,000 annual savings through FY 2026-27.

OTHER DEBT SERVICE BACKED BY GENERAL FUND (*NOT INCLUDED IN BUDGET AT A GLANCE)

Lease Revenue Bonds Series 2004 – Parking and Capital Projects (see page I-37)

The 2004 Revenue Bonds were issued in June 2004 in the amount of $32,785,000 to finance the construction of two parking garages. Repayment of the bonds is financed by payments made from the City's Parking Authority. Pursuant to the City's bankruptcy, the Trustee (Wells Fargo Corporate Trust) took possessory interest of the two parking garages and a third the City pledged as collateral. Until the effective date of the bankruptcy agreement, the garages were operated for the benefit of the bond insurer and debt service payments were made by the bond insurer. Under the terms of the settlement agreement confirmed by the bankruptcy court effective February 25, 2015, the City transferred certain parking assets to the newly-formed Stockton Parking Authority. Annual settlement payment and fees under the settlement agreement are budgeted at $1,592,148 in the Parking Authority Fund.

COMMUNITY FACILITIES DISTRICTS AND ASSESSMENT DISTRICTS

Approximately 15 special districts have been formed throughout the City to finance improvements through the issuance of bonds. The types of improvements the districts have financed include subdivision improvements, street lights, and parks. Assessments are levied and added to the tax rolls on properties within the various districts. These assessments provide the source of payment on the bonds. The annual debt service payment is budgeted at $6,850,073 plus associated administrative costs of $440,489 for a total budget of $7,290,562.

DEBT

SUCCESSOR AGENCY AND UTILITIES DEBT

Other City debt obligations secured by the Successor Agency and utility funds are listed in the following pages for informational purposes only. Debt service payments are included within the Successor Agency and Municipal Utilities fund budgets.

SUCCESSOR AGENCY

Successor Agency - 2016 Tax Allocation Refunding Bonds - Series A and B (see page L-10)

The Series A Bonds were issued in the amount of $73,310,000 and the Taxable Series B Bonds were issued in the amount of $30,010,000 in November 2016. The Bonds were issued to refund and defease the following obligations: 2003 Series A and B Certificates of Participation (Redevelopment Housing Projects); 2004 Revenue Bonds (Stockton Events Center-Arena Project); and the 2006 Series A and C (Housing and Redevelopment Projects). The source for repayment is Successor Agency property tax revenue that are pledged toward repayment of the bonds. The annual debt service payment and fees for the bonds is budgeted at $7,472,510.

MUNICIPAL UTILITIES DEBT

California Statewide Community Development Authority Revenue Bonds Series 2002A (See page L-11)

The 2002 Series A Bonds were part of a pooled issuance totaling $34,335,000 issued by the California Statewide Community Development Authority in April 2002. The City's portion of the overall issuance was $14,280,000, which allowed the City to refund and defease the 1993 Certificates of Participation used to finance water system improvements. Net revenues of the Water Utility Fund are pledged towards repayment of the 2002A Bonds. The annual debt service payment and fees for the bonds is budgeted at $1,116,790.

Stockton Public Financing Authority Revenue Bonds Series 2005A (See page L-11)

The 2005 Series A Bonds were issued in the amount of $24,230,000 in November 2005. The bonds were issued to finance various water system capital improvement projects. Net revenue for the Water Utility Fund are pledged towards repayment of the 2005A Bonds. The annual debt service payment and fees for the bonds is budgeted at $1,035,919.

Stockton Public Financing Authority Revenue Bonds Series 2009B (See page L-11)

The 2009 Water Revenue Bonds, Series B (Taxable Build America Bonds, Delta Water Supply Project) were issued in the amount of $154,550,000 in August 2009. The 2009B Bonds were issued to finance the design and construction of the first phase of the Delta Water Supply Project. The bonds are subordinate to the other bonds paid from the Water Utility Fund, meaning that net revenues remaining after semi-annual debt service payments on those other bonds are pledged towards repayment of the 2009B Bonds. The annual debt service payment and fees for the bonds is budgeted at $15,560,557. This payment is offset by the Build America Bonds subsidy of $3,781,434.

Stockton Public Financing Authority Revenue Bonds Series 2010A (See page L-11)

The 2010 Water Revenue Bonds, Series A were issued in the amount of $55,000,000 in October 2010. The 2010A Bonds were issued for the design and construction of the final phase

of the Delta Water Supply Project. The repayment of the 2010A Bonds is from a pledge of net revenues of the Water Utility Fund. The annual debt service payment and fees for the bonds is budgeted at $3,444,038.

Stockton Public Financing Authority Wastewater Revenue Refunding Bonds Series 2014 (See page L-12)

The 2014 Wastewater Revenue Bonds were issued in the amount of $69,440,000 in November 2014 to refund and defease Certificates of Participation issued by the Utility in 1998 and 2003. These earlier debt issues financed various projects throughout the wastewater system. The repayment of the 2014 Bonds is from a pledge of net revenues of the Wastewater Fund. The annual debt service payment and fees for the bonds is budgeted at $6,497,200.

OTHER DEBT SERVICE

Section 108 Loans (See page I-13)

The City has entered into four Section 108 loan guarantee agreements with the U.S. Department of Housing and Urban Development (HUD) to complete redevelopment projects. Repayment of the loans will be financed from Community Development Block Grant entitlement funds. The annual debt service payment for the loans is $1,941,928.

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

City Debt Service Fund - 201
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 2,961,461**	**$ 2,998,849**	**$ 1,549,904**	**$ 1,540,159**
Revenues				
Charges for Services	1,465,386	1,486,705	1,514,381	1,540,593
Other	(15,031)	(4,911)	-	-
Investment Proceeds	22,226	(13,762)	-	-
	1,472,581	**1,468,032**	**1,514,381**	**1,540,593**
Expenditures				
Principal Payments	1,959,497	12,193,113	748,565	9,961,772
Interest Expense	1,623,479	2,371,901	3,233,237	2,996,338
Contingent Payment	-	-	2,106,000	1,803,073
Operating Expenses	72,088	6,700	4,300	2,300
Administration & Overhead	535,670	651,207	687,872	759,691
Cost Reimbursed	(337,400)	(321,392)	(349,000)	(384,000)
	3,853,334	**14,901,529**	**6,430,974**	**15,139,174**
Transfers				
Transfer In - General Fund	1,420,238	1,443,873	4,906,848	4,684,102
Transfer In - Other	997,903	10,540,679	-	8,915,000
Transfer Out	-	-	-	-
	2,418,141	**11,984,552**	**4,906,848**	**13,599,102**
Net Annual Activity	**37,388**	**(1,448,945)**	**(9,745)**	**521**
Ending Available Balance	**$ 2,998,849**	**$ 1,549,904**	**$ 1,540,159**	**$ 1,540,680**

Available Balance Calculation

Current Assets	$ 1,585,062
Current Liabilities	(35,158)
Ending Available Balance	$ 1,549,904

City Debt Service Funds
FY 2018-19 Annual Budget

	Debt and Cash Administration 201	Lease Revenue 2006 Series A 201	Capital Lease 201	Assured Guaranty Repayment 201
Date Issued		4/6/2006		
Purpose		Parking and Stewart-Eberhardt Building	Civic Auditorium HVAC System	Settlement Agreement
Beginning Available Balance	**$ 25,778**	**$ -**	**$ -**	**$ 1,514,381**
Revenues				
Charges for Services	-	-	-	1,540,593
Assessments	-	-	-	-
	-	**-**	**-**	**1,540,593**
Expenditures				
Principal	-	9,425,000	467,388	69,384
Interest	-	204,547	11,919	2,779,872
Contingent Payment	-	-	-	1,803,073
Administrative Costs	759,691	-	-	2,300
Cost Reimbursed	(384,000)	-	-	-
	375,691	**9,629,547**	**479,307**	**4,654,629**
Transfers				
Transfer In - General Fund	350,000	-	479,307	3,140,248
Transfer In - Other	-	9,629,547	-	-
Transfer Out	-	-	-	-
	350,000	**9,629,547**	**479,307**	**3,140,248**
Net Annual Activity	(25,691)	-	-	26,212
Ending Available Balance	**$ 87**	**$ -**	**$ -**	**$ 1,540,593**

City Debt Service Funds, Continued
FY 2018-19 Annual Budget

	City Debt Service Fund 201 Subtotal	CFD and 1915 Act Debt Service 250/701 Subtotal	Total
Date Issued		Various	
Purpose		Assessment Districts	
Beginning Available Balance	**$ 1,540,159**	**$ -**	**$ 1,540,159**
Revenues			
Charges for Services	1,540,593	-	1,540,593
Assessments	-	7,290,562	7,290,562
	1,540,593	**7,290,562**	**8,831,155**
Expenditures			
Principal	9,961,772	3,745,000	13,706,772
Interest	2,996,338	2,770,924	5,767,262
Contingent Payment	1,803,073	-	1,803,073
Administrative Costs	761,991	440,489	1,202,480
Cost Reimbursed	(384,000)	-	(384,000)
	15,139,174	**7,290,562**	**22,429,736**
Transfers			
Transfer In - General Fund	3,969,555	-	3,969,555
Transfer In - Other	9,629,547	-	9,629,547
Transfer Out	-	-	-
	13,599,102	**-**	**13,599,102**
			-
Net Annual Activity	521	-	521
Ending Available Balance	**$ 1,540,680**	**$ -**	**$ 1,540,680**

Revenues	$ 8,831,155
Transfers	13,599,102
Total Sources	$ 22,430,257
Expenditures	$ 22,429,736
Transfers	-
Total Appropriations	$ 22,429,736

Successor Agency Debt Service Fund - 231
FY 2018-19 Annual Budget

	Revenue Bonds 2016A Series 231	Revenue Bonds 2016B Series 231	Total Debt Service 231
Date Issued	**11/3/2016**	**11/3/2016**	
Purpose	**RDA Projects**	**Housing RDA Projects**	
Expenditures			
Principal	$ -	$ 3,565,000	$ 3,565,000
Interest	3,373,800	524,710	3,898,510
Administration	4,500	4,500	9,000
	3,378,300	**4,094,210**	**7,472,510**
			-
Transfers			
Transfer In - Successor Agency	3,378,300	4,094,210	7,472,510
	3,378,300	**4,094,210**	**7,472,510**
Net Annual Activity	**$ -**	**$ -**	**$ -**

Water Debt Service Funds - 423
FY 2018-19 Annual Budget

	California Statewide Community Development Authority Revenue Bonds Series 2002A 423	Stockton Public Financing Authority Revenue Bonds Series 2005A 423	Stockton Public Financing Authority Revenue Bonds Series 2009B 423	Stockton Public Financing Authority Revenue Bond (2013 FR Conversion) Series 2010A 423	Total Water Debt Service
Date Issued	**5/7/2002**	**11/17/2005**	**8/11/2009**	**10/20/2010**	
Purpose	**Water System Capital Improvements**	**Water System Capital Improvements**	**Delta Water Project**	**Delta Water Project**	
Revenues					
Charges for Services	$ -	$ -	$ -	$ -	$ -
Build America Bonds	-	-	3,781,434	-	3,781,434
Other Revenue	-	-	-	-	-
	-	**-**	**3,781,434**	**-**	**3,781,434**
Expenditures					
Principal	885,000	125,000	3,990,000	135,000	5,135,000
Interest	228,220	908,919	11,567,557	3,306,538	16,011,234
Operating Expenses	3,570	2,000	3,000	2,500	11,070
Capital Projects	-	-	-	-	-
	1,116,790	**1,035,919**	**15,560,557**	**3,444,038**	**21,157,304**
Transfers					
Transfer In					
Water User Fees - 421	876,999	-	11,779,123	3,444,038	16,100,160
Water Connections Fees - 424	239,791	1,035,919	-	-	1,275,710
Delta Water Surface Fee - 425	-	-	-	-	-
Transfer Out					
Water Debt Service - 423	-	-	-	-	-
Water Capital Projects - 427	-	-	-	-	-
	1,116,790	**1,035,919**	**11,779,123**	**3,444,038**	**17,375,870**
Net Annual Activity	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Wastewater Debt Service Funds - 433
FY 2018-19 Annual Budget

	Stockton Public Financing Authority Wastewater Revenue Refunding Bonds Series 2014 433
Date Issued	**10/22/2014**
Purpose	**Wastewater Projects**
Expenditures	
Principal	$ 3,635,000
Interest	2,859,700
Disclosure fees	2,500
	6,497,200
Transfers	
Transfer In	-
Wastewater User Fees - 431	3,053,654
Wastewater Connection Fees Capital Projects - 434	3,443,546
	6,497,200
Net Annual Activity	**$ -**

TAB 13 CAPITAL

CAPITAL IMPROVEMENT PROGRAM

MISSION STATEMENT

The Capital Improvement Program is a five-year plan of the public projects necessary to maintain and improve the public works of the City and the orderly implementation of the Stockton General Plan. The public works include buildings, parks, golf courses, utilities, and transportation system.

Budget at a Glance:	
Total Revenues	$33,163,312
Total Expenditures	$41,594,435
Total Net Cost	($8,431,123)

PROGRAM DESCRIPTION

The projects listed in the accompanying five-year Capital Improvement Program have a minimum estimated individual cost of $50,000 and provide long term assets that maintain and improve our community. Budgeted funds for each project cover costs for design, construction, equipment and land purchases, project administration, and contingencies. The Capital Improvement Program includes buildings, parks, golf courses, utilities, and the transportation system. The costs identified in the first year of the program are appropriated as a part of the operating and capital budget process. Each year, the five-year plan is reviewed considering the City's needs, priorities, and available funds, and revised as necessary.

PRIOR YEAR ACCOMPLISHMENTS

Federal and State Grant Awards in the amount of $6.2 million from Highway Safety Improvement Program Cycle 8, $5.1 million from Active Transportation Program Cycle 3, $15.9 million from Congestion Mitigation Air Quality for a total of $27.2 million.

Measure K Competitive Bike and Pedestrian, Safe Routes to School and Smart Growth Program funding awarded in the amount $11.4 million and $1.4 million of non-competitive Bike and Pedestrian funding. It is also expected the City will deliver the $2 million project awarded to the San Joaquin Regional Rail Commission for construction of the Chanel Street Complete Street project.

Major project completions:

- Police Department Administrative Offices; SEB 4th Floor
- San Joaquin Trail Improvements
- Bicycle Master Plan Update
- Safe Routes to School Plan
- Police Department Under Freeway Park Lot
- Tam O'Shanter/Castle Oaks Roundabout
- Fire Station projects - kitchen remodel at No. 4, burn room at No. 2, and renovation of No. 12
- FY 2015-16 Street Resurfacing

Key projects completed design and starting construction:

- Calaveras River Bike Path

- Fremont Square Sidewalk Improvements
- Greater Downtown Active Transportation Plan Hunter Street Road Diet

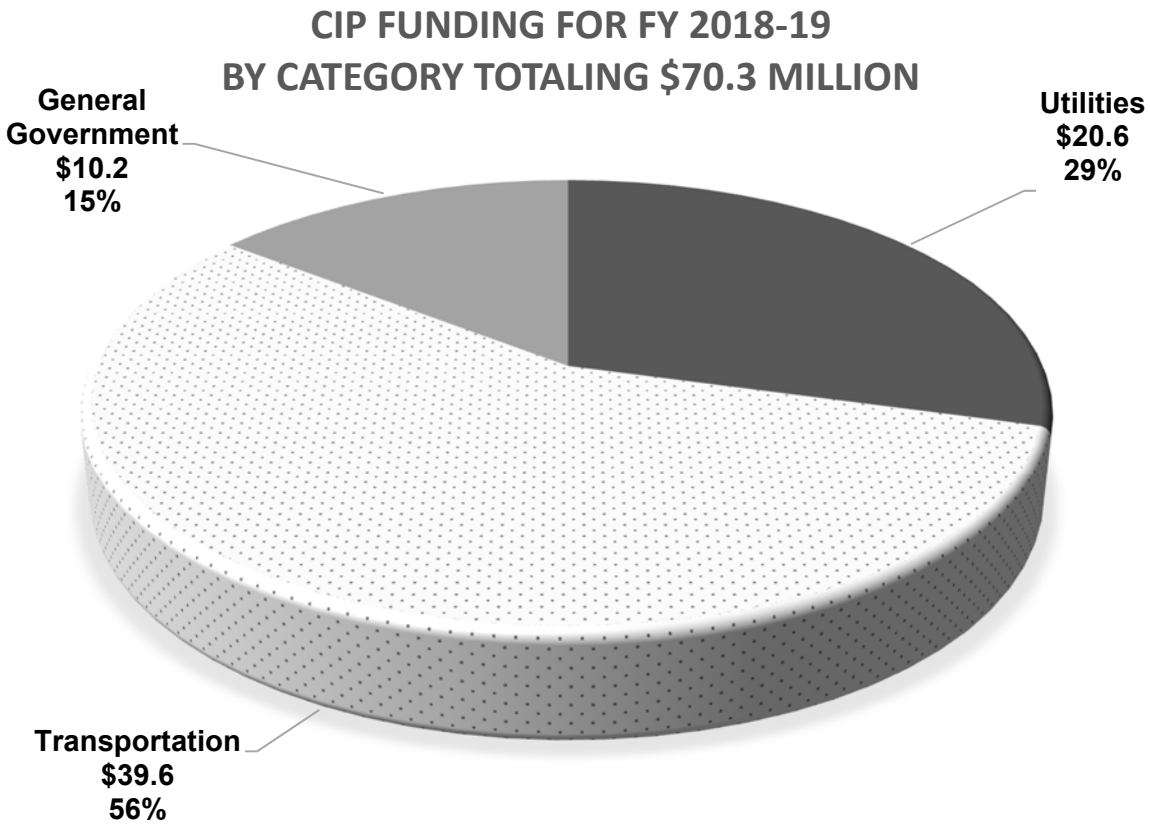
KEY CONSIDERATIONS

The CIP includes a list of projects with a total value of $1.1 billion, including Municipal Utility projects of $327 million, transportation projects of $328 million, and other Citywide projects of $468 million. The first four years of the CIP are financially constrained and reflect projects where the City has identified funding. The fifth year of the CIP reflects the unfunded facility and transportation needs throughout the City in addition to projects with identified funding. In accordance with the Long-Range Financial Plan, the CIP assumes $1.1 million General Fund in each of its five fiscal years. This amount is insufficient to fund the capital improvement General Fund needs over the same five-year period, which are estimated at $393 million. In the Transportation area, there is an additional $193 million in unfunded needs listed in the fifth year (FY 2022-23). There are some projects the City expects to begin within the five years of this document but the full project cost is not shown because the projects will not be completely funded until future years.

Staff recommends $70.3 million in capital projects be funded for FY 2018-19. This year is the only year of the plan with available funding appropriated. General government projects total $10.2 million. Of this amount, $1.3 million or 2% is from unrestricted General Fund sources, excluding Parking, Fleet, Library, Public Facilities Fees and one-time special reimbursements. Proposed funding for utility projects is $20.6 million from utility fees. Library and Recreation projects funded by Strong Communities tax revenues total $5.3 million.

The transportation projects assumed in the CIP require a FY 2018-19 allocation of $39.6 million with $12.7 million coming from State and Federal grants, $5.4 million from Gas Tax Road Maintenance Rehabilitation Account (RMRA) and $7.5 million from Measure K. Additional funding sources includeTransportation Development Act, Public Facility Fees (PFF) paid by the development community for specific infrastructure improvements and other reimbursements.

The CIP groups projects into three categories: General Government, Transportation, and Utilities. The following chart summarizes the FY 2018-19 capital projects by type.



General Government

This category includes improvements associated with City-owned facilities including police, fire, parks, golf courses, libraries, community centers, and city buildings. The CIP assumes these improvements are funded from the General Fund, as well as dedicated funding sources such as Public Facilities Fees, Measure M – Strong Communities and other reimbursements.

The recommended General Fund allocation for capital projects in FY 2018-19 is $1.3 million which has been allocated to several projects that address Council's strategic priorities relative to infrastructure. These projects are:

- Roof Replacement and Construction
- Fire Station Security Systems
- Fire Station Window Replacement
- Weber Event Center Fountain Filtration

The other significant projects under General Government in FY 2018-19 total $8.9 million and are funded with various reimbursements, Strong Communities tax revenues and Landscape Maintenance District funds. These projects include:

- Aquatic Facilities Renovation and Replacement

- McNair Soccer Complex
- Stockton Soccer Complex
- Park Improvements and Equipment Replacement
- Troke Program Room Remodel
- Emergency Backup Generators
- Government Access Channel Infrastructure

Transportation

The City funds improvements to its transportation system from non-General Fund sources that are restricted to transportation uses. These sources include State and Federal grants, Transportation Development Act, Gas Tax, PFF, Measure K and other reimbursements.

The transportation projects included in the CIP represent the City's continuing effort to improve traffic flow, safety and personal mobility; reduce air pollution; accommodate growth; foster economic development; promote the use of alternate transportation modes, and preserve the transportation infrastructure. The City draws projects from many sources, including the Stockton Street Improvement Plan, Circulation Element of the General Plan, Bicycle Master Plan, Safe Routes to School Plan, Complete Streets Plan and various planning documents from San Joaquin Council of Governments.

The City has been successful in obtaining significant amounts of grant funds for transportation projects. Additionally the City has been awarded $12.8 million from Measure K which is reflecting in two fiscal years, $5.1 million in FY 2018-19 and $7.7 million in FY2019-20. Based on past performance, the CIP includes an aggressive list of transportation for which grant funds will be sought, to facilitate design and construction of the needed improvements.

In general, the larger transportation projects included for funding in FY 2018-19 include:

- Miner Avenue Complete Streets Improvements Phase III
- Bridge Rehabilitation and Replacement
- Local Street Resurfacing
- Sidewalks, Curbs, Gutter Repair Program
- Curb, Gutter and Sidewalk Infill Program
- French Camp Road and McDougald Boulevard Traffic Signal
- Raised Medians on Pacific Avenue
- Install Guardrails
- Install Pedestrian Crossings at 9 Intersections
- Neighborhood Traffic Calming Program

Utilities

The City funds capital improvements to its Water, Wastewater, and Stormwater utility systems from non-General Fund sources that are dedicated to utility operations, maintenance, and improvements. These sources include utility user fees, connection fees, and PFFs.

The Municipal Utilities Department continues to budget new project funds in the Water Enterprise for improvements and repairs at the Intake Pumping Facility for the Delta Water Treatment Plant, the Feather River/Fourteen Mile Slough Reservoir, and water service laterals at various locations. Abandonment of Water Well No. 9 and 11 are included in the FY 2018-19 budget.

The 2011 Capital Improvement and Energy Management Plan (CIEMP) outlined a multiyear $150 million project to repair, replace and upgrade the treatment process units at the Regional Wastewater Control Facility (RWCF). A large part of the RWCF infrastructure is over 60 years old and past its effective operating life. The funding approved in FY 2015-16 advanced the first phase of the progressive design-build that will provide the design of the overall RWCF Facilities Modification Project. Funding for FY 2018-19 will be used for the beginning of the second phase (construction) of the project. The project will incorporate many of the CIEMP improvements as well as new facilities to meet new wastewater discharge permit requirements. The Wastewater Enterprise is also proposing to fund other improvements at the RWCF outside of the CIEMP such as rehabilitation of the Primary Treatment Process and cleaning of Pond Oxidation No.1 to restore its treatment capacity.

The Stormwater Enterprise fee has been unchanged since 1992, and the utility's revenues have not kept pace with the costs for needed capital improvements. Therefore, the CIP moves a large number of capital improvement projects to later years. For FY 2018-19, available funding will be used to address a small fraction of needed pipeline and pump station deficiencies.

Capital Project Funds
FY 2018-19 Annual Budget

	General Government	Transportation Programs	Public Facilities Fees	Capital Improvement Total
	See Page M-7	*See Page M-8*	*See Page M-10*	
Beginning Available Balance	**$ 7,718,692**	**$ 6,253,747**	**$ 51,072,086**	**$ 65,044,525**
Revenues				
Grants	-	12,685,783	-	12,685,783
Fees	-	303,000	5,894,880	6,197,880
Investment Proceeds	1,000	10,386,314	119,200	10,506,514
Other Revenue	338,523	-	-	338,523
	339,523	**23,375,097**	**6,014,080**	**29,728,700**
Expenditures				
Capital Projects - General Government	4,752,000	-	-	4,752,000
Capital Projects - Transportation	3,908,668	20,445,815	7,985,030	32,339,513
Other	245,000	3,403,385	66,799	3,715,184
	8,905,668	**23,849,200**	**8,051,829**	**40,806,697**
Transfers				
Transfer In - General Fund	232,924	-	-	232,924
Transfer In - Development Services	-	-	-	-
Transfer In - PEG Fees	333,000	-	-	333,000
Transfer In - Fleet ISF	150,000	-	-	150,000
Transfer In - Public Facilities Fees	-	-	305,000	305,000
Transfer Out	(482,738)	-	(305,000)	(787,738)
	2,646,874	**-**	**-**	**2,646,874**
Net Annual Activity	**(5,919,271)**	**(474,103)**	**(2,037,749)**	**(8,431,123)**
Ending Available Balance	**$ 1,799,421**	**$ 5,779,644**	**$ 49,034,337**	**$ 56,613,402**

Revenues	$ 29,728,700
Transfers	3,434,612
Total Sources	$ 33,163,312

Reconciliation of Capital Funds

Capital Projects	$ 37,091,513
Public Works Gas Tax (pg. F-11)	5,350,000
Public Works Landscape Maintenance (pg. F-19)	120,000
Strong Communities (pg. G-9)	5,320,000
Utilities (pg. J-5)	22,453,000
Total Appropriations	$ 70,334,513
Project Total by Category (pg. M-14)	$ 70,334,513

Expenditures	$ 40,806,697
Transfers	787,738
Total Capital Project Funds	$ 41,594,435
Utilities Projects	$ 22,453,000

Capital Project Funds
General Government Funds
FY 2018-19 Annual Budget

	General Capital 301	Other Reimbursements 301/305	Public Art 306	General Government Total
Beginning Available Balance	**$ 7,332,033**	**$ -**	**$ 386,659**	**$ 7,718,692**
Revenues				
Other Revenue	338,523	-	-	338,523
Fees	-	-	-	-
Investment Proceeds	-	-	1,000	1,000
	338,523	**-**	**1,000**	**339,523**
Expenditures				
Capital Projects - General Government	4,269,000	483,000	-	4,752,000
Capital Projects - Transportation	3,908,668	-	-	3,908,668
Other Maintenance	-	-	245,000	245,000
Debt Service	-	-	-	-
	8,177,668	**483,000**	**245,000**	**8,905,668**
Transfers				
Transfer In - General Fund	232,924	-	-	232,924
Transfer In - Successor Agency	2,413,688	-	-	2,413,688
Transfer In - Development Services	-	-	-	-
Transfer In - PEG Fees	-	333,000	-	333,000
Transfer In - Fleet ISF	-	150,000	-	150,000
Transfer In - Police Trust	-	-	-	-
Transfer Out - Low/Mod Housing	(482,738)	-	-	(482,738)
	2,163,874	**483,000**	**-**	**2,646,874**
Net Annual Activity	**(5,675,271)**	**-**	**(244,000)**	**(5,919,271)**
Ending Available Balance	**$ 1,656,762**	**$ -**	**$ 142,659**	**$ 1,799,421**

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

Capital Project Funds
Transportation Funds
FY 2018-19 Annual Budget

	Transportation Dev. Act. 034	Grants 038/304/308	Measure K Capital 080	Measure K Maintenance 082	Transportation Total
				See Page F-13	
Beginning Available Balance	**$ 2,100**	**$ -**	**$ -**	**$ 6,251,647**	**$ 6,253,747**
Revenues					
Grants	-	12,685,783	-	-	12,685,783
Fees	303,000	-	-	-	303,000
Reimbursements	-	-	5,107,432	5,278,882	10,386,314
Investment Proceeds	-	-	-	-	-
	303,000	**12,685,783**	**5,107,432**	**5,278,882**	**23,375,097**
Expenditures					
Capital Projects - General Government	-	-	-	-	-
Capital Projects - Transportation	303,000	12,685,783	5,107,432	2,349,600	20,445,815
Other	-	-	-	3,403,385	3,403,385
	303,000	**12,685,783**	**5,107,432**	**5,752,985**	**23,849,200**
Transfers					
Transfer In	-	-	-	-	-
Transfer Out	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Net Annual Activity	**-**	**-**	**-**	**(474,103)**	**(474,103)**
Ending Available Balance	**$ 2,100**	**$ -**	**$ -**	**$ 5,777,544**	**$ 5,779,644**

Capital Project Funds
Public Facilities Fee
FY 2018-19 Annual Budget

	Traffic Signals Citywide 900	Traffic Signals Zone 1 901	Traffic Signals Zone 2 902	Traffic Signals Zone 3 903	Traffic Signals Zone 4 904
Beginning Available Balance	**$ 256,903**	**$ 210,661**	**$ 178,204**	**$ 266,219**	**$ 54,484**
Revenues					
Fees	98,000	32,980	20,000	120,000	15,500
Investment Proceeds	1,500	500	600	1,200	300
	99,500	**33,480**	**20,600**	**121,200**	**15,800**
Expenditures					
Capital Projects	-	-	-	-	-
Other	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Transfers					
Transfer In	-	-	-	-	-
Transfer Out	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Net Annual Activity	**99,500**	**33,480**	**20,600**	**121,200**	**15,800**
Ending Available Balance	**$ 356,403**	**$ 244,141**	**$ 198,804**	**$ 387,419**	**$ 70,284**

Capital Project Funds
Public Facilities Fee, Continued
FY 2018-19 Annual Budget

	Street Improvements Citywide 910 - 915	Street Improvements Reg Traffic 917	Community Recreation Centers-Citywide 920	City Office Space 930	Fire Station Citywide 940
Beginning Available Balance	**$21,718,648**	**$ 6,237,389**	**$ 118,489**	**$ 1,133,175**	**$ 193,731**
Revenues					
Fees	2,415,000	2,100,000	116,700	75,000	190,000
Investment Proceeds	25,000	25,000	1,500	5,500	3,500
	2,440,000	**2,125,000**	**118,200**	**80,500**	**193,500**
Expenditures					
Capital Projects	7,985,030	-	-	-	-
Other	50,000	-	-	-	-
	8,035,030	**-**	**-**	**-**	**-**
Transfers					
Transfer In	180,000	-	-	-	-
Transfer Out	-	-	(80,000)	-	(125,000)
	180,000	**-**	**(80,000)**	**-**	**(125,000)**
Net Annual Activity	**(5,415,030)**	**2,125,000**	**38,200**	**80,500**	**68,500**
Ending Available Balance	**$16,303,618**	**$ 8,362,389**	**$ 156,689** (a)	**$ 1,213,675**	**$ 262,231** (a)

(a) These fee programs have been over leveraged with spending outpacing available revenues. The FY 2018-19 Annual Budget incorporates a repayment plan for these funds.

Capital Project Funds
Public Facilities Fee, Continued
FY 2018-19 Annual Budget

	Library Citywide 950	Police Station Expansion 960	Parkland Citywide 970	Street Trees 978	Street Signs 979
Beginning Available Balance	**$ 8,943,336**	**$ 193,488**	**$ 7,007,149**	**$ 364,875**	**$ 150,128**
Revenues					
Fees	116,000	195,200	231,500	-	-
Investment Proceeds	15,000	-	20,000	3,500	2,000
	131,000	**195,200**	**251,500**	**3,500**	**2,000**
Expenditures					
Capital Projects	-	-	-	-	-
Other	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Transfers					
Transfer In	125,000	-	-	-	-
Transfer Out	-	(100,000)	-	-	-
	125,000	**(100,000)**	**-**	**-**	**-**
Net Annual Activity	**256,000**	**95,200**	**251,500**	**3,500**	**2,000**
Ending Available Balance	**$ 9,199,336**	**$ 288,688** (a)	**$ 7,258,649**	**$ 368,375**	**$ 152,128**

(a) These fee programs have been over leveraged with spending outpacing available revenues. The FY 2018-19 Annual Budget incorporates a repayment plan for these funds.

Capital Project Funds
Public Facilities Fee, Continued
FY 2018-19 Annual Budget

	Street Lights City Wide 980	Street Lights Zone 1 981	Street Lights Zone 3 & 4 983	Street Lights Zone 5 985	Air Quality 990	Public Facilities Total
Beginning Available Balance	**$ 132,354**	**$ 23,641**	**$ 86,531**	**$ 203,831**	**$ 3,598,850**	**$ 51,072,086**
Revenues						
Fees	-	-	-	-	169,000	5,894,880
Investment Proceeds	600	150	400	950	12,000	119,200
	600	**150**	**400**	**950**	**181,000**	**6,014,080**
Expenditures						
Capital Projects	-	-	-	-	-	7,985,030
Other	-	-	-	-	16,799	66,799
	-	**-**	**-**	**-**	**16,799**	**8,051,829**
Transfers						
Transfer In	-	-	-	-	-	305,000
Transfer Out	-	-	-	-	-	(305,000)
	-	**-**	**-**	**-**	**-**	**-**
Net Annual Activity	**600**	**150**	**400**	**950**	**164,201**	**(2,037,749)**
Ending Available Balance	**$ 132,954**	**$ 23,791**	**$ 86,931**	**$ 204,781**	**$ 3,763,051**	**$ 49,034,337**

Five Year Capital Improvement Program
Project Summary by Program
2018-2023
(Dollars in Thousands)

	Remaining Appropriation 6/30/17	2017-18 Adopted	2018-19 Budget	2019- 20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Summary by Program							
General Government							
Citywide	6,967	1,671	1,568	1,249	450	2,350	243,667
Golf	-	-	-	-	-	-	5,431
Library	1,664	350	118	2,156	27,916	-	-
Recreation	1,171	-	5,202	1,403	809	759	14,406
Fire	427	352	449	300	747	-	115,711
Police	5,245	-	-	-	-	844	18,024
Parks & Trees	644	229	2,855	3,370	9,883	2,326	6,030
	16,118	**2,602**	**10,192**	**8,478**	**39,805**	**6,279**	**403,268**
Transportation/Streets	42,550	18,606	39,577	35,322	16,628	28,517	207,611
Utilities	36,353	15,485	20,566	63,700	82,073	87,780	73,011
Total CIP Program	**95,021**	**36,692**	**70,335**	**107,500**	**138,506**	**122,577**	**683,890**

Five Year Capital Improvement Program
Project Totals by Fund
2018-2023
(Dollars in Thousands)

	Fund Number	Remaining Appropriation 6/30/17	2017-18 Adopted	2018-19 Budget	2019- 20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Summary by Fund								
General Government and Grants								
General Capital Fund	301	15,593	869	8,178	992	1,122	1,219	4,820
Parking Authority Enterprise	419	-	100	-	50	-	-	-
Other Revenue		-	229	-	884	-	-	-
Developer Fees	048	581	491	-	-	-	-	-
Downtown Marina	460	-	-	-	500	-	-	-
Entertainment Venues	086	204	-	-	50	50	2,050	-
PEG Fee	020	-	333	333	-	-	-	-
Fleet ISF	501	52	272	150	149	100	-	-
Strong Communities Initiative	083	-	-	5,320	3,275	21,499	759	6,595
Strong Neighborhoods Funds	305	1,935	-	-	-	-	-	1,000
Landscape Maintenance Dist	072	-	-	120	120	120	120	120
Federal Grants	038/308	367	13,691	11,896	3,866	3,751	3,994	3,347
Library	041	-	-	-	-		-	-
Measure K Renewal	080	19,885	-	5,107	7,692	-	-	-
Measure K Maintenance	082	9,024	2,899	2,350	4,779	2,817	3,592	3,327
Gas Tax	030	91	50	5,350	7,548	7,050	5,800	5,800
Other Grants/Reimbursements	304/308	3,086	1,101	790	10,544	-	-	-
Transportation Dev. Act	034	134	486	303	279	285	290	296
Golf Enterprise Fund	481	-		-	-	-	-	-
		50,952	**20,521**	**39,897**	**40,727**	**36,794**	**17,824**	**25,305**
Public Facilities Fees								
Library	950	472	350	-	-	7,304	-	-
Street Improvement	910-915	6,391	336	7,985	-	300	300	300
Regional Streets	917	-	-	-	-	2,350	14,466	-
Parkland	970	-	-	-	2,533	9,685	2,206	-
Street Trees	978	-	-	-	-	-	-	-
Street Signs	979	-	-	-	-	-	-	-
Street Lights	980-985	362	-	-	527	-	-	612
Air Quality	990	436	-	-	-	-	-	-
Traffic Signals	900-904	50	-	-	14	-	-	-
		7,711	**686**	**7,985**	**3,074**	**19,639**	**16,972**	**912**
Utilities								
Water	423/427	7,831	2,354	1,105	1,201	3,878	17,997	262
Wastewater	437	26,793	12,250	20,547	61,212	76,778	66,937	72,624
Stormwater	447	1,734	880	801	1,286	1,417	2,846	125
		36,358	**15,484**	**22,453**	**63,699**	**82,073**	**87,780**	**73,011**
Unfunded								
Unidentified Funding		-	-	-	-	-	-	585,662
Total CIP Program		**95,021**	**36,692**	**70,335**	**107,500**	**138,506**	**122,577**	**683,890**

Five Year Capital Improvement Program
Project List by Category
2018-2023
(Dollars in Thousands)

Project Name	Project Number	Remaining Appropriation 6/30/17	2017-18 Adopted	2018-19 Budget	2019- 20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
General Government								
City-Wide								
ADA Compliance Program	PW1701/ 7022	202	75	-	100	100	100	100
Arena and Ballpark Flooring Replacement Project	0000	-	-	-	-	-	500	-
Asbestos Removal City Buildings	PW7002	13	-	-	-	-	-	-
Ballpark and Arena Video Equipment	EV3661	22	-	-	50	-	1,550	-
Bob Hope Theatre Facilities and HVAC Repairs	ED8603	95	-	-	-	50	-	-
Buckley Cove Parking Lot Pavement Resurfacing	PW1413	-	-	-	-	-	-	602
Build Fleet Parts Supply Warehouse	0000	-	-	-	-	100	-	-
City Facility Assessment Rehabilitation Program	0000	-	-	-	-	-	-	200,000
Downtown Acquisition/Demolition	PW7102	32	-	-	-	-	-	-
Emergency Backup Generators	PW1822	-	-	150	-	-	-	-
Evaluation of Fuel Storage/Dispensing Sites	PW1501	50	-	-	-	-	-	-
General Emergency Maintenance (Citywide)	PW1505	13	-	-	-	-	-	-
Government Access Channel Alternate Sites (Civic Auditorium & Bob Hope)	PW1709	-	333	333	-	-	-	-
Hazardous Materials Abatement and Monitoring Program	PW1507	3	-	-	-	-	-	-
Historic City Hall Renovations	PW1712	-	-	-	-	-	-	37,280
Janet Leigh Plaza Pedestrian Improvements	0000	-	-	-	-	-	-	250
Light and Heavy Shop Lifts	PW1708	26	130	-	-	-	-	-
Lighting Improvement at Entertainment Venues	PW1404	86	-	-	-	-	-	-
Marina Sail Covering Replacement Project	ED8605	-	-	-	500	-	-	-
Miracle Mile Parking Lots Resurfacing	0000	-	-	-	-	-	-	635
MSC Yard and Main Police Fuel Site Upgrades	PW1502	472	-	-	-	-	-	-
Oak Park Ice Arena Upgrades and Rehabilitation Program	EV8604	507	-	-	-	-	-	1,000
Paint Shop Building Conversion	0000	-	-	-	149	-	-	-
Parking Signage Project	ED4181	-	100	-	50	-	-	-
Permit Center Relocation	PW1614	581	491	-	-	-	-	-
Public Facilities Minor Repair	PW7011	95	-	-	-	-	-	-
Relocate City Hall to 400 E Main	ED2015	3	-	-	-	-	-	-
Roof Replacement and Construction Program	PW1320	802	400	400	400	200	200	200
Stockton Arena Chiller Rebuild	PW1405	1	-	-	-	-	-	-
Vehicle and Equipment Wash Rack Improvements and Upgrades	PW1616	26	142	-	-	-	-	-
Waterfront Towers - New City Hall Renovations and Relocation	PW1615/ ED7001	3,938	-	685	-	-	-	3,600
Total City-Wide		**6,967**	**1,671**	**1,568**	**1,249**	**450**	**2,350**	**243,667**
Community Services								
Golf								
Van Buskirk Golf Course Irrigation	0000	-	-	-	-	-	-	5,431
Total Golf		**-**	**-**	**-**	**-**	**-**	**-**	**5,431**

Five Year Capital Improvement Program
Project List by Category
2018-2023
(Dollars in Thousands)

Project Name	Project Number	Remaining Appropriation 6/30/17	2017-18 Adopted	2018-19 Budget	2019- 20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Library								
Chavez Library Restroom Renovations & ADA Compliance	PW1408	337	-	-	-	-	-	-
Chavez Library Employee Restroom Renovation	PW1620	258	-	-	-	-	-	-
Chavez Library Upgrades	PW1509	597	-	-	388	13,308	-	-
New Library Facility Study	PW9262	472	-	-	-	-	-	-
Northeast Stockton McNair Library and Recreation Center	PW1724	-	250	-	-	14,608	-	-
Northwest Thornton Road Library and Recreation Center	PW1432/9737	-	100	-	-	-	-	-
Radio Frequency Identification Conversion	0000	-	-	-	1,768	-	-	-
Troke Program Room Remodel	PW1728	-	-	118	-	-	-	-
Total Library		**1,664**	**350**	**118**	**2,156**	**27,916**	**-**	**-**
Recreation								
Aquatic Facilities Renovation and Replacement	PW1820	-	-	1,710	1,403	809	357	1,943
Civic Auditorium Stage Controls/Rigging	PW1409	113	-	-	-	-	-	623
Civic Auditorium Upgrades	0000	-	-	-	-	-	-	1,324
Louis Park Softball Complex Parking Lot & Walk Improvements	PW1323	-	-	-	-	-	-	520
Louis Park Pump House Rehabilitation	PW1623	104	-	-	-	-	-	-
McKinley Park & Recreation Center Renovation & Upgrades	0000	-	-	-	-	-	402	4,652
McNair Soccer Complex - Fencing, Gate & Turf Improvements	PW1624	109	-	496	-	-	-	-
Oak Park Facilities Upgrades	0000		-	-	-	-	-	3,606
Oak Park Tennis Center Upgrades	0000	-	-	-	-	-	-	820
Panella Park Baseball Diamond	PW1625	76	-	-	-	-	-	-
Park Parking Renovation Program	0000	-	-	-	-	-	-	806
Park Sportfield Lighting Repairs	0000	-	-	-	-	-	-	112
Pixie Woods Train and Lagoon Improvements	PW1415	12	-	-	-	-	-	-
Recreation Facilities Upgrade	PW1537	310	-	-	-	-	-	-
Swimming Pool Evaluations	PW1513	447	-	-	-	-	-	-
Stockton Soccer Complex Upgrades and Maintenance Program	PW1510	-	-	2,996	-	-	-	-
Total Recreation		**1,171**	**-**	**5,202**	**1,403**	**809**	**759**	**14,406**
Total Community Services		**2,835**	**350**	**5,320**	**3,559**	**28,725**	**759**	**19,836**

Five Year Capital Improvement Program
Project List by Category
2018-2023
(Dollars in Thousands)

Project Name	Project Number	Remaining Appropriation 6/30/17	2017-18 Adopted	2018-19 Budget	2019- 20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Parks and Trees								
American Legion Park Lagoon Fencing Replacement	0000	-	-	-	-	-	-	60
Bin Enclosures at City Facilities	PW1504	72	-	-	-	-	-	400
Cannery Park Neighborhood Park - 2.7 Acres	PW9270	-	-	-	-	994	-	-
Cannery Park Neighborhood Park - 7.48 Acres	PW9271	-	-	-	-	3,380	-	-
Citywide Park Shade Structure Replacement Program	PW1414	43	-	-	117	-	-	-
Citywide Park Walkway Replacement	0000	-	-	-	-	-	-	500
Drinking Fountain Replacement	PW1324	13	-	-	-	-	-	-
Equinoa Park Improvements	PW1802	-	-	147	-	-	-	-
Game Court Rehabilitation Program	0000	-	-	-	-	-	-	2,363
Grupe Park Court Reconstruction	PW1710	-	229	-	-	-	-	-
Harrell Park Restroom Demolition	0000	-	-	-	-	-	-	100
Irrigation Controller Upgrade	PW1506	441	-	-	-	-	-	-
Juliet Terrace Neighborhood Park	PW9131	-	-	-	-	-	2,206	-
Library and Teen Center Landscape Refurbishment	0000	-	-	-	-	-	-	50
Louis Park Softball Parking Lot Lighting	0000	-	-	-	-	-	-	125
North Stockton Open Space Improvements	PW1803	-	-	1,077	-	-	-	-
Oak Park Well Replacement	0000	-	-	-	-	-	-	82
Oakmore Montego Neighborhood Park - 6 Acres	PW9254	-	-	-	2,533	-	-	-
Park Restroom Rehabilitation and Repair Program	0000	-	-	-	-	-	-	350
Play Equipment Replacement	PW1512	75	-	-	600	-	-	-
Play Equipment Replacement - LMD	PW1818	-	-	120	120	120	120	120
Pool UV System Installations	0000	-	-	-	-	-	-	105
Street Tree Planting	PW9118	-	-	-	-	-	-	-
Stribley Park Burned Restroom Demo and Replacement	0000	-	-	-	-	-	-	347
Swenson Park and Golf Irrigation System Separation	0000	-	-	-	-	-	-	242
Van Buskirk Playground Rubber Fall Surface Replacement	PW1729	-	-	-	-	78	-	-
Victory Park Restrooms Demolition and Replacement	0000	-	-	-	-	-	-	235
Waterfront Lighting Restoration	0000	-	-	-	-	-	-	320
Weber Events Center Fountain Filtration	PW0000	-	-	500	-	-	-	-
Weber Point Shade Structure Fabric Replacement	0000	-	-	-	-	-	-	631
Westlake Villages Park - 11.5 Acres	9269	-	-	-	-	5,311	-	-
Weston Ranch Area Improvements	PW1804	-	-	1,011	-	-	-	-
Total Parks and Trees		**644**	**229**	**2,855**	**3,370**	**9,883**	**2,326**	**6,030**

Five Year Capital Improvement Program
Project List by Category
2018-2023
(Dollars in Thousands)

Project Name	Project Number	Remaining Appropriation 6/30/17	2017-18 Adopted	2018-19 Budget	2019- 20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Public Safety - Fire								
Emergency Vehicle Pre-emption	0000	-	-	-	-	550	-	-
Fire House Seismic Evaluations - Citywide	0000	-	-	-	-	-	-	298
Fire Station No.11 Driveway and Parking Lot Replacement - Back of Station	0000	-	-	-	-	-	-	237
Fire Station Asphalt Preservation	0000	-	-	-	-	197	-	-
Fire Station Extractor and Dry Rack Installation	0000	-	-	-	-	-	-	908
Fire Station Interior Apparatus Bay Painting	0000	-	-	-	-	-	-	372
Fire Station Landscaping - Design & Construction	0000	-	-	-	-	-	-	654
Fire Station No.13 Storage and Driveway Improvements	0000	-	-	-	-	-	-	458
Fire Station No.14 Concrete Driveway and Parking Lot	0000	-	-	-	-	-	-	264
Fire Station No. 2 Driveway Improvements	PW1412/ 1617	44	-	-	-	-	-	-
Fire Station No. 2 Kitchen Improvements	PW1618	133	-	-	-	-	-	-
Fire Station No. 2 Burn Room	PW1503	141	-	-	-	-	-	-
Fire Station No. 2 Parking Lot	0000	-	-	-	-	-	-	241
Fire Station No. 2 Window Replacement	PW1819	-	-	387	-	-	-	-
Fire Station No. 3 Reconstruction	0000	-	-	-	-	-	-	11,144
Fire Station 4 Kitchen Improvements	PW1411	93	-	-	-	-	-	-
Fire Station No. 5 Concrete Driveway and Parking Lot Replacement	0000	-	-	-	-	-	-	239
Fire Station No. 6 Apparatus	PW1511	16	-	-	-	-	-	-
Fire Station No. 6 Reconstruction	0000	-	-	-	-	-	-	11,144
Fire Station Nos. 2,4,5,6,7,9,10,&14 Exterior Painting	PW1706	-	83	-	300	-	-	-
Fire Stations Security Systems	PW1707	-	269	62	-	-	-	-
Public Parking in Front of Fire Stations	0000	-	-	-	-	-	-	283
Regional Dispatch Center	0000	-	-	-	-	-	-	11,105
Safety Police and Fire Regional Training Center	0000	-	-	-	-	-	-	78,365
Total Public Safety - Fire		**427**	**352**	**449**	**300**	**747**	**-**	**115,711**
Public Safety - Police								
Animal Shelter Renovation	PW1321	184	-	-	-	-	844	-
Police - Install Baffles at Firing Range	0000	-	-	-	-	-	-	3,594
Police Facilities	PW1535	3,711	-	-	-	-	-	3,230
Police Firing Range	0000	-	-	-	-	-	-	10,616
PD Under Freeway Parkling	PW1621	1,191	-	-	-	-	-	-
Main PD Parking Lot Improvements	PW1619	159	-	-	-	-	-	-
Replace Modular Buildings at Firing Range	0000	-	-	-	-	-	-	584
Total Public Safety - Police		**5,245**	**-**	**-**	**-**	**-**	**844**	**18,024**
Total General Government		**16,118**	**2,602**	**10,192**	**8,478**	**39,805**	**6,279**	**403,268**

Five Year Capital Improvement Program
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Project Name	Project Number	Remaining Appropriation 6/30/17	2017-18 Adopted	2018-19 Budget	2019- 20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Utilities								
Wastewater (Sanitation)								
2014 Sanitary Sewer Rehabilitation - Phase II	M19001	-	-	600	-	-	-	-
2015 Sanitary Sewer Rehabilitation Project	M15005	1,169	1,072	-	-	-	-	-
2016 Sanitary Sewer Rehabilitation Project	M16006	231	-	-	-	-	-	-
Abandon Old Brookside Sanitary Sewer Pump Station	M18017	-	-	-	19	97	-	-
Airport Way Sewer Trunk Rehabilitation (SJC Fairgrounds to Ralph Ave)	0000	-	-	-	-	-	-	5,229
Alexandria Place Sewer Trunk Line Rehabilitation	M15001	2,170	2,740	-	-	-	-	-
Bio Tower #4 Assessment	M14027	850	-	-	-	-	-	-
Black Oak PUE Sewer Rehabilitation	M15002	2,211	-	-	-	-	-	-
Brookside and I-5 Pump Station Emergency Power	M18018	-	-	-	-	-	236	-
Brookside Estates Sanitary Sewer Pump Station	M18020	-	-	-	-	-	288	-
Clean Water State Revolving Fund	M14030	118	-	-	-	-	-	-
Cogenerator #1 $ #4 Overhaul	M16009	450	-	-	-	-	-	-
Crown Avenue Sewer Rehabilitation	0000	-	-	-	-	-	-	2,625
Della Street Sewer Line Rehabilitation	M17025	-	1,214	-	-	-	-	-
Don Avenue and Santiago Way Sanitary Sewer Pump Station Rehabilitation	M13010	209	-	244	-	-	-	-
Downtown Sewer Collection System	M17018	190	-	-	190	190	200	200
El Dorado Street (Alpine to Wyandotte) Rehabilitation	0000	-	-	-	-	-	-	1,348
El Dorado Street (Fremont to Oak Street) Sewer Line Rehabilitation	0000	-	-	-	-	-	-	618
El Dorado Street (Market to Fremont) Sewer Line Rehabilitation	0000	-	-	-	-	-	-	1,868
Etna Street Rehabilitation	0000	-	-	-	-	-	-	13,022
Farmington Fresh at Highway 99 SS Crossing Rehabilitation	M14034	-	345	-	-	-	-	-
Ferric Tanks at Digestive Feed	M17008	79	-	-	-	-	-	-
Five Mile Slough Force Main Assessment	M18015	-	-	319	-	-	-	-
Hammer Lane Sewer Trunk Rehabilitation	M18026	-	-	-	-	69	1,089	-
Hazelton Avenue Sewer Trunk Rehabilitation (Della to Pilgram Streets)	0000	-	-	-	-	-	-	2,147
Highway 99 at Farmington Fresh Sewer	M14034	207	-	-	-	-	-	-
Howard Street Sanitary Sewer Line Rehabilitation	M18031	-	-	118	431	-	-	-
Kelly and Mosher Slough Sanitary Sewer Pump Station	M18021	-	-	-	-	-	820	-
Lincoln Street Sanitary Sewer Pump Station and Forcemain	M03003	-	-	-	-	312	8,189	-
Louis Park Access Road	M09094	-	-	-	-	86	-	-
March Lane Sewer Trunk Rehabilitation (I-5 to Brookside Sewer Pump Station)	0000	-	-	-	-	-	-	6,207
Market Street Sanitary Sewer Upsize	M18014	-	199	3,347	-	-	-	-
Meadow Avenue Sewer Line Upsizing Project	0000	-	-	-	-	-	-	1,253
Mormon Slough Sanitary Sewer Line Rehabilitation	M18030	-	-	194	1,351	-	-	-
Myrtle Street Sewer Line Rehabilitation	M17024	-	2,339	-	-	-	-	-

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Project Name	Project Number	Remaining Appropriation 6/30/17	2017-18 Adopted	2018-19 Budget	2019- 20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Navy Drive Sewer Trunk Line (Between I-5 and Fresno Ave)	M15003	231	-	6,021	-	-	-	-
Navy Drive 30', 24" Sewer Trunk Line	M16004	2,597	-	-	-	-	-	-
Navy Drive Sewer Trunk Rehabilitation (SJ River to Washington Street)	0000	-	-	-	-	-	-	7,109
North Pump Station Assessment and Improvement	M19002	-	-	264	-	-	-	-
Oak Street Sewer Trunk Rehabilitation (Wilson Way to Pershing Avenue)	M18022	-	-	-	1,172	8,521	-	-
Pardee Lane Rehabilitation	0000	-	-	-	-	-	-	19,313
Pershing Avenue Sewer Trunk Line	M16003	1,604	-	-	-	-	-	-
Pershing Avenue Sewer Trunk Rehabilitation (Church Street to Navy Dr.)	M17023	174	-	2,286	-	-	-	-
Pershing Avenue Sewer Trunk Rehabilitation (Lincoln to Meadow Ave)	0000	-	-	-	-	-	-	2,816
Pershing Avenue Sewer Trunk Rehabilitation (Oak Street to Tuxedo Ave.)	M18023	-	-	-	-	94	1,504	-
Pilgrim and Union Streets Easement Sanitary Sewer Rehabilitation	M18032	-	-	88	388	-	-	-
Plymouth & Five Mile Creek Sanitary Sewer Pump Station	0000	-	-	-	-	-	95	2,092
Quail Lakes Sanitary Sewer Lift Station Upgrade/Rehabilitation	M18016	-	-	-	-	516	-	-
Ralph Avenue Sewer Trunk Line Rehabilitation - Phase II	M18024	-	-	-	-	169	2,756	-
Regional Wastewater Control Facility 60" River Crossing Forcemain Rehabilitation	M08015	-	-	-	-	-	268	-
Regional Wastewater Control Facility Cogeneration Engine No. 3 Rebuild	M16009	400	415	-	674	-	-	-
Regional Wastewater Control Facility Digester 5 Mixing Valve Replacement	M16011	-	877	-	-	-	-	-
Regional Wastewater Control Facility Cogeneration Gas Dryer	M14011	588	-	-	-	-	-	-
Regional Wastewater Control Facility Dual Electrical Feed for Substation and Main Plant Switchgear	M14032	-	-	-	-	-	159	-
Regional Wastewater Control Facility Electrical Switch Gear Upgrades	M18010	-	291	-	503	503	503	-
Regional Wastewater Control Facility Main Plant Flood Study	M17017	-	-	-	217	-	-	-
Regional Wastewater Control Facility Paving	M16021	250	378	-	-	-	-	-
Regional Wastewater Control Facility Modifications Project - Progressive Design Build	M16022	9,119	-	2,793	44,250	51,920	49,920	-
Regional Wastewater Control Facility Pond No. 1 Cleaning	M18011	-	-	250	1,672	8,164	-	-
Regional Wastewater Control Facility SCADA Master Plan	M14010	1,181	-	-	-	-	-	-
Regional Wastewater Control Facility Stores Relocation	M16008	-	-	-	-	80	-	-
Rehabilitate Digesters A & B for Sludge Storage	M09006	-	454	-	1,678	1,678	-	-
Rosemarie Lane Sewer Rehabilitation	0000	-	-	-	-	-	-	1,501
RWCF Primary Treatment Process Rehabilitation	M19004	-	-	549	549	-	-	-
Sanitary Sewer and Forcemain Cathodic Protection Repairs - Priority 3	M17014	213	-	-	1,195	-	-	-
Sanitary Sewer Maintenance Hole Rehabilitation Project	M16005	1,000	300	300	300	300	300	300

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Project Name	Project Number	Remaining Appropriation 6/30/17	2017-18 Adopted	2018-19 Budget	2019- 20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Sanitary Sewer Street Improvements	M07038	-	40	27	13	13	13	13
Sanitary Sewer Trunk Line Rehabilitation Project (Navy Drive and I-5)	M17026	172	1,588	-	-	-	-	-
Scum Hopper	M17004	660	-	-	-	-	-	-
Sierra Nevada Street Sanitary Sewer Line Rehabilitation	M18029	-	-	173	1,209	-	-	-
South Tuxedo Avenue Sewer Trunk Rehabilitation	M18025	-	-	-	-	-	512	-
Sperry Road/Gibraltar Court Sanitary Sewer Rehabilitation	M18027	-	-	-	555	4,067	-	-
Swenson & Five Mile Creek Sanitary Sewer Pump Station	0000	-	-	-	-	-	85	2,753
Swenson Park Access Road	M16015	313	-	-	-	-	-	-
Thornton and Davis Road Sanitary Sewer Pump Station Rehabilitation	M13009	209	-	485	-	-	-	-
Thornton Road & MacDuff Avenue Rehabilitation	0000	-	-	-	-	-	-	2,211
Upgrade MCC 70-1	M17005	153	-	-	-	-	-	-
Upgrade MCC 60B-2, 3, & 4	M17006	45	-	-	-	-	-	-
Worth Street Sanitary Sewer Line Rehabilitation	M18028	-	-	603	4,847	-	-	-
Total Wastewater		**26,793**	**12,250**	**18,660**	**61,212**	**76,778**	**66,937**	**72,624**

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Project Name	Project Number	Remaining Appropriation 6/30/17	2017-18 Adopted	2018-19 Budget	2019- 20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Stormwater (Drainage)								
Alexandria and 14-Mile Slough Storm Drain Pump Station	M18035	-	-	-	-	69	412	-
Bianchi and Calaveras River Storm Station New Sanitary Sewerline Installation	M17019	-	-	-	-	378	-	-
Blossom Ranch Storm Drain Pump Station	M18036	-	-	-	-	-	86	-
Buena Vista and Smith Canal Storm Drain Pump Station	M18037	-	-	-	131	-	-	-
Charter Way and Tillie Lewis Drive Flood Relief	M18040	-	-	-	-	-	321	-
Charter Way and Walnut Plant Storm Drain Pump Station	M16002	74	-	-	139	-	-	-
Charter Way Subway Storm Drain Pump Station	M16001	74	-	-	60	-	-	-
Discharge Pipe Replacement - San Joaquin River at Hwy 4 Storm Station	M17021	-	241	-	-	-	-	-
El Dorado Street Storm Drain Installation	M18041	-	-	-	-	-	345	-
Harding Way Subway Storm Drain Pump Station	M15010	67	225	-	-	-	-	-
Mission Road Storm Drainage Installation	M18042	-	-	-	-	237	-	-
Pump Station Discharge Modification for Pipe Inspections	M16013	725	-	-	300	300	-	-
Pump Stations Roof Repair	M13026	169	-	-	-	-	-	-
1025 E Park Street Storm Drain	M16007	79	-	-	-	-	-	-
Pipe Replacement - Sutter and Calaveras River	M17022	304	-	-	-	-	-	-
Rose Street Storm Line Upsize	M18045	-	-	94	342	-	-	-
Spanos Park West Infiltration Assessment	M18043	-	-	-	-	73	-	-
Storm Drain Pump Stations and Forcemains Cathodic Protection Repairs - Priority #1 and Priority #2	M16010	170	220	686	-	-	-	-
Storm Drainage Watersheds Master Planning	M18047	-	-	-	-	-	-	115
Storm System Street Improvements	M18046	-	-	22	10	10	10	10
West Lane and Calaveras River North Storm Station New Sanitary Sewer Line Installation	M18039	-	34	-	-	135	811	-
West Lane and Calaveras River South Storm Station New Sanitary Sewer	M18034	-	-	-	-	135	811	-
West Lane and Mosher Slough Storm Drain Pump Station	M18038	-	-	-	304	-	-	-
Western Pacific Stormwater Pump Station Improvements	M18049	-	-	-	-	-	50	-
Weston Ranch Infiltration Assessment	M18044	-	-	-	-	79	-	-
Wilson Way Subway Storm Drain Pump Station	M15011	67	160	-	-	-	-	-
Total Stormwater (Drainage)		**1,729**	**880**	**801**	**1,286**	**1,417**	**2,846**	**125**

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Project Name	Project Number	Remaining Appropriation 6/30/17	2017-18 Adopted	2018-19 Budget	2019- 20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Water								
16" Water Line Along I-5 North of East Roth Road	M18002	-	44	-	-	87	637	-
Abandonment of Well 1 & 16	M18005	-	-	-	-	198	-	-
Abandonment of Wells 4 and 7	M13016	265	-	-	-	-	-	-
Abandonment of Wells 9 and 11	M18004	-	-	50	251	-	-	-
Advanced Metering Infrastructure	M18003	-	-	-	-	491	3,537	-
Delta Water Treatment Plant - Intake Pumping Facility Repairs	M17029	149	-	549	-	-	-	-
Demolition of Walnut Plant	M14005	-	-	-	150	-	-	-
Henry Long Loop Reimbursement	M06032	-	-	-	-	127	-	-
Holman Road/Hendrix Drive to Eight Mile Oversizing	M06034	-	-	-	-	212	-	-
Lower Sacramento Road Water Main between Marlette and Eight Mile Roads	M18048	-	-	-	-	201	-	-
North Stockton Chloramine Conversion	M17012	2,762	-	-	-	-	-	-
Northeast Reservoir No. 1 and Pump Station	M07014	-	-	-	-	558	4,055	-
Origone Ranch Oversizing Reimbursement	M09073	-	-	-	-	-	259	-
Preserve/Atlas Tract Oversizing Reimbursements	M07018	-	-	-	-	-	485	-
Sanctuary/Shima Tract Oversizing Reimbursement	M07019	-	-	-	-	249	1,569	-
Stockton East Water District North-South Aqueducts Connections	M18001	-	258	-	-	-	-	-
Transmission Mains	M18053	3,145	-	-	-	-	-	-
Underground Emergency Repairs	M17027	275	-	-	-	-	-	-
Veterans Affairs Medical Facility	M18008	-	-	-	384	-	-	-
Water Field Office Remodel - 427	M14014	-	1,874	-	-	-	-	-
Water Service Lateral Replacement	M17028	70	150	177	177	177	177	177
Water Supply - New Wells	M17002	300	-	-	-	-	-	-
Water Supply - Well #33 (Pumping Plant Only)	M18006	-	-	-	-	-	447	-
Water System Street Improvements	M06036	-	28	32	10	10	10	10
Water Well 25 & 26	M14020	865	-	-	-	-	-	-
Well/Reservoir Site Improvements	M07033	-	-	298	75	75	75	75
West, East and South Bear Creek Oversizing Reimbursements	M07020	-	-	-	-	1,018	6,410	-
Westlake Village Oversizing Reimbursement	M07022	-	-	-	106	-	-	-
Wolfe and Mathew Roads Water Main	M17016	-	-	-	-	-	337	-
Zephyr Road Water Main Connection	M18007	-	-	-	48	474	-	-
Total Water		**7,831**	**2,354**	**1,105**	**1,201**	**3,878**	**17,997**	**262**
Total Utilities		**36,353**	**15,485**	**20,566**	**63,700**	**82,073**	**87,780**	**73,011**

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Project Name	Project Number	Remaining Appropriation 6/30/17	2017-18 Adopted	2018-19 Budget	2019- 20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Transportation/Streets								
Accessible Pedestrian Signals (APS) Program	PW1528	69	180	-	180	180	180	180
Active Safe Routes to School	PW1812	-	-	359	-	-	-	-
Active Transportation Plan	PW1601	389	-	-	-	-	-	-
Alexandria /5 Mile Slough	PW1602	113	-	-	-	-	-	-
Alpine Avenue Grade Separation	0000	-	-	-	-	-	-	30,685
Arch Airport /B Street Signal	PW1417	104	-	-	-	-	-	-
Arch Road Fiber Optic	PW7239	62	-	-	-	-	-	-
Arch Road Widening - Austin Road to Performance Drive	0000	-	-	-	-	-	-	39,444
Arch Road Repaving	PW7240	16	-	-	-	-	-	-
ATP-Calaveras RI Bike Pedestrian Path	PW1437	397	-	-	-	-	-	-
ATP-McKinley Elementary SRTS	PW1440	77	-	-	-	-	-	-
Bear Creek and Pixley Slough Bicycle and Pedestrian Path	PW1702	-	308	-	1,419	-	-	-
Bicycle Master Plan Implementation Program	PW1703	-	150	-	-	-	-	-
Bridge Engineering Program	PW1520	21	75	26	26	26	26	26
Bridge Rehabilitation and Replacement Program	PW1603	455	1,576	-	750	750	750	750
Bridge Rehabilitation and Replacement Program	PW1604	-	165	-	-	-	-	-
Bridge Rehabilitation and Replacement Program FY 17/18	PW1704	-	401	1,610	-	-	-	-
Bridge Rehabilitation and Replacement Program FY 18/19	PW1801	-	-	306	1,085	-	-	-
Bridge Rehabilitation and Replacement Program FY 19/20	0000	-	-	-	236	836	-	-
Bridge Rehabilitation and Replacement Program FY 20/21	0000	-	-	-	-	355	1,258	-
Bridge Rehabilitation and Replacement Program FY 21/22	0000	-	-	-	-	-	207	735
Bus Rapid Transit (BRT) 1-B	PW1515	33	-	1,750	-	-	-	-
Bus Rapid Transit (BRT) V on Weber Avenue, Miner Avenue, Fremont Street, Filbert Street, and Main St	PW1516	43	1,725	-	-	-	-	-
California Street/Washington Traffic Signal	PW1314	177	-	-	-	-	-	-
California St. Road Diet - Phase 1	0000	-	-	250	1,956	-	-	-
California Street Gap Closure Improvements	0000	-	-	-	-	-	-	396
Center/El Dorado Overpass	PW9748	63	-	-	-	-	-	-
Central Stockton Road Diet and Striping Connections	0000	-	-	155	1,086	-	-	-
Citywide Transportation Demand Management (TDM) Suitability Study	0000	-	-	-	-	-	-	155
Citywide Video System Upgrade	0000	-	-	-	-	-	-	5,848
Claremont Avenue Reconstruction (include bike lane striping)	0000	-	-	-	-	-	-	1,764
Closing Pedestrian Access Gaps to Schools	PW1705	-	326	-	2,295	-	-	-
Complete Streets Plan	0000	-	-	-	-	-	-	406
Corporation Yard Improvements	0000	-	-	-	-	-	-	1,000
Corporation Yard Pavement Resurfacing	0000	-	-	-	210	-	-	-
Corporation Yard Storage Building Installation	0000	-	-	-	288	-	-	-
Curb, Gutter, and Sidewalk Infill Program	PW1816	-	-	2,599	-	-	-	6,925

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Project Name	Project Number	Remaining Appropriation 6/30/17	2017-18 Adopted	2018-19 Budget	2019- 20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Davis Road Widening (Bear Creek to Waterford)	0000	-	-	-	-	-	-	4,371
Davis/Wagner Heigth Traffic Signal	PW9746	2	-	-	-	-	-	-
Developers Reimbursements	PW9711	5,853	-	-	-	-	-	-
Developers Reimbursements	PW1817	-	-	4,400	-	-	-	-
EBMUD - March Lane Greenscape, Phase 2	0000	-	-	-	-	-	-	2,704
El Dorado & Center St. Corridor Study & Design	0000	-	-	-	-	-	-	400
El Dorado Street Improvements Phase 3	0000	-	-	-	-	-	-	3,108
Emergency Vehcile Pre-emption System	PW1211	431	-	-	-	-	-	-
Filbert/Miner Traffic Signal	PW1310	198	83	-	-	-	-	-
French Camp Road/ I-5 Interchange	PW1418	1,864	-	-	-	-	-	-
French Camp/ Sperry Road	PW9945	243	-	-	-	-	-	-
French Camp Road and McDougald Boulevard Traffic Signal	PW1823	-	-	1,061	-	-	-	-
Grant Match Program	0000	-	-	-	400	700	600	700
Green Initiatives	PW9276	299	-	-	-	-	-	-
Hammer Lane Phase III	PW9995	155	-	-	-	-	-	-
Hammer Lane Widening	PW1427	8,008	-	-	-	-	-	-
Harding Way Corridor	PW1612	605	-	-	-	-	-	-
Harding Way/El Dorado St. Traffic Signal	PW1210	57	-	-	-	-	-	-
Harrison Elementary Safety	PW7065	217	-	-	-	-	-	-
High Friction Surface Treatment	PW1622	15	-	-	-	-	-	-
High Friction Surface Treatment	PW1711	-	844	-	-	-	-	-
Hunter Street Diet/ Bike Installation	PW1609	45	-	-	-	-	-	-
Highway Safety Improvement Program 8 - Convert Signals from Pedestal Mount to Mast Arm	0000	-	208	956	-	-	-	-
Highway Safety Improvement Program 8 - Install Guardrails	PW1714	-	211	970	-	-	-	-
Highway Safety Improvement Program 8 - Install Pedestrian Crossings at 9	PW1715	-	185	850	-	-	-	-
Highway Safety Improvement Program 8 - Raised Median along Dr. Martin Luther	PW1716	-	74	338	-	-	-	-
Highway Safety Improvement Program 8 - Raised Median along Pacific Avenue	PW1717	-	192	885	-	-	-	-
Highway Safety Improvement Program 8 - Raised Median N. El Dorado Street	PW1718	-	131	607	-	-	-	-
Highway Safety Improvement Program 8 - Road Diet on N. El Dorado Street, Turn	PW1719	-	105	484	-	-	-	-
Leaking Underground Fuel Tank (LUFT) Program	PW1425	66	42	-	75	75	75	75
LED Street Lights Conversion on Collector and Residential Streets - Phase IV	0000	-	-	248	500	500	500	500
LED Light Conversion Phase III	PW1536	515	-	-	-	-	-	-
Left Turn Lane Additions at Various Locations	PW1720	-	319	-	1,806	-	-	-
Lighted Crosswalk Upgrades	PW1526	771	398	-	-	-	-	-
Lincoln Street and Eighth Street Roundabout	PW1721	-	322	-	861	-	-	-
Little Johns Creek Reimbursement	PW9165	137	-	-	-	-	-	-
Local Streets Repair 2016	PW1538	1,000	-	-	-	-	-	-
Local Street Resurfacing Program FY2018/19 SB1	PW1814	-	-	3,300	-	-	-	-
Local Street Resurfacing Program FY2019/20 SB1	0000	-	-	-	3,300	-	-	-

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Local Street Resurfacing Program FY2020/21 SB1	0000	-	-	-	-	3,300	-	-
Local Street Resurfacing Program FY2021/22 SB1	0000	-	-	-	-	-	3,300	-
Local Street Resurfacing Program FY2022/23 SB1	0000	-	-	-	-	-	-	3,300
Lower Sacramento Road and Bear Creek Bridge Replacement	PW1419	-	-	-	-	-	-	12,616
Lower Sacramento Road and Pixley Slough Bridge Replacement	0000	-	-	-	-	-	2,036	-
Lower Sacramento Road Widening - Royal Oaks Drive to Pixley Bridge	0000	-	-	-	-	2,350	12,430	-
Main Street Complete Streets	0000	-	-	770	-	-	-	-
March Lane Adaptive Traffic Control Signal	PW1312	35	-	-	-	-	-	-
March Lane Widening - Venezia Blvd to I-5	0000	-	-	-	-	-	-	5,145
March Lane/EBMUD Bicycle and Pedestrian Path Connectivity	PW1722	-	360	-	3,509	-	-	-
Miner Avenue Complete Streets Improvements - II	0000	-	2,607	-	-	-	-	-
Miner Avenue Complete Streets Improvements - III	PW1732	-	670	9,054	-	-	-	-
Miracle Mile Street Lighting Replacement	0000	-		-	-	-	-	612
Montauban Avenue and Hammertown Drive Roundabout	PW1723	-	193	-	885	-	-	-
Montauban/Swain Roundabout	PW1315	139	-	-	-	-	-	-
Mormon Slough Bikeway Improvement Project	0000	-	-	-	-	-	-	1,242
Mormon Slough Feasibility Study	0000	-	-	-	-	-	-	150
Neighborhood Traffic Calming Program (16 Neighborhoods)	PW1608	423	500	750	750	750	750	750
Neighborhood Traffic Management	PW1530	24	-	-	-	-	-	-
Pacific Avenue and March Lane Intersection Modifications	PW1725	-	95	117	437	-	-	-
Pacific Avenue Complete Streets Corridor Study	0000	-	-	250	-	-	-	-
Pedestrian Bridge Over Calaveras	PW1316	107	-	-	-	-	-	-
Pershing Adaptive Traffic Control Signal	PW1311	51						
Pershing Avenue Roadway Crown Reduction - Princeton Ave to Elmwood	0000	-	-	-	-	-	-	761
Railroad Crossing Program	PW1527	-	-	-	-	-	-	50
Rapid Flashing Beacon C5	PW1313	302	-	-	-	-	-	-
Rapid Flashing Beacon C6	PW4120	50	-	-	-	-	-	-
Real Time Traffic Monitoring System	PW1726	-	102	493	-	-	-	-
Rectangular Rapid Flashing Beacon Installation Project	0000	-	-	-	-	-	-	790
Relocation of Traffic Control Communications Center	0000	-	-	-	-	-	844	-
Responsive Traffice Signal Control	PW4121	71	-	-	-	-	-	-
Robinhood Drive Bike Lanes	0000	-	-	-	-	-	-	519
Roundabout Program	0000	-	-	-	-	-	-	5,237
Rule 20A Streetlighting Program	PW1521	91	50	50	50	50	50	1,404
Safe Routes to School	PW6725	158	-	-	-	-	-	-
Safe Routes to School Priority Safety Projects	0000	-	-	160	1,237	-	-	-
Safe Routes to School Sidewalk Network Completion Project	0000	-	-	363	2,082	-	-	-

Five Year Capital Improvement Program
Project List by Category
2018-2023
(Dollars in Thousands)

Project Name	Project Number	Remaining Appropriation 6/30/17	2017-18 Adopted	2018-19 Budget	2019- 20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
Security Lid Conversion on Electrical Utility Boxes	0000	-	-	-	-	-	-	620
Sidewalks, Curbs, Gutter Repair	PW1531	398	-	-	-	-	-	-
Sidewalk, Curb, and Gutter Repair Program FY2018/19 SB1	PW1815	-	486	2,303	-	-	-	-
Sidewalk, Curb, and Gutter Repair Program FY2019/20 SB1	0000	-	-	-	2,279	-	-	-
Sidewalk, Curb, and Gutter Repair Program FY2020/21 SB1	0000	-	-	-	-	2,285	-	-
Sidewalk, Curb, and Gutter Repair Program FY2021/22 SB1	0000	-	-	-	-	-	1,040	-
Sidewalk, Curb, and Gutter Repair Program FY2022/23 SB1	0000	-	-	-	-	-	-	1,046
South Airport Way Separated Bikeway	0000	-	-	333	1,912	-	-	-
System Safety Analysus Report Program - Collision Analysis	PW1813	-	-	278	-	-	-	-
Street Furniture Painting SB1	0000	-	-	-	250	250	250	250
Street Light Installation	PW9191	362	-	-	-	-	-	-
Street Lighting Upgrade	PW6689	81	-	-	-	-	-	-
Street Light Pole Replacement	0000	-	-	-	200	200	200	200
2010-11 RSTP Street Overlay	PW9740	7	-	-	-	-	-	-
2011-12 RSTP Street Overlay	PW9751	49	-	-	-	-	-	-
2013-14 Street Resurfacing	PW1429	520	-	-	-	-	-	-
2015 Local Sreet Resurfacing	PW1431	29	-	-	-	-	-	-
2016 Local Street Resurfacing	PW1532	439	-	-	-	-	-	-
Street Resurfacing	PW9928	981	-	-	-	-	-	-
2016-17 Street Resurfacing	PW1610	250	-	-	-	-	-	-
Street Resurfacing on Federal-Aid Streets	PW1519	299	-	-	-	-	-	-
Street Resurfacing on Federal-Aid Streets FY16/17	0000	-	3,578	-	-	-	-	-
Street Resurfacing on Federal-Aid Streets FY2019/2020 - FY2022/2023	0000	-	-	-	3,046	3,046	3,046	3,046
Street Sidewalk Repairs	PW7066	167	-	-	-	-	-	-
Street Smarts Program	0000	-	-	-	-	-	-	312
Tam O'Shanter/Castle Oaks	PW1443	169	-	-	-	-	-	-
Tam O'Shanter Drive and Knickerbocker Drive Roundabout	PW1727	-	268	-	698	-	-	-
Thornton Road Widening	PW1428	12,024	-	3,000	-	-	-	-
Thornton at Hammer Lane and Lower Sacramento Triangle	PW1518	140	199	-	-	-	-	-
Traffic Calmining	PW6653	274	-	-	-	-	-	-
Traffic Signal Head Retrofit	PW4122	15	-	-	-	-	-	-
Traffic Signal Control System	PW9906	451	-	-	-	-	-	-
Traffic Signal Control System Program	PW1522	437	400	-	500	500	500	500
Traffic Signal Conversions to City Standard	0000	-	-	-	-	-	-	593
Traffic Signal Head Visibility Improvements - 8" to 12" Signal Indicators	0000	-	-	-	-	-	-	140
Traffic Signal Modifications Program	PW1529	395	459	-	475	475	475	600
Traffic Signal Modifications	PW9934	168	-	-	-	-	-	-
Weber Avenue Beautification Phase 2	PW1327	5	-	-	-	-	-	-
Weber Ave. at Grant and Aurora St. Median Reconstruction	0000	-	-	-	-	-	-	437
West Lane Complete Streets Corridor Study	0000	-	-	-	-	-	-	250
West Lane Grade Separation	0000	-	-	-	-	-	-	44,240

Five Year Capital Improvement Program
Project List by Category
2018-2023
(Dollars in Thousands)

Project Name	Project Number	Remaining Appropriation 6/30/17	2017-18 Adopted	2018-19 Budget	2019- 20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected
West Lane Pedestrian Access Improvements	PW4124	105	-	-	-	-	-	-
West Lane Traffic Responsiveness Signal Control System	PW1611	-	620	-	-	-	-	-
West Lane Widening - Hammer Lane to Morada Lane	0000	-	-	-	-	-	-	22,631
Wilson Way Adaptive Traffic Control Signal	PW9747	11	-	-	-	-	-	-
Wilson Way Bridge Installation of Slope Protection	PW1821	-	-	500	-	-	-	-
Wilson Way Corridor	PW1613	823	-	-	-	-	-	-
Wood Pole Replacement and Infill Street Lighting	PW1523	-	-	-	540	-	-	-
Total Transportation/Streets		**42,550**	**18,606**	**39,577**	**35,322**	**16,628**	**28,517**	**207,611**
Grand Total		**95,021**	**36,692**	**70,335**	**107,500**	**138,506**	**122,577**	**683,890**

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

TAB 14 INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

MISSION STATEMENT

Internal Service Funds are used to report the centralized financing of goods and services provided by one department on a cost reimbursement basis. The City of Stockton uses internal service funds for the central administration of insurance, equipment replacement, and technology services.

Budget at a Glance:	
Total Revenues	$142,809,012
Total Expenditures	$160,311,238
Total Net Cost	$17,502,226

PROGRAM DESCRIPTION

The City has Internal Service Funds (ISF) for equipment, risk management, and employee benefits funding. City departments contribute to these funds as part of their annual budgets. The funds are used to provide services and equipment to departments and pay for overall city-wide programs. Approximately 75% of ISF expenditures are related to the City's insurance and other benefits costs, while the remainder are related to equipment services. The City's ISFs are as follows:

Equipment:
- Fleet
- Technology
- Radio
- Office Equipment

Insurance/Benefits:
- General Liability
- Workers Compensation
- Health
- Unemployment
- Long Term Disability, Life and Accidental Death and Dismemberment
- Retirement
- Compensated Absences

DEPARTMENT STRATEGIC WORK PLAN

In general, an Internal Service Fund is used as a governmental financial mechanism to provide goods and services to multiple departments on a cost reimbursement basis in a systemized manner. Stockton's specific overall ISF goals go beyond the general objective and include developing rates that are stable over time and cover the cost of current use that might involve cash payouts in future periods. Consequently, Stockton's ISFs manage a relatively stable inflow of resources to pay for equipment and services that do not necessarily have a consistent or recurring nature.

Internal Service Funds therefore, play a significant role in the City Council Strategic Target of fiscal sustainability and indirectly in several other targets because if money is not available, other targets cannot be met. Developing a funding level requires experience and analysis while setting aside money for future periods requires discipline and restraint. The City's ISF rate methodologies have proven fairly successful in the years following bankruptcy, as several risk funds have recovered sufficient balances to pay for expected claim payouts, and the short-term funding of needs is available. But the fleet, radio and technology requirements expected in the next five years and the retirement demands of CalPERS scheduled for the next 10 years are not covered by stabilized, consistent rates at this time. The long term plan for ISFs is to develop

accurate forecasts of the likeliest needs and related payout scenarios while remaining true to the overall fund goals and rate stabilization goals.

KEY CONSIDERATIONS

The expectations laid out for the ISFs were overall favorable as appropriations for claims and equipment were sufficient to pay for what was incurred or required, and rates did not create a shortfall that would require any significant change for the following year. Most significantly, City Council approved becoming a member in an IRC Section 115 Pension Trust and set $21 million aside in the irrevocable trust which, while restricted solely for pension costs, affords the City greater flexibility than remitting to CalPERS, greater earnings potential than the City investment pool, and is expected to pay four to five of the fifteen balloon payments scheduled by CalPERS between now and 2036.

To provide value, the long term ISF rates should be identifiable, relative to how expenditures will be incurred and cover the operating needs of the departments. With the ISFs accounting for 18% of overall City spending, sound management of these funds is vital to the City's fiscal sustainability. Continuous analysis of the spending trends, forecasts and rate methodologies, and updates to the City's Long-Range Financial Plan will be key components to managing the resources and demands in these funds. Further detail on the equipment and benefit ISFs is included in the following pages.

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

Internal Service Funds
FY 2018-19 Annual Budget

	Fleet Services 501	Computer Equipment 502	Radio Equipment 503	Telephone Equipment 504	Office Equipment Printing/Mailing 505
	See Page N-9	*See Page N-11*	*See Page N-13*	*See Page N-14*	*See Page N-17*
Beginning Available Balance	**$ 2,346,129**	**$ 13,852,398**	**$ 2,414,958**	**$ -**	**$ 1,428,706**
Revenues					
Charge for Services					
Police	5,179,206	5,976,297	1,252,457	-	-
Fire	2,485,185	1,120,854	616,625	-	-
Other General Fund	666,054	1,797,754	2,563	-	-
Other Funds	3,894,250	6,086,680	151,899	-	-
	12,224,695	14,981,585	2,023,544	-	-
Refunds & Reimbursements	100,000	-	-	-	356,000
Investment Proceeds	40,000	60,000	10,000	-	10,000
	12,364,695	**15,041,585**	**2,033,544**	**-**	**366,000**
Expenditures					
Administration	2,273,367	1,846,538	-	-	-
Operations & Maintenance	6,312,400	12,072,131	928,853	-	399,931
Equipment Replacements	3,000,000	1,953,900	1,796,500	-	-
Debt Service	4,243,839	-	-	-	-
Claims	-	-	-	-	-
Excess Insurance Premium	-	-	-	-	-
Third Party Administrator	-	-	-	-	-
Pension contributions to CalPERS	-	-	-	-	-
Employee leave balance payoffs	-	-	-	-	-
	15,829,606	**15,872,569**	**2,725,353**	**-**	**399,931**
Transfers					
Transfer In	3,482,423	-	-	-	-
Transfer Out	(150,000)	-	-	-	-
	3,332,423	**-**	**-**	**-**	**-**
Net Annual Activity	**(132,488)**	**(830,984)**	**(691,809)**	**-**	**(33,931)**
Ending Available Balance	**$ 2,213,641**	**$ 13,021,414**	**$ 1,723,149**	**$ -**	**$ 1,394,775**

	General Insurance 541	Workers' Compensation 551	Health Insurance 552	Unemployment 556
	See Page N-19	*See Page N-20*	*See Page N-23*	*See Page N-25*
Beginning Available Balance	**$ 3,046,644**	**$ (7,170,625)**	**$ 13,049,668**	**$ 823,195**
Revenues				
Charge for Services				
Police	2,811,411	5,648,483	7,557,523	-
Fire	853,745	2,322,927	1,806,379	-
Other General Fund	534,805	379,857	1,646,942	-
Other Funds	2,483,085	2,946,730	7,367,516	-
	6,683,046	11,297,997	18,378,360	-
Refunds & Reimbursements	135,000	955,845	4,041,114	-
Investment Proceeds	50,000	478,193	100,000	-
	6,868,046	**12,732,035**	**22,519,474**	**-**
Expenditures				
Administration	2,311,117	752,998	1,194,932	-
Operations & Maintenance	-	397,500	-	-
Equipment Replacements	-	-	-	-
Debt Service	-	-	-	-
Claims	5,850,200	8,603,500	22,639,736	175,000
Excess Insurance Premium	1,252,136	1,043,000	-	-
Third Party Administrator	-	768,000	227,906	-
Pension contributions to CalPERS	-	-	-	-
Employee leave balance payoffs	-	-	-	-
	9,413,453	**11,564,998**	**24,062,574**	**175,000**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	(12,397,423)	-	-
	-	**(12,397,423)**	**-**	**-**
Net Annual Activity	**(2,545,407)**	**(11,230,386)**	**(1,543,100)**	**(175,000)**
Ending Available Balance	**$ 501,237**	**$ (18,401,011)**	**$ 11,506,568**	**$ 648,195**

Internal Service Funds, Continued
FY 2018-19 Annual Budget

	Long Term Disability & Life 557	Retirement 561	Compensated Absences 562	Internal Service Total
	See Page N-27	*See Page N-29*	*See Page N-31*	
Beginning Available Balance	**$ 105,202**	**$ 31,501,398**	**$ 1,546,178**	**$ 62,943,851**
Revenues				
Charge for Services				
Police	176,278	26,904,868	352,081	55,858,604
Fire	30,826	8,857,337	138,494	18,232,372
Other General Fund	64,945	3,194,932	86,476	8,374,328
Other Funds	267,819	15,766,900	322,949	39,287,828
	539,868	54,724,037	900,000	121,753,132
Refunds & Reimbursements	-	11,221,805	-	16,809,764
Investment Proceeds	500	10,000	5,000	763,693
	540,368	**65,955,842**	**905,000**	**139,326,589**
Expenditures				
Administration	-	34,621	-	8,413,573
Operations & Maintenance	-	-	-	20,110,815
Equipment Replacements	-	-	-	6,750,400
Debt Service	-	-	-	4,243,839
Claims	-	-	-	37,268,436
Excess Insurance Premium	539,868	-	-	2,835,004
Third Party Administrator	-	-	-	995,906
Pension contributions to CalPERS	-	65,945,842	-	65,945,842
Employee leave balance payoffs	-	-	1,200,000	1,200,000
	539,868	**65,980,463**	**1,200,000**	**147,763,815**
				-
Transfers				
Transfer In	-	-	-	3,482,423
Transfer Out	-	-	-	(12,547,423)
	-	**-**	**-**	**(9,065,000)**
Net Annual Activity	**500**	**(24,621)**	**(295,000)**	**(17,502,226)**
Ending Available Balance	**$ 105,702**	**$ 31,476,777**	**$ 1,251,178**	**$ 45,441,625**

Revenues	$ 139,326,589
Transfers	3,482,423
Total Sources	$ 142,809,012
Expenditures	$ 147,763,815
Transfers	12,547,423
Total Appropriations	$ 160,311,238

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

FLEET SERVICES FUND (501)

PROGRAM DESCRIPTION

Public Works manages the Fleet Internal Service Fund and is responsible for maintaining and replacing the City's fleet of approximately 1,120 vehicles and major equipment. Departments are charged monthly rental rates to finance operations and vehicle replacements. Maintenance activities performed either by City staff or outside vendors include preventative maintenance inspections, complete mechanical repairs, and specialized auto body work. A replacement reserve is needed to save for future replacement of vehicles at the end of their useful life. The replacement reserve amount has ranged from $1.0 million to $5.0 million over the past ten years.

KEY CONSIDERATIONS

- Implementation and review of the new fueling management system installed in FY 2017-18.
- Replacement of fuel terminals at all 12 fire stations.
- Replacement and setup of 75 vehicles to maintain current replacement schedules.
- Continue ongoing effort to review and improve fleet operations through space utilization in the shops and procurement services for acquiring fleet parts.
- FY 2018-19 budget includes $3.0 million for vehicle replacements and funding to repair or replace emergency generators in key locations providing first responder services and other emergency services to the citizens of Stockton.
- In FY 2018-19, an opportunity exists for the City to pay off debt and save approximately $2.0 million, some of which will benefit the fleet operations. The Fleet Services Fund will borrow from internal service fund reserves and use that cash to pay off existing debt with interest rates over 4%, resulting in a savings of approximately $300,000. The Fleet Services fund would then make scheduled loan payments to the Workers' Compensation fund at a 2% rate, which is what the City's investments have historically yielded.

Internal Service Funds
Fleet Services - 501
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 4,243,982**	**$ 4,971,750**	**$ 6,242,353**	**$ 2,346,129**
Revenues				
Charge for Services				
Police	4,652,411	4,925,884	4,702,182	5,179,206
Fire	2,071,139	2,191,518	2,414,341	2,485,185
Other General Fund	390,880	415,536	655,101	666,054
Other Funds	2,593,799	2,764,304	4,142,827	3,894,250
	9,708,229	10,297,242	11,914,451	12,224,695
Refunds & Reimbursements	2,000,000	2,047,808	2,435	-
Sale of Assets	200,566	253,886	105,000	100,000
Investment Proceeds	88,083	6,399	30,918	40,000
	11,996,878	**12,605,335**	**12,052,804**	**12,364,695**
Expenditures				
Operations & Maintenance	3,953,191	4,228,200	4,583,275	4,645,886
Fuel	1,216,564	1,430,635	1,650,705	1,666,514
General & Administrative	1,561,706	1,873,196	2,311,895	2,273,367
Debt Service	340,967	555,739	782,937	4,243,839
Replacements	4,196,682	3,252,244	6,238,216	3,000,000
	11,269,110	**11,340,014**	**15,567,028**	**15,829,606**
Transfers				
Transfer In	-	-		3,482,423
Transfer Out	-	-	(382,000)	(150,000)
	-	**-**	**(382,000)**	**3,332,423**
Net Annual Activity	**727,768**	**1,265,321**	**(3,896,224)**	**(132,488)**
Ending Available Balance	**$ 4,971,750**	**$ 6,237,071**	**$ 2,346,129**	**$ 2,213,641**

Available Balance Calculation

Current Assets	$ 6,763,402
Current Liabilities	(521,049)
Encumbrances	-
Ending Available Balance	$ 6,242,353

COMPUTER EQUIPMENT FUND (502)

PROGRAM DESCRIPTION

The Computer Equipment Fund is managed by the Information Technology (IT) Department. City departments pay into this fund as part of their annual budgets for IT programmatic services and equipment for computers, telephones, multi-functional copiers, application systems, network connectivity, and IT consulting services. This fund also supports the City's IT Governance efforts and the implementation of the Information Technology Capital Plan.

The City continues to make significant progress towards replacing critical data center infrastructure equipment and end-user devices such as network storage equipment, desktop computers, laptops, and tablets. The City also set aside an additional $6.6 million in FY 2018-19 toward the replacement of its 25-year old financial system.

KEY CONSIDERATIONS

IT projects support the City Council's strategic targets of Public Safety and Fiscal Sustainability, with a focus on providing technology solutions and support to improve public safety services and implementing solutions that provide financial transparency to the community. The major FY 2018-19 projects funded by the Computer Equipment Fund are as follows:

- Enterprise Resource Plan (ERP) – The City continues its efforts to replace its antiquated financial system, and anticipates bringing the replacement contract award to Council in Summer 2018.
- Microsoft Enterprise Agreement – Expand to include Azure for citywide use in preparation for the relocation to Waterfront Towers.
- Data Center Hardware Infrastructure – Sustain the primary data center and prepare for the relocation to Waterfront Towers.
- SEB Assessment – Evaluate the PD Data Center for expansion and implement findings.
- Network Redesign – Address single points of failure in the City's internal networking environment. Priority given to locations with the largest concentrations of City employees and include use of new technologies such as 5G cellular and software-defined networks.
- Superion Hardware Replacement – Replace server equipment that will support the current ERP system until the City can fully migrate to the new ERP system.
- Expand SharePoint – Initiate Phase 2 of the migration plan for the City's intranet.
- City Website Redesign – Continue to Phase 2 of redesigning the City public website in the new standard format.
- Network Security Incident Response – Execute a third-party attack and penetration test. Remediate the findings from the test via a professional services engagement. Establish a professional services agreement for incident response, and provide security operations as a service.

Internal Service Funds
Computer Equipment Internal Service - 502
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 17,575,999**	**$ 20,690,099**	**$ 11,445,558**	**$ 13,852,398**
Revenues				
Charges for services				
Police	5,357,313	5,332,485	6,204,845	5,976,297
Fire	771,719	919,101	1,175,371	1,120,854
Other General Fund	1,242,217	1,451,958	1,621,368	1,797,754
Other Funds	3,813,548	4,155,066	6,163,737	6,086,680
Investment Proceeds	345,816	43,408	120,000	60,000
Reimbursements	888	1,043	-	-
	11,531,501	**11,903,061**	**15,285,321**	**15,041,585**
Expenditures				
Computer Maintenance	2,421,689	3,070,098	4,038,781	4,656,268
Administration	1,574,426	1,784,991	1,114,987	1,085,918
Enterprise Applications	1,556,228	1,184,706	1,598,334	1,945,731
Telephone	-	-	1,207,777	699,382
Enterprise Resource Planning (ERP)	-	43,232	1,878,232	2,504,850
Enterprise Portfolio Management Office	-	-	556,121	760,620
Maintenance	1,602,952	1,897,767	2,420,516	2,265,900
Replacements	1,205,476	978,103	2,307,968	1,953,900
New equipment	20,829	1,080	515,489	-
Capital Projects	1,070,801	734,736	154,021	-
	9,452,401	**9,694,713**	**15,792,226**	**15,872,569**
Transfers				
Transfer In - General Fund	1,035,000	-	2,913,745	-
Transfer Out	-	-	-	-
	1,035,000	**-**	**2,913,745**	**-**
Net Annual Activity	**3,114,100**	**2,208,348**	**2,406,840**	**(830,984)**
Ending Available Balance	**$ 20,690,099**	**$ 22,898,447**	**$ 13,852,398**	**$ 13,021,414**

Available Balance Calculation

Current Assets	$ 23,481,462
Current Liabilities	(583,015)
Encumbrances	-
Capital Projects	(11,452,889)
Ending Available Balance	$ 11,445,558

Internal Service Funds
Telephone Equipment Internal Service - 504
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 1,288,330**	**$ 1,992,109**	**$ 2,910,166**	**$ -**
Revenues				
Charge for Services				
Police	497,552	523,730	-	-
Fire	79,822	68,264	-	-
Other General Fund	267,822	258,505	-	-
Other Funds	633,043	640,110	-	-
Investment Proceeds	32,453	10,852	7,079	-
Reimbursements	-	-	-	-
	1,510,692	**1,501,461**	**7,079**	**-**
Expenditures				
Operations & Maintenance	801,554	569,604	-	-
Replacements	5,359	13,799	-	-
	806,913	**583,403**	**-**	**-**
Transfers				
Transfer In	-	-	(2,917,245)	-
Transfer Out - Technology 502	-	-	-	-
	-	**-**	**(2,917,245)**	**-**
Net Annual Activity	**703,779**	**918,058**	**(2,910,166)**	**-**
Ending Available Balance	**$ 1,992,109**	**$ 2,910,167**	**$ -**	**$ -**

Available Balance Calculation

Current Assets	$ 2,988,489
Current Liabilities	(78,323)
Encumbrances	
Ending Available Balance	$ 2,910,166

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

RADIO EQUIPMENT FUND (503)

PROGRAM DESCRIPTION

The Radio Equipment Fund supports mission-critical programmatic services and equipment replacements for public safety radios, dispatch consoles and radio support infrastructure. Fire, Municipal Utilities, Public Works and Police pay into the fund as part of their annual budgets.

The City continues to make significant progress towards replacing mission-critical radio equipment, and completed the implementation of a three-year plan to replace aged radios in FY 2017-18. The radio support infrastructure and backbone of the system is the City's next priority.

KEY CONSIDERATIONS

Replacement schedule:

- Initiate Public Safety Radio Infrastructure – Initiate a public safety radio infrastructure plan that will address core, console and microwave equipment needed to provide stability of the radio communication system.

Internal Service Funds
Radio Equipment Internal Service - 503
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 1,839,304**	**$ 2,080,665**	**$ 1,562,932**	**$ 2,414,958**
Revenues				
Charge for Services				
Police	953,219	999,694	1,201,785	1,252,457
Fire	479,140	488,096	558,337	616,625
Other General Fund	-	2,695	2,865	2,563
Other Funds	130,403	133,277	153,515	151,899
	1,562,762	1,623,762	1,916,502	2,023,544
Investment Proceeds	35,777	(1,329)	8,518	10,000
Other	-	-	-	-
	1,598,539	**1,622,433**	**1,925,020**	**2,033,544**
Expenditures				
Operations & Maintenance	591,864	599,696	988,794	928,853
Replacements	765,314	1,540,186	784,200	1,796,500
New equipment	-	-	-	-
	1,357,178	**2,139,882**	**1,772,994**	**2,725,353**
Transfers				
Transfer In - General Fund	-	-	700,000	-
Transfer Out	-	-	-	-
	-	**-**	**700,000**	**-**
Net Annual Activity	**241,361**	**(517,449)**	**852,026**	**(691,809)**
Ending Available Balance	**$ 2,080,665**	**$ 1,563,216**	**$ 2,414,958**	**$ 1,723,149**

Available Balance Calculation

Current Assets	$ 1,771,137
Current Liabilities	(208,205)
Encumbrances	
Ending Available Balance	$ 1,562,932

OFFICE EQUIPMENT FUND (505)
DUPLICATING, PRINTING & MAILING

PROGRAM DESCRIPTION

Administrative Services Reprographics division is responsible for maintaining and managing the City's duplicating/printing equipment in reprographics as well as mailroom services. Program departments are charged monthly usage rates to offset citywide reprographics services, operations and replacement costs.

KEY CONSIDERATIONS

- The reprographic staff joined Postal Customer Council (PCC) in Sacramento. PCC provides Postal Service business customers, such as the City of Stockton, with information about postal products, services and tools to help grow our business, as well as improve mail quality.
- Evaluated and upgraded reprographics equipment to replace the outdated equipment.
- In FY 2017-18, the division began development of strategic plan, which includes parcel service enhancements for mail service areas.

Internal Service Funds
Office Equipment Internal Service - 505
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 758,954**	**$ 1,068,353**	**$ 1,443,485**	**$ 1,428,706**
Revenues				
Charges for Services				
Police	41,459	7,813	-	-
Other General Fund	95,439	29,431	-	-
Other Funds	207,040	30,338	-	-
Printing & Mailroom Fees	386,067	393,738	355,000	356,000
Investment Proceeds	20,403	2,867	10,000	10,000
	750,408	**464,187**	**365,000**	**366,000**
Expenditures				
Operations & Maintenance	437,476	291,001	379,779	399,931
Replacements	3,533	-	-	-
	441,009	**291,001**	**379,779**	**399,931**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**309,399**	**173,186**	**(14,779)**	**(33,931)**
Ending Available Balance	**$ 1,068,353**	**$ 1,241,539**	**$ 1,428,706**	**$ 1,394,775**

Available Balance Calculation

Current Assets	$ 1,469,573
Current Liabilities	(26,088)
Ending Available Balance	$ 1,443,485

RISK SERVICES – GENERAL LIABILITY FUND (541) AND WORKERS' COMPENSATION FUND (551)

PROGRAM DESCRIPTION

The City established the General Liability and Workers' Compensation funds to create greater financial stability by self-insuring the City's liability (third-party) and workers compensation claims rather than purchasing full insurance policies. The Human Resources Department manages these programs and develops methods to reduce claim expenses by promoting safe work environments for both our employees and for the people of Stockton. City departments pay into the funds as part of their annual budget. The Department uses the funds to pay third-party claims, workers compensation claims, third-party claims' administrators, excess insurance, legal settlements, and the cost to administer programs designed to reduce risk.

KEY CONSIDERATIONS

Key considerations for the future of each program stem from costs being directly tied to accidents, illness and injuries, which are unknown events that, by definition, are difficult to project. The Human Resources Department will assist other departments with targeted training or the development of procedures to minimize these risks and reduce the overall cost of these programs.

The City will continue to use actuaries to assist in analyzing claim data and projecting claim costs and reserve targets. Consistent with the City Council strategic target of fiscal sustainability, reserve levels in the funds will continue to be in line with the associated claims of the organization. In 2013, the Workers' Compensation fund had unfunded liabilities of $43.5 million. Efforts to reduce the unfunded liability have been successful with a projected ending balance of $6.4 million in unfunded liabilities. General Liability claims cost continue to be at higher than normal levels in FY 2018-19 as larger litigation cases approach court dates or claims are settled. The primary funding source for both funds, calculated rates charged to City departments, will remain unchanged in both the Workers Compensation and General Liability Internal Service funds in FY 2018-19.

In FY 2018-19, an opportunity exists for the City to pay off debt and save approximately $2.0 million. The Fleet Services and Parking Authority funds could borrow from internal service fund reserves for workers compensation claims projected to be paid more than ten years in the future and use that cash to pay off existing debt with interest rates over 4%. The Fleet Services and Parking Authority funds would then make scheduled loan payments to the Workers Compensation fund at a 2% rate, which is what the City's investments have historically yielded.

Internal Service Funds
General Liability Insurance - 541
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 9,598,721**	**$ 12,318,115**	**$ 4,326,564**	**$ 3,046,644**
Revenues				
Charge for Services				
Police	2,388,993	2,543,511	2,681,908	2,811,411
Fire	1,087,612	858,258	976,003	853,745
Other General Fund	393,424	444,331	507,119	534,805
Other Funds	1,924,643	2,260,153	2,323,365	2,483,085
Reimbursements	525,086	909,413	119,144	135,000
Investment Proceeds	253,290	32,906	50,000	50,000
	6,573,048	**7,048,572**	**6,657,539**	**6,868,046**
Expenditures				
Claims Paid	1,717,321	2,081,031	2,779,000	5,850,200
Actuarial Accrued Claims Liability	(864,388)	5,051,812	2,200,000	-
	852,933	7,132,843	4,979,000	5,850,200
Excess Insurance Premium	925,090	976,451	1,090,604	1,252,136
Administration	2,075,631	1,930,893	1,867,855	2,311,117
	3,853,654	**10,040,187**	**7,937,459**	**9,413,453**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**2,719,394**	**(2,991,615)**	**(1,279,920)**	**(2,545,407)**
Ending Available Balance	**$ 12,318,115**	**$ 9,326,500**	**$ 3,046,644**	**$ 501,237**

Available Balance Calculation

Cash and Current Assets	$ 17,491,415
Current Liabilities	(267,014)
Expected Claims	(12,897,837)
Ending Available Balance	$ 4,326,564

Rates (percentage of payroll)				
All employees	4.78%	4.51%	4.51%	4.51%

Note

Program revenues are estimated based upon percentage of projected actual payroll.
Actual revenues and the cash flow to settle claims will fluctuate based on actual payroll.

Internal Service Funds
Workers' Compensation - 551
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ (31,194,403)**	**$ (29,516,935)**	**$ (8,571,474)**	**$ (7,170,625)**
Revenues				
Charge for Services				
Police	6,386,764	7,046,097	5,483,964	5,648,483
Fire	3,694,947	2,984,333	2,255,269	2,322,927
Other General Fund	424,329	539,748	368,793	379,857
Other Funds	3,156,651	4,306,054	2,860,903	2,946,730
	13,662,691	14,876,232	10,968,929	11,297,997
Refunds & Reimbursements	1,064,674	1,954,453	771,865	955,845
Investment Proceeds	533,098	105,112	400,000	478,193
	15,260,463	**16,935,797**	**12,140,794**	**12,732,035**
Expenditures				
Claims Paid	6,006,836	6,309,009	8,081,592	8,603,500
Actuarial Accrued Claims Liability	5,873,000	(12,140,000)	-	-
	11,879,836	(5,830,991)	8,081,592	8,603,500
Administration	472,723	521,570	681,800	752,998
Third Party Administrator	736,979	735,820	746,000	768,000
Excess Insurance Premium	792,029	825,428	957,946	1,043,000
California State Assessment	152,983	188,296	212,807	300,000
Safety Program	48,445	50,214	59,800	97,500
	14,082,995	**(3,509,663)**	**10,739,945**	**11,564,998**
Transfers				
Transfer In - General Fund	500,000	-	-	-
Transfer Out	-	-	-	(12,397,423)
	500,000	**-**	**-**	**(12,397,423)**
Net Annual Activity	**1,677,468**	**20,445,460**	**1,400,849**	**(11,230,386)**
Ending Available Balance	**$ (29,516,935)**	**$ (9,071,475)**	**$ (7,170,625)**	**$ (18,401,011)**
Available Balance Calculation				
Cash and Current Assets		$ 40,657,301		
Accounts Payable		(106,775)		
Estimated Claims		(49,122,000)		
Ending Available Balance		$ (8,571,474)		
Rates (percent of payroll)				
Police	14.94%	14.74%	10.74%	10.74%
Fire	17.33%	15.98%	10.69%	10.69%
Manual	11.12%	12.27%	7.67%	7.67%
Non-Manual	7.86%	7.25%	3.93%	3.93%
Office/Clerical	3.57%	3.54%	2.28%	2.28%
Library	5.87%	5.80%	3.31%	3.31%

Note

Program revenues are estimated based upon percentage of projected payroll.
Actual revenues will fluctuate based on actual payroll.

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

HEALTH BENEFITS FUND (552)

PROGRAM DESCRIPTION

The City established the Health Benefits Fund to purchase and administer the health, dental and vision benefit plans for eligible employees and their eligible dependents. The Human Resources Benefits Division administers the employee health benefits program. The City and its employees share in the cost of the plans, and the City's share of cost is determined during the collective bargaining process.

City departments pay into the Health Benefit fund based on the number of active full-time employees. These proceeds are used to pay the City share of premiums and administrative costs of employee health benefits. The City offers employees a self-funded health plan (Anthem), two Kaiser plans and a Sutter plan. Additionally, some employees may select a health plan option through their labor union. The City has no post-employment medical liability as contributions to retiree medical were eliminated in 2012.

KEY CONSIDERATIONS

While the City continues to see a favorable active employee medical plan claims experience, the premiums for FY 2018-19 will increase slightly. Key considerations in the health benefit program include being able to offer options that continue to be attractive to employees while maintaining long term affordability. Increasing the number of employees and their dependents in the City's Health Benefit program will allow the City to negotiate more favorable terms and pricing with its health providers. Negotiations between the City and its labor unions will commence in FY 2018-19 and will include provisions for benefit programs.

Internal Service Funds
Health Benefits - 552
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 35,022,973**	**$ 37,241,993**	**$ 13,938,299**	**$ 13,049,668**
Revenues				
Charge for Services				
Police	5,832,919	6,284,865	6,743,953	7,557,523
Fire	1,780,748	1,657,412	1,757,675	1,806,379
Other General Fund	1,228,058	1,256,471	1,449,347	1,646,942
Other Funds	6,446,639	6,504,559	6,659,951	7,367,516
	15,288,364	15,703,307	16,610,926	18,378,360
Participant Contributions				
Employees (current MOUs)	3,561,727	3,343,927	3,113,413	3,630,692
Retirees	347,384	277,361	266,200	208,490
Continuation	49,988	55,459	64,294	70,723
Rebates and reimbursements	139,454	260,221	306,936	131,209
Investment Proceeds	223,543	20,706	100,000	100,000
	19,610,460	**19,660,981**	**20,461,769**	**22,519,474**
Expenditures				
City Medical Plans	13,899,900	16,333,579	17,500,800	19,433,386
Actuarial Adjustments	(163,300)	(178,600)	58,000	26,000
Operating Engineers	899,023	820,682	707,198	710,400
Vision	147,555	163,007	167,100	219,800
Dental	1,274,057	1,313,406	1,312,600	1,947,150
Health & Wellness Program	1,391	685	-	4,000
Administration	824,856	875,281	1,097,300	1,194,932
Stop Loss Premium	272,722	211,122	269,400	299,000
Vendor Administration Fee	235,236	144,250	238,002	227,906
	17,391,440	**19,683,412**	**21,350,400**	**24,062,574**
Net Annual Activity	**2,219,020**	**(22,431)**	**(888,631)**	**(1,543,100)**
Ending Available Balance	**$ 37,241,993**	**$ 37,219,562**	**$ 13,049,668**	**$ 11,506,568**

Available Balance Calculation

Cash and interest receivable	$ 13,275,176
Accounts Receivable and deposits	1,202,222
Current Liabilities	(135,099)
Expected Claims	(404,000)
Ending Available Balance	$ 13,938,299

Note

Budget based on total authorized positon. Actual revenue and expenses will fluctuate based on health plan enrollment.

UNEMPLOYMENT FUND (556)

PROGRAM DESCRIPTION

The Unemployment Fund is used for the payout of unemployment claims. Benefits are paid to former employees by the State of California and the City reimburses the State upon request. City departments pay into the Unemployment Fund based on total wages.

KEY CONSIDERATIONS

The Department closely monitors unemployment claims for eligibility and challenges potential non-eligible claims as appropriate. Rates for unemployment coverage have been minimal in the past five years and will be suspended in FY 2018-19 as the fund balance is sufficient to cover expected claims.

Internal Service Funds
Unemployment - 556
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 737,326**	**$ 773,724**	**$ 790,316**	**$ 823,195**
Revenues				
Charge for Services				
Police	62,372	56,204	55,621	-
Fire	29,822	19,066	17,811	-
Other General Fund	12,327	9,990	9,704	-
Other Funds	76,845	50,655	49,264	-
Investment Proceeds	14,013	803	1,000	-
	195,379	**136,718**	**133,400**	**-**
Expenditures				
Claims Paid	158,981	120,126	100,521	175,000
	158,981	**120,126**	**100,521**	**175,000**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**36,398**	**16,592**	**32,879**	**(175,000)**
Ending Available Balance	**$ 773,724**	**$ 790,316**	**$ 823,195**	**$ 648,195**

Available Balance Calculation

Cash and interest receivable	$ 809,928
Current Liabilities	(19,612)
Cash and Interest Receivable	$ 790,316

Rates (percentage of payroll)	0.15%	0.10%	0.10%	0.00%

Note

Program revenues are estimated based upon projected payroll.
Actual revenues will fluctuate based on actual payroll.

LONG TERM DISABILITY, LIFE INSURANCE & ACCIDENTAL DEATH AND DISMEMBERMENT FUND (557)

PROGRAM DESCRIPTION

The City provides Long Term Disability and Life Insurance benefits to its employees as part of the total compensation package. The Human Resources Department administers these plans for eligible employees and their eligible dependents. Some employees are covered by collective bargaining plans and do not participate in the City plans. Departments are assessed a rate per dollar of payroll which is transferred into the plan and is used to pay premiums and administrative expenses.

KEY CONSIDERATIONS

Rates will increase slightly in this fund for FY 2018-19, based on premium increases. The cost of these benefits are based upon market pricing and claims. Human Resources will continue to monitor the marketplace for these products to maintain an adequate benefit at an affordable cost.

Internal Service Funds
LTD and Life Insurance - 557
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 118,320**	**$ 117,687**	**$ 117,685**	**$ 105,202**
Revenues				
Charge for Services				
Police	131,572	144,418	150,577	176,278
Fire	35,265	35,737	40,359	30,826
Other General Fund	43,858	50,957	50,193	64,945
Other Funds	231,545	255,813	264,992	267,819
Investment Proceeds	1,906	(24)	500	500
	444,146	**486,901**	**506,621**	**540,368**
Expenditures				
Insurance Premiums	444,779	486,903	519,104	539,868
	444,779	**486,903**	**519,104**	**539,868**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**(633)**	**(2)**	**(12,483)**	**500**
Ending Available Balance	**$ 117,687**	**$ 117,685**	**$ 105,202**	**$ 105,702**

Available Balance Calculation

Cash and Interest Receivable	$ 117,685
Current Liabilities	-
Ending Available Balance	$ 117,685

Note

Program revenues are estimated based upon budgeted payroll.
Actual revenues and expenses will fluctuate based on actual payroll.

RETIREMENT FUND (561)

PROGRAM DESCRIPTION

The Retirement Fund is used to make contributions to the California Public Employees' Retirement System (CalPERS) for the City's defined benefit programs. Employee benefits are determined by the CalPERS plan and tier in which they are enrolled. Both employee and employer contributions to the CalPERS retirement plans are represented in the Retirement Fund. The City also has a supplemental retirement plan for a select group of employees outside of CalPERS. City departments pay into the Retirement Fund based on payroll and the rates that are set by CalPERS.

KEY CONSIDERATIONS

Payments charged by CalPERS will increase in FY 2018-19 and are expected to continue to increase until 2031. The current funding plan approved by CalPERS requires a stream of additional payments over the course of the next decade to properly fund the retirement obligation for current and retired City employees. Under this plan, the assumed rate of return on investments will decrease to 7.375% in FY 2018-19 and will eventually be reduced to 7.0%. The associated City contribution increases have been incorporated into the Long-Range Financial Plan and the implications are monitored by management on a regular basis. Any further increases in contributions to CalPERS would be significant and would likely be difficult to absorb without adversely impacting other programs or service levels.

In a proactive move to address rising retirement costs, the City Council approved a contribution of City funds to a Section 115 Irrevocable Trust that will be used to set aside resources for future CalPERS costs and maximize earnings potential of the reserves. The Trust will be monitored by the Administrative Services Department (ASD) and Human Resources Department.

Internal Service Funds
Retirement - 561
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 3,579,234**	**$ 3,018,779**	**$ 3,246,003**	**$ 31,501,398**
Revenues				
Charge for Services				
Police	14,004,960	19,338,494	24,395,580	26,904,868
Fire	6,345,928	7,189,318	8,413,304	8,857,337
Other General Fund	1,725,741	2,320,800	2,920,298	3,194,932
Other Funds	12,084,206	12,268,160	14,604,159	15,766,900
Employee Paid	8,535,069	9,711,048	10,757,649	11,221,805
Investment Proceeds	53,285	(14,705)	5,000	10,000
Refunds & Reimbursements	5,500	4,850	6,825	-
	42,754,689	**50,817,965**	**61,102,815**	**65,955,842**
Expenditures				
CalPERS payments	43,779,656	50,262,558	51,386,013	65,945,842
Other Operating Costs	35,488	24,283	24,027	34,621
	43,815,144	**50,286,841**	**51,410,040**	**65,980,463**
Transfers				
Transfer In	500,000	-	18,562,620	-
Transfer Out	-	(303,900)	-	-
	500,000	**(303,900)**	**18,562,620**	**-**
Net Annual Activity	**(560,455)**	**227,224**	**28,255,395**	**(24,621)**
Ending Available Balance	**$ 3,018,779**	**$ 3,246,003**	**$ 31,501,398**	**$ 31,476,777**

Available Balance Calculation

Cash and Interest Receivable	$ 3,706,840
Current Liabilities	(460,837)
Ending Available Balance	$ 3,246,003

PERs Employer Retirement Rates excluding Pension Obligation Bond (percentages of payroll)

Safety	45.502%	48.816%	52.480%	55.700%
Miscellaneous	22.355%	23.859%	26.760%	27.100%

Notes

Program revenues are estimated based upon budgeted payroll.
Payments to CalPERS will fluctuate with staffing levels.
Rates incorporate both CalPERS employer normal cost rate and employer payment of unfunded liability converted to a percent of payroll.

COMPENSATED ABSENCE FUND (562)

PROGRAM DESCRIPTION

The Compensated Absence Fund is used to pay accumulated compensation upon employee separation, pursuant to collective bargaining agreements and City policy. City departments pay into the fund as part of their annual budget.

KEY CONSIDERATIONS

The rate charged to departments for separation and vacation sell back will remain unchanged in FY 2018-19. Rate methodology for this fund is contingent on results of labor negotiations that will be conducted during the fiscal year. No significant changes in rate or rate setting methodology are expected. The FY 2018-19 budget also includes funding for vacation cash outs for certain eligible employees per the labor agreements approved in 2016.

Internal Service Funds
Compensated Absence - 562
FY 2018-19 Annual Budget

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Budget
Beginning Available Balance	**$ 2,287,451**	**$ 2,157,097**	**$ 2,021,992**	**$ 1,546,178**
Revenues				
Charge for Services				
Police	291,616	228,647	352,421	352,081
Fire	98,206	65,660	138,627	138,494
Other General Fund	73,534	54,887	86,559	86,476
Other Funds	281,644	212,430	323,261	322,949
Investment Proceeds	38,448	2,263	5,000	5,000
	783,448	**563,887**	**905,868**	**905,000**
Expenditures				
Employee Separation Pay	913,802	698,992	984,930	1,200,000
Liability Adjustments		-	396,752	-
	913,802	**698,992**	**1,381,682**	**1,200,000**
Transfers				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
	-	**-**	**-**	**-**
Net Annual Activity	**(130,354)**	**(135,105)**	**(475,814)**	**(295,000)**
Ending Available Balance	**$ 2,157,097**	**$ 2,021,992**	**$ 1,546,178**	**$ 1,251,178**
Available Balance Calculation				
Cash and Interest Receivable		$ 2,021,992		
Accrued Compensated Absences		-		
Ending Available Balance		$ 2,021,992		
Program Contribution Rate	0.70%	0.50%	0.70%	0.70%

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850

TAB 15 APPENDIX

PERSONNEL LISTING

PERSONNEL LISTING - POLICE DEPARTMENT

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19	
GENERAL FUND						
010-2410 Police Administration						
Administrative Analyst I/II/Sr	2	2	3		3	
Community Service Officer I/II	1	1	1	1	2	PD01
Executive Assistant	1	1	1		1	
Finance Assistant I/II	3	2	2		2	
Office Asst I/II/Specialist/Secretary/Technician	4	3	3		3	
Program Manager I/II	1	1	1		1	
Program Manager III	1	0	0		0	
Police Fiscal Affairs & Planning Manager	0	1	1		1	
Sr Finance Assistant	1	2	1		1	
Supervising Office Assistant	0	1	1		1	
Chief of Police	1	1	1		1	
Deputy Chief of Police I/II	2	2	2		2	
Police Captain	1	1	1		1	
Police Lieutenant	2	4	4		4	
Police Officer/Trainee	6	10	12		12	
Police Sergeant	5	5	7		7	
	31	**37**	**41**	**1**	**42**	
010-2420 Police Field Services						
Administrative Analyst I/II/Sr	2	2	1		1	
Code Enforcement Field Manager	1	1	1		1	
Code Enforcement Officer I/II	18	20	20		20	
Code Enforcement Supervisor	2	2	2		2	
Community Service Officer I/II	26	26	25	(1)	24	PD01
Graffiti Abatement Technician	4	4	4		4	
Office Asst I/II/Specialist/Secretary/Technician	8	8	9		9	
Police Court Coordinator	1	1	1		1	
Police Records Assistant I/II/III/Sr	1	1	1		1	
Police Services Manager	1	1	1		1	
Sr Code Enforcement Officer	3	3	3		3	
Sr Community Service Officer	1	1	1		1	
Sr Finance Assistant	0	0	1		1	
Supervising Office Assistant	1	1	1		1	
Police Captain	2	2	2		2	
Police Lieutenant	11	9	9		9	
Police Officer/Trainee	252	276	258	8	266	PD02
Police Sergeant	35	40	36	(2)	34	PD03
	369	**398**	**376**	**5**	**381**	

PERSONNEL LISTING - POLICE DEPARTMENT

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19	
010-2430 Police Investigations						
Community Service Officer I/II	2	2	3		3	
Evidence Technician I/II	14	14	12		12	
Office Asst I/II/Specialist/Secretary/Technician	1	2	3		3	
Police Records Assistant I/II/III/Sr	3	3	3		3	
Sr Evidence Technician	4	5	6		6	
Supervising Evidence Technician	1	1	2		2	
Police Captain	1	1	1		1	
Police Lieutenant	2	4	4		4	PD02
Police Officer/Trainee	65	72	106	(7)	99	PD04
Police Sergeant	14	12	14	2	16	PD03
	107	**116**	**154**	**(5)**	**149**	
010-2462-63 Police Support Services						
Office Asst I/II/Specialist/Secretary/Technician	2	1	1		1	
Police Records Assistant I/II/III/Sr	27	27	25	1	26	PD05
Property Clerk	5	5	5	(1)	4	PD06
Property Room Supervisor	1	1	1		1	
Supervising Police Records Assistant	2	2	2		2	
Police Captain	1	1	1		1	
	38	**37**	**35**	**0**	**35**	
010-2466-67 Police Animal Control						
Animal Services Assistant I/II	8	8	7		7	
Animal Services Officer/Sr	5	5	5		5	
Animal Services Supervisor	1	1	1		1	
Office Asst I/II/Specialist/Secretary/Technician	2	2	3		3	
Police Services Manager	1	1	1		1	
	17	**17**	**17**	**0**	**17**	
010-2470 Police Telecommunications						
Administrative Analyst I/II/Sr	0	0	0	1	1	PD06
Crime Analyst	7	7	7	(1)	6	PD07
Office Asst I/II/Specialist/Secretary/Technician	0	0	1		1	
Police Records Assistant I/II/III/Sr	1	2	1	(1)	0	PD05
Police Telecommunicator Call Taker	0	0	0	2	2	PD08
Police Telecommunicator I/II	41	41	41	(2)	39	PD08
Police Telecommunications Supervisor	6	6	6		6	
Police Services Manager	0	1	2		2	
Program Manager I/II	1	1	0		0	
Supervising Crime Analyst	0	0	0	1	1	PD07
	56	**58**	**58**	**0**	**58**	
Total General Fund	**618**	**663**	**681**	**1**	**682**	

PERSONNEL LISTING - POLICE DEPARTMENT

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19	
SPECIAL REVENUE FUNDS						
Police Grant Funded						
024-6426 COPS Grant: Community Service Officer	2	2	2		2	
025-6478 CCP Task Force: Crime Analyst	1	1	1	(1)	0	PD09
025-6478 CCP Task Force: Police Officer	1	1	1		1	
025-6478 CCP Task Force: Police Sergeant	1	1	1		1	
025-6436 VAWA Grant: Police Officer	1	1	1	(1)	0	PD04
025-6465 CHP 2012-13: Police Officer	17	17	0		0	
025-6468 Firearms Examiner	1	1	1		1	
025-6498 Admin Analyst I/II/Sr	0	0	1	(1)	0	PD10
	24	**24**	**8**	**(3)**	**5**	
081-2436 Police Safe Neighborhood Measure W						
Police Officer/Trainee	25	25	24		24	
Total	**25**	**25**	**24**	**0**	**24**	
Total Special Revenue Funds	**49**	**49**	**32**	**(3)**	**29**	
Total Police	**667**	**712**	**713**	**(2)**	**711**	
Police Department Summary						
Sworn Positions						
General Fund	400	440	458		458	
Safe Neighborhood Measure W	25	25	24		24	
Grant Funded	20	20	3		3	
	445	**485**	**485**	**0**	**485**	
Non-Sworn Positions						
General Fund	218	223	223		223	
Grant Funded	4	4	5	(2)	3	
	222	**227**	**228**	**(2)**	**226**	
Total Police Department	**667**	**712**	**713**	**(2)**	**711**	

PERSONNEL LISTING - FIRE DEPARTMENT

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19	
GENERAL FUND						
010-2610 Fire Administration						
Deputy Fire Chief I/II	1	2	2		2	
Executive Assistant	1	1	1		1	
Fire Battalion Chief	0	0	1		1	
Fire Chief	1	1	1		1	
Office Asst I/II/Specialist/Secretary/Technician	2	2	2		2	
Office Technician	1	1	1		1	
Program Manager I/II	0	0	0	1	1	FD01
Program Manager III	3	2	2	(1)	1	FD01
Project Manager I/II/III	1	1	1		1	
Supervising Office Assistant	1	1	1		1	
	11	**11**	**12**	**0**	**12**	
010-2620 Fire Suppression/Rescue						
Fire Battalion Chief	7	7	6		6	
Fire Captain	47	46	45		45	
Fire Fighter	47	47	47		47	
Fire Fighter Engineer	49	49	49		49	
	150	**149**	**147**	**0**	**147**	
010-2650 Fire Training						
Fire Battalion Chief	1	1	1		1	
Fire Captain	2	2	2		2	
	3	**3**	**3**	**0**	**3**	
010-2660 Fire Dispatch						
Emergency Communications Manager	1	1	1		1	
Fire Captain	0	0	1		1	
Fire Telecommunicator I/II	10	10	10	2	12	FD02
Fire Telecommunications Supervisor	3	3	3		3	
	14	**14**	**15**	**2**	**17**	
Total General Fund	**178**	**177**	**177**	**2**	**179**	

PERSONNEL LISTING - FIRE DEPARTMENT

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19	
SPECIAL REVENUE FUNDS						
048-2630 Development Services - Fire Prevention						
Community Development Technician	0	0	0	1	1	FD03
Fire Battalion Chief	0	0	1		1	
Fire Captain	0	1	1		1	
Fire Prevention Inspector I/II	3	2	3	2	5	FD04
Fire Prevention Manager	1	1	0		0	
Fire Protection Specialist	1	1	1		1	
Office Asst I/II/Specialist/Secretary/Technician	1	1	1	1	2	FD05
Plan Checker I/II	0	1	1		1	
Program Manager I/II	0	1	1	(1)	0	FD06
Project Manager I/II/III	1	0	0	1	1	FD06
	7	**8**	**9**	**4**	**13**	
081-2636 Fire Safe Neighborhood Measure W						
Fire Captain	6	6	6		6	
Fire Fighter	14	14	14		14	
Fire Fighter Engineer	5	5	5		5	
	25	**25**	**25**	**0**	**25**	
Total Special Revenue Funds	**32**	**33**	**34**	**4**	**38**	
Total Fire	**210**	**210**	**211**	**6**	**217**	
Fire Department Summary						
Sworn Positions						
General Fund	155	155	155		155	
Safe Neighborhood Measure W	25	25	25		25	
Development Services - Fire Prevention	0	1	2		2	
	180	**181**	**182**	**0**	**182**	
Non-Sworn Positions						
General Fund	23	22	22	2	24	
Development Services - Fire Prevention	7	7	7	4	11	
	30	**29**	**29**	**6**	**35**	
Total Fire Department	**210**	**210**	**211**	**6**	**217**	

PERSONNEL LISTING - PUBLIC WORKS DEPARTMENT

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19	
GENERAL FUND						
010-3010 Public Works Administration						
Administrative Analyst I/II/Sr	1	2	2		2	
Executive Assistant	1	1	1		1	
Office Asst I/II/Specialist/Secretary/Technician	3	3	3		3	
Program Manager I/II	1	1	1		1	
Program Manager III	1	1	1		1	
Public Works Director	1	1	1		1	
Records Specialist	1	1	1		1	
Supervising Office Assistant	1	1	1		1	
	10	**11**	**11**	**0**	**11**	
010-3061 Public Works Operations & Maintenance						
Deputy Public Works Dir/Ops & Maint	1	1	1		1	
Eng Aide/Traffic Eng Aide/ Eng Tech I/II/Sr	1	0	0		0	
Engineering Services Manager	0	0	0	1	1	PW01
Office Asst I/II/Specialist/Secretary/Technician	2	3	3		3	
Program Manager I/II	1	1	1		1	
Public Works Safety Training Officer	0	0	0	1	1	PW02
Sr Civil Engineer	1	1	1	(1)	0	PW01
Supervising Office Assistant	1	1	1		1	
	7	**7**	**7**	**1**	**8**	
010-3070 Public Works Parks & Street Trees						
Parks Manager	1	1	1		1	
Project Manager I/II/III	1	1	1		1	
Public Works Field Specialist	3	2	3		3	
Public Works Maintenance Worker I/II/Sr	3	3	2		2	
Public Works Supervisor	3	3	3		3	
Sr Tree Surgeon	1	1	1		1	
Tree Surgeon	4	4	4		4	
	16	**15**	**15**	**0**	**15**	
010-3090 Public Works Facilities Maintenance						
Craft Maintenance Worker I/II	5	5	5		5	
Electrician I/II/Sr	3	3	3		3	
Facilities Maintenance Worker I/II/III	3	4	4		4	
Facilities Manager	0	0	0	1	1	PW03
Heating, Ventilation and Air Mechanic	3	3	3		3	
Office Asst I/II/Specialist/Secretary/Technician	1	1	1		1	
Program Manager III	1	1	1	(1)	0	PW03
Project Manager I/II/III	2	2	2		2	
Public Works Safety Training Officer	1	1	1	(1)	0	PW02
Public Works Supervisor	1	1	1		1	
	20	**21**	**21**	**(1)**	**20**	
Total General Fund	**53**	**54**	**54**	**0**	**54**	

PERSONNEL LISTING - PUBLIC WORKS DEPARTMENT

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19	
SPECIAL REVENUE FUNDS						
030-3020 Gas Tax - Street Maintenance Engineering						
Administrative Analyst I	0	0	0	1	1	PW04
Assistant City Traffic Engineer	1	1	1		1	
City Traffic Engineer	1	1	1		1	
Deputy Public Works Director/City Engineer	1	1	1		1	
Engineering Aide/Eng Technician I/II/Sr	1	1	1		1	
Engineering Services Manager	1	1	1		1	
Jr/Asst/Assoc Engineer/Civil Engineer	13	13	12	3	15	PW05
Office Asst I/II/Specialist/Secretary/Technician	0	0	0	1	1	PW06
Parks Facility Planner	1	1	1		1	
Project Manager I/II/III	3	2	2		2	
Public Works Inspector	4	4	4		4	
Supervising Public Works Inspector	1	1	1		1	
Sr Civil Engineer	2	2	3		3	
	29	**28**	**28**	**5**	**33**	
030-3060 Gas Tax Street Maintenance and Operations						
Civil Engineer Assoc/Sr	1	1	1		1	
Engineering Aide/Engineering Technician I/II/Sr	2	1	1		1	
Jr/Asst/Assoc Engineer/Civil Engineer	0	1	1		1	
Maintenance Repair Technician I/II	10	10	10		10	
Parks Supervisor	1	1	0		0	
Public Works Heavy Equipment Operator	2	2	2		2	
Public Works Maintenance Worker	2	2	2		2	
Public Works Supervisor	1	1	1		1	
Public Works Supervisor/Electrical	1	1	1		1	
Sr Maintenance Repair Technician	4	4	5		5	
Sr Traffic Signal Electrician	1	1	1		1	
Traffic Signal Electrician/Trainee	6	6	6	1	7	PW07
	31	**31**	**31**	**1**	**32**	
Total Gas Tax Fund	**60**	**59**	**59**	**6**	**65**	

PERSONNEL LISTING - PUBLIC WORKS DEPARTMENT

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19
020-0137 San Joaquin Area Flood Control Agency					
Deputy Public Works Director/City Engineer	1	1	1		1
Jr/Asst/Assoc Engineer/Civil Engineer	1	1	1		1
Office Asst I/II/Specialist/Secretary/Technician	1	1	1		1
Project Manager I/II/III	1	1	1		1
Sr Civil Engineer	1	1	1		1
	5	**5**	**5**	**0**	**5**
072-6900 Assessment Districts					
Assessment District Program Coordinator	1	1	1		1
Project Manager I/II/III	2	2	2		2
	3	**3**	**3**	**0**	**3**
047-3080 Solid Waste & Recycling					
Administrative Aide I/II	1	0	0		0
Program Manager I/II/III	0	1	1		1
Project Manager I/II/III	3	3	3		3
Public Works Field Specialist	1	1	1		1
Recycling Specialist	1	1	1		1
Solid Waste Manager	1	1	1		1
Sr Maintenance Repair Technician	2	2	2		2
	9	**9**	**9**	**0**	**9**
Total Special Revenue Funds	**77**	**76**	**76**	**6**	**82**
INTERNAL SERVICE FUNDS					
FLEET					
501-5021 Fleet Administration					
Fleet Manager	1	1	1		1
Office Asst I/II/Specialist/Secretary/Technician	2	2	2		2
Project Manager I/II/III	1	1	1		1
Supervising Mechanic	1	2	2		2
	5	**6**	**6**	**0**	**6**
501-5023 Fleet Equipment Maintenance					
Auto Painter/Repair Worker	1	0	0		0
Facilities Maintenance Worker I/II/III	3	3	3		3
Mechanic I/II/III	17	17	17		17
Welder/Fabricator Specialist	1	1	1		1
	22	**21**	**21**	**0**	**21**
Total Internal Service Funds	**27**	**27**	**27**	**0**	**27**
Total Public Works Department	**157**	**157**	**157**	**6**	**163**

PERSONNEL LISTING - COMMUNITY SERVICES DEPARTMENT

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19	
SPECIAL REVENUE FUNDS						
LIBRARY						
041-3510 Administration						
Administrative Analyst I/II/Sr	1	1	1		1	
Deputy Dir of Comm Services/City Librarian	1	1	1		1	
Office Asst I/II/Specialist/Secretary/Technician	2	2	2		2	
Program Manager III	1	1	1		1	
	5	**5**	**5**	**0**	**5**	
041-3524-30 Outreach/Technical Services						
Circulation Assistant	1	1	1		1	
Librarian I/II/Trainee	3	2	2		2	
Library Assistant I/II	2	2	2	1	3	CS01
Library Driver/Clerk	1	1	1		1	
Office Asst I/II/Specialist/Secretary/Technician	2	2	2		2	
Supervising Librarian	1	1	1		1	
	10	**9**	**9**	**1**	**10**	
041-3550 City Branches						
Circulation Assistant I/II	6	6	6		6	
Librarian I/II/Trainee	6	7	7		7	
Library Aide I/II	2	2	2	1	3	CS02
Library Assistant I/II/Sr	6	7	8	(1)	7	CS01
Supervising Librarian	1	1	1	1	2	CS03
	21	**23**	**24**	**1**	**25**	
041-3540 County Branches						
Circulation Assistant I/II	7	6	6		6	
Librarian I/II/Trainee	8	8	8		8	
Library Aide I/II	1	1	2	(1)	1	CS02
Library Assistant I/II/Sr	8	9	10		10	
Supervising Librarian	1	1	2	(1)	1	CS03
	25	**25**	**28**	**(2)**	**26**	
Total Library Fund	**61**	**62**	**66**	**0**	**66**	

PERSONNEL LISTING - COMMUNITY SERVICES DEPARTMENT

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19	
RECREATION						
044-3610 Recreation-Administration						
Administrative Analyst I/II/Sr	1	1	1		1	
Deputy Director of Community Services	1	1	1		1	
Director of Community Services	1	1	1		1	
Executive Assistant	1	1	1		1	
Office Asst I/II/Specialist/Secretary/Technician	4	4	4	(1)	3	CS04
	8	**8**	**8**	**(1)**	**7**	
044-36XX Recreation Services						
Recreation Assistant I/II/Sr	9	9	9		9	
Recreation Program Coordinator	4	4	4		4	
Recreation Supervisor	3	3	3		3	
	16	**16**	**16**	**0**	**16**	
Total Recreation Fund	**24**	**24**	**24**	**(1)**	**23**	
083 - Strong Communities Tax-Measure M						
Administrative Analyst I/II/Sr	0	0	2		2	
Circulation Assistant I/II	0	0	2		2	
Librarian I/II	0	0	1		1	
Library Assistant I/II/Sr	0	0	6		6	
Recreation Assistant I/II/Sr	0	0	8		8	
Recreation Program Coordinator	0	0	2		2	
Recreation Superintendent	0	0	1		1	
Supervising Office Assistant	0	0	1		1	
Total Strong Communities Tax Fund	**0**	**0**	**23**	**0**	**23**	
Total Community Services Department	**85**	**86**	**113**	**(1)**	**112**	

PERSONNEL LISTING - COMMUNITY DEVELOPMENT DEPARTMENT

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19	
DEVELOPMENT SERVICES FUND						
048-1810 Development Services-Administration						
Community Development Director	1	1	1		1	
Community Development Assistant Director	1	1	1		1	
Community Development Tech I/II/Sr	2	2	3	1	4	CD01
Executive Assistant	1	1	1		1	
Office Asst I/II/Specialist/Secretary/Technician	1	1	1	(1)	0	CD01
Planning Technician I/II	1	1	1		1	
Planning Manager	0	0	1		1	
Program Manager I/II	2	2	2		2	
Program Manager III	1	1	1		1	
Revenue Assistant I/II	1	1	1	1	2	CD02
	11	**11**	**13**	**1**	**14**	
048-1820 Development Services-Planning						
Assistant/Associate Planner	0	1	2	1	3	CD03
Community Development Tech I/II/Sr	0	1	0		0	
Deputy Dir - Engineering & Transportation	1	1	1		1	
Eng Aide/Engineering Technician I/II/Sr	1	1	1		1	
Junior/Assistant/Associate Civil Engineer	2	3	2		2	
Office Asst I/II/Specialist/Secretary/Technician	0	0	0	1	1	CD04
Planning Manager	3	4	3		3	
Sr Planner	1	1	1		1	
	8	**12**	**10**	**2**	**12**	
048-1830 Development Services-Building						
Community Development Tech I/II/Sr	2	1	1		1	
Combination Inspector I/II	5	5	5	2	7	CD05
Deputy Director - Building	1	1	1		1	
Deputy Building Official	0	0	1		1	
Plan Check Engineer	1	1	1		1	
Plan Checker I/II/Sr	3	4	4		4	
Sr Building Inspector	1	1	1		1	
Supervising Combination Inspector	1	1	1		1	
Supervising Plan Checker/Structural Engineer	0	1	0		0	
	14	**15**	**15**	**2**	**17**	
Total Community Development Department	**33**	**38**	**38**	**5**	**43**	

PERSONNEL LISTING - ECONOMIC DEVELOPMENT DEPARTMENT

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19
GENERAL FUND					
010-1700 Economic Development					
Asst Economic Development Director	0	0	1		1
Deputy Economic Development Director	1	1	0		0
Director of Economic Development	1	1	1		1
Economic Development Analyst I/II/Sr	2	3	3		3
Executive Assistant	1	1	1		1
Office Asst I/II/Specialist/Secretary/Technician	1	1	1		1
Program Manager III	0	0	1		1
Project Manager I/II	1	1	0		0
Supervising Real Property Agent	1	0	0		0
Total General Fund	**8**	**8**	**8**	**0**	**8**
SPECIAL REVENUE FUND					
054-8120 Housing - Community Development Block Grant					
Administrative Analyst I/II/Sr	1	1	1		1
Deputy Housing Director	1	1	0		0
Economic Development Analyst I/II/Sr	0	0	1		1
Housing Financial Advisor I/II/Sr	1	0	0		0
Office Asst I/II/Specialist/Secretary/Technician	1	1	1		1
Program Manager III	0	0	1		1
Project Manager I/II/III	2	2	1		1
	6	**5**	**5**	**0**	**5**
AGENCY FUND					
633-7310 Successor Agency (RDA)					
Program Manager I/II	1	1	1		1
	1	**1**	**1**	**0**	**1**
ENTERPRISE FUND					
418-4000 Parking Authority					
Administrative Analyst I/II/Sr	0	1	0		0
Office Asst I/II/Specialist/Secretary/Technician	1	0	1		1
Parking Enforcement Officer	2	2	2		2
Program Manager III	1	1	1		1
Supervising Parking Enforcement Officer	1	1	1		1
	5	**5**	**5**	**0**	**5**
Total Other Funds	**12**	**11**	**11**	**0**	**11**
Total Economic Development Department	**20**	**19**	**19**	**0**	**19**

PERSONNEL LISTING - MUNICIPAL UTILITIES DEPARTMENT

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19	
WATER FUND						
421-4210 Water Administration						
Deputy Director Water Resource Planning	1	1	1		1	
Sr Civil Engineer	1	0	0		0	
Office Asst I/II/ Office Specialist/Secretary	2	2	2	(1)	1	MD01
Program Manager III	1	1	1		1	
Project Manager I/II	1	0	0		0	
	6	**4**	**4**	**(1)**	**3**	
421-4223 Hydrant Maintenance						
Hydrant Worker/Sr	2	2	0		0	
	2	**2**	**0**	**0**	**0**	
421-4231 Water Distribution						
Hydrant Worker/Sr	0	0	1	1	2	MD02
Office Asst I/II/ Specialist/Secretary/Technician	2	1	1		1	
Plant Operations Supervisor	0	0	1	(1)	0	MD02
Water Field Technician	5	4	2	2	4	MD03
Water Systems Superintendent	1	1	1		1	
Water Operations Supervisor	0	0	0		0	
Water Systems Operator I/II/Sr	17	18	20	(2)	18	MD03
Water/Sewer Equipment Operator	1	1	1		1	
	26	**25**	**27**	**0**	**27**	
421-4234 Water Operations & Maintenance						
Chief Plant Operator	1	1	1		1	
Electrical Technician I/II	2	2	2		2	
Plant Maintenance Mechanic	3	2	3		3	
Plant Operator I/II/Sr	8	8	8		8	
Plant Operations Supervisor	1	1	1		1	
Sr Plant Maintenance Mechanic	1	1	1		1	
Water Systems Operator I/II/Sr	4	4	4		4	
	20	**19**	**20**	**0**	**20**	
Total Water	**54**	**50**	**51**	**(1)**	**50**	

PERSONNEL LISTING - MUNICIPAL UTILITIES DEPARTMENT

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19	
WASTEWATER FUND						
431-4311 Wastewater Administration						
Assistant MUD Director	1	1	1	1	2	MD04
Buyer I/II/Sr	1	1	0		0	
Director of Municipal Utilities	1	1	1		1	
Executive Assistant	1	1	1		1	
Materials Specialist	2	2	0		0	
MUD Finance Officer	1	1	1		1	
Office Asst I/II/Specialist/Secretary/Technician	4	6	5	1	6	MD01
Program Manager III	1	0	1		1	
	12	**13**	**10**	**2**	**12**	
431-4312 Engineering & Capital Projects						
Assistant MUD Director	0	0	1	(1)	0	MD04
Engineering Services Manager	1	1	1		1	
GIS Specialist I/II	1	0	0		0	
Junior/Assistant/Associate Civil Engineer	7	7	7		7	
Office Asst I/II/Specialist/Secretary/Technician	2	2	2		2	
Principal Civil Engineer	1	1	1		1	
Public Works Inspector	1	1	1		1	
Sr Civil Engineer	1	2	2		2	
	14	**14**	**15**	**(1)**	**14**	
431-4331 Wastewater Operations						
Chief Plant Operator	1	1	1		1	
Deputy Director Wastewater	1	1	1		1	
Office Asst I/II/Specialist/Secretary/Technician	2	2	2		2	
Plant Operator in Training/I/II/Sr	25	25	25		25	
Plant Operations Supervisor	2	2	2		2	
Program Manager III	1	1	1		1	
	32	**32**	**32**	**0**	**32**	

PERSONNEL LISTING - MUNICIPAL UTILITIES DEPARTMENT

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19
431-4331 Wastewater Maintenance					
Electrical Technician I/II	3	3	3		3
Office Asst I/II/Specialist/Secretary/Technician	0	0	1		1
Plant Maintenance Machinist	0	0	1		1
Plant Maintenance Mechanic	9	9	11		11
Plant Maintenance Worker I/II	3	3	2		2
Plant Maintenance Supervisor	1	1	1		1
Sr Plant Maintenance Mechanic	3	3	3		3
Sr Plant Maintenance Supervisor	0	1	1		1
	19	**20**	**23**	**0**	**23**
431-4332 Sanitary Sewers/Collections					
Collection Systems Operator I/II/Sr	36	37	34		34
Sr Collection Systems Supervisor	0	1	1		1
Collection Systems Supervisor	2	2	2		2
Deputy Director Maintenance & Collections	1	1	1		1
Program Manager III	1	2	1		1
Project Manager I/II	0	1	0		0
Public Works Inspector	1	1	0		0
Office Asst I/II/ Office Specialist/Secretary	2	1	1		1
Water/Sewer Equipment Operator	2	2	2		2
	46	**48**	**42**	**0**	**42**
431-4333 Sanitary Pump Stations					
Electrical Technician I/II	2	2	2		2
Office Asst I/II/Specialist/Secretary/Technician	1	1	0		0
Plant Maintenance Machinist	1	1	0		0
Plant Maintenance Mechanic	9	11	10		10
Plant Maintenance Worker I/II	3	1	0		0
Plant Maintenance Supervisor	1	1	1		1
Sr Plant Maintenance Mechanic	2	2	1		1
Sr Plant Maintenance Supervisor	1	0	0		0
	20	**19**	**14**	**0**	**14**
431-4341 Environmental Control					
Environmental Control Officer	4	3	3		3
Office Asst I/II/Specialist/Secretary/Technician	1	1	1		1
Sr Environmental Control Officer	1	2	2		2
Technical Services Supervisor	1	1	1		1
	7	**7**	**7**	**0**	**7**
Total Wastewater	**150**	**153**	**143**	**1**	**144**

PERSONNEL LISTING - MUNICIPAL UTILITIES DEPARTMENT

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19
STORMWATER FUND					
441-4410 Stormwater-Policy, Planning, Management					
Program Manager III	0	0	1		1
Project Manager I/II	0	0	1		1
Public Works Inspector	0	0	1		1
	0	**0**	**3**	**0**	**3**
441-4431 Stormwater Collections					
Collections Systems Operator I/II/Sr	0	0	2		2
	0	**0**	**2**	**0**	**2**
441-4432 Stormwater Pump Stations					
Sr Plant Maintenance Mechanic	0	0	1		1
	0	**0**	**1**	**0**	**1**
Total Stormwater	**0**	**0**	**6**	**0**	**6**
OPERATIONAL SUPPORT SERVICES					
Laboratory					
Chemist	2	2	2		2
Laboratory Technician	3	3	3		3
Laboratory Supervisor	1	1	1		1
Microbiologist	1	1	1		1
	7	**7**	**7**	**0**	**7**
Regulatory Compliance, Outreach, SCADA					
Electrical Technician I/II	1	1	1		1
GIS Specialist I/II	0	1	1		1
Occupational Health/Safety Compliance Specialist	1	1	1		1
Office Asst I/II/Specialist/Secretary/Technician	0	0	1		1
Program Manager I/II	1	2	1		1
Program Manager III	0	0	1		1
Regulatory Compliance Officer	1	1	1		1
SCADA/CMMS Manager	1	1	1		1
Utility Technology Specialist	1	1	1		1
	6	**8**	**9**	**0**	**9**
Total Municipal Utilities Department	**217**	**218**	**216**	**0**	**216**

PERSONNEL LISTING - ADMINISTRATIVE AND SUPPORT DEPARTMENTS

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19
CITY COUNCIL					
Councilmember	6	6	6		6
Executive Assistant to the Mayor	1	1	1		1
Public Information Officer	0	0	1		1
Mayor	1	1	1		1
Mayor's Senior Policy Advisor	0	0	1		1
	8	**8**	**10**	**0**	**10**
CITY MANAGER					
Administrative Aide I/II	2	2	2		2
Assistant to the City Manager	1	1	0		0
City Manager	1	1	1		1
Deputy City Manager I/II	2	2	4		4
Executive Assistant to City Manager	1	1	1		1
Office Asst I/II/Specialist/Secretary/Technician	1	1	1		1
Program Manager III	2	2	3		3
	10	**10**	**12**	**0**	**12**
CITY ATTORNEY					
Assistant City Attorney	1	1	1		1
City Attorney	1	1	1		1
Deputy City Attorney	6	6	6		6
Executive Assistant to City Attorney	1	1	1		1
Paralegal	0	1	1		1
Legal Secretary I/II	2	2	2		2
	11	**12**	**12**	**0**	**12**
CITY CLERK					
Assistant City Clerk I/II	1	1	1		1
City Clerk	1	1	1		1
Deputy City Clerk I/II/Sr	4	4	4		4
Records Research Specialist	1	1	1		1
	7	**7**	**7**	**0**	**7**
NON-DEPARTMENTAL					
Administrative Aide I/II	2	2	2		2
Community Relations Officer	0	0	1		1
Program Manager III	2	2	0		0
	4	**4**	**3**	**0**	**3**
OFFICE OF VIOLENCE PREVENTION					
Administrative Aide I/II	0	0	1		1
Administrative Analyst I/II/Sr	0	1	0		0
Management Assistant	0	0	1		1
Office Asst I/II/Specialist/Secretary/Technician	1	1	0		0
Office of Violence Prevention Program Asst	1	1	1		1
Office of Violence Prevention Manager	1	1	1		1
Outreach Supervisor	2	2	2		2
Outreach Worker	8	8	8		8
	13	**14**	**14**	**0**	**14**
Total Non-Departmental	**17**	**18**	**17**	**0**	**17**

PERSONNEL LISTING - ADMINISTRATIVE AND SUPPORT DEPARTMENTS

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19
ADMINISTRATIVE SERVICES DEPARTMENT					
GENERAL FUND					
010-1310 Administration					
Assistant Chief Financial Officer	1	1	1		1
Chief Financial Officer	1	1	1		1
Executive Assistant	1	1	1		1
Office Asst I/II/Specialist	2	4	4		4
Program Manager III	1	1	1		1
	6	**8**	**8**	**0**	**8**
010-1320/60 Financial Services					
Accountant I/II/Sr	8	7	7		7
Accounting Manager	1	1	1		1
Deputy City Auditor I/II/Sr	1	0	0		0
Finance Assistant I/II/Sr	7	8	8		8
Payroll Supervisor	1	1	1		1
Payroll Technician	1	0	0		0
Program Manager I/II	2	2	2		2
Supervising Accountant	2	2	2		2
	23	**21**	**21**	**0**	**21**
010-1322 Budget					
Budget Officer	1	1	1		1
Budget Analyst I/II/Sr	4	5	5		5
	5	**6**	**6**	**0**	**6**
010-1331 Revenue/Collections					
Office Asst I/II/Specialist/Secretary/Technician	1	0	0		0
Revenue Assistant I/II/Sr	10	10	11		11
Revenue Collector	1	1	1		1
Revenue Officer	1	1	1		1
Revenue Supervisor	2	2	1		1
	15	**14**	**14**	**0**	**14**
010-1340 Procurement					
Buyer I/II/Sr	2	2	0		0
Materials Specialist	1	1	3		3
Purchasing Agent	1	1	0		0
Deputy Director of Procurement	1	1	0		0
Procurement Manager	1	1	1		1
Procurement Specialist I/II/Sr	1	1	4		4
Supervising Procurement Specialist	0	0	2		2
	7	**7**	**10**	**0**	**10**
010-1350 Utility Billing/Customer Service					
Customer Service Assistant	2	2	2		2
Revenue Assistant I/II/Sr	14	14	13	1	14
Revenue Collector	4	4	4		4
Supervising Revenue Assistant	0	0	0		0
Revenue Supervisor	1	1	2	(1)	1
	21	**21**	**21**	**0**	**21**
Total General Fund	**77**	**77**	**80**	**0**	**80**

PERSONNEL LISTING - ADMINISTRATIVE AND SUPPORT DEPARTMENTS

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19
INTERNAL SERVICE FUNDS					
502-5400 Document Services					
Reprographics/Mailroom Supervisor	1	1	1		1
Reprographics/Mailroom Technician I/II	1	1	1		1
	2	**2**	**2**	**0**	**2**
Total Administrative Services Department	**79**	**79**	**82**	**0**	**82**
HUMAN RESOURCES					
GENERAL FUND					
010-1610 Human Resources Recruitment & Workforce Planning					
Human Resources Analyst I/II/Sr	4	4	4		4
Human Resources Asst I/II /Specialist	1	1	1		1
Supervising Human Resource Analyst	1	1	1		1
	6	**6**	**6**	**0**	**6**
010-1620, 1621 Human Resources-Administration & Employee Labor Relations					
Administrative Aide I/II	1	1	1		1
Assistant Director of Human Resources	1	1	1		1
Director of Human Resources	1	1	1		1
Executive Assistant (Confidential)	1	1	1		1
Human Resources Analyst I/II/Sr	2	2	2		2
Human Resources Asst I/II /Specialist	1	1	1		1
Human Resources Program Assistant	1	1	1		1
Human Resources Technician	2	2	2		2
Program Manager III	1	1	1		1
Supervising Human Resource Analyst	1	1	1		1
	12	**12**	**12**	**0**	**12**
Total General Fund	**18**	**18**	**18**	**0**	**18**
INTERNAL SERVICE FUNDS					
551-5600 Workers Compensation					
Human Resources Program Assistant	1	0	0		0
Human Resources Manager/Safety Officer	1	1	1		1
Risk Analyst I/II	1	2	2		2
	3	**3**	**3**	**0**	**3**
552-5510 Health Benefits					
Deputy Director of Human Resources	1	1	1		1
Human Resources Analyst I/II/Sr	0	1	1		1
Human Resources Asst I/II	2	1	1		1
Human Resources Technician	2	2	2		2
Supervising Human Resources Analyst	1	1	1		1
	6	**6**	**6**	**0**	**6**

PERSONNEL LISTING - ADMINISTRATIVE AND SUPPORT DEPARTMENTS

FY 2018-19 Annual Budget

	FY 2015-16	FY 2016-17	FY 2017-18	Staffing Changes	FY 2018-19	
541-5700 General Liability Insurance						
Human Resources Program Assistant	1	1	0		0	
Liability Claims Investigator I/II	1	1	1		1	
Risk Analyst I/II	0	0	1		1	
Risk/Loss Control Specialist	1	1	1		1	
	3	**3**	**3**	**0**	**3**	
Total Internal Service Funds	**12**	**12**	**12**	**0**	**12**	
Total Human Resources Department	**30**	**30**	**30**	**0**	**30**	
INFORMATION TECHNOLOGY DEPARTMENT						
INTERNAL SERVICE FUNDS						
502-5100 Information Technology						
Administrative Analyst I/II/Sr	0	0	1	1	2	IT01
Director of Information Technology	1	1	1		1	
Executive Assistant	1	1	1		1	
Information Technology Officer	1	1	2		2	
Information Technology Supervisor	0	3	3		3	
GIS Analyst I/II/Sr	2	2	2		2	
GIS Specialist I/II/Sr	1	1	1		1	
GIS Supervisor	1	0	0		0	
Network Support Analyst I/II/Sr	4	4	4		4	
Network Support Services Supervisor	1	0	0		0	
Office Asst I/II/Specialist/Secretary/Technician	2	2	3		3	
Program Manager I/II	0	2	2		2	
Program Manager III	2	2	7		7	
Systems Analyst I/II/Sr	9	16	19	(1)	18	IT01
Technology Project Coordinator	1	1	1		1	
Technology Support Specialist I/II	10	6	6	(1)	5	IT02
Technology Systems Supervisor	3	0	0		0	
Technology Training Coordinator	0	0	0	1	1	IT02
	39	**42**	**53**	**0**	**53**	
503-5200 Radio						
Technology Support Specialist I/II	1	0	0		0	
Project Manager I/II	1	1	1		1	
	2	**1**	**1**	**0**	**1**	
504-5300 Telecommunications						
Technology Support Specialist I/II	1	0	0		0	
	1	**0**	**0**	**0**	**0**	
Total Information Technology Department	**42**	**43**	**54**	**0**	**54**	

Police Department

PD01 Move one Community Service Officer to Administration from Field Services
PD02 Move eight Police Officer positions to Field Services from Investigations
PD03 Move two Police Sergeant positions to Investigations from Field Services
PD04 Move one Police Officer position to the General Fund Investigations from Grant Funded
PD05 Move one Police Records Assistant to Support Services from Telecommunications
PD06 Reclassify one Property Clerk to an Administrative Analyst II and move from Support Service to Telecommunications
PD07 Reclassify one Crime Analyst position to Supervising Crime Analyst
PD08 Reclassify two Police Telecommunicator I/II positions to Police Telecom Call Takers
PD09 Eliminate one grant funded Crime Analyst position with expiration of grant funding
PD10 Eliminate one grant funded Administrative Analyst position with expiration of grant funding

Fire Department

FD01 Reclassify one Program Manager III to Program Manager II
FD02 New - two Fire Telecommunicator II positions
FD03 New - one Community Development Technician
FD04 New - two Fire Prevention Inspector II positions
FD05 New - one Office Assistant II position
FD06 Reclassify one Program Manager II to a Project Manager II

Public Works Department

PW01 Reclassify Sr Civil Engineer to Engineering Services Manager
PW02 Move one Public Works Safety Training Officer from Facilities Maintenance to Operations & Maintenance
PW03 Reclassify one Program Manager III to Facilities Manager
PW04 New - one Administrative Analyst position
PW05 New - three Associate Civil Engineer positions
PW06 New - one Office Specialist position
PW07 New - one Traffic Signal Electrician position

Community Services Department

CS01 Move one Library Assistant II from City Branches to Outreach & Technical Services Division
CS02 Move one Library Aide from County Branches to City Branches
CS03 Move one Supervising Librarian from County Branches to City Branches
CS04 Eliminate one Office Assistant II position

Community Development Department

CD01 Reclassify one Office Specialist to a Community Development Technician
CD02 New - one Revenue Assistant I position
CD03 New - one Associate Planner position
CD04 New - one Office Assistant I position
CD05 New - two Combination Inspector I positions

Municipal Utilities Department

MD01 Move one Secretary position to Wastewater Administration from Water Administration

MD02 Reclassify one Plant Operations Supervisor to a Sr Hydrant Worker

MD03 Reclassify 2 Water Systems Operators to Water Field Technicians

MD04 Move one Assistant MUD Director from the Engineering Division to the Wastewater Administration Division

Information Technology Department

IT01 Reclassify a Systems Analyst to an Administrative Analyst

IT02 Reclassify a Technology Support Specialist to a Technology Training Coordinator

PERSONNEL LISTING - END NOTES

FY 2018-19 Adopted Budget

(A) Grant funded positions are authorized to be added as grant funding is received. Positions may be eliminated when grant funding ends. Positions correspond to the grant period, and do not necessarily correspond to the City's fiscal year.

(B) The City Manager is authorized to establish additional Library positions if mid-year funding is provided by San Joaquin County.

(C) When separations are imminent, but have not yet occurred, the City Manager is authorized to fill unfunded positions, as necessary, subject to availability, for the effective conduct of training and transition, and to avoid excessive overtime.

(D) The City Manager is authorized to fill Police Officers as Police Officer Trainees or Police Officers, and with recommendation of the Human Resources Director, can reclassify Police Officer Trainees as Police Officers.

(E) Persons employed by the City who are later defined by the State of California PERS, the Internal Revenue Service, the City Attorney, or other rulings, to be City employees performing on-going City activities may be converted to City positions and added to the City's position list during the fiscal year.

(F) Fire Captains and Firefighters in Fire Prevention may be designated as Deputy Fire Marshals.

(G) Groupings on the Personnel Listing of various classification titles does not indicate a "deep classification" or other form of alternative staffing.

BUDGET AND FISCAL POLICIES

Basis of Accounting

The term "basis of accounting" is used to describe the timing of recognition, that is when the effects of transactions or events should be recognized. The basis of accounting used for purposes of financial reporting in accordance with generally accepted accounting principles (GAAP) is not necessarily the same basis used in preparing the budget document. The City uses the modified accrual basis of accounting for governmental funds (general, special revenue, debt service, and capital projects) and agency funds. The City recognizes revenues for these funds when they become measurable and available, and recognizes expenditures when the liability is incurred, except for principal and interest on long-term debt, which is recognized when due.

The City uses the full accrual basis of accounting for proprietary and permanent funds. Under the full accrual basis of accounting, the City recognizes revenues when earned, and expenses are recognized when incurred.

The City's *Comprehensive Annual Financial Report* can be found at:
http://www.stocktongov.com/government/departments/adminServices/finRep.html

Basis of Budgeting

The City's operating budget is prepared using the *current financial resources measurement* focus and the *modified accrual basis of* accounting for all funds, which recognizes revenues when they become available and measurable and recognizes expenditures when liabilities are incurred. Some exceptions to this recognition of expenditures include those related to debt service, compensated absences, and claims and judgments which are recorded only when due. With respect to real and personal property tax revenue and other local taxes, the term "available" is limited to collection within 60 days of the fiscal year-end. The City records Federal and State reimbursement-type grants as revenue when it incurs related eligible expenditures.

Fund Structure

The City organizes its accounts into funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The operation of each fund is maintained with a self-balancing set of accounts that comprise its assets, liabilities, fund balance or net position, revenues, and expenditures or expenses. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into generic fund types and broad fund categories as follows:

Governmental funds

- General Fund: The General Fund is the City's general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.
- Debt Service Funds: Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

- Capital Projects Funds: The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust / Agency Funds).

Proprietary funds

- Enterprise funds: Enterprise Funds are used to account for operations:
    - (a) That are financed and operated like private business enterprises where the governing body intends the full costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.
    - (b) Where the governing body has decided periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
- Internal Service Funds: Internal service funds account for the financing of goods and services provided by one department in the City to other departments in the City on a cost reimbursement basis as a basis for allocation.
- Fiduciary funds: Fiduciary funds are used to account for assets held by the City in a trustee or agent capacity for individuals, private organizations, other governments, and other funds.

Financial Policies

Balanced Budget

Section 1905 of the City Charter states: "The total proposed expenditures shall not exceed the total of estimated income, estimated unencumbered balances of funds to be carried over from the preceding year and unencumbered available reserves." If the City meets these criteria, the budget is considered balanced. The budget is considered balanced when the total amount of revenues, including transfers in from other funds and the use of fund balance, equals the total amount of expenditures. The budget is also considered balanced, however, when total expenditures are less than total revenues, which is technically a surplus. Instances also arise when the City plans to spend fund balances from previous years on one-time or non-routine expenditures. The City also considers the budget to be balanced in this case, provided the funding from previous years is available, and a plan is in place to create on-going expenditures with one-time funding.

Long-Range Financial Plan

The City Council's Strategic Work Plan includes Fiscal Sustainability as a Strategic Target and has a Tier 1 Priority Goal to "Adopt a budget and allocate resources consistent with the Long-Range Financial Plan; implement solutions that provide financial transparency to the community."

To ensure long-term sustainability, the City utilizes the Long-Range Financial Plan (L-RFP) as part of budget development. The City created L-RFP as part of the bankruptcy process to demonstrate the financial viability of the Plan of Adjustment over a 30-year period. This window is significantly longer than most long-term forecasts but was necessary to adequately present significant changes such as debt restructuring, pension costs, and equipment replacement. The City continues to update and refine the L-RFP and is proving to be a useful framework to make budget decisions. By incorporating the L-RFP into its decision-making process, the City Council has an effective tool to forecast the future effects of its decisions. Because so many facets of

City services include long-term commitments such as labor, infrastructure improvements and sufficient reserves, it is imperative for the City to take a long-term view.

Reserve Policies

The City Council has adopted policies establishing minimum target levels of unreserved fund balance to be maintained in various funds. These target reserves protect the City's financial exposure to severe unforeseen emergencies and economic uncertainties and are an important component of the City's long-term financial management. The following are examples of reserve policies for different funds:

- General Fund: Priority I targets for a Working Capital Reserve and Known Contingencies, and Priority II targets for risk-based contingencies;
- Measure W: 25% of anticipated annual revenue; and
- Municipal Utilities: Six months of operating expenditures.

In March 2016, the City Council adopted a reserve policy for the General Fund that describes various reserve types, funding priorities, and calculation guidelines. The Working Capital Reserve target is based on a percentage of total budgeted General Fund expenditures, and the current Known Contingencies Reserve target is a list of known future expenses, contingent on as of yet unknown facts or circumstances that require significant resources. The Risk-Based Reserves are based on potential costs related to infrastructure replacement, extreme events/disasters, legal claims, and severe economic or revenue volatility. The reserve targets are reviewed annually in accordance with the Council's General Fund – Fund Balance and Reserve Policy.

The reserve policies were adopted with the goal to accumulate the targeted reserves over the course of future years. The following links for City reserve policies are:

General Fund Policy - http://www.stocktongov.com/files/General_Fund_Reserve_Policy.pdf
Municipal Utilities Funds Policy - http://qcode.us/codes/stockton-cpm/view.php?topic=700-700_5&frames=on

Investment Policy

The City adopts an investment policy annually that is intended to provide guidelines for the prudent investment of the City's cash balances and outlines the policies to assist in maximizing the efficiency of the City's cash management system while meeting the daily cash flow demands of the City. The City's investment policy can be found at:

http://www.stocktonca.gov/government/departments/adminServices/debt.html

Debt Policies

Policies *Capital Financing and Debt Management Policy* and the *Policies and Procedures for Land-Secured Financing* can be found at:

http://www.stocktonca.gov/government/departments/adminServices/debt.html

Budget Amendments

It may be necessary to amend the budget for unforeseen circumstances that arise during the year. The City Manager may amend the budget up to the limit of his authority, and by resolution with the concurrence of at least four members of the City Council for items above the City Manager's authority.

The City Manager may approve transfers of appropriations between departments within a fund.

All transfers of appropriation from Piority II Risk Based Reserves require City Council approval by a super majority (6 out of 7).

Budget Process

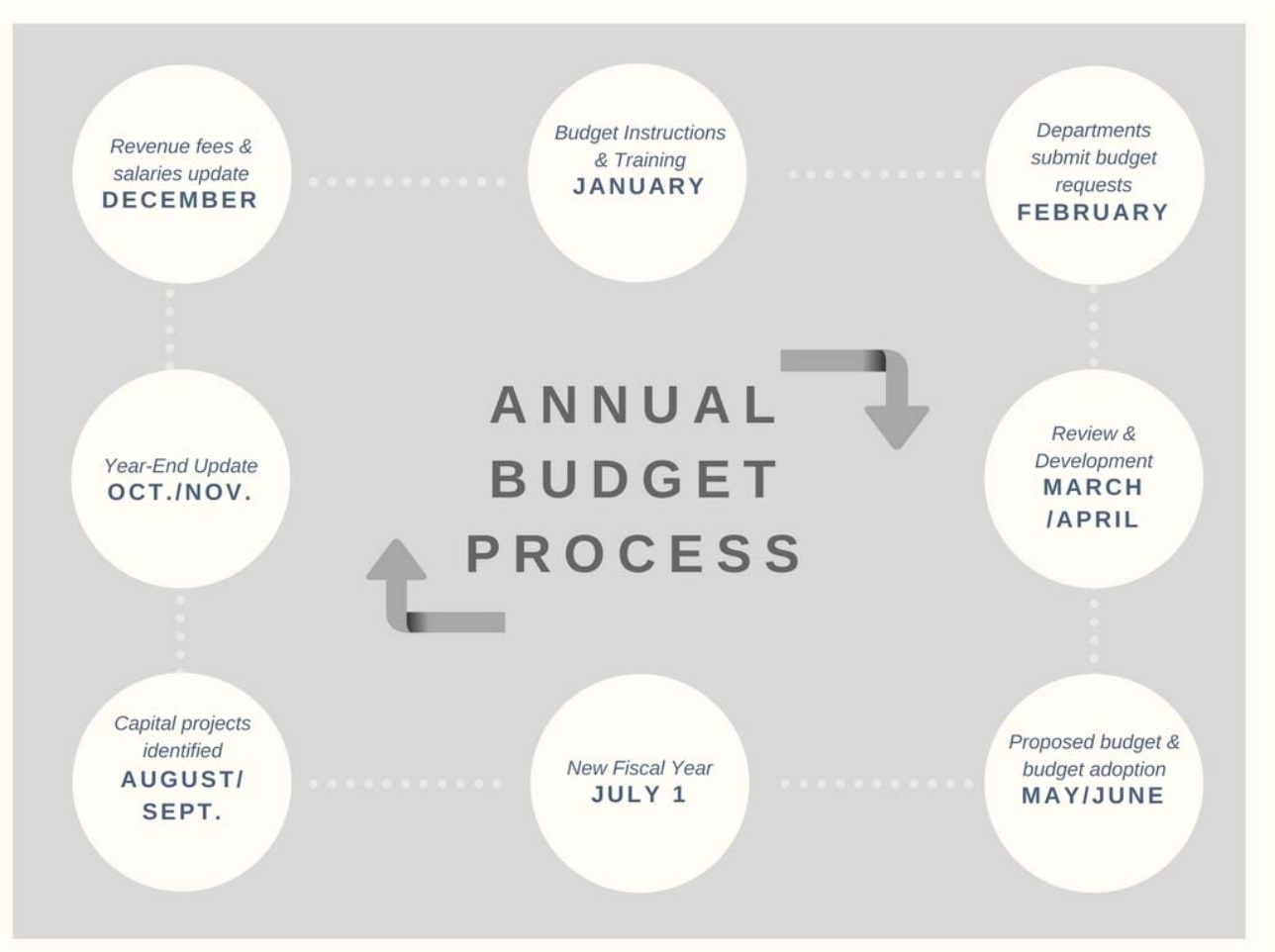
The City annually adopts and executes a budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. The budget controls the expenditure of money for all City purposes during the ensuing fiscal year. City departments receive guidance and training from the Budget Office to assist in preparing budget requests and narratives. Departments are provided current salary projections and staffing allocations for their review and revision for the budget year. All fees for service are reviewed and updated by departments and a multi-departmental fee review team. Likewise, departments submit capital project requests for review by the Public Works Department and the City Manager. Departments submit budget plans and new requests to the Budget Office that incorporate updates to resource allocations, service delivery, programs, and staffing.

The City's L-RFP greatly restricts growth in General Fund expenditures. The Budget Office provides each department that relies on General Fund support a baseline budget amount, and the Budget Office and City Manager review any proposed expenditure growth above that baseline for approval. Budget staff review all submitted budgets for reasonableness and compliance with the guidelines and budget priority direction provided by the Council and City Manager. Following the City Manager review, each department presents its budget recommendations to the City Council during a budget study session. During this session, the Council also reviews General Fund revenues, Special Revenues, the Capital Improvement Program, and fee changes as proposed by the City Manager. The Council asks each department questions about their budget proposals and makes policy decisions and suggestions for changes to the City Manager.

A combined Council public hearing on the Capital Improvement Program, Operating Budgets, Successor Agency Budget and Fee Schedule is held in June each year. The Council adopts the budget before the beginning of the fiscal year. The budget resolution defines the level of budgetary control which determines if the budget can be amended administratively or if Council approval is required.

Budget Process Calendar

October	Departments work with Public Works to identify Capital Project needs.
Nov.-Jan.	Salary projections prepared and reviewed.
February	Budget instruction memo sent to City departments.
February	Capital projects and fee adjustments submitted to Budget Office.
March	Departments submit operating to Budget Office.
April	City Manager reviews department budgets.
May 1	Budget Update presented to City Council
May 15	City Manager submits Proposed Budget and fee changes to Mayor and Council.
May 23	Council holds a budget study session to review the Proposed Budget.
June 5	Council holds a Public Hearing to adopt the City's Operating, Capital, and other agency budgets along with the Fee Schedule for the fiscal year.



LEGAL DEBT MARGIN

LEGAL DEBT MARGIN

City of Stockton
Legal Debt Margin Information
(Dollar amounts in thousands)

	FY 2016-17	FY 2015-2016	FY 2014-15	FY 2013-14
Assessed valuation	$ 20,337,129	$ 19,628,594	$ 18,653,199	$ 17,079,491
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	5,084,282	4,907,149	4,663,300	4,269,873
Debt limit percentage	15%	15%	15%	15%
Debt Limit	762,642	736,072	699,495	640,481
Total net debt applicable to limit	-	-	-	-
Legal debt margin	$ 762,642	$ 736,072	$ 699,495	$ 640,481
Legal debt margin/debt limit	100%	100%	100%	100%

Under State law, the City has a legal debt limitation not to exceed 15% of the total assessed valuation of taxable property within the City boundaries, adjusted for subsequent legislative actions. In accordance with California Government Code Section 43605, only the City's general obligation bonds are subject to the legal limit. The City of Stockton does carry bonded debt secured by special assessments and other revenue sources, but at this time, doesn't have any outstanding general obligation bonds. The City is not at risk of exceeding its legal debt limit.

GLOSSARY

GLOSSARY

Account: Basic component of a formal accounting system. Individual record of increases and decreases in a specific asset, liability, revenue, expenditure or expense.

Accrual basis of accounting: Revenue and expenses are recorded in the period in which they are earned or incurred, regardless of whether cash is received or disbursed in that period. The enterprise and internal service funds use the accrual basis of accounting for external reporting purposes.

Actual: Actual level of revenues or expenditures in the fiscal year noted.

Ad Valorem: In proportion to the value. Basis of property taxes, both real and personal, imposed by the City.

Appropriation: Authorization by a governing body to incur obligations for specific purposes. Appropriations are limited to amount, purpose, and time. All appropriations of the City Council lapse on June 30th, unless provided for by the City Council in a direct action.

Adopted budget: Version of the operating budget approved by the City Council through a formal process.

Agency Funds: Funds to account for resources held by a government in a custodial capacity.

Approved budget: Adopted budget plus Council approved and administrative budget amendments.

Assess: Place a value on property for tax purposes.

Assessed valuation of assessment: Dollar value placed upon real estate or personal property as a basis for levying taxes of the governing body.

Assessment: Tax revenue related to the assessed value of real or personal property.

Assets: Resources owned by the City that have a monetary value.

Audit: Examination of records or financial accounts to form an opinion whether they are prepared in conformity with a specific standard.

Authorized positions: Number and classification of the full-time staffing levels approved by the City Council funded in a budget cycle.

Available balance: The uncommitted, undesignated portion of liquid assets less liabilities available for operations. Fund balance represents the working capital portion of a fund's equity, which excludes capital assets, debt, obligations incurred but not yet paid, and other non-current items.

Bad debt expense: Incurred when a buyer fails to pay for goods or services acquired from the City.

Balanced budget: Within a fund, the total revenues, including transfers in from other funds and use of fund balance equals the total amount of expenditures, including transfers out to other funds and contributions to fund balance.

Bankruptcy: Bankruptcy for Municipalities is covered under Chapter 9 of the United States Bankruptcy Code to provide a financially-distressed municipality protection from its creditors while it develops and negotiates a plan for adjusting its debts.

GLOSSARY

Baseline: An estimate of spending, revenue, related the deficit or surplus expected during a fiscal year under current laws, labor agreements, and policy. The baseline is a starting point for measuring the budgetary effects of proposed changes in revenues and spending.

Basis of accounting: Timing of recognition for financial reporting purposes. The basis of accounting determines when revenues, expenses, assets and liabilities are recognized and reported. Cash, accrual and modified accrual are the three accounting methods used by local governments. Modified accrual, with a focus on current financial resources, is used for budgetary purposes.

Beginning/ending fund balance: Resources available in a fund after payment of prior/current year expenses.

Benchmarking: Ongoing search for best practices and processes that produce superior performance when adopted and implemented in an organization.

Block grant: Awarded primarily to general-purpose governments, block grants are distributed according to formulas established in the law and can be used for any locally determined activities that fall within the functional purpose of the grant.

Bond: A type of debt security sold to finance capital improvements, projects or purchases.

Brown Act: Governs the conduct of public meetings in the State of California under Government Code Sec. 54953.

Budget: A financial plan for a specified period of time that matches all planned revenues and expenditures with various municipal services. The City uses a fiscal year for the budgetary period of time. The budget is the primary tool by which most of the financing, acquisition, spending, and service delivery activities of a government are planned and controlled. The approved budget is authorized by City Council action and thus specifies the legal spending limits for the fiscal year.

Budget adoption: Formal process through which a governing body approves a budget. The City adopts its budget by a resolution following a public hearing.

Budget hearing: A public meeting to allow citizens to comment of a proposed budget.

Budget resolution: Method used by the City to move spending authority already budgeted and appropriated from one fund to another, from contingencies, or from budgetary fund balances.

Budgeted positions: The number of full-time positions funded in a fiscal year.

CalPERS: California Public Employees' Retirement System is an agency the City contracts with to administer the defined benefit pension plan for its eligible employees.

Caltrans: California Department of Transportation

Capital budget: Appropriations for the acquisition or construction of fixed assets or tangible property subject to capitalization under City policy. Current City capitalization threshold is $5,000.

Capital Improvement Program (CIP): A list of capital project needs and related funding sources for a five-year period plan of single and multiple year capital expenditures which is updated annually.

GLOSSARY

Capital outlay: Expenditures for tangible property of relatively permanent nature

Capital project: Major construction, acquisition or renovation which result in added value to a government's physical assets or significantly increase their useful life. In order to be a capital project, a project must have a cost greater than $50,000.

Capital purchase: Expenditures for tangible property of relatively permanent nature

CDBG: Community Development Block Grant - Funded from the Federal Department of Housing and Urban Development provides programs for general community development to eliminate blight and provide to low and moderate income persons.

CEQA: California Environmental Quality Act

Contingency: A budgetary reserve set aside for emergencies or unforeseen expenditures that are possible, but cannot be predicted with certainty.

COPs: Certificates of Participation – This financing technique provides long-term financing through a lease installment sale agreement or loan agreement. Certificates of Participation (COPs) allow the public to purchase participation relating to the acquisition or construction of specific equipment, land, or facilities.

CPI: Consumer Price Index, measure of inflation in area of consumer products.

CTSP: Citywide Technology Strategic Plan

CWEA: California Water Environment Association

Debt service: Payment of interest and principal on an obligation resulting from the issuance of bonds and notes.

Debt service fund: Account groups in the financial system to record the payment of principal and interest on debt.

Deficit: A description of the state whereby more money is spent than is received. Used to describe the excess of liabilities over assets or of expenditures over revenue during a single budget year.

Defined benefit plan: Employer sponsored retirement plan based on paying a specific amount for each year of retirement.

Defined contribution plan: Employer sponsored retirement plan based on paying a specific amount into the plan during the term of employment.

Department: A major organizational unit of the City that has management responsibility for related operations.

District fund: A fund used to account for the resources, revenues and expenditures of separate special districts formed to provide certain public services.

Division: A sub-unit of a department which encompasses more specific functions of that department and may consist of several activities.

GLOSSARY

DOJ: Department of Justice

EIR: Environmental Impact Report - A detailed document describing and analyzing the significant environmental effects of a project and ways to mitigate or avoid the effects.

EMS: Emergency Medical Services

Encumbrance: Obligation against budgeted appropriations in the form of a purchase order or contract. Encumbrances cease when obligations are paid or otherwise terminated.

Enterprise fund: A classification of proprietary fund type whereby a set of accounts within the financial system used to record specific activities wherein fees and charges are sufficient to cover the cost of providing goods and services.

EPA: Environmental Protection Agency

Expenditure: A term used to describe the cost of goods or services in a governmental fund recorded on the modified accrual basis of accounting.

Fiduciary funds: Account groups in the financial system used when a governmental unit acts in a trustee or agent capacity.

Financial policy: City's policy with respect to taxes, spending, debt and reserve management as related to the provision of City services, programs and capital investment.

Fixed asset: Individual assets used in operations of the City that have a value greater than or equal to $5,000 and a useful life of greater than one year, e.g., buildings, vehicles, furniture, etc.

FEMA: Federal Emergency Management Agency

Fiscal year: The 12-month period designated as the budget year from July 1 through June 30.

FLSA: Fair Labor Standards Act

Fund: A fiscal and accounting entity with a self-balancing set of accounts recording assets, liabilities, fund balance or net assets, revenues and expenditures or expenses.

Fund category: Financial activities for state and local governments fall into three groups or categories. Categories can be broken down further into fund types. The three fund categories used in governmental accounting are governmental, proprietary and fiduciary.

Fund balance: A term to describe assets less liabilities of governmental fund types. In the context of the City's budget discussions, fund balance generally refers to the undesignated spendable fund balance that has not been appropriated nor designated for reserves or other uses.

Fund type: Fund categories can be further broken down into fund types. General, special revenue, capital projects, debt service and non-expendable trust are governmental category fund types. Enterprise and internal service funds are proprietary category fund types. Trust and agency funds are fiduciary fund types.

GLOSSARY

GAAP: Generally Accepted Accounting Principles - The guidelines established for financial accounting and reporting which govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time.

GASB: Governmental Accounting Standards Board

General fund: Set of accounts for all financial transactions not required to be accounted for in any other fund. The General Fund accounts for the normal recurring activities of the City departments such as public safety, public works, recreation, library, and other governmental departments. These activities are funded by revenue sources such as general property taxes, permits, fees, licenses, and charges for services.

General liability insurance: Protection against risk of financial loss due to a civil wrong that results in property damage or bodily injury. Included in the general liability insurance internal service fund are the costs to administer and litigate claims, in addition to any damages or premiums.

General obligation bond: A debt instrument backed by the full faith and credit of the issuing government. In California, local governments can only issue such bonds with voter approval subject to a legal debt limit.

Governmental funds: Funds used to record activities that are financed through taxes, grants, licenses and similar general government revenues. The measurement focus of governmental funds recognizes events when they affect current financial resources. Reductions are called expenditures. These funds operate on a modified accrual basis.

GRANTS: Award given by a government to a public agency in a lower level of government or a special recipient for a specified purpose.

HOME: Home Investment Partnership Program

HUD: Housing and Urban Development - The Federal department which provides various housing and community direct loans, guarantees, and grants.

Indirect costs: Elements of cost necessary in the production of a good or service that are not directly traceable to the product or service. These are sometimes referred to as overhead costs.

Investment proceeds: Income or loss earned on the investment of available cash.

Internal service fund: A set of accounts created to provide a mechanism to allocate shared costs to promote efficiency or effectiveness of a shared activity.

Legal debt margin: Excess of the amount of debt legally authorized over the amount of debt outstanding. California code defines the amount of general obligation debt the City is legally authorized to issue as not to exceed 15% of the total assessed valuation of taxable property within the City boundaries, adjusted for subsequent legislative actions.

Lien: A document recorded with the County Recorder placing a debt against a parcel of land.

LOCC: League of California Cities

GLOSSARY

Long-term debt: Debt with a maturity of more than one year after the date of issuance.

LTD: Long Term Disability insurance

Marshall plan: A City of Stockton Strategic Initiative adopted by the Council to reduce crime and increase public safety. Funding for these efforts are appropriated from Measure A sales tax revenues. Specific elements of the Marshall Plan are present in the Measure B Implementation Plan (see Council meetings June 25, 2013 and February 25, 2014)

MBE: Minority Business Enterprise

MDC: Mobile Data Computers

Measure A: A general transaction and use tax measure approved by the citizens of Stockton on November 5, 2013 for ¾ cent sales tax effective April 1, 2014. Revenue from Measure A sales tax is reported in the General Fund to pay for law enforcement services, to emerge from bankruptcy and restore other City services.

Measure B: A non-binding advisory measure approved by the citizens of Stockton on November 5, 2013 related to the Measure A ¾ cent general sales tax effective April 1, 2014, 65% of which is to be used for law enforcement and crime prevention services in the City.

Measure K: A San Joaquin County special transaction and use tax measure approved in 1990 for 1/2 cent sales tax dedicated to transportation projects. This original sales tax increase was to expire in 2011; however, in 2006, voters passed a 30-year extension. The program is administered by the San Joaquin Council of Governments.

Measure W: A special transaction and use tax measure approved by the citizens of Stockton in November 2004 for 1/4 cent sales tax dedicated to public safety services. Proceeds from the measure are allocated 50% to Fire Department and 50% to Police Department.

MFF: Mobile Field Force

MOE: Maintenance of Effort

Municipal code: Codification of ordinances (laws) of a municipality.

Non-departmental: Program costs that do not relate to any one department, but represent costs of a general citywide nature.

NPDES: National Pollutant Discharge Elimination System

Operating budget: Annual appropriation of funds for on-going program costs, including personnel, operations, capital outlay, and debt service.

Operating transfers: Transfers from a fund receiving revenue to a fund which will expend the resources.

Ordinance: A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries unless it conflicts with any higher form of law such as a State statute or constitutional provision. An ordinance has higher legal standing than a resolution.

OSHA: Occupational Safety and Health Administration

OVP: Office of Violence Prevention

Permanent fund: A governmental fund type to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for government programs.

PERS: Public Employees Retirement System

Personnel costs: The cost of a City department, including wage/salary, direct and indirect benefits such as health insurance, retirement contribution, workers' compensation, unemployment insurance, etc.

Plan of adjustment: A long term financial plan, approved by the bankruptcy court, which comprehensively restructures financial commitments through creditor settlement agreements to demonstrate solvency.

POST: Police Officers Standards and Training

Proclamation: An official announcement or public declaration.

RDA: Redevelopment Agency – An entity created by a legislative body in accordance with state statutes which has elected to exercise the powers granted to it for planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation of an area.

Reserve: Amount of fund balance designated for a specific purpose.

Resolution: A document confirming City Council administrative action.

Resources: Total amounts available for appropriation during the fiscal year, including revenues, fund transfers, and beginning fund balances.

Revenue: Money received from taxes, fees, permits, licenses, interest, inter-governmental sources, and other sources.

RFP: Request for Proposal

RWQCB: Regional Water Quality Control Board - Issues the wastewater treatment plant discharge permit and regulates it programs.

Section 108: Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects.

Section 115 Trust: An Internal Revenue Code Section 115 Trust enables public agency employers to fund post-retirement benefits for employees. The City participates as a member in a Sec. 115 trust to pre-fund future retirement related payments. Once assets are placed in the trust, they may only be used for the purpose of pension costs.

SMC: Stockton Municipal Code

Special assessments: Compulsory charges levied by a government to finance current or permanent public services or facilities to a particular group or persons or property.

Special revenue fund: A governmental fund type to account for and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. which collects revenues that are restricted by the City, State, or Federal Government as to the purpose of spending.

SRDA: Stockton Redevelopment Agency

SRF: State Revolving Fund

Strategic planning: Continuous and systematic process whereby guiding members of the City make decisions about the future, develop the necessary procedures and operations to achieve the future, and determine how success will be measured.

Successor agency: An agency that replaces a redevelopment agency as dissolved by Assembly Bill x1 26 (AB1 26 or Dissolution Act) which was signed into law by Governor Brown on June 28, 2011 which was later amended by Assembly Bill 1484 in June 2012. The Successor Agency became operative February 1, 2012, and is responsible for unwinding the affairs of the former Stockton Redevelopment Agency and ensuring recognized obligations are met.

Surplus: The result of taking in more than is spent. Either the excess of fund assets over liabilities or the excess of revenue over expenditures or expenses during a single budget year.

SWAT: Special Weapons and Tactics Team

SWRCB: State Water Resources Control Board

Taxes: Compulsory charges levied by a government to finance services performed.

TFCA: Transportation Fund for Clean Air

UAAL: Unfunded Accrued Actuarial Liability - The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

UBC: Uniform Building Code

User fee: Charges for services provided only to those benefiting from the service.

VIPS: Volunteers in Police Service

VLF: Vehicle License Fees

STOCKTON FOUNDED JUNE 1849
INCORPORATED JULY 1850