

MEMORANDUM

Office of the City Manager



To: Honorable Mayor and City Council
From: Tom Williams, City Manager
Russell J. Morreale, Director of Financial Services
Subject: **FY 2016-17 Draft Operating Budget Study Session**
Date: April 25, 2016

As part of the draft FY 2016-17 operating budget study session, staff has attached high-level budget summaries, and department budgets for your reference. At the session, staff will provide revenue and expenditure highlights, discuss the budget process, outline staffing levels, describe newly introduced items, share funding priorities/trade-offs, and review fiscal challenges.

The study session is an opportunity for staff to receive feedback and direction from City Council before finalizing the budget. This year's presentation includes key "decision points" (recommended and/or identified expenditure items of interest) for Council deliberation. The draft Five-Year Capital Improvement Plan (CIP), a document that programs significant investments in City infrastructure, will also be presented. The operating budget integrates the year-one expenditures contained in the CIP in presenting a comprehensive plan.

Focus will be placed on the General Fund, the fund that provides for core community and essential non-utility services. During the presentation, staff will also discuss other key funds - Water and Sewer.

General Fund Budget Overview

A balanced draft General Fund budget is submitted with total expenditures of \$81.5 million. This number was arrived at after several months during which all departments worked collaboratively and diligently. The process involved: revenue forecasting; analysis of operational needs; budget line item review; request prioritization and; cost trimming to match resources. In the end result, General Fund revenues are estimated to exceed expenditures.

General Fund expenditures reflect a 6.4% or \$4.9 million increase compared to the current adopted budget. Of the \$4.9 million increase, personnel increased by \$3.2 million due to, increased employer contributions to pension plans; employee benefits, salary pursuant to contracts negotiated with employee groups, and minor staffing reclassifications. Materials & services increased by \$1.7 million, or 11.6%, mostly in the areas of development related contractual services and maintenance. Increases in legal services contract costs are offset by salary savings with the department coming in below the prior year budget. Lastly, the City Clerk budget reflects cyclical election costs planned specifically for FY 16-17.

General Fund revenue, including operational transfers, approximate \$82.6 million, a 7.8% or \$6 million increase compared to the current adopted budget. The projected growth for Property Tax and Sales Tax revenue is 4% and 10.9% respectively, while Transient Occupancy Tax (Hotel Tax) is projected to decrease 5% over current estimates. Property Tax, a primary revenue source, will experience growth of \$1 million reflecting economic stability. Sales Tax is projected to experience healthy gains in addition to the cessation of the “triple-flip” borrowing of sales tax revenue imposed by the State ten years ago. Hotel Tax will remain strong but is not expected to duplicate a banner year that included the extraordinary “Super Bowl” and other events.

Regarding the sales tax “triple-flip”, this budget excludes the impact of a one-time final adjustment or “true-up” estimated at \$2.5 million. This adjustment was originally anticipated in 15-16 but was deferred by the State to 16-17. Staff is proposing that this one-time revenue be used to increase existing pension stabilization reserves as proactive fiscal measure. The five-year forecast presumes this fiscal strategy to mitigate near term pension costs. This is further discussed below.

Service charges, specifically permit and inspection fees (related to planning/building/engineering activity), are expected to increase markedly in concert with expenditures needed to meet private jobs (PJ) demand. Development projects are expected to bring in an additional \$700k in PJ recoverable revenue with the charge out of both contract and internal labor costs. This trend emanates from the City’s significant development activity. Recreation is also projected to bring in an additional \$64k in revenue, including phased in fees previously approved by Council, related to after-school programs and facility rentals.

Putting it all together, a balanced General Fund budget is assembled with \$1.12 million of revenues over expenditures. “Decision points”, items placed on-hold and not included in the draft budget, remain for Council to consider along with the budget in whole. It is important that these “Decision Points” be considered in the context of the five-year forecast. This deliberative approach: (A) facilitates the alignment of budget priorities with community vision; (B) highlights cost trade-offs considering that the cumulative value of “decision points” requests exceed funding capacity and (C); continues the City’s posture of fiscal transparency.

It is important to note that the budget does include several new expenditures, capital additions, and staffing changes deemed necessary for basic service levels. These will be highlighted in the staff presentation and staffing changes are discussed below.

Staffing Requests

In the budget process all departments submitted staffing requests. They were asked to do so to stage a healthy discussion of ideal needs. This is invaluable in planning and addressing the question “Which resource needs are currently being provided for and which remain on the table for future consideration?” These requests became the basis for internal staff discussion, planning and evaluation in the budget process.

Several staffing reclassifications and/or new staff positions have in fact been included in the draft budget given the core nature of the related service areas. These include: (A) three new positions funded by utility funds and supported by the rate study - 1 Associate Civil Engineer - 1 Asst. Water Operator - 1 Maintenance Worker II; (B) five existing Public Works reclassifications - 4 Leads - 1

Manager and; (C) one Engineering reclassification - 1 Sr. Inspector. The position of Assistant City Manager was de-funded as a trade-off for other priority requests on the table.

Several other staffing requests, recommended in the budget process, are listed as “decision points” items. These staffing “decision points” are ultimately subject to Council direction and span several departments with a focus on safety, planning and support services. They consist of 7 previously unfunded staff positions (3 Police, 1 Fire, 1 Planning, 1 Finance, and 1 Information Services). Two (2) of the Police positions and the 1 Fire position can be funded by CFD assessments already projected as revenue in the budget. This leaves 4 positions unfunded.

Beyond those staff requests noted above, additional requests of over \$2 million were discussed internally but have not been included in the budget nor are presented as “decision points”. This leads to two observations: (1) the number of requests submitted is indicative of the fact that staff is working very hard to maintain service levels in the context of growing demands and; (2) revenue resources are not sufficient to meet optimal operational demands.

Unfunded Pension Liabilities, Retiree Medical Benefits & Reserves

Many cities face the challenge of covering increasing pension costs and managing ensuing unfunded liabilities. Milpitas is not spared from this fiscal difficulty. The advent of new accounting standards reveals the magnitude of liabilities all cities face. Furthermore, recent pension assumption changes accelerate funding requirements in the near term. Similarly, medical benefit costs, both active and retiree, continue to increase. These cost areas exist as monetary threats that oblige us to maintain a posture of fiscal diligence.

The General Fund currently has a \$5.4 million PERS Rate Stabilization reserve, a prudent policy to handle contingencies in any given year. Rising pension rates are a certainty and staff proposes strengthening these reserve levels, by over \$2 million, using the one-time “triple flip” dollars noted above. The five-year forecast projects just such a use of this enhanced reserve. Staff recommends staying on course with funding CalPERS on an “annual required contribution” basis with resulting savings (or costs) that arise placed into the PERS Rate Stabilization reserve or conversely funded by the same.

In conclusion, staff is pleased to present a balanced operating budget and looks forward to City Council discussion and direction in making final decisions as we move towards a May 17th adoption.

Draft Budget Summary 2016-2017

	GRAND TOTAL	GENERAL FUND	MEASURE I TOT FUND	HOUSING AUTHORITY	OTHER FUNDS	CAPITAL PROJECTS	WATER FUND	SEWER FUND
ESTIMATED REVENUES								
Property Taxes	26,716,000	26,716,000	0	0	0	0	0	0
Taxes Other Than Property	38,347,000	35,360,000	2,372,000	0	615,000	0	0	0
Licenses and Permits	6,719,000	6,719,000	0	0	0	0	0	0
Fines and Forfeits	431,000	431,000	0	0	0	0	0	0
Use of Money and Property	3,250,400	302,000	28,000	341,000	150,300	1,905,100	186,000	338,000
Intergovernmental	3,419,086	1,047,000	0	0	1,882,086	490,000	0	0
Charges For Current Services	56,420,700	6,882,700	0	175,000	3,428,000	0	27,357,000	18,578,000
Other Revenue	55,644,200	120,000	0	285,000	1,276,000	26,860,000	26,045,000	1,058,200
sub-total	190,947,386	77,577,700	2,400,000	801,000	7,351,386	29,255,100	53,588,000	19,974,200
Other Financing Sources								
(Increase) Decrease in Fund Balance	(2,275,866)	(1,124,528)	(361,011)	(349,619)	2,452,316	0	(526,135)	(2,366,889)
(Increase) Decrease in CIP Fund Balance	(23,497,300)	0	0	0	0	(20,555,100)	(3,851,000)	908,800
Operating Transfers In	12,582,256	5,389,000	600,000	0	300,000	6,168,256	125,000	0
Operating Transfers Out	(12,582,256)	(300,000)	(2,300,000)	0	(4,283,256)	(600,000)	(2,983,000)	(2,116,000)
sub-total	(25,773,166)	3,964,472	(2,061,011)	(349,619)	(1,530,940)	(14,986,844)	(7,235,135)	(3,574,089)
TOTAL	165,174,220	81,542,172	338,989	451,381	5,820,446	14,268,256	46,352,865	16,400,111
BUDGETED APPROPRIATIONS								
Personnel Services	73,636,822	65,126,353	194,016	324,018	1,632,320	0	3,549,318	2,810,797
Supplies & Contractual Services	44,678,321	16,369,661	144,973	127,363	3,526,663	0	18,073,947	6,435,714
Capital Outlay	956,822	46,159	0	0	661,463	0	219,600	29,600
sub-total	119,271,965	81,542,173	338,989	451,381	5,820,446	0	21,842,865	9,276,111
Capital Improvements	43,643,256	0	0	0	0	14,193,256	23,010,000	6,440,000
Debt Service	2,259,000	0	0	0	0	75,000	1,500,000	684,000
sub-total	45,902,256	0	0	0	0	14,268,256	24,510,000	7,124,000
TOTAL	165,174,221	81,542,173	338,989	451,381	5,820,446	14,268,256	46,352,865	16,400,111
FUND BALANCE								
Fund Balance 7/1/16	190,301,451	38,621,605	10,545,346	6,500,000	17,118,500	60,152,000	19,478,000	37,886,000
Net Changes in Fund Balance	25,773,166	1,124,528	361,011	349,619	(2,452,316)	20,555,100	4,377,135	1,458,089
Fund Balance 6/30/17	216,074,617	39,746,133	10,906,357	6,849,619	14,666,184	80,707,100	23,855,135	39,344,089
Restricted	29,664,733	18,044,605	0	6,849,619	4,770,509	0	0	0
Restricted for CIP	120,604,300	0	0	0	0	77,252,100	17,751,000	25,601,200
Committed for PERS	5,432,000	5,432,000	0	0	0	0	0	0
Assigned	17,260,357	2,800,000	10,906,357	0	99,000	3,455,000	0	0
Unassigned, Unrestricted	43,113,227	13,469,528	0	0	9,796,675	0	6,104,135	13,742,889
TOTAL	216,074,617	39,746,133	10,906,357	6,849,619	14,666,184	80,707,100	23,855,135	39,344,089

Draft Budget Summary by Department
Fiscal Year 2016-2017

Service Areas	Personnel Services	Services & Supplies	Capital Outlay	General Fund Total	\$ Change from Prior Yr	% Change from Prior Yr	Non-General Fund Total	Grand Total
City Council	124,424	167,185	0	291,609	3,877	1.35%	-	291,609
City Manager	684,741	359,714	0	1,044,455	-108,513	-9.41%	117,084	1,161,539
City Clerk	366,918	228,500	0	595,418	207,038	53.31%	-	595,418
City Attorney	158,906	564,800	0	723,706	-128,334	-15.06%	-	723,706
Building and Safety	3,701,443	123,194	28,000	3,852,637	398,156	11.53%	221,138	4,073,775
Information Services	1,471,035	851,098	0	2,322,133	-50,023	-2.11%	727,782	3,049,915
Human Resources	738,657	474,062	0	1,212,719	41,156	3.51%	-	1,212,719
Recreation	2,889,078	1,156,485	0	4,045,563	184,754	4.79%	178,768	4,224,331
Finance	2,235,432	206,100	0	2,441,532	93,005	3.96%	1,263,400	3,704,932
Public Works	2,661,785	3,425,250	0	6,087,035	507,045	9.09%	7,115,927	13,202,962
Engineering	2,279,817	635,183	0	2,915,000	600,765	25.96%	3,154,876	6,069,876
Planning & Neighborhood Svcs	1,678,080	994,587	0	2,672,667	407,563	17.99%	984,772	3,657,439
Police	26,318,274	1,372,983	8,159	27,699,416	925,411	3.46%	76,318	27,775,734
Fire	15,733,493	1,929,373	10,000	17,672,866	743,187	4.39%	16,000	17,688,866
Non-Departmental	4,084,270	3,881,147	0	7,965,417	1,123,277	16.42%	23,873,727	31,839,144
TOTAL	65,126,353	16,369,661	46,159	81,542,173	4,948,365	6.46%	37,729,792	119,271,965

City Council

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2015-16</u>	<u>Proposed 2016-17</u>	<u>\$ Change From Prior Yr</u>	<u>% Change From Prior Yr</u>
PERSONNEL SERVICES						
4111 Permanent Salaries	54,267	56,880	56,994	56,994		
4112 Temporary Salaries	3,075	2,425	4,400	4,400		
4121 Allowances	38,700	37,198	38,700	38,700		
4131 PERS	8,997	12,609	20,926	22,114		
4132 Group Insurance	405	434	420	420		
4133 Medicare	1,016	1,115	1,434	1,434		
4135 Worker's Compensation	248	176	296	296		
4139 PARS	565	445	66	66		
4151 Compensation Reduction	(8,727)	(3,692)	-	-		
sub-total	<u>98,546</u>	<u>107,591</u>	<u>123,236</u>	<u>124,424</u>	1,188	1%
SUPPLIES AND CONTRACTUAL SERVICES						
4200 Community Promotions, Grants & Loans	97,657	25,901	77,340	52,940		
4220 Supplies	3,235	3,934	4,000	4,500		
4230 Services	10,526	10,500	-	25,000		
4501 Memberships and Dues	46,349	47,666	54,656	56,145		
4503 Training	1,605	8,237	10,500	10,600		
4520 Commissions and Boards	2,931	3,224	18,000	18,000		
sub-total	<u>162,302</u>	<u>99,462</u>	<u>164,496</u>	<u>167,185</u>	2,689	2%
TOTAL	<u>260,847</u>	<u>207,053</u>	<u>287,732</u>	<u>291,609</u>	3,877	1%

City Manager

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2015-16</u>	<u>Proposed 2016-17</u>	<u>\$ Change From Prior Yr</u>	<u>% Change From Prior Yr</u>
PERSONNEL SERVICES						
4111 Permanent Salaries	330,620	612,044	719,014	499,116		
4112 Temporary Salaries	3,375	12,813	30,000	30,000		
4113 Overtime	(295)	2,493	-	-		
4121 Allowances	1,800	3,150	-	-		
4124 Leave Cashout	9,601	25,630	-	-		
4131 PERS	76,511	153,811	195,670	168,878		
4132 Group Insurance	38,879	64,458	84,912	65,592		
4133 Medicare	4,941	9,354	10,919	7,713		
4135 Worker's Compensation	1,336	2,129	3,722	2,620		
4138 Deferred Comp-Employer	-	1,044	3,600	2,700		
4139 PARS	50	190	450	450		
4161 Retiree Medical Reserve	15,936	34,092	35,748	24,756		
sub-total	482,754	921,208	1,084,035	801,825	(282,210)	-26%
SUPPLIES AND CONTRACTUAL SERVICES						
4200 Community Promotions, Grants & Loans	-	-	5,000	7,000		
4211 Equip Replacement Amortization	2,950	3,146	3,309	3,234		
4220 Supplies	5,256	6,940	7,000	7,000		
4230 Services	88,716	184,472	135,000	305,000		
4501 Memberships and Dues	670	9,120	23,480	25,980		
4503 Training	1,333	1,515	10,500	11,500		
4520 Commissions and Boards	-	130	-	-		
sub-total	98,925	205,323	184,289	359,714	175,425	95%
TOTAL	581,679	1,126,531	1,268,324	1,161,539	(106,785)	-8%

City Clerk

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2015-16</u>	<u>Proposed 2016-17</u>	<u>\$ Change From Prior Yr</u>	<u>% Change From Prior Yr</u>
PERSONNEL SERVICES						
4111 Permanent Salaries	230,806	216,777	239,766	236,667		
4112 Temporary Salaries	-	390	-	-		
4121 Allowances	-	692	-	-		
4124 Leave Cashout	-	32,921	-	-		
4131 PERS	27,261	37,494	54,460	68,292		
4132 Group Insurance	45,104	36,870	42,456	43,680		
4133 Medicare	2,039	2,587	3,504	3,461		
4135 Worker's Compensation	947	685	1,196	1,179		
4138 Deferred Comp-Employer	1,800	895	1,800	1,800		
4139 PARS	-	6	-	-		
4161 Retiree Medical Reserve	11,309	11,530	11,998	11,839		
sub-total	<u>319,267</u>	<u>340,847</u>	<u>355,180</u>	<u>366,918</u>	11,738	3%
SUPPLIES AND CONTRACTUAL SERVICES						
4220 Supplies	1,485	1,206	3,000	3,000		
4230 Services	22,372	14,123	25,000	30,000		
4280 Elections	-	197,011	-	190,000		
4501 Memberships and Dues	906	530	1,200	1,500		
4503 Training	1,613	1,013	4,000	4,000		
sub-total	<u>26,375</u>	<u>213,882</u>	<u>33,200</u>	<u>228,500</u>	195,300	588%
TOTAL	<u>345,642</u>	<u>554,729</u>	<u>388,380</u>	<u>595,418</u>	207,038	53%

City Attorney

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2015-16</u>	<u>Proposed 2016-17</u>	<u>\$ Change From Prior Yr</u>	<u>% Change From Prior Yr</u>
PERSONNEL SERVICES						
4111 Permanent Salaries	435,253	462,971	475,732	102,564		
4112 Temporary Salaries	672	1,725	-	-		
4121 Allowances	1,800	1,385	-	-		
4124 Leave Cashout	9,159	19,666	-	-		
4131 PERS	96,131	124,754	148,610	27,058		
4132 Group Insurance	70,420	72,652	63,684	21,840		
4133 Medicare	6,448	7,055	6,944	1,504		
4135 Worker's Compensation	1,872	1,355	2,326	456		
4138 Deferred Comp-Employer	905	1,212	2,700	900		
4139 PARS	10	29	-	-		
4161 Retiree Medical Reserve	22,200	22,644	23,244	4,584		
sub-total	<u>644,871</u>	<u>715,448</u>	<u>723,240</u>	<u>158,906</u>	(564,334)	-78%
SUPPLIES AND CONTRACTUAL SERVICES						
4220 Supplies	13,062	13,700	14,000	1,500		
4230 Services	638,902	210,194	106,000	563,300		
4410 Communications	1,740	1,322	1,400	-		
4501 Memberships and Dues	1,150	860	1,700	-		
4503 Training	3,339	3,232	5,700	-		
sub-total	<u>658,193</u>	<u>229,308</u>	<u>128,800</u>	<u>564,800</u>	436,000	339%
TOTAL	<u>1,303,064</u>	<u>944,755</u>	<u>852,040</u>	<u>723,706</u>	(128,334)	-15%

Building and Safety

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2015-16</u>	<u>Proposed 2016-17</u>	<u>\$ Change From Prior Yr</u>	<u>% Change From Prior Yr</u>
PERSONNEL SERVICES						
4111 Permanent Salaries	1,599,085	1,516,628	1,889,950	1,897,754		
4112 Temporary Salaries	281,852	284,343	307,752	528,688		
4113 Overtime	17,710	13,510	55,000	70,000		
4124 Leave Cashout	47,318	75,635	-	-		
4131 PERS	173,802	262,872	518,591	661,114		
4132 Group Insurance	313,998	335,634	445,803	502,320		
4133 Medicare	27,845	27,357	32,126	35,453		
4135 Worker's Compensation	36,347	23,113	27,422	28,507		
4138 Deferred Comp-Employer	1,800	6,289	16,200	16,200		
4139 PARS	1,343	285	-	-		
4161 Retiree Medical Reserve	88,824	84,310	109,688	120,245		
sub-total	<u>2,589,925</u>	<u>2,629,977</u>	<u>3,402,532</u>	<u>3,860,281</u>	457,749	13%
SUPPLIES AND CONTRACTUAL SERVICES						
4211 Equip Replacement Amortization	21,595	23,392	24,224	37,464		
4220 Supplies	8,767	9,420	27,675	31,550		
4230 Services	39,439	35,625	65,550	65,550		
4501 Memberships and Dues	1,321	1,175	1,530	1,530		
4503 Training	10,125	8,857	26,500	49,400		
sub-total	<u>81,246</u>	<u>78,469</u>	<u>145,479</u>	<u>185,494</u>	40,015	28%
CAPITAL OUTLAY						
4850 Vehicles	-	-	-	28,000		
sub-total	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,000</u>	28,000	-
TOTAL	<u>2,671,171</u>	<u>2,708,445</u>	<u>3,548,011</u>	<u>4,073,775</u>	525,764	15%

Information Services

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2015-16</u>	<u>Proposed 2016-17</u>	<u>\$ Change From Prior Yr</u>	<u>% Change From Prior Yr</u>
PERSONNEL SERVICES						
4111 Permanent Salaries	1,052,092	1,018,183	1,032,350	1,032,350		
4112 Temporary Salaries	15,968	2,453	75,000	125,000		
4113 Overtime	(243)	-	-	-		
4121 Allowances	-	2,135	-	-		
4124 Leave Cashout	68,492	57,535	-	-		
4131 PERS	91,188	156,838	248,600	277,812		
4132 Group Insurance	149,945	138,664	191,052	196,560		
4133 Medicare	16,463	15,709	15,090	16,903		
4135 Worker's Compensation	4,596	3,405	5,142	5,767		
4138 Deferred Comp-Employer	5,858	5,625	8,100	8,100		
4139 PARS	240	36	-	1,875		
4161 Retiree Medical Reserve	54,584	56,852	51,440	51,440		
sub-total	<u>1,459,183</u>	<u>1,457,433</u>	<u>1,626,774</u>	<u>1,715,807</u>	89,033	5%
SUPPLIES AND CONTRACTUAL SERVICES						
4211 Equip Replacement Amortization	8,208	8,754	9,207	8,999		
4220 Supplies	15,662	20,929	14,520	15,246		
4230 Services	508,107	472,914	973,382	924,389		
4410 Communications	148,634	161,413	212,857	223,500		
4501 Memberships and Dues	80	-	-	-		
4503 Training	3,807	5,542	4,260	4,474		
sub-total	<u>684,498</u>	<u>669,552</u>	<u>1,214,226</u>	<u>1,176,608</u>	(37,618)	-3%
CAPITAL OUTLAY						
4920 Machinery Tools & Equipment	207,482	314,075	150,000	157,500		
sub-total	<u>207,482</u>	<u>314,075</u>	<u>150,000</u>	<u>157,500</u>	7,500	5%
TOTAL	<u>2,351,163</u>	<u>2,441,060</u>	<u>2,991,000</u>	<u>3,049,915</u>	58,915	2%

Human Resources

	Actual 2013-14	Actual 2014-15	Budget 2015-16	Proposed 2016-17	\$ Change From Prior Yr	% Change From Prior Yr
PERSONNEL SERVICES						
4111 Permanent Salaries	348,563	349,162	466,844	459,695		
4112 Temporary Salaries	25,748	32,928	25,600	26,520		
4113 Overtime	-	460	1,000	1,000		
4121 Allowances	2,507	1,385	-	-		
4124 Leave Cashout	8,210	97,654	-	-		
4131 PERS	40,290	57,997	108,688	128,570		
4132 Group Insurance	50,266	57,926	84,912	87,360		
4133 Medicare	5,528	7,027	7,189	6,709		
4135 Worker's Compensation	1,584	1,126	2,426	2,295		
4138 Deferred Comp-Employer	-	1,125	3,600	3,600		
4139 PARS	385	289	384	-		
4161 Retiree Medical Reserve	17,460	17,460	22,908	22,908		
sub-total	500,542	624,539	723,551	738,657	15,106	2%
SUPPLIES AND CONTRACTUAL SERVICES						
4200 Community Promotions, Grants & Loans	7,044	33	6,000	6,000		
4220 Supplies	4,965	4,095	3,000	4,000		
4230 Services	356,415	404,697	429,800	445,500		
4501 Memberships and Dues	205	1,162	2,212	1,562		
4503 Training	3,128	5,974	7,000	17,000		
sub-total	371,757	415,960	448,012	474,062	26,050	6%
CAPITAL OUTLAY						
4920 Machinery Tools & Equipment	185	-	-	-	-	-
sub-total	185	-	-	-	-	-
TOTAL	872,484	1,040,499	1,171,563	1,212,719	41,156	4%

Recreation

	Actual 2013-14	Actual 2014-15	Budget 2015-16	Proposed 2016-17	\$ Change From Prior Yr	% Change From Prior Yr	
PERSONNEL SERVICES							
4111	Permanent Salaries	883,507	927,426	1,110,022	1,211,866		
4112	Temporary Salaries	843,090	795,830	857,776	950,706		
4113	Overtime	10,690	12,406	7,000	15,000		
4124	Leave Cashout	15,537	27,735	-	-		
4131	PERS	104,432	151,041	290,528	339,894		
4132	Group Insurance	221,702	240,563	313,207	343,980		
4133	Medicare	24,152	25,281	28,951	31,570		
4135	Worker's Compensation	13,360	9,997	16,961	18,248		
4138	Deferred Comp-Employer	1,800	5,054	13,500	14,400		
4139	PARS	10,357	11,206	11,363	13,273		
4161	Retiree Medical Reserve	46,790	55,983	55,016	60,509		
	sub-total	<u>2,175,417</u>	<u>2,262,523</u>	<u>2,704,324</u>	<u>2,999,446</u>	295,122	11%
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotions, Grants & Loans	7,886	11,865	10,265	18,500		
4211	Equip Replacement Amortization	26,051	43,707	58,434	47,605		
4220	Supplies	214,460	269,721	245,871	265,393		
4230	Services	672,792	728,234	871,690	881,297		
4501	Memberships and Dues	1,910	1,530	2,495	3,310		
4503	Training	1,690	4,699	5,750	6,800		
4600	Ins, Settlements & Contgcy	1,113	1,600	1,980	1,980		
	sub-total	<u>925,903</u>	<u>1,061,356</u>	<u>1,196,485</u>	<u>1,224,885</u>	28,400	2%
CAPITAL OUTLAY							
4870	Machinery & Equipment	16,717	-	-	-		
4920	Machinery Tools & Equipment	5,430	4,988	-	-		
	sub-total	<u>22,147</u>	<u>4,988</u>	<u>-</u>	<u>-</u>	-	-
	TOTAL	<u>3,123,467</u>	<u>3,328,867</u>	<u>3,900,809</u>	<u>4,224,331</u>	323,522	8%

Finance

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2015-16</u>	<u>Proposed 2016-17</u>	<u>\$ Change From Prior Yr</u>	<u>% Change From Prior Yr</u>
PERSONNEL SERVICES						
4111 Permanent Salaries	1,764,743	1,521,439	2,016,856	1,989,156		
4112 Temporary Salaries	59,834	88,978	65,000	76,800		
4113 Overtime	(512)	21,656	5,000	5,000		
4121 Allowances	5,700	6,028	-	-		
4124 Leave Cashout	36,437	30,198	-	-		
4125 Accrued Leave	(13,764)	8,534	-	-		
4131 PERS	190,080	250,287	491,160	541,049		
4132 Group Insurance	356,272	353,826	477,636	491,400		
4133 Medicare	26,808	23,958	30,445	30,213		
4135 Worker's Compensation	12,093	9,004	13,583	13,619		
4138 Deferred Comp-Employer	3,609	5,188	18,000	18,000		
4139 PARS	451	945	585	1,152		
4143 Charged to CIPs	-	-	(45,000)	(45,000)		
4161 Retiree Medical Reserve	94,692	96,036	100,260	99,093		
sub-total	2,536,443	2,416,075	3,173,525	3,220,482	46,957	1%
SUPPLIES AND CONTRACTUAL SERVICES						
4211 Equip Replacement Amortization	14,054	15,133	14,161	3,050		
4220 Supplies	91,467	97,473	103,450	110,550		
4230 Services	246,596	376,602	216,250	320,550		
4501 Memberships and Dues	1,789	2,049	2,500	1,915		
4503 Training	4,127	3,602	10,100	18,385		
sub-total	358,033	494,860	346,461	454,450	107,989	31%
CAPITAL OUTLAY						
4850 Vehicles	-	1,168	5,171	-		
4870 Machinery & Equipment	11,963	-	-	-		
4910 Office Furniture & Fixtures	365	-	-	-		
4920 Machinery Tools & Equipment	4,749	16,804	-	-		
4930 Hydrants & Meters	15,991	-	30,000	30,000		
sub-total	33,068	17,972	35,171	30,000	(5,171)	-15%
TOTAL	2,927,544	2,928,907	3,555,157	3,704,932	149,775	4%

Public Works

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2015-16</u>	<u>Proposed 2016-17</u>	<u>\$ Change From Prior Yr</u>	<u>% Change From Prior Yr</u>
PERSONNEL SERVICES						
4111 Permanent Salaries	2,744,802	2,824,828	3,441,427	3,866,513		
4112 Temporary Salaries	216,341	234,865	300,000	330,000		
4113 Overtime	156,145	147,055	131,002	220,950		
4121 Allowances	81,305	81,036	123,500	131,300		
4124 Leave Cashout	115,116	88,309	-	-		
4125 Accrued Leave	69,768	69,856	-	-		
4131 PERS	582,789	740,614	956,879	1,172,198		
4132 Group Insurance	848,725	866,119	870,348	960,960		
4133 Medicare	45,339	47,785	49,754	57,919		
4135 Worker's Compensation	82,782	63,020	76,285	85,867		
4138 Deferred Comp-Employer	788	1,786	3,600	6,300		
4139 PARS	1,276	1,244	2,475	5,400		
4161 Retiree Medical Reserve	130,746	144,877	157,008	178,107		
sub-total	<u>5,075,923</u>	<u>5,311,394</u>	<u>6,112,278</u>	<u>7,015,514</u>	903,236	15%
SUPPLIES AND CONTRACTUAL SERVICES						
4211 Equip Replacement Amortization	495,085	558,086	558,335	703,251		
4220 Supplies	1,014,222	955,155	1,089,194	1,132,627		
4230 Services	3,174,305	3,278,556	3,842,590	3,961,500		
4410 Communications	1,009	975	1,250	1,800		
4420 Utilities	95,592	91,404	122,200	122,200		
4501 Memberships and Dues	3,537	4,165	6,550	7,070		
4503 Training	27,331	13,589	32,500	39,800		
4600 Ins, Settlements & Contgcy	-	4,567,969	-	-		
sub-total	<u>4,811,080</u>	<u>9,469,899</u>	<u>5,652,619</u>	<u>5,968,248</u>	315,629	6%
CAPITAL OUTLAY						
4850 Vehicles	63,376	-	-	89,200		
4870 Machinery & Equipment	21,882	14,936	-	-		
4920 Machinery Tools & Equipment	3,308	2,801	-	-		
4930 Hydrants & Meters	142,691	135,221	130,000	130,000		
sub-total	<u>231,257</u>	<u>152,957</u>	<u>130,000</u>	<u>219,200</u>	89,200	69%
TOTAL	<u>10,118,259</u>	<u>14,934,250</u>	<u>11,894,897</u>	<u>13,202,962</u>	1,308,065	11%

Engineering

	<u>Actual</u> <u>2013-14</u>	<u>Actual</u> <u>2014-15</u>	<u>Budget</u> <u>2015-16</u>	<u>Proposed</u> <u>2016-17</u>	<u>\$ Change</u> <u>From Prior Yr</u>	<u>% Change</u> <u>From Prior Yr</u>	
PERSONNEL SERVICES							
4111	Permanent Salaries	1,691,138	1,720,632	2,628,035	2,923,897		
4112	Temporary Salaries	56,272	58,469	285,168	307,168		
4113	Overtime	2,495	22,693	61,900	61,900		
4121	Allowances	4,064	3,778	-	-		
4124	Leave Cashout	35,763	93,004	-	-		
4125	Accrued Leave	103,945	29,148	-	-		
4131	PERS	155,237	264,101	669,116	837,604		
4132	Group Insurance	330,270	340,863	530,710	589,680		
4133	Medicare	24,246	25,822	40,794	45,119		
4135	Worker's Compensation	10,376	9,821	16,349	18,053		
4138	Deferred Comp-Employer	3,255	7,177	20,700	22,500		
4139	PARS	316	580	4,278	-		
4143	Charged to CIPs	-	-	(977,752)	(904,557)		
4161	Retiree Medical Reserve	121,083	120,472	140,903	154,579		
	sub-total	<u>2,538,460</u>	<u>2,696,560</u>	<u>3,420,201</u>	<u>4,055,943</u>	635,742	19%
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotions, Grants & Loans	99,915	163,295	201,700	201,700		
4211	Equip Replacement Amortization	14,788	18,199	11,263	30,783		
4220	Supplies	8,828	13,084	22,350	22,150		
4230	Services	981,289	2,324,129	1,341,650	1,712,450		
4501	Memberships and Dues	11,897	12,406	18,500	19,150		
4503	Training	4,422	1,257	27,200	27,700		
	sub-total	<u>1,121,139</u>	<u>2,532,371</u>	<u>1,622,663</u>	<u>2,013,933</u>	391,270	24%
	TOTAL	<u>3,659,599</u>	<u>5,228,930</u>	<u>5,042,864</u>	<u>6,069,876</u>	1,027,012	20%

Planning & Neighborhood

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2015-16</u>	<u>Proposed 2016-17</u>	<u>\$ Change From Prior Yr</u>	<u>% Change From Prior Yr</u>	
PERSONNEL SERVICES							
4111	Permanent Salaries	935,196	1,010,368	1,194,050	1,173,092		
4112	Temporary Salaries	78,289	119,460	128,080	98,000		
4113	Overtime	1,441	265	8,000	8,000		
4121	Allowances	900	415	-	-		
4124	Leave Cashout	90,082	83,031	-	-		
4131	PERS	101,013	170,349	281,746	314,123		
4132	Group Insurance	166,327	173,458	233,508	240,240		
4133	Medicare	16,098	17,603	19,334	18,146		
4135	Worker's Compensation	4,630	3,864	6,573	6,330		
4138	Deferred Comp-Employer	2,748	5,341	9,900	9,900		
4139	PARS	1,152	958	1,591	1,456		
4161	Retiree Medical Reserve	53,184	59,340	59,504	58,565		
	sub-total	<u>1,451,060</u>	<u>1,644,452</u>	<u>1,942,286</u>	<u>1,927,852</u>	(14,434)	-1%
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotions, Grants & Loans	430,752	327,103	625,646	725,000		
4211	Equip Replacement Amortization	8,358	12,076	12,701	13,464		
4220	Supplies	11,291	19,203	13,100	12,700		
4230	Services	437,884	549,595	775,781	959,808		
4501	Memberships and Dues	2,363	3,020	3,055	3,055		
4503	Training	9,404	14,870	19,310	15,560		
	sub-total	<u>900,052</u>	<u>925,866</u>	<u>1,449,593</u>	<u>1,729,587</u>	279,994	19%
	TOTAL	<u>2,351,112</u>	<u>2,570,318</u>	<u>3,391,879</u>	<u>3,657,439</u>	265,560	8%

Police

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2015-16</u>	<u>Proposed 2016-17</u>	<u>\$ Change From Prior Yr</u>	<u>% Change From Prior Yr</u>
PERSONNEL SERVICES						
4111 Permanent Salaries	12,346,567	13,402,356	14,759,915	15,146,387		
4112 Temporary Salaries	389,474	377,539	449,446	489,446		
4113 Overtime	505,619	513,100	693,283	693,283		
4121 Allowances	159,373	123,427	143,076	138,360		
4124 Leave Cashout	521,478	470,934	-	-		
4131 PERS	3,756,573	4,485,189	5,527,178	6,042,393		
4132 Group Insurance	1,971,458	2,114,748	2,328,804	2,401,680		
4133 Medicare	191,853	208,409	222,687	228,837		
4135 Worker's Compensation	469,402	340,830	498,900	508,130		
4138 Deferred Comp-Employer	4,275	4,962	5,400	5,400		
4139 PARS	5,601	5,421	6,349	6,949		
4161 Retiree Medical Reserve	593,090	607,111	644,734	657,409		
sub-total	<u>20,914,763</u>	<u>22,654,024</u>	<u>25,279,772</u>	<u>26,318,274</u>	1,038,502	4%
SUPPLIES AND CONTRACTUAL SERVICES						
4200 Community Promotions, Grants & Loans	-	500	500	500		
4211 Equip Replacement Amortization	414,560	467,197	534,329	409,852		
4220 Supplies	121,816	150,423	152,521	150,115		
4230 Services	556,576	599,150	690,826	686,459		
4410 Communications	13,775	13,736	24,820	24,820		
4501 Memberships and Dues	3,112	3,776	3,583	3,583		
4503 Training	56,775	81,312	87,654	97,654		
sub-total	<u>1,166,614</u>	<u>1,316,094</u>	<u>1,494,233</u>	<u>1,372,983</u>	(121,250)	-8%
CAPITAL OUTLAY						
4850 Vehicles	-	39,157	-	24,477		
4870 Machinery & Equipment	43,940	93,238	-	-		
4910 Office Furniture & Fixtures	3,907	-	-	-		
4920 Machinery Tools & Equipment	79,259	79,661	60,000	60,000		
sub-total	<u>127,106</u>	<u>212,056</u>	<u>60,000</u>	<u>84,477</u>	24,477	41%
TOTAL	<u>22,208,483</u>	<u>24,182,174</u>	<u>26,834,005</u>	<u>27,775,734</u>	941,729	4%

Fire

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2015-16</u>	<u>Proposed 2016-17</u>	<u>\$ Change From Prior Yr</u>	<u>% Change From Prior Yr</u>
PERSONNEL SERVICES						
4111 Permanent Salaries	7,567,246	7,906,887	8,664,811	8,882,559		
4112 Temporary Salaries	9,720	5,568	38,985	38,985		
4113 Overtime	577,986	1,129,345	1,130,000	1,130,000		
4121 Allowances	55,178	53,257	58,764	58,764		
4124 Leave Cashout	664,197	198,873	-	-		
4131 PERS	1,952,224	2,356,828	3,082,310	3,420,485		
4132 Group Insurance	1,289,112	1,338,568	1,270,116	1,311,600		
4133 Medicare	120,140	132,919	119,251	125,298		
4135 Worker's Compensation	290,060	214,434	306,940	316,845		
4138 Deferred Comp-Employer	36,293	34,871	39,900	39,900		
4139 PARS	146	82	-	585		
4161 Retiree Medical Reserve	355,951	370,318	396,058	408,472		
sub-total	<u>12,918,251</u>	<u>13,741,950</u>	<u>15,107,135</u>	<u>15,733,493</u>	626,358	4%
SUPPLIES AND CONTRACTUAL SERVICES						
4200 Community Promotions, Grants & Loans	153	-	-	-		
4211 Equip Replacement Amortization	932,673	1,120,131	1,164,479	1,135,608		
4220 Supplies	285,827	322,286	367,975	383,475		
4230 Services	313,892	359,779	214,920	240,020		
4501 Memberships and Dues	6,132	2,927	16,370	19,870		
4503 Training	21,772	42,392	64,800	166,400		
sub-total	<u>1,560,449</u>	<u>1,847,515</u>	<u>1,828,544</u>	<u>1,945,373</u>	116,829	6%
CAPITAL OUTLAY						
4870 Machinery & Equipment	38,046	-	-	-		
4920 Machinery Tools & Equipment	70,385	46,443	10,000	10,000		
sub-total	<u>108,431</u>	<u>46,443</u>	<u>10,000</u>	<u>10,000</u>	-	0%
TOTAL	<u>14,587,131</u>	<u>15,635,908</u>	<u>16,945,679</u>	<u>17,688,866</u>	743,187	4%

Non-Departmental

	100 General Fund	150 RDA Admin	102 Measure I TOT	211/237 H-H Lease CFD
PERSONNEL SERVICES				
4124 Leave Cashout	650,000	0	0	0
4131 PERS	22,400	0	0	0
4132 Group Insurance	45,000	0	0	0
4136 Unemployment	45,000	0	0	0
4137 MOU Contractual Agreements	450,000	0	0	0
4139 PARS	9,000	0	0	0
4141 Adjustments-Payroll	1,542,870	0	0	0
4161 Retiree Medical Reserve	1,320,000	0	0	0
sub-total	4,084,270	0	0	0
SUPPLIES & CONTRACTUAL SERVICES				
4220 Supplies	13,400	0	0	0
4237 Contractual Services	72,800	12,500	0	13,000
4239 Audit Fees	67,500	8,000	0	0
4241 Repair & Maintenance	0	0	0	0
4242 Rents & Leases	0	0	0	35,000
4253 ABAG Attorney's Fees	36,667	0	0	0
4254 ABAG Settlements	75,000	0	0	0
4421 Utilities-Gas	204,100	600	0	0
4422 Utilities-Electric	1,502,864	5,200	43,636	0
4423 Utilities-Water	858,099	3,500	17,937	0
4424 SFWD, Wholesale Water Purchase	0	0	0	0
4425 SCVWD, Wholesale Water Purchase	0	0	0	0
4426 Utilities - Solid Waste	0	0	0	0
4427 Recycled Water Purchase	0	0	0	0
4429 Treatment Plant, M&O	0	0	0	0
4503 Training and Registration	3,000	0	0	0
4509 Tuition Reimbursement	24,000	0	0	0
4600 Insurance & Settlements	390,787	2,130	0	0
4610 Uncollectible Accounts	51,000	0	0	0
4640 Contingent Reserve	550,000	0	0	0
sub-total	3,849,217	31,930	61,573	48,000
DEBT SERVICE				
4701 Retirement of Principal	0	0	0	0
4711 Interest Expense	0	0	0	0
sub-total	0	0	0	0
CAPITAL OUTLAY				
4850 Vehicles	0	0	0	0
4870 Machinery & Equipment	0	0	0	0
sub-total	0	0	0	0
TOTAL	7,933,487	31,930	61,573	48,000

Non-Departmental

213/250 Public Art HCD Fund	280 Solid Waste Fund	295 Housing Authority	400 Water Fund	450 Sewer Fund	350/500 TASP/Eqmt Replacement	Proposed 2016-17
0	0	0	25,000	25,000	0	700,000
0	0	0	3,800	3,800	0	30,000
0	0	0	2,500	2,500	0	50,000
0	0	0	2,500	2,500	0	50,000
0	0	0	25,000	25,000	0	500,000
0	0	0	500	500	0	10,000
0	0	0	58,065	58,065	0	1,659,000
0	8,000	0	160,000	112,000	0	1,600,000
0	8,000	0	277,365	229,365	0	4,599,000
0	0	0	800	800	0	15,000
22,000	0	93,000	2,100	8,100	0	223,500
7,000	0	0	25,000	12,500	0	120,000
0	0	20,000	0	0	0	20,000
0	0	0	0	0	0	35,000
0	0	0	13,333	50,000	0	100,000
0	0	0	20,000	70,000	0	165,000
0	2,300	0	9,000	9,000	0	225,000
0	23,600	0	589,100	235,600	0	2,400,000
0	9,800	3,363	87,800	19,500	0	999,999
0	0	0	10,100,000	0	0	10,100,000
0	0	0	4,900,000	0	0	4,900,000
0	0	4,000	0	0	0	4,000
0	0	0	820,000	0	0	820,000
0	0	0	0	5,400,000	0	5,400,000
0	0	0	1,000	1,000	0	5,000
0	0	0	3,000	3,000	0	30,000
0	0	0	33,009	101,157	47,917	575,000
0	0	0	37,000	37,000	0	125,000
0	0	0	0	0	0	550,000
29,000	35,700	120,363	16,641,142	5,947,657	47,917	26,812,499
0	0	0	1,500,000	450,000	0	1,950,000
0	0	0	0	234,000	75,000	309,000
0	0	0	1,500,000	684,000	75,000	2,259,000
0	0	0	0	0	256,292	256,292
0	0	0	0	0	171,353	171,353
0	0	0	0	0	427,645	427,645
<u>29,000</u>	<u>43,700</u>	<u>120,363</u>	<u>18,418,507</u>	<u>6,861,022</u>	<u>550,562</u>	<u>34,098,144</u>