

Fiscal Year 2019/20 Adopted Operating Budget



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Budget Team

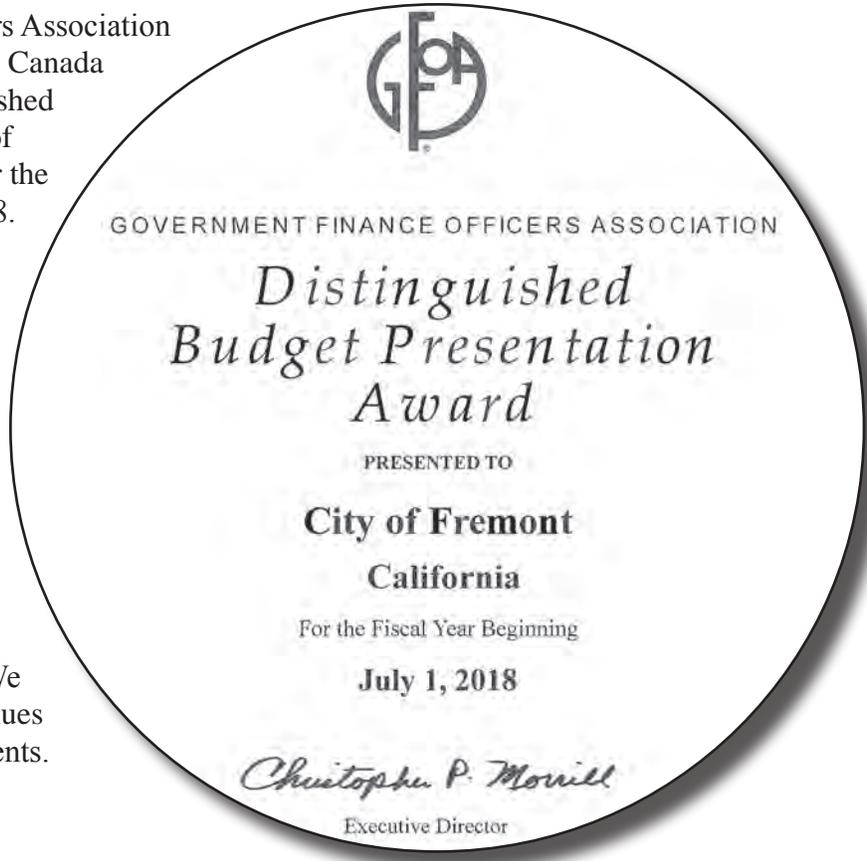
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The Government Finance Officers Association (GFOA) of the United States and Canada presented an award for Distinguished Budget Presentation to the City of Fremont for its annual budget for the fiscal year beginning July 1, 2018.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The award is valid for a period of one year only. This is the twenty-second consecutive year the City has earned the award. We believe our current budget continues to conform to program requirements.



Acknowledgments

Putting together a budget requires a great deal of effort from many people. The City Manager and Budget Team would like to thank the Accounting Services staff, Department Budget Coordinators, and others for their invaluable assistance:

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Guide to the Document

The budget is both a spending plan for the City’s available financial resources and the legal authority for City departments to spend the resources for public purposes. Through these resources, services are provided to meet the needs of Fremont residents. The City Council and City staff respond to the community’s needs in part through the budget. It balances not only revenues and costs, but also community priorities and interests.

Document Organization

Budget Overview

The City Manager’s Budget Overview sets the context for budget decisions by describing community and economic conditions affecting the budget. It outlines major initiatives underway and opportunities and challenges for the coming year.

Summary Information

This section of the document presents an overall picture of the City and the budget. It includes an organization chart, a description of the community, summary financial tables, a summary of citywide staffing changes associated with the budget, and documentation of the City’s compliance with State statutes and City policies regarding total expenditures and debt. This section also presents the City’s budget principles, a summary of departmental performance measures, and a summary of departmental objectives in a table that shows the alignment of objectives with citywide goals.

General Fund

Local government budgets are organized by funds in order to segregate and account for restricted resources. Each fund is a separate accounting entity. The General Fund provides the majority of resources for most of the services cities typically deliver, including the public safety, maintenance, and general government functions required to support direct services to the community. This section provides an analytical overview of the General Fund for the budget year. This section also places the budget in context with the financial forecast and provides a five-year historical review of General Fund sources and uses.

Other Funds

The Other Funds section contains information regarding non-General Fund sources of revenue. These funds are grouped into Cost Centers and Internal Service, Special Revenue, and Capital categories. Internal Service funds are cost allocation mechanisms and, along with Cost Center funds, are proprietary in nature. Special Revenue funds and Capital funds are grouped with the General Fund and Debt Service funds and are described as “governmental funds.” The distinction between how the budgeted resources are accounted for in proprietary funds as compared to governmental funds is discussed in the “Basis of Budgetary Accounting” located in the Policies and Practices section of the document. A description and financial summary is provided for each category of Other Funds within the budget.

Guide to the Document

Capital Budget Summary

The Capital Improvement Program (CIP) is adopted biannually and includes appropriations for projects for Fiscal Years 2019/20 through 2020/21. Selected excerpts from the CIP are included with the operating budget to present a comprehensive picture of all the funds of the City and to reflect fund transfers approved between other operating funds and capital funds. This section contains a description of the CIP funds, a summary of approved expenditures by program category, and highlights of key projects for the current fiscal year.

Department Budgets

The majority of the budget document presents information on departmental budgets. Each departmental section provides the following information:

- **Department Mission Statement**
- **Department Major Services** - The purpose of this information is to give the reader an understanding of the scope of each department's major service areas.
- **Department Overview** - A summary of each department's ongoing day-to-day core services and responsibilities.
- **Accomplishment Highlights** - A list that highlights a few of the department's most noteworthy accomplishments.
- **Objectives** - A list of significant departmental objectives or one-time projects aligned with the City Council's goals that help to achieve departmental goals outside the day-to-day services provided by the department.
- **Performance Measurement** - Information on performance measures and targets.
- **Sources of Funding** - This information is in graphic form and illustrates the funds from which departments receive financial resources. Interfund transfers (to the General Fund) cover administrative department costs for services that are provided by the General Fund. This contribution is shown on the charts as "overhead charges to other funds."
- **Expenditure Summary** - This table shows the salary and benefits, operating, and capital costs associated with the department for the fiscal year. It also provides historical information and trends of previous funding levels.
- **Major Budget Changes** - A description of the major budget changes is included that compares the previous year's budget with that for the current year. The major changes narrative includes any changes in salaries, benefits, and staffing. In addition, it describes operating, capital, and indirect expense allocation changes, but only if they vary by 5% up or down from the previous year.
- **Staffing** - A historical staffing graph shows the level of staffing for each department. In addition, an organization chart displays individual positions and titles.

Departments comprised of multiple, discrete service areas also present a table summarizing their activities by those major service areas.

Staffing

This section contains a summary of authorized positions by department and provides perspective on workforce trends.

Policies and Glossary

This section details the City's budget and financial policies, and includes a glossary of budget terminology.

Resolutions

This section contains resolutions approving and adopting the City budget, the appropriation limit for the fiscal year, and other resolutions approved as part of the budget adoption process.

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Budget Overview

Honorable Mayor and Members of the City Council:

Our City is committed to strong fiscal stewardship, transparency, and accountability over taxpayer dollars. Working together, the City Council and City staff ensure our budget and financial policies reflect the community's priorities.

As a result of prudent policy decisions, support from City employees and the community, and a steady economy, the City's financial condition remains stable. With guidance from the City Council on priorities and community values, and a focus on planning for future needs, I present the Fiscal Year 2019/20 Adopted Operating Budget.

Total General Fund budgeted resources in the coming fiscal year will be adequate to support total budgeted expenditures of \$219.9 million. The FY 2019/20 budget also maintains the City Council's and community's long-standing funding priorities by allocating over three-quarters of the budget to direct costs for public safety and maintenance. The share of General Fund resources budgeted for these purposes is actually 89% when overhead costs required to support these functions are allocated. The FY 2019/20 budget is 6.9% higher than the FY 2018/19 adopted budget and just slightly greater than last year's estimated actual expenditures.

Over the next few years, the City will continue to see modest increases in its General Fund net resources. At the same time, we anticipate significant growth in the community's needs for public safety services, continued traffic safety and congestion improvements, addressing housing costs and homelessness, streets and facilities maintenance, and reinvestment in the City's aging infrastructure. While we have significant challenges ahead, this adopted budget provides a sensible and responsible combination of funding for maintaining and improving on the current level of services, while preserving capacity for the City's future needs.

Consistent with the theme of planning for future needs while reflecting community priorities, the majority of service level enhancements included in the adopted budget are devoted to some of the most pressing issues facing our community: public safety, traffic safety and congestion, streets and facilities maintenance, and homelessness. I look forward to working with the Council, City staff, and the community to address the opportunities for maintaining and improving essential quality of life services, as well as the fiscal challenges, that lie ahead.

In this message, I will highlight the following:

- FY 2019/20 Fiscal Outlook
- The Current Economic Update
- Key Budget Assumptions
- Discussion of Unmet Needs
- Major City Initiatives

Budget Overview

FY 2019/20 Fiscal Outlook

Looking ahead to FY 2019/20, staff anticipates that the national economy will continue to grow at a moderate pace. Although we anticipate our revenue growth will continue through the next several years, we project increasing budgetary pressure as the California Public Employees Retirement System (PERS) continues to mandate significantly higher required pension contributions. Based on the most recent actuarial valuation report from PERS, in five years our annual pension contribution will have grown by 30%; an increase of about \$13 million.

Following our City's sustainable budgeting principles, we will be limiting any adopted service enhancements or staffing increases for FY 2019/20 to levels that can be supported on an ongoing basis. We are also setting aside additional reserves to help maintain services to the community as we adjust to the changes in our cost structure. These increased reserve funds will be used to offset or prevent drastic budget and essential services reduction measures that might otherwise be necessary in future years.

Although we continue to make up for position reductions and streets and facilities maintenance that was deferred during the economic downturn, our ability to improve on the current level of services and invest in the City's future will depend on continued revenue growth and sustained fiscal discipline by the City's collective leadership.

Property tax and sales tax are the City's most significant revenue sources. Property tax revenues are estimated to total \$99.6 million in FY 2018/19, and staff projects those revenues will increase to \$106.0 million in FY 2019/20, an increase of 6.4%. The City's FY 2019/20 property tax revenues are based on assessed property values as of January 1, 2019. Under Proposition 13, assessed values of all real property adjust with the California Consumer Price Index (CCPI), with a 2% limit, unless there is a change in ownership or new construction. The CCPI adjustment for the FY 2019/20 tax roll is an increase of 2.0%. Changes in ownership constitute the primary driver of projected growth in property tax; although sales activity declined in 2018, prices continued to climb. New construction activity is also adding value to the tax roll.

Sales tax revenues are estimated to total \$67.2 million in FY 2018/19, decreasing to \$63.9 million in FY 2019/20. The projected strong performance in FY 2018/19 stems from a one-time spike in revenue in the first quarter of the year related to delayed prior-year payments from the state, unusually high new auto sales, and a larger than typical share of the County sales tax pool. The FY 2018/19 estimate also includes a one-time reduction of \$1.9 million to recover amounts that the state had erroneously paid the City in prior years. Without those one-time distortions, sales tax revenues would be estimated to grow approximately 5.0% from the prior year. The largest contributors to sales tax growth are coming from the business and auto sales sectors, with significant additional growth coming from online sales transactions allocated through the County sales tax pool.

Although there has been no recent use of the Budget Uncertainty Reserve, the current reserve balance of \$3.7 million is insufficient to address the revenue shortfalls that could accompany a slowdown in economic growth or unexpected increases in operating costs. Accordingly, staff is proposing to use a portion of the projected FY 2018/19 General Fund ending fund balance to increase the Budget Uncertainty Reserve to \$8.3 million, an amount roughly equivalent to the next three years of sales tax growth. Staff is also proposing to consolidate the City's three "core" reserves into a single General Fund Contingency Reserve equal to 16.7% of budgeted expenditures and

transfers out, or \$36.7 million, a level consistent with the recommended practice of the Government Finance Officers Association of the United States and Canada. The FY 2019/20 budget anticipates ending the current fiscal year with \$13.1 million in unreserved fund balance, \$8.4 million of which is adopted to be allocated to the Budget Uncertainty and Contingency Reserves.

Economic Update

The key national economic indicators suggest continued moderate growth. Following strong performance in the second quarter of 2018 (4.2% increase from the previous quarter), growth in Gross Domestic Product (GDP) slowed over the following two quarters, but picked up again with an advance estimate of 3.2% for the first quarter of 2019. The seasonally-adjusted unemployment rate has remained in the high 3% range throughout most of the past year, declining slightly in May 2019 to 3.6%. Generally positive consumer sentiment has been tempered over the last six months by domestic and international political tensions. According to Lynn Franco, Director of The Conference Board Consumer Research Center, “Consumer confidence partially rebounded in April, following March’s decline, but still remains below levels seen last Fall.... Overall, consumers expect the economy to continue growing at a solid pace into the summer months.”

The press release from the most recent meeting of the Federal Reserve Open Market Committee on May 1, 2019, notes that “the labor market remains strong and that economic activity rose at a solid rate.... The Committee continues to view sustained expansion of economic activity, strong labor market conditions, and inflation near the Committee’s symmetric 2 percent objective as the most likely outcomes.” According to Beacon Economics, GDP is expected to slow from its 2018 pace, falling into the low 2% range, and the State Department of Finance sees the unemployment rate remaining at its current level.

Key Budget Assumptions

Based on the data we have at this time and economic forecasts from a range of sources, we are making the following key assumptions for the FY 2019/20 adopted budget:

1. The local economy will continue to expand during FY 2019/20, resulting in total General Fund resources (revenues and transfers in) increasing by 2.2% over estimated actual resources in FY 2018/19.
2. Total General Fund use of resources (expenditures and transfers out) is adopted to be just slightly more (0.3%) than the estimated actual amounts for FY 2018/19.
3. The costs of the FY 2019/20 adopted budget will be covered by projected resources and unreserved fund balance, without requiring the use of reserves to balance the budget.
4. As the City is currently engaged in a collective bargaining process with its employee groups, the FY 2019/20 adopted budget includes a placeholder salary adjustment of 2.5%.
5. Total expenditures in the FY 2019/20 adopted budget include a savings assumption of \$7.0 million (approximately 3.2% of total budgeted expenditures and transfers out in FY 2019/20) to reflect the City’s historical experience of under-spending total allocated resources, primarily due to salary savings from vacant positions.

Budget Overview

6. The FY 2019/20 adopted budget includes CIP funding for streets, sidewalks, and facilities maintenance, parks and street medians capital replacement, capital improvements to achieve compliance with ADA standards, and the City's Downtown Plan.
7. In accordance with City Council policy, an additional pension contribution of \$2.4 million to more rapidly pay down the City's unfunded liability has been incorporated into the adopted budget.
8. Reflecting the possibility of an economic slowdown and the increased budgetary pressure from escalating state-mandated pension contributions, the Budget Uncertainty Reserve has been increased from \$3.7 million to \$8.3 million, an amount roughly equivalent to three years of projected sales tax growth.
9. The General Fund's three primary reserves have been consolidated into a single Contingency Reserve established at 16.7% of total expenditures and transfers out, the minimum level recommended by the Government Finance Officers Association of the United States and Canada (GFOA).
10. The adopted budget includes the allocation of \$8.4 million of FY 2018/19 ending unreserved fund balance to increase Budget Uncertainty Reserve and the Contingency Reserve. As part of the FY 2018/19 Year-End Update in fall 2019, staff will bring forward recommendations for allocating any remaining available General Fund unreserved ending fund balance to address one-time priority projects, programs, or reserve augmentation.

Planning for Future Needs

Fremont is a great place to live, work and do business. However, like many cities throughout California, our City faces long-term fiscal challenges that impact the City's ability to maintain quality of life services at the level residents want and deserve. Important quality of life services we must continue to protect, maintain and improve include:

- Police/Fire protection and emergency response services
- Garbage and recycling services
- Maintaining public parks
- Streets/Roads repair
- Protecting the safety of drivers, bikers, and pedestrians.

As we begin to face the fiscal challenge of rapidly rising state-mandated pension contributions, we continue to grapple with increasing needs for public safety services and the growing cost of maintaining Fremont's roads and other infrastructure. The anticipated construction of 4,000 new residential units in Warm Springs, as well as other development throughout the City, will require adequate police staffing and the addition of a new fire engine company over the next several years to protect public safety. The majority of Fremont's public infrastructure was constructed many years ago and now requires either an increased level or increased frequency of repairs, compounded by not having had adequate resources to spend on maintenance in the past. The recently-completed Building Facilities Condition Assessment identified \$46 million of funding needs over the next five years.

Moreover, as Fremont continues to grow, additional infrastructure is added that must be maintained, further stretching the City's limited maintenance resources.

Finally, new requirements result in increased costs. Some of these requirements are voluntary, such as the City's commitment to improving traffic and pedestrian safety and traffic congestion, and encouraging alternative forms of transportation, through implementation of the Mobility Action Plan. Components of the Mobility Action Plan, such as completion of the Safe Routes to Schools program (\$25 million), signal modernization (\$20 million), and construction of major bicycle and pedestrian infrastructure (\$200 million) are costly and will necessitate development of enhanced funding sources. Other new requirements, which are regulatory in nature, have increased dramatically over the last few years, and have added significant costs to City operations. The City's Americans with Disabilities Act (ADA) Transition Plan is projected to need \$107 million over the next 25 years.

The inability to adequately fund ongoing maintenance and recapitalization of the City's infrastructure is a major concern, but the FY 2019/20 adopted budget includes allocations to step up street repair and building maintenance activities. The adopted budget also addresses pressing needs in other areas of the organization and the community, including the addition of adequate public safety staffing and services, technology investments to expand public access to online services, increase transparency, and secure the City's data, assistance to developers of affordable housing, and resources to help the City's homeless population find shelter and services.

Major City Initiatives

Although the City's current fiscal situation is challenging, affecting the breadth and depth of essential services offered to the community, there are many important initiatives currently underway. These initiatives are important elements of our sales tax diversification strategy, and the investments will position the City well for long-term growth and stability.

Development: There are a number of significant development projects and initiatives underway. These are all important elements of our sales tax diversification strategy.

Warm Springs/South Fremont: The Warm Springs/South Fremont area is critically important to the City because of a unique convergence of forces. The Warm Springs/South Fremont BART station, located just northeast of the Tesla Factory, opened for service on March 25, 2017. The station enhances intermodal access to local bike routes and bus lines that serve the entire Bay Area (VTA and AC Transit) and provides critical connectivity to the City's existing and future employment centers in the general Warm Springs area. This connectivity will serve as a catalyst for attracting business and jobs to the area, allowing Warm Springs to become the City's preeminent employment hub. Under a partnership with BART, the 10-mile BART extension south to San Jose by VTA is anticipated to be ready for passenger service in 2019, connecting Fremont to the rest of Silicon Valley for the first time.



Budget Overview

The Warm Springs/South Fremont Community Plan, adopted in July 2014, incorporates market analysis, an environmental review of the area, and results of the City’s community engagement into a land use plan and accompanying development and design standards for the area. Major infrastructure projects that serve as catalysts for development within the Warm Springs area were identified, including the Warm Springs West Access Bridge project which is now under construction. The project will improve multimodal access to the new BART Station by connecting the existing and adopted workforce west of the station. Construction of the project is funded by Alameda County Measure BB. The project is anticipated to be completed by early 2020.

The Warm Springs Innovation District is actively undergoing a significant transition with large-scale mixed-use development projects, significant public infrastructure improvements, and planned expansions of innovative companies. The City Council has approved development master plans, which are under construction by Lennar, Toll Brothers, Valley Oak Partners and their affiliates. These projects collectively will provide extensive public benefits, including complete streets, a new elementary school, an urban park and plazas, 4,000 residential units of which 524 are affordable rental units and 1.7 million square feet of new commercial space, and a new hotel. These master-planned projects are at various stages of permitting and construction. Construction of the first buildings, including the new school, park facilities, and affordable housing units, are underway and will be completed this year.



Warm Springs/South Fremont Area 4 Land Use Diagram

Other entitled projects adding additional job growth include 584,000 square feet of Class A office space and 110,000 square feet of advanced manufacturing space adopted by Sobrato. Tesla’s master plan approval by City Council in December 2016 has also paved the way for the carmaker’s planned expansions. Tesla continues to make efficiency improvements to its automation assembly line to reach its production goals.

To support marketing the commercial/employment development opportunities, efforts are underway to enhance the Warm Springs brand as an Innovation District. In 2018, a study was completed to assess the feasibility of establishing an innovation center in the area. The study revealed an opportunity to establish activities in the District that support growth-stage hardware companies.

Downtown/Capitol Avenue: With its ideal Silicon Valley location, Downtown Fremont is poised to become a vibrant, urban mixed-use district that will serve as a destination for the city and the region. This 110-acre, centrally located commercial district is bounded by Fremont Boulevard, Mowry Avenue, Paseo Padre Parkway, and Walnut Avenue. Incentives are in place for new development that will help create an exciting new Downtown for Fremont.

Downtown’s main street extension and multimodal improvements along Capitol Avenue have been completed to serve as the district’s “retail spine,” connecting two major north/south thoroughfares along a well-designed, pedestrian-oriented, mixed-use corridor. This provides a focal point and community gathering space – a more sustainable, pedestrian-friendly public realm activated with street-level commercial, retail, and civic uses, and public open spaces that stimulate economic activity and attract high-quality, vibrant development to the district.



Locale @ State Street



BART Way

In addition, construction of connectivity and aesthetic improvements through Gateway Plaza and along BART Way will be completed this year, making walking and bicycling inviting and safe between Downtown and the Fremont BART Station. This will be accomplished with wider sidewalks, pedestrian-scaled lighting, new way-finding signage, improved bike lanes, and additional landscaping. Development projects will be able to take advantage of the close proximity and enhanced connections to the Fremont BART station. The adopted building development patterns will enhance the district’s character to a mid-density, transit-oriented community directly fronting, and integrating with, streets and sidewalks.

The ultimate plan calls for development to expand from 1.25 million square feet to 5.2 million square feet, much of which will be additional office (including new, consolidated City offices) and residential uses. Other uses will include retail, entertainment, open space, and cultural arts organized around the main street, Capitol Avenue.

Some elements of the overall plan have been completed; for example, Urban Housing completed a 300-unit apartment project in 2013, and construction of Downtown’s first public-private partnership mixed use project between the City, TMG Partners, Sares Regis and SummerHill will be completed this year. The project includes 157 ownership housing units, including condos, stacked flats, and row homes, and 21,000 square feet of critical ground floor retail space that will set the tone for a vibrant pedestrian environment. Leasing of this retail space is actively underway. The completion of Downtown’s new main street has become a catalyst for attracting additional private investment as several projects in the immediate area are in the planning and design stages, by a variety of developers, including Fore Properties and Bay Rock.

Budget Overview

In addition, the City has been planning the development of the Civic Center, which will be located in the heart of the Downtown and provide a public realm designed to include a gathering place for governmental and community activities. Construction of Phase 1, a new Downtown event center and civic plaza, was approved by Council in April 2018 and is anticipated to break ground late this year. In the time remaining prior to the ground breaking, the city has partnered with Public Space Authority to enliven the space with food trucks, a beer garden, maker spaces, a stage and other leisure activities.

The Downtown District has also been designated as a federal opportunity zone. As one of only a few Bay Area cities to receive such a designation, the associated tax benefits will make investment in Downtown even more compelling.

Economic Development: Building Fremont’s robust Advanced Industry profile remains a top priority for the City and is critical to maintaining a diverse sales tax base. Important initiatives and accomplishments related to this effort are outlined below.

Section Highlights

Fremont’s largest sector, **biotechnology**, continues to be an important source of growth. The fact that most of Fremont’s biomedical companies also manufacture is of particular importance given the ripple effects in the larger economy – encompassing job creation and a growing supply chain network. Pharmaceutical manufacturer, **Boehringer Ingelheim**, has invested \$300 million to expand its Ardenwood operation and will be adding 300 additional jobs, doubling its workforce. In the Warm Springs Innovation District, U.K.-based **Orchard Therapeutics** announced it is building out a large gene therapy manufacturing operation. Fremont also welcomed biomedical startup **PrinterPrezz**, who is revolutionizing “medifufacturing”, through advanced 3D printing, and **NovoNordisk**, a world leader in diabetes care. To support this growing ecosystem, the City has partnered with a variety of organizations, including **Biocom**, the **Biomedical Manufacturing Network**, and **Bio Supply Management Association** to hold industry events and seminars in Fremont regarding product commercialization and to facilitate B2B interaction.



The City continues to be a top location choice for the **clean technology** sector, both at the early stage and for companies beginning to scale. In 2018 we welcomed several new cleantech firms such as **Raxium**, **Amprius**, and **Antora Energy**. Industry partnerships are also an important tool for the City in raising its visibility within the cleantech community. We are continuing our collaboration with the **Cleantech Open (CTO)**. The organization holds two of its main events– the CTO Business Briefing and the CTO Western Region Academy in June –in Fremont. With cleantech being one of Fremont’s

most prominent industry clusters, we are committed to supporting the growth of our innovation economy by serving as a test bed and demonstrating market opportunities for our local companies. In 2018, we celebrated the completion and activation of a **microgrid** demonstration project at our fire stations. Through a public-private partnership between the City, **Gridscape Solutions**, and the **California Energy Commission (CEC)**, the microgrids installed at three of the City's fire stations are now a model for other California cities.

Fremont's long-standing leadership in **advanced manufacturing** is at the foundation of the aforementioned sector strength. In addition to biotechnology and clean technology, the City is experiencing rapid growth in technologies related to **industrial automation equipment and autonomous vehicles**. In these categories, Fremont is now home to several new companies that represent these new clusters including **Zoex, Pony.ai, and Kuka Robotics**, all of which are enablers of 'smart' manufacturing.

At the center of this advanced manufacturing ecosystem and supply chain is **Tesla**. As the largest manufacturer in the state of California (and the largest employer in Fremont) Tesla is an economic engine unto itself. The City's development services team continued to work closely with Tesla as they completed the implementation of the Model 3 line and began producing their newest vehicle. This included the construction of new buildings on the factory site and other site improvements, which were a direct result of Tesla's Master Plan.



With a heightened focus on the future of the **workforce** in advanced manufacturing, the City has increased its own efforts on the topic. **The Aviation Institute of Maintenance** relocated to a new facility in Fremont to grow student population and improve training amenities. Fremont is continuing its partnership with the **FUSE Corps Fellow**, who is working with the Alameda County Library to foster innovation in education in Library programs and exposing the next generation to new models of learning. This builds on the City's very successful **Manufacturing Day** program that connects education and industry, exposing students to the prospect of a career in manufacturing. For six years in a row, Fremont has organized this effort, coordinating students and teachers from Mission Valley ROP, Fremont Unified School District, Ohlone College, and the public at-large on tours of manufacturing facilities in Fremont. Economic Development staff continues to serve on the **Alameda County Workforce Investment Board (ACWIB)** and is taking a leadership role in strengthening existing relationships with workforce partners. The City is also part of the advisory roundtable for **Ohlone College** to provide input on the new Advanced Manufacturing curriculum that is currently being developed. And finally, Fremont supported the relocation of Alameda County **Small Business Development Center (SBDC)** to Ohlone College's One-Stop Career Center.

Business Growth and Real Estate Development

Last year was again a very strong year for business expansion and new business growth, resulting in significant leasing activity and driving commercial vacancy rates to unprecedented lows. The historically low vacancy rates and higher rents in R&D have led to investments in both existing commercial real estate assets and new development projects in Fremont's **Innovation District**. Among recent asset acquisitions was **Duke Realty** purchasing a series of buildings in Bayside

Budget Overview

and proposing a new Class A industrial project in their place. Real estate investment firm **Vertical Ventures** recently purchased three industrial buildings on Milmont Drive totaling approximately 210,000 SF for more than 500% increase in valuation from when the buildings were last sold in 2009. Similarly, **JLL Income Property Trust** recently acquired approximately 240,000 SF of industrial space in Bayside at a nearly 50% higher valuation than the buildings last sold for in 2014. Each of these examples represents a substantial increase in property tax assessment.

Much of the City's business growth is also occurring in the **Ardenwood Technology Park**, which is benefiting from the strength of the region's real estate market with significant tenant 'spillover' activity from areas to the west. Recognizing the opportunity, new and expanding tenants are establishing operations in the district. Most notably, **Facebook** has now leased nearly 1 million SF of existing space, where they have begun to build out a new campus to serve growing operations and workforce commuting from Fremont and the surrounding east bay. Meanwhile, as mentioned previously, existing Ardenwood biotech tenant, **Boehringer Ingelheim**, completed a significant expansion in the District.

Strong business growth and a robust real estate market also continue to drive demand for new commercial/industrial space in Fremont. The new development project, **Pacific Commons South**, is actively under construction and is the largest industrial development project in the Bay Area. A joint development by Overton Moore Properties and Conor Commercial, the project includes approximately 2.7 million square feet of Class A industrial space in a series of buildings, along with two new sites for auto dealership development. Combined, this project will be a significant new source of employment and revenue for the City.



Pacific Commons South

Startups and Small Business

Nurturing future innovators is a critical part of the economic development program. Fremont's **Startup Grind** chapter continues to be very active, bringing in an impressive lineup of speakers to its monthly meetings and has earned broad recognition for attracting this caliber of thought leaders and for addressing topics of local interest.

In order to help anchor Fremont's startup ecosystem, the City is pursuing strategies to establish an **innovation center** in the Innovation District, further distinguishing the City as having one of the only manufacturing-anchored Innovation Districts in the nation. In 2018, the City completed a feasibility study in partnership with the **Los Angeles Cleantech Incubator (LACI)**, to analyze the feasibility for such activities and staff is now implementing recommendations from their report, including contracting with a qualified organization or individual to assist in establishing and operating a series of innovation cultivator activities in the District, targeting growth-stage manufacturing/hardware companies.

Some of the most important work we do is supporting small businesses and commercial districts in the City. Considered a staple of the City's economic development program, a variety of engagement occurs on an ongoing basis to support this sector, including permit assistance through our **Business Ally** program, educational workshops/seminars in collaboration with **SBDC**, and regular commercial district **'walkabouts.'** Adding to this set of activities, the City has also begun to enact a **marketing campaign** to promote Fremont's main street environments, including the development of a new website module featured on the City's business website. Going forward, additional opportunities and resources will also be made available for our small business district community through a newly established partnership with the National Main Street Association.

Retail / Amenities

There are several new additions to the City's retail environment for the community to enjoy. **Pacific Commons** continues to attract a diverse retail mix, including **Koja Kitchen, The Halal Guys,** and **Meet Fresh.** The new Artist Walk mixed-use project in Centerville has also provided a variety of new retail amenities for the community. Now fully leased, the project boasts both local and national tenants, including **Rapid Fired Pizza, Bun Appétit Donuts, Orange Theory Fitness, Momo and Kebab,** and **Sola Salon.**

Fremont's **Auto Mall** has been recognized as one of the most successful in the Bay Area. Not only is this an important amenity for our community and the broader region, but it's a critical part of our tax base and the City's economic health. Citing strong performance, several existing auto dealers invested in their facilities and expanded their operations last year. With the recent approval of the Pacific Commons South industrial project adjacent to the existing Auto Mall, **two new auto dealership sites** have been entitled and purchased by Auto Nation.

The City's hospitality sector is also growing, driven by a strong economy. Three new hotel development projects are currently underway (securing permits or under construction), including **Homewood Suites** by Hilton, **Hilton Garden Inn,** and **Springhill Suites** by Marriott. In addition, the City has also recently received an application for a dual-branded **Marriott AC and Residence Inn** hotel in the Warm Springs Innovation District, within walking distance to the Warm Springs/South Fremont BART station.

Budget Overview

Capital Projects: Despite the challenges in the City’s General Fund, the City continues to pursue a variety of major capital projects that will help address regional traffic congestion, improve safety for drivers, bikers, and pedestrians, and enhance Fremont’s economic development opportunities. These projects can proceed because, for the most part, they do not rely on the City’s General Fund. Rather, their funding comes from such sources as traffic impact fees, competitive grants, and State and regional sources.

- Significant regional transportation capacity projects are under construction and will be completed in the near-term: the 10-mile extension of BART into San Jose (Warm Springs to Berryessa) is scheduled to open at the end of 2019, and the widening of northbound I-680 through Fremont will be complete in late 2020.
- In Warm Springs, the new \$41 million West Access Bridge and Plaza is under construction and is scheduled for completion in summer 2020. The project will connect the west side of the Warm Springs BART station to the newly developing urban community and the expanding Tesla factory. Measure BB grant funding has been allocated to plan and design a new bicycle and pedestrian bridge over I-880 to continue the East Bay Greenway Trail and connect the Warm Springs BART station area, Tesla Motors factory, Bayside Business District and the Bay Trail.
- The multimodal streetscapes around Downtown Fremont will continue to be enhanced with grant funding targeted toward projects on BART Way (completed in May 2019), Walnut Avenue and Fremont Boulevard. Additionally, the segment of Fremont Boulevard in the Centerville area is funded for streetscape improvements by a Federal grant and with construction planned to start in 2021.



- The City’s transportation infrastructure is continuing to be rehabilitated and modernized through a combination of Measure BB and new State transportation funds (SB1) targeted towards pavement maintenance, sidewalk repairs, ADA curb ramps, traffic safety improvements, and traffic signal upgrades. A significant \$10 million project funded by Measure BB, will modernize the traffic signals along Fremont Boulevard to be a showcase for advanced traffic signal technologies allowing for improved traffic flow and safety, priority for transit buses and emergency vehicles, and electronic communications between signals, cars, pedestrians and bikes.

Legislative Advocacy: The City has continued to be proactive with its legislative advocacy efforts and has forged ahead with building partnerships at the federal, state, and regional levels to ensure the interests of Fremont and the region are preserved. The Council’s annual review and approval of the City’s Legislative Guiding Principles and Priorities – which serve as a foundation for pursuing the City’s major initiatives – remains proven as an effective instrument for garnering broad support, protecting local control, and creating alliances that work to resolve regional challenges.

At the City Council Retreat, held in January 2019, Councilmembers established three top priority areas for staff to place a particular legislative focus. The priority areas include:

- Balanced Growth
- Traffic Management and Mitigation
- Support to Neighborhood Commercial Districts

Conclusion

Fremont prides itself on being a fiscally responsible, lean organization, making the most of the resources entrusted to us. The prolonged recession forced us to focus those resources on providing essential quality of life services valued by the community. Fiscal discipline and wise stewardship over many years have made it possible for us to take a balanced approach as we have strategically restored service levels. Those same traits will serve us well as we begin to address the new set of fiscal challenges and planning for future needs. I would like to thank both the City Council and City staff for the strong partnership that has us well positioned to move forward with confidence.

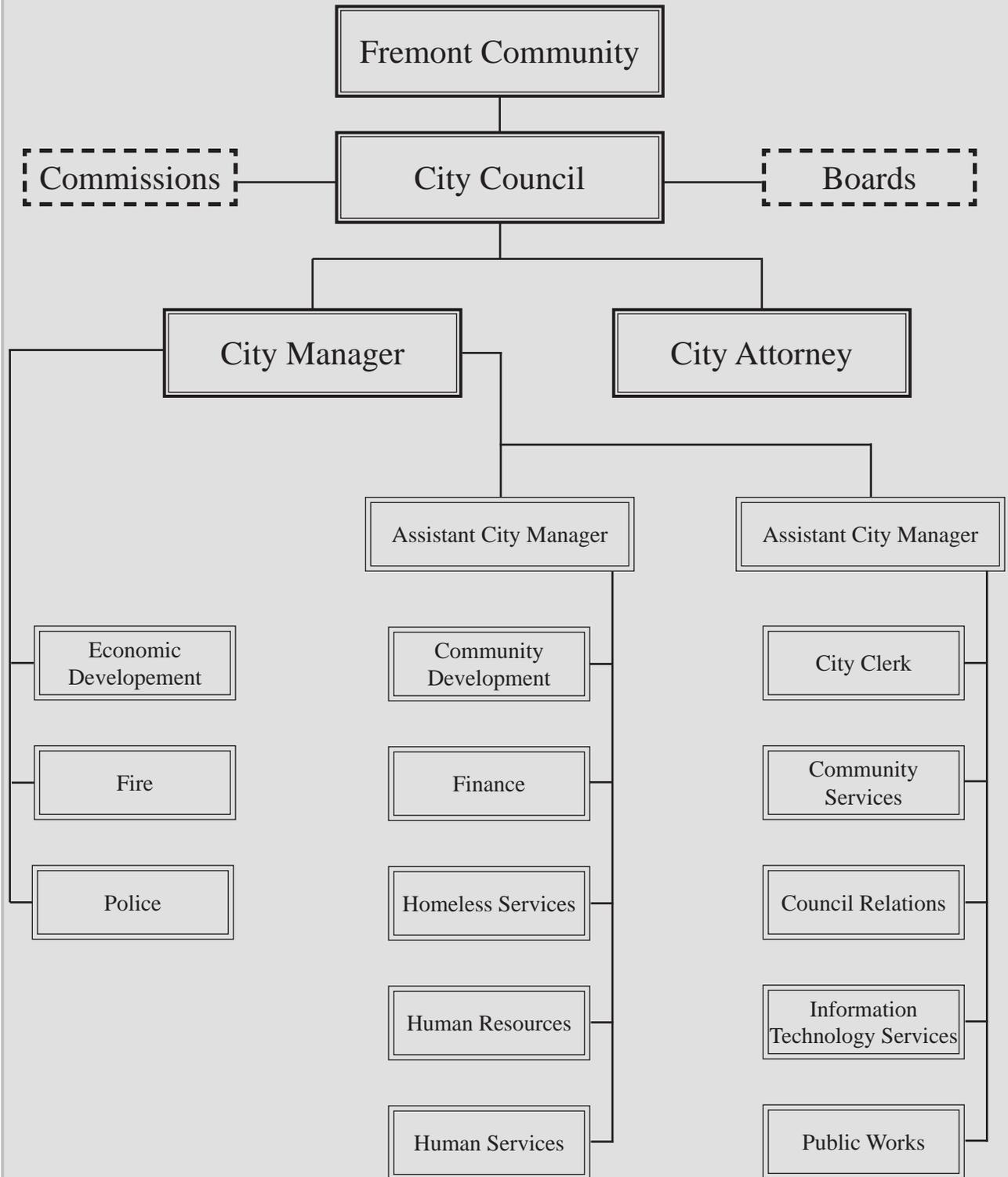


Mark Danaj
City Manager

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Summary Information

City of Fremont Organization Chart Fiscal Year 2019/20



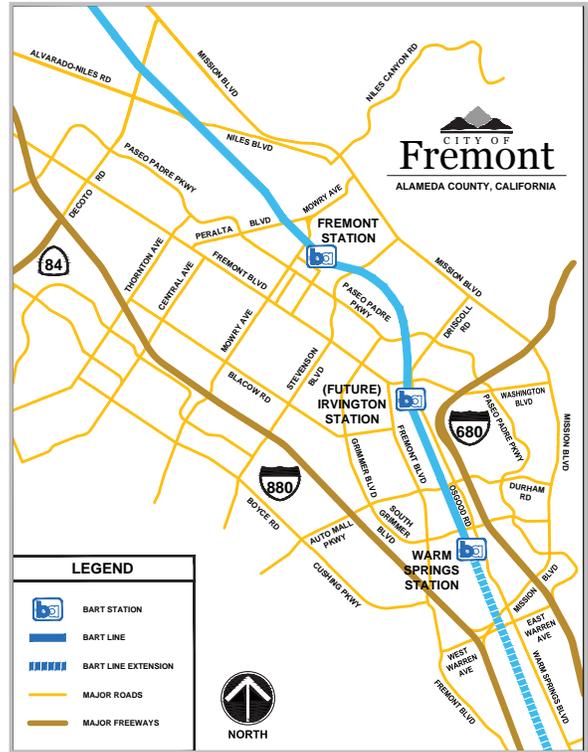
City of Fremont, California Regional View



City of Fremont Profile

History

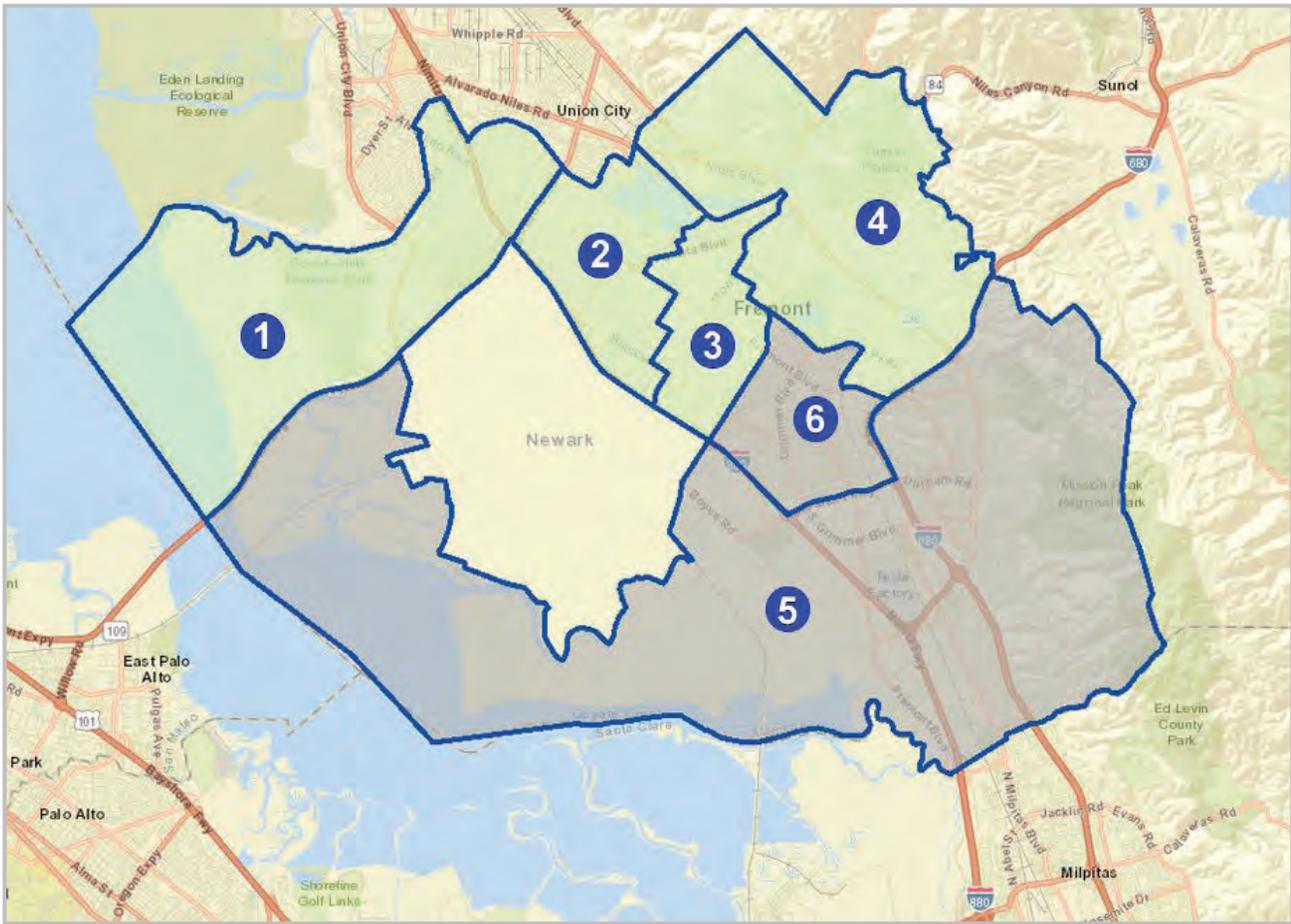
Fremont’s rich heritage can be traced to the Ohlones, natives of the land, and to the Spanish priests who established Mission San Jose, the first Spanish mission located inland. Since those early days, Fremont’s rich soil, central location, and excellent climate have continued to attract newcomers to this area. In the mid-1840s, John C. Fremont mapped a trail through Mission Pass to provide access for American settlers into the southeastern San Francisco Bay Area. During the Gold Rush era, the Mission area attracted miners headed for the California gold fields. Governor Leland Stanford acquired land in the Warm Springs area, where he planted vineyards and built one of the first wineries in the state. The Niles district made history when the last tracks needed to connect the transcontinental railroad were laid there. Further acclaim came to Niles when Charlie Chaplin filmed “The Tramp” at the Essanay Movie Studio there. In 1853, Washington Township was established and included the communities of Mission San Jose, Centerville, Niles, Irvington, and Warm Springs. On January 23, 1956, these communities joined to form the City of Fremont.



On June 13, 2017, the City Council adopted an ordinance establishing six council districts and a by-district election process for six Councilmembers, with the Mayor continuing to be separately elected to a four-year term by a citywide vote. The district boundaries are shown on the map located at www.Fremont.gov/DistrictElectionsMap. Current Councilmembers will continue in office until the expiration of the full term to which they were elected. At the end of the term of each Councilmember, that Councilmember’s successor will be elected on a by-district basis.

An election was held in November 2018 that include District 1 (Northwest portion of the city), District 2 (Central north portion), District 3 (Central portion), and District 4 (Eastern portion), with a two-year term for the Councilmember elected to Council District 1. In the November 2020 election, voters in District 1, District 5 (South portion) and District 6 (Central south portion) will each elect a City Councilmember, and all voters will vote for Mayor.

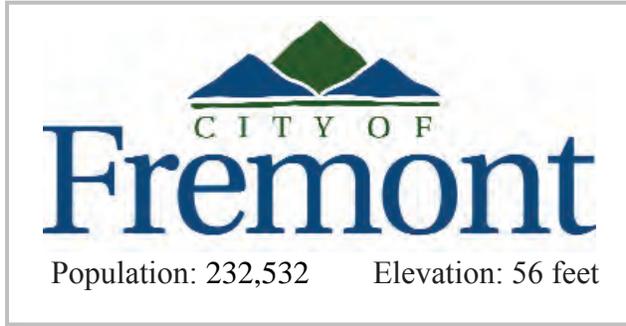
Council Districts



Quality of Life

Fremont, located in southern Alameda County, stretches from the San Francisco Bay to the top of Mission Peak above historic Mission San Jose in the east. With a population of 232,532, Fremont is the fourth largest city in the San Francisco Bay Area and ranks 96th among the most populous cities in the nation according to the US Census Bureau. Fremont is approximately 92 square miles in size and includes the 450-acre Central Park and 80-acre Lake Elizabeth, along with 60 other parks, five community centers, and extensive sports facilities. Fremont is also home to the Don Edwards San Francisco Bay National Wildlife Refuge, adjacent to Coyote Hills Regional Park.

Fremont enjoys a high rate of home ownership, a low crime rate, and a quality of life that is considered to be one of the best in the United States. For example, Fremont was rated as the best place in which to raise healthy children in the nation, and Men’s Health magazine rated Fremont #1 in the nation for men’s health. Fremont residents enjoy a highly rated public education system, low crime rates, and a vast array of recreation, park, and other leisure activities. In addition to beautiful parks and extensive recreational facilities, Fremont has easy access to three international airports, several major educational institutions, the Bay Area Rapid Transit (BART) system, and professional sports and cultural opportunities. Fremont is also home to Washington Hospital, a community asset for over 50 years.



Government

Incorporated January 23, 1956

Fremont is currently a General Law Council/Manager City governed by a five-member City Council with a directly elected Mayor, all elected at large.

In November 2018, Fremont transitioned to district based elections, with 6 council districts and a mayor still elected at large.

Number of Directly-Elected Mayors (since 1978): 8

Number of City Managers since Incorporation: 7

Full-time Employees FY 2019/20 ¹	
Community Development	80.25
Community Services	96.01
Economic Development	4.00
Fire	162
General Government	92.92
Human Services	64.40
Police	317.50
Public Works	135.65
Total	952.73

Demographics

Population ²	
1956	22,443
1960	43,634
1970	102,321
1980	127,454
1990	173,116
2000	203,413
2010	214,089
2019	232,532

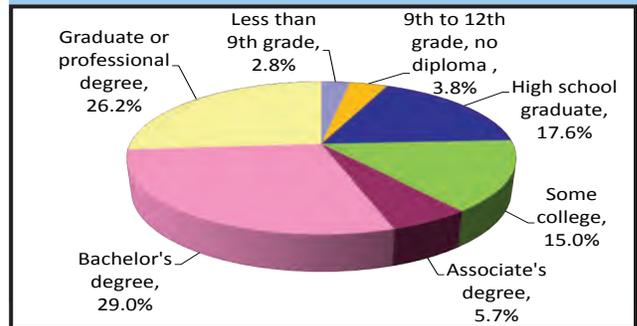
Land Area: 92 square miles

Climate³

Average Temperature: 60°F (15.6°C)

Average Annual Precipitation: 15.19"

Level of Educational Attainment (of people 25 years and older)⁴

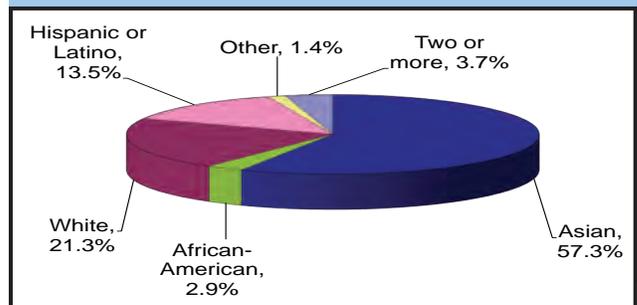


Median Age⁴: 37.7

Mean Household Income (2017 projection)⁴: \$143,043

Racial Composition⁴

(Hispanic/Latino may be of any race)



Business

Major Employers (listed in alphabetical order)⁵

- Asteelflash
- Boehringer Ingelheim
- City of Fremont
- Electroniss For Imaging (EFI)
- Fremont Unified School District
- Kaiser Permanente
- Lam Research
- Mattson Technology
- Mentor Graphics
- Office Depot
- Palo Alto Medical Foundation
- Quanta Computer
- Sanmina-SCI
- Seagate
- Synnex
- Sysco Food Services
- Tesla Motors
- Thermo Fisher Scientific
- Washington Hospital
- Western Digital

Community Services

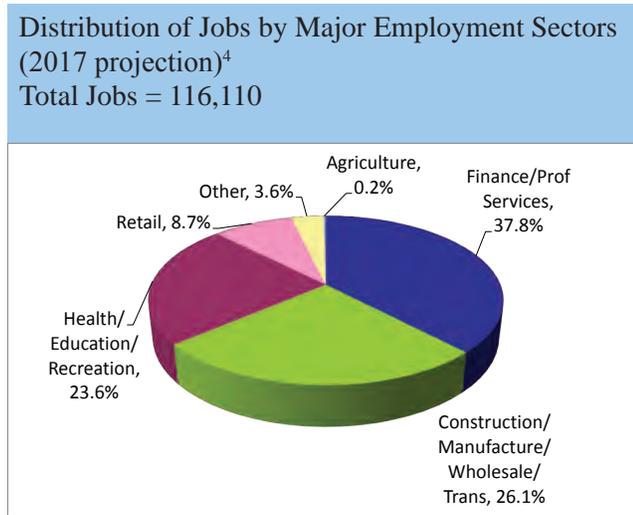
City Resources	
Family Resource Center	1
Parks	61
Senior Center	1
Community Centers	5
Fire Stations	11

Education

Fremont Unified School District (FUSD) has:
 29 elementary schools
 5 junior high schools
 6 high schools
 7 other programs/schools

Average SAT Percentage Benchmarks
 FUSD: 94.76% (ELA)/87.24% (Math)
 County: 76.93% (ELA)/61.68% (Math)
 State: 71.04% (ELA)/50.67% (Math)

Ohlone College is a public, two-year, open-admission community college with an average enrollment of almost 16,000 students per year⁷.



Services by Other Governmental Units

Education:	Fremont Unified School District and Fremont-Newark Community College District
Flood:	Alameda County Flood Control and Water Conservation District
Parks:	East Bay Regional Park District
Public Transportation:	Bay Area Rapid Transit District, Alameda-Contra Costa Transit District, ACE Train, and Amtrak Capitol Corridor Train
Sewer:	Union Sanitary District
Gas and Electricity:	Pacific Gas and Electric
Water:	Alameda County Water District

Notes:

¹ FY 2019/20 Adopted Operating Budget, City of Fremont

² California State Department of Finance

³ The Weather Channel

⁴ U.S. Census Bureau, 2013-2017 American Community Survey

⁵ City of Fremont, Economic Development Department

⁶ California Department of Education

(Due to new SAT testing format, Department of Education is reporting percentage meeting benchmarks established by the College Board)

⁷ Ohlone College, Office of College Relations

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All City Funds Schedule

The Summary of All Funds schedule on the following page groups the City's funds into four categories:

- General Fund
- Cost Center/Internal Service
- Special Revenue
- Capital

The first three categories include the City's operating funds, and the last one is a special purpose fund used for capital investments. Funding for most of the City's operations and most of its services comes from the first three fund categories.

The budget for Capital funds is reviewed and adopted by the City Council as part of the Capital Improvement Program (CIP).

The Summary of All Funds schedule consolidates all funds citywide and presents the total available resources and total use of resources, including beginning fund balances, revenues, expenditures, "transfers in," and "transfers out." This consolidation is achieved by eliminating all transfers between funds that are within the same fund category and all internal service fund charge transfers. Such eliminations are similar to those made to produce the City's government-wide financial statements, as mandated by Governmental Accounting Standards Board (GASB) Statement 34. These eliminations avoid the double counting that would otherwise occur if these adopted transactions were shown as either additional transfers or as additional revenues and expenditures. Therefore, the "Total Revenues" and "Total Expenditures" lines for all funds present the true budgeted revenues and expenditures expected to be received and spent by the entire organization.

Please refer to the General Fund section and the Other Funds section of this document for more information.

Summary Information | All City Funds Schedule

Summary of All Funds (Thousands of Dollars)

	General Fund	Cost Center/ Internal Services Funds	Special Revenue Funds	Capital Funds	Total
Sources					
Beginning Unreserved Fund Balance	\$ 13,124	\$ 24,172	\$ 66,198	\$ 66,192	\$ 169,686
Revenues					
Taxes:					
Property Tax	106,016	-	-	-	106,016
Sales Tax	63,933	-	1,697	-	65,630
Business Tax	11,700	-	-	-	11,700
Hotel/Motel Tax	8,888	-	-	-	8,888
Property Transfer Tax	1,937	-	-	-	1,937
Paramedic Tax	1,208	-	-	-	1,208
Franchise Fees	10,394	-	-	-	10,394
Charges for Services	5,841	41,227	13,291	300	60,659
Fines	2,288	-	-	-	2,288
Use of Money and Property	1,658	604	693	1,037	3,992
Intergovernmental	234	-	8,669	17,450	26,353
Other Revenues	208	1,662	22,341	43,931	68,142
Total Revenues	214,305	43,493	46,691	62,718	367,207
Transfers In	7,346	5,288	2,641	5,500	20,775
Total Sources	234,775	72,953	115,530	134,410	557,668
Uses					
Expenditures					
General Government	17,542	-	-	-	17,542
Police	92,767	-	540	-	93,307
Fire	56,019	1,855	336	-	58,210
Maintenance (Streets/Facilities)	18,902	-	-	1,775	20,677
Maintenance (Parks/Street Medians)	9,916	-	2,421	-	12,337
Human Services	4,158	935	11,751	-	16,844
Code Enforcement/Community Development Admin	2,013	-	160	-	2,173
Housing	-	-	10,297	-	10,297
Environmental Services	-	-	8,796	-	8,796
Engineering	-	13,527	-	-	13,527
Planning	-	5,016	-	-	5,016
Building and Safety	-	10,091	-	-	10,091
Recreation	-	11,412	-	-	11,412
Landscape	-	1,708	-	-	1,708
Non-departmental	3,239	1,076	-	-	4,315
Capital	-	1,608	-	68,514	70,122
Less: Citywide Savings	(7,000)	-	-	-	(7,000)
Debt Service	8,952	-	572	-	9,524
Total Expenditures	206,508	47,228	34,873	70,289	358,898
Transfers Out	13,442	8,046	1,285	1,125	23,898
Total Uses	219,950	55,274	36,158	71,414	382,796
Ending Fund Balance					
Reserved Fund Balance	45,032	18,876	6,849	-	70,757
Unreserved Fund Balance	4,309	18,965	78,208	53,281	154,763
Total Ending Fund Balance	\$ 49,341	\$ 37,841	\$ 85,057	\$ 53,281	\$ 225,520

Citywide Position Changes Overview

The total authorized regular staffing level of 952.73 for FY 2019/20 has increased by 16.0 full time equivalent (FTE) positions from the FY 2018/19 level. While there is an overall increase in staffing, many departments continue to operate at a low level when compared to historical staffing ratios.

The FY 2019/20 staffing increases serve to enhance public safety response capability, improve park and building maintenance services, and provide support for homeless services.

The Human Resources Department staffing increase of 1.0 FTE includes one Management Analyst II to primarily support the increased demands of recruitment for Police Officers.

The Information Technology Services Department staffing increase of 4.0 FTEs includes one Information Security Manager to manage the City’s cyber security, one Senior Systems Analyst Programmer to primarily support the Police Department with technology, one Senior Systems Analyst Programmer to act as a project manager for several key system upgrades, and one Management Analyst II to assist with budgets, procurement and contracts.

The Fire Department staffing increase of 1.0 FTEs includes the addition of one Hazardous Materials Manager to assist with disaster assessment targets and complex chemical and regulatory concerns.

	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
<u>PUBLIC SAFETY</u>						
Fire	157.00	158.00	159.00	160.00	161.00	162.00
Police	296.50	303.50	306.50	311.50	314.50	317.50
TOTAL	453.50	461.50	465.50	471.50	475.50	479.50
<u>OTHER COMMUNITY SERVICES</u>						
Community Development	60.30	68.05	71.05	76.05	80.25	80.25
Community Services	90.01	90.76	91.01	92.01	94.01	96.01
Economic Development	4.00	4.00	4.00	4.00	4.00	4.00
Human Services	59.93	60.55	61.55	64.55	65.40	64.40
Public Works	117.61	121.53	124.35	127.35	129.65	135.65
TOTAL	331.85	344.89	351.96	363.96	373.31	380.31
<u>ADMINISTRATIVE SYSTEMS</u>						
City Manager's Office	9.30	9.80	10.80	10.80	12.05	12.05
City Attorney	9.92	9.92	9.92	9.92	9.92	9.92
City Clerk	4.20	3.95	3.95	3.95	3.95	3.95
Finance	22.75	24.00	24.00	24.00	24.00	24.00
Human Resources	13.50	14.25	15.25	15.25	15.00	16.00
Information Technology Services	22.00	23.00	23.00	23.00	23.00	27.00
TOTAL	81.67	84.92	86.92	86.92	87.92	92.92
CITYWIDE TOTAL	867.02	891.31	904.38	922.38	936.73	952.73

Note: Total number of positions anticipated at the end of June 2019 shown for FY 2018/19.

Summary Information | Citywide Position Changes

The Community Services Department staffing increase of 2.0 FTEs includes one Park Ranger Supervisor to support the Park Ranger services and assist with homeless services and one Senior Office Specialist to support the 50/50 Tree Program.

The Human Services Department staffing decrease of 1.0 FTE includes the reduction of a Case Manager position as the funding and service has transferred to the Fremont Unified School District.

The Police Department staffing increase of 3.0 FTEs represents the addition of two Community Service Officers to increase patrol capacity and one Equipment Room Assistant.

The Public Works Department staffing increase of 6.0 FTEs includes one Building Maintenance Worker II to assist with facility condition assessments, two Street Maintenance Workers to assist with traffic safety and pavement maintenance, one Engineering Tech to assist with design and development projects, one Engineer I to assist with Transportation safety, and one Facilities Design and Construction Project Supervisor II to assist with the maintenance and upkeep of aging City Infrastructure.

City Debt Summary

The City has adopted a Debt Management Policy that establishes guidelines for debt issuance. The City will consider the issuance of long-term debt obligations only under the conditions outlined in the Debt Management Policy displayed in the Policies & Glossary section of this document.

The following charts summarize changes during the past year in the City’s outstanding debt, debt service budgeted for FY 2019/20, and its future annual debt service requirements.

Changes in Outstanding Debt

	Amounts Outstanding 6/30/2018	Incurred or Issued	Matured or Retired	Amounts Outstanding 6/30/2019	Amounts Due Within One Year	Amounts Due in More than One Year
General Obligation Bonds						
2012 Fire Safety Bonds Maturity – 08/01/2032	6,440,000	-	(345,000)	6,095,000	355,000	5,740,000
2013 Fire Safety Bonds Maturity – 08/01/2034	19,030,000	-	(820,000)	18,210,000	850,000	17,360,000
2017 Fire Safety Bonds Maturity – 08/01/2038	12,215,000	-	(370,000)	11,845,000	380,000	11,465,000
Total General Obligation Bonds	37,685,000	-	(1,535,000)	36,150,000	1,585,000	34,565,000
General Fund Lease Obligations						
2012A Certificates of Participation Maturity – 08/01/2025	8,040,000	-	(885,000)	7,155,000	920,000	6,235,000
2016 Energy Efficiency Financing Maturity – 02/01/2027	7,269,692	-	(744,649)	6,525,043	759,692	5,765,351
2017A Lease Revenue Bonds Maturity – 08/01/2038	75,875,000	-	(3,330,000)	72,545,000	3,410,000	69,135,000
2017B Lease Revenue Bonds Maturity – 10/01/2038	19,725,000	-	(565,000)	19,160,000	595,000	18,565,000
Total General Fund Lease Obligations	110,909,692	-	(5,524,649)	105,385,043	5,684,692	99,700,351
General Fund Loans						
2017 PG&E On-Bill Financing Program Maturity – 06/01/2021	818,182	-	(272,727)	545,455	272,727	272,728
Family Resource Center Lease Obligations						
2017A Lease Revenue Bonds Maturity – 08/01/2028	5,690,000	-	(420,000)	5,270,000	440,000	4,830,000
Total City Long-term Debt	\$ 155,102,874	\$ -	\$ (7,752,376)	\$ 147,350,498	\$ 7,982,419	\$ 139,368,079

Summary Information | City Debt Summary

Budgeted Debt Service - FY 2019/20

	Principal	Interest	Total
General Obligation Bonds			
2012 Fire Safety Bonds	\$ 355,000	\$ 183,125	\$ 538,125
2013 Fire Safety Bonds	850,000	739,088	1,589,088
2017 Fire Safety Bonds	380,000	483,100	863,100
Total General Obligation Bonds	1,585,000	1,405,313	2,990,313
General Fund Lease Obligations			
2012A Certificates of Participation	920,000	253,663	1,173,663
2016 Energy Efficiency Financing	759,692	127,355	887,047
2017A Lease Revenue Bonds	3,410,000	1,856,008	5,266,008
2017B Lease Revenue Bonds	595,000	757,738	1,352,738
Total General Fund Lease Obligations	5,684,692	2,994,763	8,679,455
General Fund Loans			
2017 PG&E On-Bill Financing Program	272,727	-	272,727
Family Resource Center Lease Obligations			
2017A Lease Revenue Bonds	440,000	132,310	572,310
Total Budgeted Debt Service	\$ 7,982,419	\$ 4,532,386	\$ 12,514,804

Annual Debt Service Requirements

Year Ending June 30	General Obligation Bonds		General Fund Lease Obligations/Loans		Family Resource Center Lease Obligations	
	Principal	Interest	Principal	Interest *	Principal	Interest *
2020	\$ 1,585,000	\$ 1,405,313	\$ 5,957,419	\$ 2,994,763	\$ 440,000	\$ 132,310
2021	1,650,000	1,338,100	6,122,765	2,829,174	465,000	120,455
2022	1,710,000	1,266,013	6,035,695	2,782,175	490,000	116,184
2023	1,780,000	1,193,463	6,211,668	2,590,722	515,000	102,014
2024	1,840,000	1,120,588	6,402,963	2,391,793	545,000	87,068
2025 - 2029	10,295,000	4,408,819	29,639,988	8,978,675	2,815,000	184,640
2030 - 2034	11,885,000	2,093,438	22,905,000	4,838,865	-	-
2035 - 2039	5,405,000	333,894	22,655,000	1,695,911	-	-
Total	\$ 36,150,000	\$ 13,159,625	\$ 105,930,497	\$ 29,102,077	\$ 5,270,000	\$ 742,669

* The assumed interest rate for the City's variable rate lease revenue bonds is 2.62% for FY 2019/20, 2.62% for FY 2020/21, and 2.82% thereafter.

Legal Debt Margin

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation; however, this provision was enacted when assessed valuation was based upon 25% of market value. The computation below reflects a conversion of assessed valuation data from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

In accordance with California Government Code section 43605, only the City’s general obligation bonds are subject to the legal debt limit. With only \$36,150,000 of outstanding debt subject to the legal debt limit and a legal debt limit of \$1,905,454,943, the City is not at risk of exceeding this limit.

Computation of Legal Debt Margin as of June 30, 2019

Assessed Valuation (net) ¹	\$ 50,812,131,819
25% of Assessed Valuation	12,703,032,955
Debt Limit: 15% of Assessed Valuation	<u>1,905,454,943</u>
Less Outstanding Debt (subject to legal debt limit)	(36,150,000)
Legal Debt Margin	<u>1,869,304,943</u>

¹ Source: Auditor-Controller of Alameda County, Certificate of Assessed Valuation, Fiscal Year 2018/19.

Debt Management Policy General Fund Debt Service Limit

The City of Fremont’s Debt Management Policy, adopted by the City Council on April 4, 2017, requires that debt service supported by the General Fund will not exceed 7% of total General Fund budgeted expenditures and transfers out. With FY 2019/20 debt service supported by the General Fund estimated at \$8,952,182, and a debt service limit of \$15,394,750, the City is not projected to exceed its debt service limit.

Compliance with General Fund Debt Service Limit

Total General Fund Budgeted Expenditures and Transfers Out	\$ 219,925,000
Debt Management Policy Limit of 7%	15,394,750
Less Debt Service Supported by the General Fund	<u>(8,952,182)</u>
Debt Service Margin	6,442,568

Summary Information | City Debt Summary

As shown in the chart below, the City’s annual debt service has remained below the policy limit of 7% of General Fund Expenditures and Transfer Out during the past ten years.

Annual Debt Service vs. Debt Policy Limit



Appropriations Limit

Article XIII B of the California Constitution (enacted with the passage of Proposition 4 in 1979, with modifications under Proposition 111 passed in June 1990, and implemented by California Government Code sections 7900, and following) provides the basis for the appropriation limitation. In brief, the City’s appropriations growth rate is limited to changes in population and either the change in California per capita income or the change in the local assessment roll due to new, non-residential construction.

The formula to be used in calculating the growth factor is:

$$\frac{\% \text{ change in population} + 100}{100}$$

multiplied by

either

$$\frac{\% \text{ change in per capita income} + 100}{100}$$

or

$$\frac{\% \text{ change in assessment roll due to non-residential construction} + 100}{100}$$

The resultant factor times the previous appropriations limit equals the new appropriation limit.

Both the California per capita personal income price factor and the population percentage change factor are provided by the State Department of Finance to local jurisdictions each year. The population percentage change factor estimates the change in the City’s population between January of the previous fiscal year and January of the current fiscal year. Reports that present changes in new non-residential assessed value are provided by the County of Alameda. These numbers provide the basis for the factor to be used in the City’s calculation of the Appropriations Limit. Of the two methods above, the City is using the “per capita personal income” factor because it results in the higher appropriations limit.

On May 1, 2019, the State Department of Finance notified each city of the population change factor and the per capita personal income factor to be used in determining the appropriations limit. The percentage change in per capita income is 3.85%. The calculation as applied to the City of Fremont for FY 2019/20 is as follows:

The population change on January 1 of the previous year (231,252) to the population on January 1, 2019 (232,532) is 1,280, or a 0.55% increase.

The change in per capita personal income is 3.85%.

The factor for determining the year-to-year increase is computed as:

$$\frac{0.55 + 100}{100} \quad \times \quad \frac{3.85 + 100}{100} \quad = \quad 1.0442$$

Summary Information | Appropriations Limit

Applying this year's factor of 1.0442 to last year's limit of \$704,793,680, the Appropriations Limit for FY 2019/20 yields \$735,945,561.

Based on an operating budget of \$219,950,000 Fremont is not at risk of exceeding the appropriations limit. The Appropriations limit is adopted by the City Council concurrently with the adoption of the FY 2019/20 operating budget.

Budget Principles

As part of the FY 2012/13 budget, the City Council adopted budget principles to help guide decisions having financial implications. In addition, the City began including performance measurements as part of departmental operating budgets. The first phase of performance measurement occurred with the development of the FY 2012/13 operating budget, and included the Community Services, Fire, Human Resources, Information Technology Services, and Public Works Departments. The rest of the City's department performance measurements were developed as part of the FY 2013/14 budget planning process. A list of budget principles and a summary of department performance measures are presented on the following pages.

There are a number of principles noted below that have been used to guide the development of the operating budget. These principles fall into three primary categories: General Fund Preservation, Reduce the Cost of Doing Business, and Revenue Generation.

General Fund Preservation

- Maintain a structurally balanced budget
- Spend restricted or non-General Fund resources first
- Do not commit one-time resources to ongoing costs or programs
- Do not issue long-term debt to fund ongoing operating costs
- Maintain adequate reserves – review and update as needed
- Adopt policies that support sustainability
- Regularly monitor financial performance
- Fully recover costs of providing services
- Analyze and adjust fees regularly and incrementally

Reduce the Cost of Doing Business

- Understand what the City is required to do versus what it has chosen to do
- Maximize use of grant funding to offset General Fund costs, based on Council priorities
- Streamline and automate processes for efficiency
- Consider alternative service delivery options
- Consider total compensation when bargaining
- CIP projects may proceed only if there is sufficient funding for ongoing operating and maintenance costs
- Invest reserves/one-time revenues in capital outlay items that will reduce long-term operating costs and increase efficiency

Revenue Generation

- Continue to pursue new economic development opportunities
- Pursue opportunities to maximize revenues
- Maximize administrative and operational efficiencies before pursuing new revenues

Performance Measurement

For FY 2012/13, the City launched the first phase of performance measurement, which included the following departments: Community Services, Fire, Human Resources, Information Technology Services, and Public Works. Performance Measurements for the remaining departments were developed as part of the FY 2013/14 budget planning process. Phase II included the City Attorney’s Office, City Clerk, City Manager’s Office, Community Development, Economic Development, Finance, Human Services, and Police.

City Attorney

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Percent of standard contracts reviewed within 5 business days of receipt	90%	90%	90%	90%
Percent of liability (damage) claims reviewed and insufficiency noted within 14 days of receipt	100%	90%	100%	90%
Percent of all serious work-related injuries reported to Cal OSHA within 8 hours of being informed of injury	100%	100%	100%	100%

City Clerk

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Percent of time the Agenda packet is posted and distributed no later than 4 days prior to each City Council meeting	59%	90%	62%	90%
Number of complaints received regarding Public Records Requests (PRR)	5	0	3	0

Summary Information | Performance Measurement

City Manager

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Percent of residents that agree that Fremont is a “good” or “excellent” place to live ¹	72%	N/A	N/A	76%
Percent of employees that feel “prepared” and “trained” to do their jobs ²	87%	N/A	84%	N/A
Number of social media accounts ³ maintained by the City.	26	27	33	33
Number of likes, followers and subscribers of the social media accounts.	116,000	120,000	172,707	189,977
<p>¹ The community survey is a biennial survey. The last one took place in June 2018.</p> <p>² The employee survey is a biennial survey. The next one is anticipated to take place in FY 2020/21.</p> <p>³ Social media accounts refer to the Facebook, Twitter, Youtube, Google+, Instagram and Fremont Open City Hall platforms.</p>				

Community Development

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Reduce waits for public counter assistance to a maximum of 15 minutes	90%	90%	95%	90%
Achieve entitlement processing schedules	90%	90%	90%	90%
Achieve building permit processing schedules	85%	90%	80%	90%

Community Services

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Increase Recreation program registrants over prior year	31,433	35,000	32,000	33,500
Increase number of creek clean-up volunteers	695	700	710	800

Economic Development

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Number of businesses assisted by Economic Development Department ⁴	N/A	N/A	N/A	100
Number of business events that Economic Development Department staff hosted in Fremont, had prominent speaking role in, or directly supported organization/planning outside of Fremont ⁴	N/A	N/A	N/A	15
Number of business appreciation visits and establishment of baseline for percentage of visits that lead to subsequent follow-up/interaction with City	55	50	35 ⁵	50
⁴ New performance measure established as part of FY2019/20 budget process. ⁵ Reduction of visits due to significant changes in Department during FY 2018/19				

Finance

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Percent of bids reissued	8%	2%	8%	2%
Percent of Business Tax certificates issued online	36%	35%	37%	37%

Fire

Measure	FY 2017/18 Actual*	FY 2018/19 Target*	FY 2018/19 Estimate*	FY 2019/20 Target*
Percent of time first unit arrives at emergency scene five minutes and thirty seconds from time of dispatch.	66%	90%	62%	90%
Percent of time all units arrive at emergency scene (structure fire) nine minutes and 30 seconds from time of dispatch.	73%	90%	70%	90%
Provide sufficient amount of quality training to maintain operational readiness	38.7 hours per person per month	20 hours per person per month	35 hours per person per month	20 hours per person per month
Provide sufficient amount of quality training to maintain required licenses and certifications	Required licenses and certifications 100% compliance	Met this measure with 100% compliance	Required licenses and certifications 100% compliance	Met this measure with 100% compliance
Percent of inspections of State Fire Marshal (SFM) regulated occupancies	Met this measure with 80% compliance	Complete inspections of 85% of SFM regulated occupancies in a given year	Met this measure with 90% compliance	Complete inspections of 95% of SFM regulated occupancies in a given year
Percent of inspections of permitted Hazardous Materials (Haz Mat) facilities	Completed 33% of Haz Mat Facility and 100% of Underground Storage Tank (UST) inspections	Complete 33% of Haz Mat Facility and 100% of Underground Storage Tank (UST) inspections in a given year	Completed 33% of Haz Mat Facility and 100% of Underground Storage Tank (UST) inspections	Complete 33% of Haz Mat Facility and 100% of Underground Storage Tank (UST) inspections in a given year

* Data tracked on a calendar basis.

Summary Information | Performance Measurement

Human Resources

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
% of employees participating in a 457(b) deferred compensation plan for retirement savings	73%	N/A ⁶	75%	80%
% of employees who have received a formal evaluation in the last 12 months	N/A ⁷	65%	76%	N/A ⁷
Avg. days between prospective police recruit application and issuance of offer letter (police recruit)	168	N/A ⁶	TBD	150
Avg. days between requests to fill position and issuance of offer letter (all non-police officer positions)	165	N/A ⁶	TBD	140
⁶ New measure established for the first time in fiscal year 2018/19. ⁷ Measure every other year by employee survey.				

Human Services

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Percent of Long-term SparkPoint Clients achieving economic mobility ¹	75%	75%	75%	75%
Percent of senior clients that improve their understanding of how to take their medication ²	100%	80%	85%	80%
Percent of youth who improved in their social emotional health and were observed as stable after receiving counseling services ³	75%	75%	75%	75%
¹ Long-term SparkPoint clients will improve in one of four SparkPoint metrics (Higher Credit Score, Lower Debt to Income Ratio, Higher Income or Higher Savings) by at least 5%. ² As measured by a pre and post test administered by a public health nurse. ³ Measured by clinicians using the Child and Adolescent Needs and Strengths Assessment, an evidenced based instrument that measures client change over time.				

Information Technology Services

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Percent of service desk calls resolved at first point of contact (when call is placed to the ITS Service Desk)	78%	80%	80%	80%
Percent of network availability as measured using a monitoring tool uptime algorithm	99%	99%	99%	99%
Percent of service tickets resolved within the stated service level agreements (SLAs) for the type and criticality of each request	79%	80%	75%	80%
Percent of requests for GIS Street Naming and Addressing projects completed within agreed-upon time frames	81%	80%	80%	80%

Summary Information | Performance Measurement

Police

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Continue to apply the strategies, tactics, and methods used to sustain present level or further reduce the incidence of residential burglaries* <i>*figures reported by Uniform Crime Reporting (UCR) calendar year</i>	352 ¹¹ (single/multiple residences only) 673 ¹¹ (all burglaries)	Sustain present level or further reduction from previous year	350 ¹² (single/multiple residences only) 720 ¹² (all burglaries)	Sustain present level or further reduction from previous year
Minimize the number of injury collisions as compared to the previous year. <i>*figures reported by Uniform Crime Reporting (UCR) calendar year</i>	743 ¹¹	Reduction from previous year	604 ¹²	Reduction from previous year
Enrollment of all employees in a baseline medical analysis exam	N/A	N/A	75%	100%
Increase staffing levels to full allocations for the positions of Police Officer and Communications Dispatcher	N/A	N/A	90%	100%
¹¹ Calendar Year 2017. ¹² Calendar Year 2018.				

Public Works

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Average Pavement Condition Index (PCI) for the entire 500-mile street network.	PCI of 72	PCI of 72	PCI of 73	PCI of 73
Percent of streets in “poor” condition (below PCI 50)	14%	13%	13%	11%
Percent of preventative maintenance repairs Fleet services performed on-schedule (e.g., completed within two weeks of scheduled service)	63%	75%	50%	75%
Number of persons severely or fatally injured in traffic crashes Note: Baseline condition is 37 in 2015 (8 fatalities)	26 in 2017 (10 fatalities)	Continuous improvement	17 in 2018 (4 fatalities)	Continuous improvement
Percent of graffiti removal calls responded to within one business day for Priority 1 graffiti (gang-related or profane) / one business week for Priority 2 graffiti for all other types	39% / 86%	65% / 85%	55% / 85%	65% / 85%

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Citywide Goals and Objectives

The City Council adopted a Strategic Plan that outlines a vision for the long-term future of Fremont and proposes strategies and short-term goals for achieving the vision. The plan has three main purposes. First, it communicates the City’s vision for the future to residents, businesses, and City employees. Second, it provides guidance so that decisions are good for today’s challenges and good for the City in the future. Making decisions in the context of a shared vision developed through collaboration ensures broad commitment to the success of the plan. Finally, the Strategic Plan provides a sound framework for long-term departmental planning.

For budgeting purposes, the long-term desired outcomes and values outlined in the plan have been adopted as citywide goals that support the City Council’s vision. The goals are used as a framework for ensuring alignment of department objectives with the City Council’s vision. This section of the budget document presents the City Council’s vision and goals. It also includes a matrix that illustrates the alignment of departmental objectives with citywide goals. Department objectives presented here may be abbreviated for format purposes. The full narrative text for each objective is displayed in the Departmental Budgets section of this document.

City Council’s Vision

Fremont will be a globally-connected economic center with community pride, strong neighborhoods, engaged citizens from all cultures, and a superb quality of life.

Citywide Goals

1. **Strong community leadership**

City Council, Boards, and Commissions work with the community to create the long-term vision for Fremont and provide policy direction and guidance to the City organization. The City Manager and staff carry out the long-term vision on a daily basis through a variety of services and activities.

2. **A safe community**

People value a feeling of safety and security within their community. In Fremont, residents work together and with City staff to prevent crime and solve problems in their neighborhoods.

3. **A vibrant local economy**

The local economy is comprised of a strong, diversified commercial and industrial base, providing high-quality employment for the region. It is balanced with a strong retail sector and healthy neighborhood commercial districts.

4. Thoughtful, orderly use of land and protection of environmental resources

The City values a harmonious blend of natural and physical environments, with particular priority for preservation of open space, such as the hillface and bay wetlands. Thoughtful land use and conservation also protect people's social and financial investments in the community.

5. Safe and effective transportation systems

Quality of life is highly dependent on high quality transportation systems, which enable people to get around easily. Alternatives to automobile transportation, such as walking, cycling, and public transit are also valued.

6. Public facilities and programs for recreation

Public facilities provide individual and family entertainment, relaxation, and education. Fremont's public amenities include parks, community centers, historic estates, a golf course, and related programming.

7. Historic character

Preservation of historic properties, neighborhoods, and commercial districts enables the community to adapt to change and embrace a progressive future while remaining true to its heritage and historic character.

8. Building a caring community

Fremont is a community where members care for each other and value services that help families and individuals live self-sufficiently with a respectable quality of life. The community values a range of housing opportunities balanced with employment opportunities to ensure that people who work in Fremont may also live here.

9. Strong families and healthy children

Fremont is proud of its identity as an excellent place for families and children. The City partners with the school district and other agencies and groups to foster growth in families and provide opportunities for youth development and community involvement.

10. Involvement of a diverse population

Fremont is an inclusive community that welcomes people of all ages, ethnicities, incomes, and backgrounds. The City believes that all segments of the population must be engaged and involved in making community decisions in order to ensure a high quality of life and effective democracy.

11. Effective and efficient city government

The Fremont community wants honest, responsive city government serving the community's interests with progressive, equitable, and fiscally responsible service delivery.

12. Creating an aging friendly community

The City will work to create an aging friendly community that is safe and welcoming. To that end, the City will promote an environment which values senior participation; a place where information and services are easily available for all seniors; where seniors can be mobile and actively involved; where meaningful exchanges between cultures and generations exist; and where people come together in support of one another regardless of age.

Objectives Summary

- | | |
|---|---|
|  Strong community leadership |  Historic character |
|  A safe community |  Building a caring community |
|  Vibrant local economy |  Strong families and healthy children |
|  Thoughtful, orderly use of land and protection of environmental resources |  Involvement of a diverse population |
|  Safe and effective transportation systems |  Effective and efficient city government |
|  Public facilities and programs for recreation |  Creating an aging friendly community |

COMMUNITY DEVELOPMENT DEPARTMENT:

- 1 Provide pre-development loans to new affordable housing project(s) selected by the City Council through the NOFA. 
- 2 Revise the City's Affordable Housing Ordinance based on evolving Council objectives, relevant court decisions, and lessons learned since the most recent update in 2015. 
- 3 Work with affordable housing developers to move hundreds of affordable units already in the development pipeline toward completion. 
- 4 Implement SB 743, including updating to the City's CEQA Environmental Checklist and adopt update environmental review procedure. 
- 5 Continued to update the Zoning Ordinance to provide consistency with the General Plan, address new state legislation, and clarify development standards. 
- 6 Evaluate the Orchard Heights neighborhood to determine whether to adopt development standards, design rules and design guidelines for a potential "designated neighborhood" or "neighborhood conservation area". 
- 7 Evaluate the growing trend in short-term rentals and their benefits and impact on the community and determine appropriate actions to address any negative impacts. 
- 8 Continue to implement recently adopted development standards for new two-story homes and second-story additions and report back to the City Council in Fall 2019 on progress toward achieving better neighborhood compatibility. 
- 9 Continue to collaborate with East Bay Community Energy to develop energy projects and programs that support the community. 
- 10 Continue to collaborate with Public Works to complete an Electric Vehicle Infrastructure Planning process at City facilities. 
- 11 Complete the update to the Climate Action Plan to reflect GHG reductions accomplished since 2005 and to look beyond year 2020 to establish deeper GHG emission reductions. 
- 12 Begin analyses of opportunities to purchase existing municipal solar and consider addition of battery backup power (microgrids) to support critical power loads. 
- 13 Improve and document additional safety procedures for field staff. 
- 14 Enhance Accela Citizen Access (ACA), the City's on-line permit portal. 
- 15 Modernize the Permit Center to better utilize its limited area, including creation of a kiosk center to facilitate the public's use of on-line services to enable faster access to City services. 
- 16 Implement the electronic plan checking functionality in the Accela permitting system to reduce paper consumption and storage requirements, as well as improve plan checking functionality with digital technology enhancements. 
- 17 Develop business-specific permit submittal information to better help prospective businesses and residents navigate the permitting process. 
- 18 Develop an inspection guideline/handbook to explain the required inspections needed for residential and commercial projects to enhance 
- 19 Adopt 2019 Building and Fire Codes with local amendments. 

The above are summaries of the full statement of each goal which may be found in the respective department's subsection of the Department Budgets section of this document.

Objectives Summary

-  Strong community leadership
-  A safe community
-  Vibrant local economy
-  Thoughtful, orderly use of land and protection of environmental resources
-  Safe and effective transportation systems
-  Public facilities and programs for recreation
-  Historic character
-  Building a caring community
-  Strong families and healthy children
-  Involvement of a diverse population
-  Effective and efficient city government
-  Creating an aging friendly community

FIRE DEPARTMENT:

- 1 Update the Standards of Cover to ensure staffing and resources deployments meet Council adopted service level objectives. 
- 2 Adoption the FY2019-2024 Fremont Fire Department Strategic Plan. 
- 3 Continue training the new Fire Prevention Inspectors and Hazardous Materials Inspector to assist in meeting our California State Fire Marshal mandates and CalEPA CUPA Program obligations respectively. 
- 4 Hire up to 24 Fire Suppression Personnel to fill anticipated vacancies. 
- 5 Re-design and complete probationary and lateral firefighter academies. 
- 6 Complete transition to a new County-wide ambulance service provider contract and service delivery. 
- 7 Transition to a new Electronic Patient Health Record (EHR) system. 
- 8 Perform comprehensive job analysis's for the ranks of Engineer, Captain, and Battalion Chief. 
- 9 Complete the draft Emergency Operation Plan. 
- 10 Update the Emergency Preparedness Gap Analysis and develop a five year Emergency Management Plan. 
- 11 Work with Information Technology Services to provide Wi-Fi connectivity at Fire Stations and enhance the use mobile technology. 
- 12 Enhance the use of UAS for situational awareness, search and rescue operations, site plan development and hazardous materials identification and mitigation. 
- 13 Continue coordination with Fremont Police on response to terrorism and violent incidents to include a combined large-scale training exercise. 
- 14 Develop a comprehensive recruitment program targeting high schools, firefighter academies, paramedic schools, colleges and outreach to community organizations.  
- 15 Conduct an Engineer and Battalion Chief Academy and promotional exam process.  
- 16 Purchase an airboat with FEMA grant funds (pending approval) and provide training to the department. 

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HUMAN SERVICES DEPARTMENT:

- 1 Continue to operationalize and improve the effectiveness of the Rent Review Board.   
- 2 Implement specific strategies and actions steps outlined in the FRC's 5 year action plan, to ensure the plan becomes a reality.  
- 3 Increase the average number of meals served at Lake Side Café by 5 meals per month in an effort to improve isolation and nutrition.   
- 4 Increase rental revenue at Fremont Multi Services Senior Center, with goal of 100% weekend booking.  
- 5 Partner with the Community Services Department to select a new programs and facilities software system to be utilized at the Fremont Multi Services Senior Center.   
- 6 Begin construction of the Warm Springs Senior Center.    
- 7 Continue to coordinate a comprehensive SparkPoint program at the Fremont Family Resource Center (FRC).    
- 8 Increase the financial assets of low-income families through the FRC's VITA program.    
- 9 With federal HOME funds, assist 8-10 families to remain in their homes with the help of short term rental assistance and SparkPoint services to enable them to return to financial stability.   

POLICE DEPARTMENT:

- 1 Continue current efforts and strategies focused on reducing residential and auto burglaries. Apply effective, evidence-based policing strategies to other chronic crime issues throughout the city. Further enhance relationships with businesses and the community to educate.  
- 2 Continue to emphasize high visibility enforcement in areas of high injury collision rates, during time periods that coincide with peak injury collision rates. Continue to emphasize pedestrian safety and to work with Traffic Engineering regarding commuter traffic concerns. Continue our partnership with Traffic Engineering on Vision Zero initiatives and with Transportation Engineering on Fremont's Mobility Action Plan.  
- 3 Conduct a study of anticipated staffing demands, staffing deployment models and staffing adjustments that may be necessary to adapt to the future increase of major housing developments and business complexes throughout the City.  
- 4 A 9-1-1 for Kids educational program was recently created and the goal is to hold two presentations in the upcoming year with the Community, as well as to fully deploy Text to 9-1-1 with all wireless carriers in our area.   
- 5 In an effort to manage new legislative mandates as well as expand communications with our community and the media, the Department will be expanding our digital media and public information teams.  

The above are summaries of the full statement of each goal which may be found in the respective department's subsection of the Department Budgets section of this document.

Summary Information | Citywide Goals and Objectives

Objectives Summary

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POLICE DEPARTMENT (continued):

- | | |
|--|---|
| 6 The Department will select a new vendor to design a new website for the police department as well as develop a new content management solution. |   |
| 7 Expand public access to information available on our website over the next year. |   |
| 8 Expand participation and support of Special Olympics. We will specifically engage with special Olympic athletes who live in Fremont and plan to host several new events to raise funds in support of athletes. |     |
| 9 The newly formed Digital Evidence Unit will increase the efficiency, accuracy, accountability and purging of digital records in accordance with retention schedules, as well as respond to requests for body-worn and in-car camera videos. The goal for the upcoming year is to create policies and procedures for such requests. |   |
| 10 The Personnel Unit will continue efforts to fill Officer vacancies with learned marketing strategies, as well as focus on other critical positions within the department. |   |
| 11 The Tri-City Animal Shelter has partnered with the community group, "Friends of the Shelter," to start a pilot program for feral cats of the community known as "Trap, Neuter, Return" (TNR). The goal of the program is to decrease the number of euthanized feral cats. |     |

PUBLIC WORKS DEPARTMENT:

- | | |
|---|---|
| 1 Form a Mobility Commission to help implement key recommendations from the Mobility Action Plan. |       |
| 2 Continue implementation of the Vision Zero traffic safety program. |       |
| 3 Complete construction of the Warm Springs BART Station West Access Bridge and Plaza and start construction on the Downtown Center and Civic Plaza project. |       |
| 4 In the Centerville commercial district along Fremont Boulevard from Alder to Eggers, initiate project planning and community outreach for the Centerville "complete street" improvement project. |       |
| 5 Continue efforts to modernize the Citywide to traffic signal system for improved traffic flow and reliability. |    |
| 6 Launch new "micro-mobility" services as a pilot program featuring shared pedal bikes, electric bikes, and electric scooters. |    |
| 7 Continue programs to enhance street pavement and sidewalk conditions. |     |
| 8 Work with regional partners to upgrade State Route 262, develop the Irvington BART station, relinquish State Route 84, implement railroad quiet zones, enhance freeway interchanges, and modernize AC Transit services. |        |

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ADMINISTRATIVE DEPARTMENTS:

- 1 Pursue legislative efforts and strengthen state and federal partnerships to promote the best interests of the City, while implementing the Council's 2018, 2019 Legislative Guiding Principles and Priorities. 
- 2 Pursue staff actions and efforts that assist with the implementation of the top three Council priorities for the year. 
- 3 Continue working on marketing and public relations efforts to promote the City of Fremont and attract businesses to the city. 
- 4 Continue to work with local and regional partners, as well as State and Federal Legislators, to ensure the strategic development of the Warm Springs/South Fremont area. 
- 5 Continue to commit time and resources towards the implementation of the Downtown Community Plan 
- 6 Continue to partner with BART and the Santa Clara Valley Transportation Authority (VTA) to ensure that Fremont's interests are considered relative to the BART extension to Santa Clara County. 
- 7 Attract and retain an appropriate mix of retail, office, and industrial or technology uses, in order to foster a dynamic economy and a stronger tax base. 
- 8 Continue to grow social media and online tools subscriber base and public statement posts. 
- 9 The City is committed to continuing its efforts to determine the best strategy for addressing Homelessness in Fremont by making strategic investments and administering a coordinated approach with local partners. 
- 10 Assist City staff with legal support for City Council priorities. 
- 11 Continue to provide legal support for negotiations, acquisitions, development, and approvals needed for projects and developments. 
- 12 Manage the legal defense of the City against civil lawsuits pending in state and federal court. 
- 13 Analyze and manage disposition of administrative and workers' compensation claims. 
- 14 Perform legal review of public contracts including adequacy of insurance coverage, and mitigate risk of liability exposure to the City. 
- 15 Assist staff with revisions and updates to City policies and regulations, including the adoption of the 2019 California Building Standards Code. 
- 16 Evaluate cases for prosecution of misdemeanor violations of the Fremont Municipal Code. 
- 17 Provide legal support to the Human Resources Department in labor negotiations with the City's bargaining groups. 

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- | | |
|---|---|
|  Strong community leadership |  Historic character |
|  A safe community |  Building a caring community |
|  Vibrant local economy |  Strong families and healthy children |
|  Thoughtful, orderly use of land and protection of environmental resources |  Involvement of a diverse population |
|  Safe and effective transportation systems |  Effective and efficient city government |
|  Public facilities and programs for recreation |  Creating an aging friendly community |

ADMINISTRATIVE DEPARTMENTS (continued):

- | | |
|---|---|
| 18 Assist staff, as needed, with the preparation and adoption of rules and procedures for commissions and boards. |    |
| 19 Assist staff with updating and amending standard contract forms and City ordinances to comply with state law. |   |
| 20 Assist staff code enforcement efforts by obtaining inspection warrants, and facilitate the court appointment of a receiver for substandard houses. |    |
| 21 Continue to efficiently and accurately manage the electronic preparation and distribution of agenda packets. |  |
| 22 Develop and implement a new online tool for ceremonial resolutions and proclamation requests |  |
| 23 Monitor the changing postal service environment and accommodate changes as needed to the mail room during the fiscal year. |  |
| 24 Continue to work with City departments to review and update each department's Records Retention Schedule. |  |
| 25 Begin preparations for the 2020 November Election. |    |
| 26 Implement a new online tool for submittal of Campaign Statements. |  |
| 27 Implement a new online tool for submittal of ceremonial document requests. |  |
| 28 Continue the outreach campaign to encourage more businesses to use the City's online business tax application and renewal offerings to enhance efficiency. |  |
| 29 Complete a revision of the City's Personnel Rules. |  |
| 30 Implement a paperless HR recordkeeping system. |  |
| 31 In partnership with the Community Development Department, upgrade Accela Automation land management (permitting) system to the Software-as-a-Service version in Microsoft Azure cloud by March 2020. |  |
| 32 In partnership with the Community Services Department, select and begin the replacement of the existing CLASS registration system. |  |
| 33 Deploy an online city services – constituent relationship management (CRM) solution by December 2019. |  |
| 34 In partnership with the CMO, design and plan the network infrastructure to incorporate two new buildings into the City's network. |  |
| 35 To support the growing demands for GIS services citywide, complete the following projects by the end of June 2020: Re-architect and expand GIS services; automate the addressing management workflow; migrate the current GIS data viewer to a newer and more powerful mapping software; support mobile applications out of the box; and implement a public safety enterprise agreement. |  |

The above are summaries of the full statement of each goal which may be found in the respective department's subsection of the Department Budgets section of this document.

General Fund

General Fund Summary

The General Fund is the City's primary operating fund and accounts for the City's discretionary funding sources (e.g., property tax, sales tax, franchise fees, and business tax). As a rule, General Fund resources are used only to fund operations that do not have other dedicated (restricted) funding sources such as police, fire, and maintenance, as well as the administrative systems required to support them. Operations that rely heavily on non-General Fund resources, such as land development, recreation, and human services, are accounted for in other funds. Information on these operations can be found in the Other Funds section of this document.

This section provides information on the FY 2019/20 General Fund budget, including budget assumptions, expenditure and revenue highlights, transfers to other funds, reserve funds, and the financial forecast.

The FY 2019/20 budget displayed in the table on the next page shows that total General Fund budgeted resources will be adequate to support total budgeted expenditures of \$219.9 million. Reflecting continued improvement in the local economy, ongoing General Fund resources are estimated to increase by 5.3% in FY 2019/20.

Although revenues are increasing, the City is still making up for position reductions and streets and facilities maintenance that was deferred during the economic downturn. While we have significant challenges ahead, this adopted budget provides a sensible and responsible combination of funding for maintaining and improving on the current level of services, while preserving capacity for the City's future needs.

The Budget Overview section of this document provides more information on the City's fiscal outlook.

General Fund | General Fund Summary

General Fund Adopted Budget FY 2019/20
(Thousand of Dollars)

	Adopted FY 18/19	Est Actual FY 18/19	Adopted FY 19/20
Sources			
Beginning Unreserved Fund Balance	\$ 6,264	\$ 17,758	\$ 13,124
Revenues			
Taxes:			
Property Tax	97,443	99,649	106,016
Sales Tax	54,876	67,159	63,933
Business Tax	13,215	11,271	11,700
Hotel/Motel Tax	8,837	8,679	8,888
Property Transfer Tax	1,973	1,901	1,937
Paramedic Tax	1,149	1,196	1,208
Franchise Fees	10,505	10,178	10,394
Charges for Services	6,077	5,826	5,841
Fines	2,394	2,388	2,288
Use of Money and Property	1,085	938	1,658
Intergovernmental	273	234	234
Other Revenues	257	564	208
Total Revenues	198,084	209,983	214,305
Transfers In	6,871	6,886	7,346
Total Sources	211,219	234,627	234,775
Uses			
Expenditures			
General Government	16,969	16,015	17,542
Police	85,041	82,318	92,767
Fire	52,119	51,764	56,019
Maintenance (Streets/Facilities)	15,986	15,229	18,902
Maintenance (Parks/Street Medians)	8,682	8,753	9,916
Human Services	3,819	3,745	4,158
Code Enforcement/Community Development Admin	1,858	1,950	2,013
Non-departmental	4,012	2,624	3,239
Less: Citywide Savings	(8,000)	-	(7,000)
Debt Service	9,048	8,868	8,952
Total Expenditures	189,534	191,266	206,508
Transfers Out	16,133	28,004	13,442
Total Uses	205,667	219,270	219,950
Ending Fund Balance			
Reserved Fund Balance	34,516	34,516	45,032
Unreserved Fund Balance	3,319	13,124	4,309
Total Ending Fund Balance	\$ 37,835	\$ 47,640	\$ 49,341

Notes:

Beginning in FY 2019/20, the Contingency Reserve, Program Investment Reserve, and Economic Volatility Reserve will be combined into a single General Fund Contingency Reserve, to be maintained at 16.7% of budgeted expenditures and transfers out. The Budget Uncertainty Reserve will be increased to \$8.3 million.

Budget Assumptions

In addition to the general assumption of modest growth against a backdrop of continuing economic uncertainty, the FY 2019/20 budget is premised upon the following specific assumptions:

- 1. The local economy will continue to expand during FY 2019/20, resulting in total General Fund resources (revenues and transfers in) increasing by 2.2% over estimated actual resources in FY 2018/19.**

Adjusted to reflect one-time sales tax revenue of \$6.3 million in FY 2018/19, ongoing FY 2019/20 resources are estimated to grow by 5.3%. The largest contributor to the increased resource estimate is property tax (up 6.4%). The City's top five revenue categories, property tax, sales tax (excluding one-time items), business tax, hotel/motel tax, and franchise fees, comprising 90.7% of total General Fund resources, are estimated to increase by 5.4% from the FY 2018/19 level.

- 2. The costs of the FY 2019/20 adopted budget will be covered by projected resources and unreserved fund balance, without requiring the use of reserves to balance the budget. The FY 2019/20 budget is 6.9% higher than the FY 2018/19 adopted budget and 0.3% higher than last year's estimated actual expenditures.**

Following the City's sustainable budgeting principles, adopted service enhancements or staffing increases for FY 2019/20 are limited to levels that can be supported on an ongoing basis.

- 3. As the City is currently engaged in a collective bargaining process with its employee groups, the FY 2019/20 adopted budget includes a placeholder salary adjustment of 2.5%.**

The City is currently engaged in collective bargaining with all of its employee groups. The operating budget will be adjusted to reflect any negotiated agreements.

- 4. Total expenditures in the FY 2019/20 adopted budget include a savings assumption of \$7.0 million (approximately 3.2% of total budgeted expenditures and transfers out in FY 2019/20) to reflect the City's historical experience of under-spending total allocated resources, primarily due to salary savings from vacant positions.**

Managers continue to contain operational costs wherever possible, and normal turnover within the City's 953-employee labor force creates vacancy savings. Consequently, the City's actual expenditure totals each year will fall below the budgeted levels. To ensure the City efficiently uses all of its available resources to provide services, savings assumptions for these expenses are built into the budget.

- 5. The FY 2019/20 adopted budget includes CIP funding for streets, sidewalks, and facilities maintenance, parks and street medians capital replacement, capital improvements to achieve compliance with ADA standards, and the City's Downtown Plan.**

The inability to adequately fund ongoing maintenance and recapitalization of the City's infrastructure is a major concern, but the FY 2019/20 adopted budget includes allocations to step up street repair and building maintenance activities. The adopted budget also addresses pressing needs in other areas of the organization and the community, including the addition of adequate public safety staffing and services, technology investments to expand public access to online services, increase transparency, and secure the City's data, assistance to developers of affordable housing, and resources to help the City's homeless population find shelter and services.

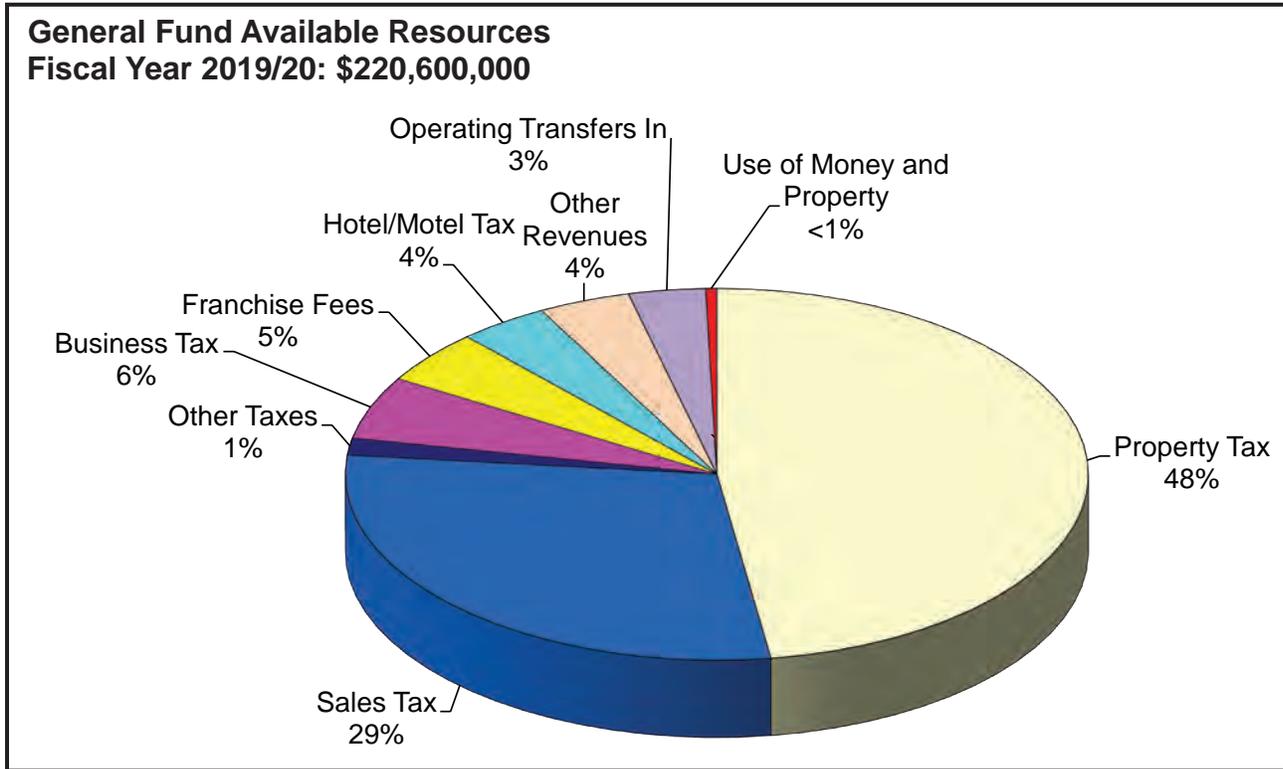
In accordance with City Council policy, an additional pension contribution of \$2.4 million to more rapidly pay down the City's unfunded liability has been incorporated into the adopted budget.

- 6. The General Fund's three primary reserves have been consolidated into a single Contingency Reserve established at 16.7% of total expenditures and transfers out, the minimum level recommended by the Government Finance Officers Association of the United States and Canada (GFOA).**

Reflecting the possibility of an economic slowdown and the increased budgetary pressure from escalating state-mandated pension contributions, the Budget Uncertainty Reserve has been increased from \$3.7 million to \$8.3 million, an amount roughly equivalent to three years of projected sales tax growth.

- 7. The adopted budget estimates approximately \$13.1 million of FY 2018/19 ending unreserved fund balance.**

As part of the FY 2018/19 Year-End Update in Fall 2019, staff will bring forward recommendations for allocating any remaining available ending unreserved fund balance to address one-time priority projects, programs, or reserve augmentation.



Resources

General Fund resources include revenues and transfers into the General Fund from other funds. Total budgeted resources and unreserved fund balance will be adequate to support total budgeted expenditures of \$219.9 million, so the budget is balanced with no need to use reserves.

Property tax and sales tax are the City’s most significant revenue sources. Property tax revenues are estimated to total \$99.6 million in FY 2018/19, and staff projects those revenues will increase to \$106.0 million in FY 2019/20, an increase of 6.4%. The City’s FY 2019/20 property tax revenues are based on assessed property values as of January 1, 2019. Under Proposition 13, assessed values of all real property adjust with the California Consumer Price Index (CCPI), with a 2% limit, unless there is a change in ownership or new construction. The CCPI adjustment for the FY 2019/20 tax roll is an increase of 2.0%. Changes in ownership constitute the primary driver of projected growth in property tax; although sales activity declined in 2018, prices continued to climb. New construction activity is also adding value to the tax roll.

Sales tax revenues are estimated to total \$67.2 million in FY 2018/19, decreasing to \$63.9 million in FY 2019/20. The projected strong performance in FY 2018/19 stems from a one-time spike in revenue in the first quarter of the year related to delayed prior-year payments from the state, unusually high new auto sales, and a larger than typical share of the County sales tax pool. The FY 2018/19 estimate also includes a one-time reduction of \$1.9 million to recover amounts that the state had erroneously paid the City in prior years. Without those one-time distortions, sales tax revenues would be estimated to grow approximately 5.0% from the prior year. The largest contributors to sales tax growth are coming from the business and auto sales sectors, with significant additional

General Fund | General Fund Summary

growth coming from online sales transactions allocated through the County sales tax pool. Sales tax revenues comprise 28.9% of General Fund resources.

Business taxes are projected to yield \$11.3 million in FY 2018/19, increasing by 3.8% to \$11.7 million in FY 2019/20. In FY 2018/19, the construction component of business tax revenue has declined, but that has been more than offset by strong growth in the other components. Business tax makes up 5.3% of General Fund resources.

Hotel/motel occupancy tax revenues are projected at \$8.7 million in FY 2018/19, an increase of 0.7% from the prior year. As occupancy rates have recovered significantly from the recent low point in 2009, future revenue growth will likely be based more on increases in room rates than on occupancy. Accordingly, FY 2019/20 hotel/motel occupancy tax revenues are estimated at \$8.9 million, an increase of 2.4% from the FY 2018/19 level and constituting 4.0% of General Fund resources.

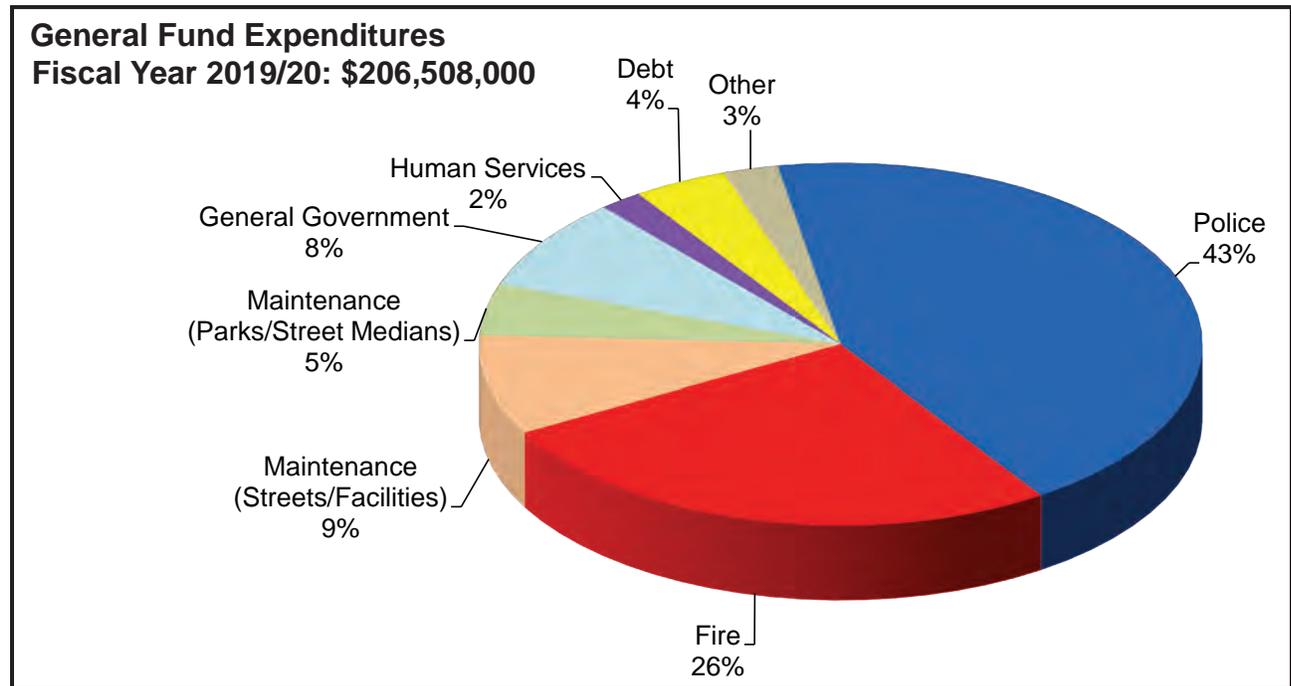
The City charges franchise fees to providers of electricity, natural gas, residential garbage, and cable television services. Franchise fee revenues are based on franchisee gross revenues, which are largely a function of rates and customer usage. The FY 2018/19 estimate shows a 1.2% increase from the prior year, with another 2.1% growth estimated for FY 2019/20. The estimated FY 2019/20 franchise fees revenue of \$10.4 million represents 4.7% of General Fund resources.

Change in General Fund Resources FY 2018/19 to FY 2019/20 (\$ millions)

<u>Revenues</u>	<u>FY 2018/19</u> <u>Budget</u>	<u>FY 2019/20</u> <u>Budget</u>	<u>Difference</u>
Property tax	\$ 97.4	\$ 106.0	\$ 8.6
Sales Tax	54.9	63.9	9.0
Business Tax	13.2	11.7	(1.5)
Franchise fees	10.5	10.4	(0.1)
Hotel/motel taxes	8.8	8.9	0.1
Use of Money and Property	1.1	1.7	0.6
Other revenues	12.2	11.7	(0.5)
Ongoing revenues subtotal	198.1	214.3	16.2
Transfers in	6.9	7.4	0.5
Total Budgeted Resources	\$ 205.0	\$ 221.7	\$ 16.7

The Change in General Fund Resources table includes a line for “other revenues,” which includes charges for services, law enforcement fines, paramedic tax, property transfer tax, and State reimbursements for mandated services. Most of these items are anticipated to remain relatively flat in FY 2019/20 compared with the prior year.

The General Fund receives transfers from other funds for general government services (such as human resources, finance, and legal assistance) provided to operations funded outside the General Fund (such as development services, recreation services and human services). In FY 2018/19, transfers from other funds are expected to total \$6.7 million, including a \$1,000,000 transfer from the Public Facilities Impact Fee Fund to offset a portion of General Fund debt service payments for public facilities Citywide. In FY 2019/20, transfers from other funds are expected to increase to \$7.3 million, or 3.3% of available resources.



Expenditures

The \$219.9 million budgeted for expenditures and transfers out in FY 2019/20 is 6.9% higher than the FY 2018/19 adopted budget, and 0.3% higher than the estimated actual expenditures for FY 2018/19.

As displayed in the Budget by Department chart on page 67, the budget maintains the City Council’s long-time funding priorities by allocating 78% of the budget to direct costs for public safety and maintenance. As the Budget by Function chart shows, the share of General Fund resources budgeted for these purposes is actually 89% when overhead costs required to support these functions are allocated.

Basic City services, such as police, fire, and maintenance, are labor-intensive. Therefore, the City’s budget is largely driven by labor-related costs, including salaries, retirement system contributions, and health benefits. The majority of the 6.9% increase from FY 2018/19 is the result of increasing labor-related costs and additional staffing, including two community service officers, a hazardous materials manager, three maintenance workers, a facilities Project Supervisor, a senior office specialist to administer the 50/50 street tree program, a management analyst to support police officer recruiting efforts, and a police equipment room assistant.

General Fund | General Fund Summary

Budgeted debt service expenditures in the General Fund are decreasing by \$0.1 million for FY 2019/20. This estimate reflects recent statements by the Federal Open Market Committee that indicate their intent to hold short-term interest rates at the current level.

Non-Departmental Budget

Appropriations and expenditure savings not directly associated with specific departments are classified as “non-departmental.” This includes expenditures such as leave cash-out costs and administrative fees paid to the County, as well as assumed vacancy savings. As details of some of these items become known, the actual costs and related appropriations are transferred to the appropriate department.

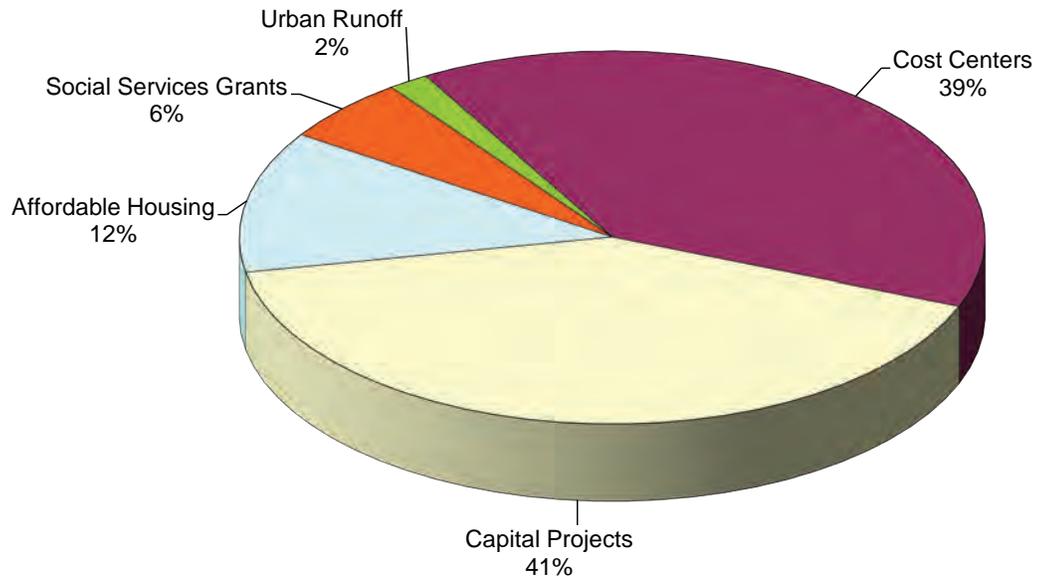
Budgeted Expenditures

■ Annual Operating Contingency Account	\$1,000,000
■ Employee Leave Cash-Out	1,100,000
■ Property Tax Administration Fee	496,906
■ Fremont Library Additional Hours	542,126
■ Other Non-Departmental	100,000
Non-Departmental Budget	\$ 3,239,302

Transfers Out to Other Funds

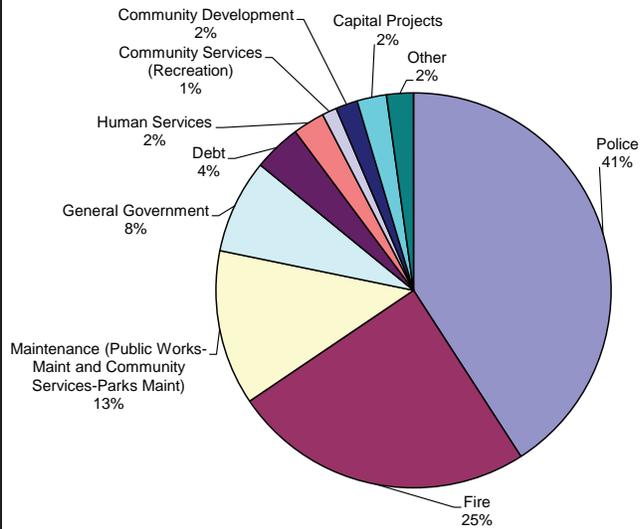
In addition to direct expenditures, the General Fund transfers resources to other funds to support activities that cannot be supported through fees, grants, or charges for service. These activities include capital projects, cost center operations, affordable housing and homeless services, the urban runoff clean water program, and social service grants. The cost centers are enterprise-like mechanisms for funding the community development, recreation, and senior center functions, but the General Fund subsidizes the portion of their activities that provides a general benefit to the community.

**General Fund Transfers Out
Fiscal Year 2019/20: \$13,442,000**

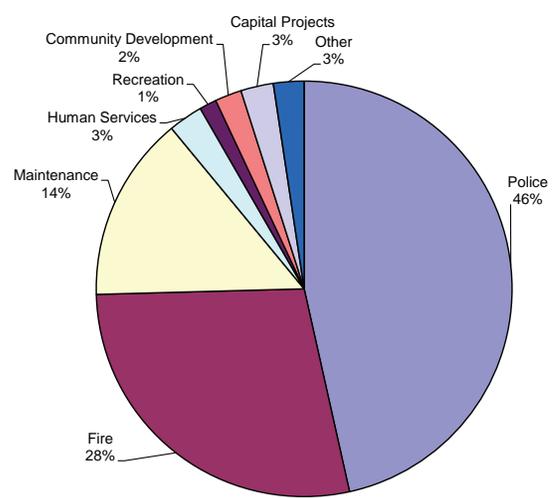


**FY 2019/20
General Fund Budgeted Expenditures and Transfers Out**

Distributed by Department



Distributed by Function



General Fund Reserves

Starting in Fiscal Year 2019/20, the General Fund Contingency Reserve, General Fund Program Investment Reserve, and the General Fund Economic Volatility Reserve will be consolidated into a single General Fund Contingency Reserve. The General Fund Contingency Reserve is intended to mitigate the effects of unanticipated situations such as natural disasters and severe, unforeseen events as well as serving as back-up liquidity to the Risk Management Fund if this need were to arise.

Contingency Reserve funds are also available to provide a source of working capital for new programs or undertakings that have the potential for receiving significant funding from outside sources, and organizational retooling, process improvement, and strategic entrepreneurial opportunities. The General Fund Contingency Reserve is funded each year at 16.7% of budgeted expenditures and transfers out, the minimum level recommended by the Government Finance Officers Association of the United States and Canada.

The Budget Uncertainty Reserve is intended to offset revenue shortfalls resulting from future economic downturns and unanticipated cost increases (including increases in fuel and utility prices, and increases to CalPERS pension contribution requirements resulting from changes in actuarial assumptions, poor investment performance, or updated demographic data). The funding level for this reserve is determined by measuring the level of financial risk associated with revenue and expenditure uncertainty over the three-year forecast period, with the goal of providing sufficient resources to maintain service levels while giving the City an opportunity to respond appropriately to its budgetary challenges.

The table below summarizes the FY 2019/20 projected funding levels for each reserve. The General Fund Contingency Reserve will be set at \$36.7 million. The Budget Uncertainty Reserve will be increased to \$8.3 million for FY 2019/20.

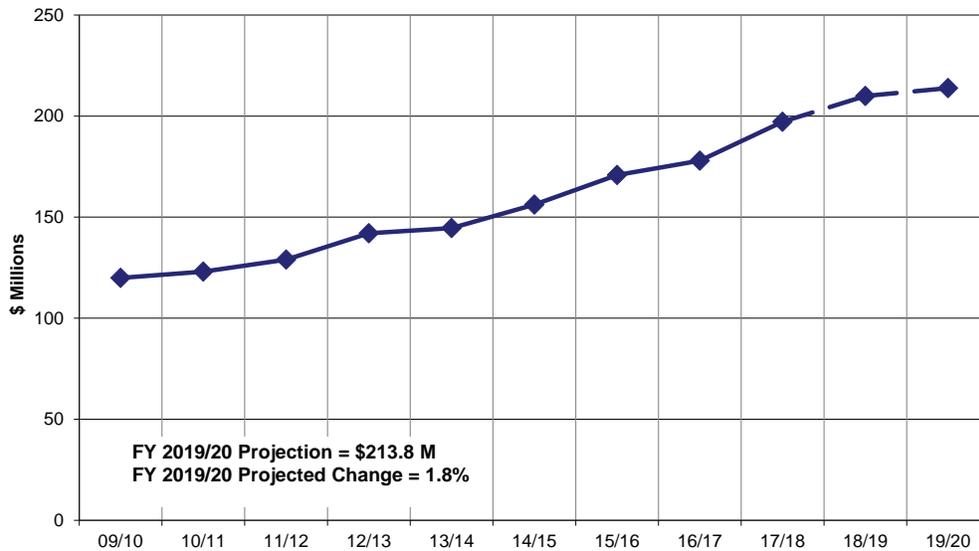
General Fund Reserves (\$ thousands)

	FY 2018/19 Balance	FY 2019/20 Increase	FY 2019/20 Projected Use	FY 2019/20 Balance
Contingency Reserve	\$30,850	\$ 5,882	\$ -	\$36,732
Budget Uncertainty Reserve	3,666	4,634	\$ -	8,300
Total General Fund Reserves	\$34,516	\$10,516	\$ -	\$45,032

General Fund Revenues Overview

Total FY 2019/20 General Fund revenues (excluding transfers in from other funds) are projected at \$214.3 million, which is \$4.3 million, or 2.0%, more than total estimated revenues for FY 2018/19.

General Fund Revenue History and Forecast (Excluding one-time effects and transfers-in)



This section provides additional background and forecast information for the following five key General Fund revenue categories that together make up 94% of General Fund revenues:

- Property Taxes
- Sales and Use Taxes
- Business Taxes
- Hotel/Motel Occupancy Taxes
- Franchise Fees

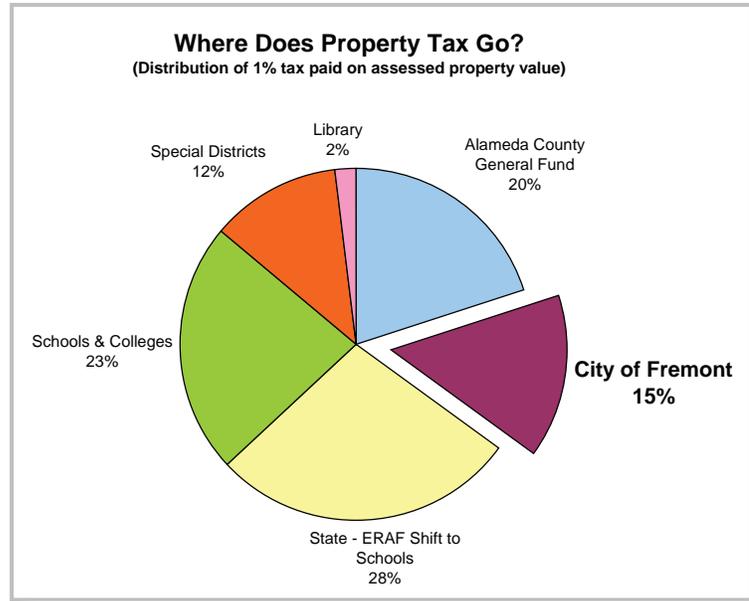
Property Taxes

Description: Property tax is an ad valorem tax (based on value) imposed on real property (land and permanently attached improvements such as buildings) and personal (movable) property. Proposition 13, adopted by California voters on June 6, 1978, created a comprehensive system for the assessment and limitation of real property taxes. Property owners pay the tax based on their real property’s adjusted assessed full value. Proposition 13 set the FY 1975/76 assessed values as the base year from which future annual inflationary assessed value increases would grow (not to exceed 2% for any given year). The County Assessor also reappraises each real property parcel when there are purchases, construction, or other statutorily defined “changes in ownership.” Proposition 13 limits the property tax rate to 1% of each property’s full value plus overriding rates to pay voters’ specifically approved indebtedness. Property taxes are the City’s single largest revenue source; comprising over 49% of total FY 2019/20 projected revenues, or \$106.0 million.

General Fund | General Fund Revenues

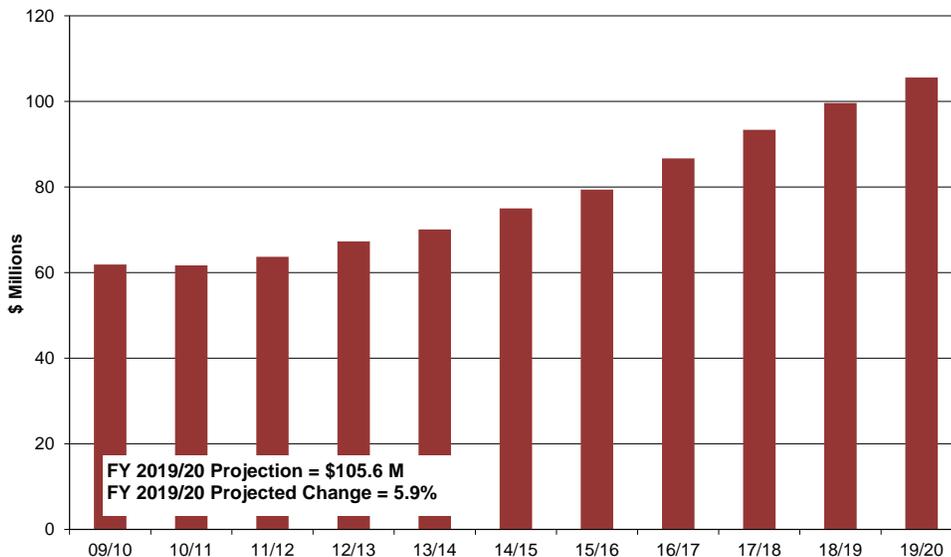
The City of Fremont receives approximately 15 cents of every dollar of property tax paid. Alameda County and the schools, including Fremont Unified School District, receive most of the revenue from property taxes assessed on property located in the City.

Forecast: Property tax revenues are estimated to total \$99.6 million in FY 2018/19. Staff projects property tax revenues for FY 2019/20 will increase to \$106.0 million. The assessed valuation for secured property is based on the value as of January 1, 2019. The change in total property tax from FY 2018/19 to FY 2019/20 is an increase of 6.4%.



Key Factors in the Forecast: The most significant property tax revenue indicator is the change in property assessed full values, and the primary influences on that change are the annual inflation adjustment provided by Proposition 13, ownership changes, and new construction.

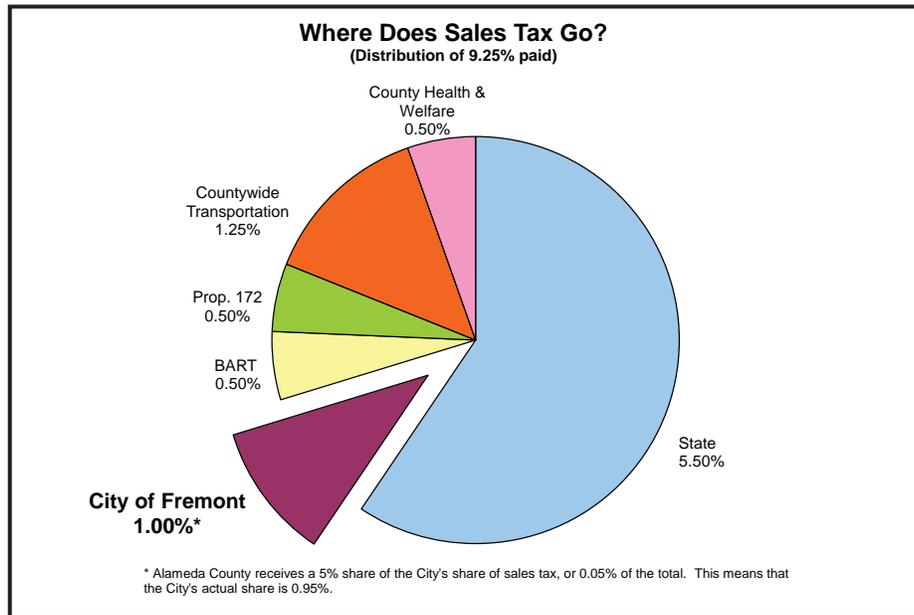
Property Tax History and Forecast (FY 2009/10 - FY 2019/20)



Under Proposition 13, assessed values of all real property adjust with the California Consumer Price Index (CCPI), with a 2% limit, unless there is a change in ownership or new construction. The CCPI adjustment for the FY 2019/20 tax roll is an increase of 2.0%. The forecast assumes assessed value growth from changes in ownership will continue at approximately the current level, and incorporates new value stemming from development activity in Warm Springs and other areas of the City.

Sales and Use Taxes

Description: Sales tax is collected on the sale of taxable goods within Fremont. Use tax is the corresponding tax on transactions involving taxable goods purchased out of state for use or storage in Fremont. Sales and use taxes are collected by the State, which then pays local government its respective share. Sales and use taxes (collectively, “Sales Taxes” in the budget) are the City’s second-largest revenue source and comprise about 30% of FY 2019/20 General Fund revenues.



Projection Component	FY 2018/19 Estimated	FY 2019/20 Projected	Difference
Sales and Use Tax	\$65.4 million	62.0 million	-\$3.4 million
Proposition 172 Sales Taxes	1.8 million	1.9 million	+0.1 million
Total	\$67.2 million	\$63.9 million	-\$3.3 million

Forecast: FY 2018/19 sales tax revenues are projected to be \$67.2 million. The FY 2019/20 adopted budget estimates \$63.9 million, or \$4.3 million (4.8%) lower than FY 2018/19. The FY 2018/19 estimate, however, includes a one-time reduction of \$1.9 million to recover amounts that the state had erroneously paid the City in prior years. It also includes a one-time spike in revenue in the first quarter of the year related to delayed prior-year payments from the state, unusually high new auto sales, and a larger than typical share of the County sales tax pool. Without those distortions, FY 2019/20 sales tax revenues would be estimated to grow approximately 5.0% from the prior year. For projection purposes, sales tax revenue has two components: revenue generated by taxable sales activity occurring during the fiscal year and Proposition 172 sales tax revenue, which is dedicated to funding public safety activities. The following table relates the component projections to the total.

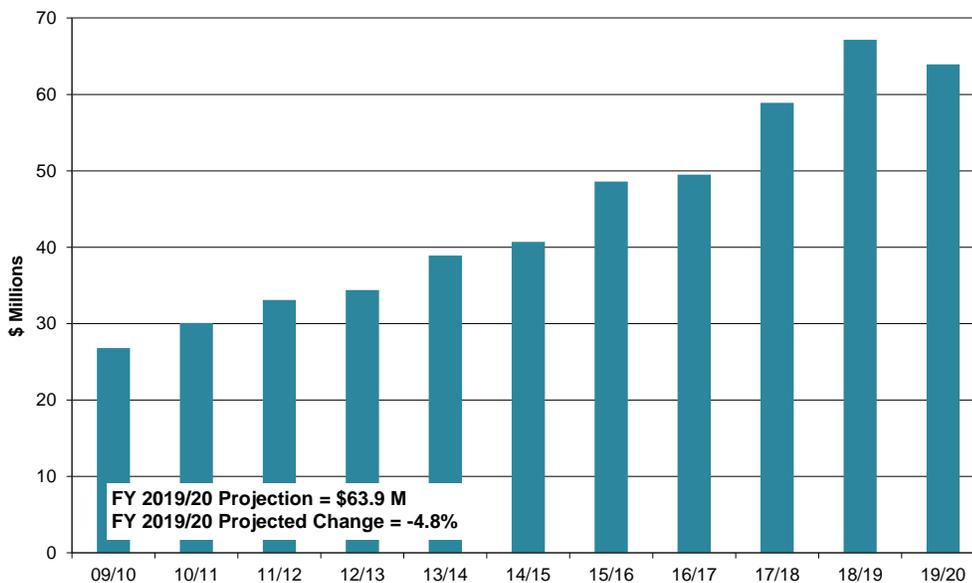
General Fund | General Fund Revenues

The City receives 1% of the sales tax charged on taxable sales. This activity includes general retail sales to consumers, business-to-business transactions, automobile purchases, and fuel sales. The accompanying pie chart illustrates the composition of the City’s sales tax base. The largest contributors to sales tax growth are coming from the auto sales and business sectors, with significant additional growth coming from online sales transactions allocated through the county sales tax pool.

Proposition 172 sales taxes are the City’s share of the one-half cent sales tax for public safety services approved by California voters in 1993. In FY 2018/19, the City’s share is expected to be \$1.8 million. Unlike the 1% component of sales tax revenue, which is based on retail activity in Fremont, Proposition 172 sales tax is collected and allocated on a statewide basis, so annual changes more closely resemble the statewide retail economy. For FY 2019/20, the Proposition 172 component of the City’s sales tax revenues is projected to increase by 5.7%, to \$1.9 million.

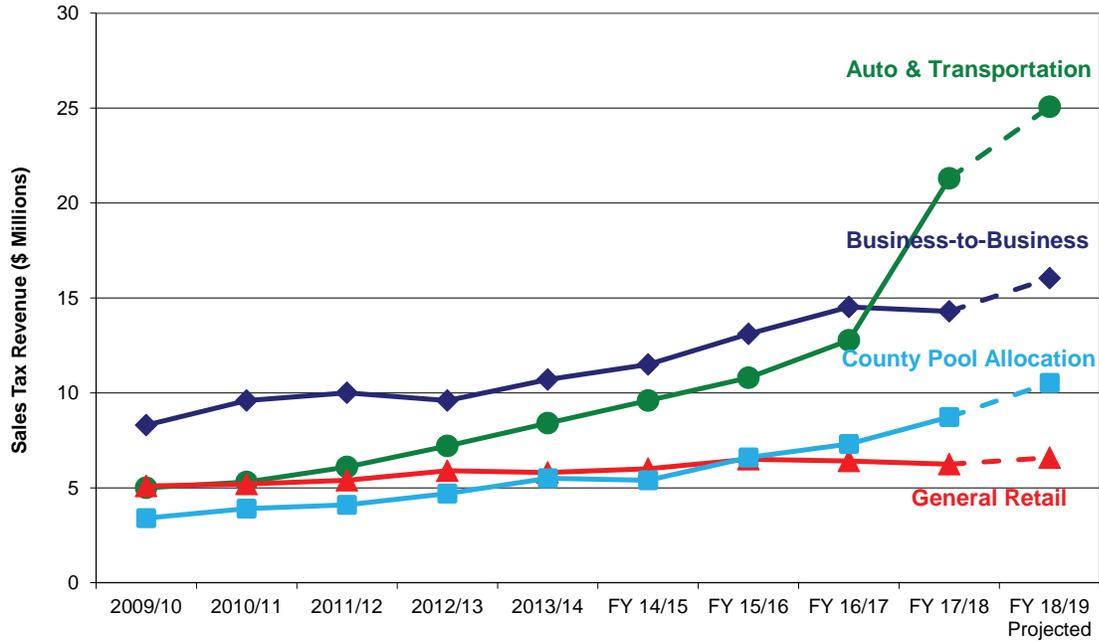
The graph below displays the sales tax revenue history and forecast. To clarify the long-term trend, the amounts for FY 2016/17, FY 2017/18, and FY 2018/19 have been adjusted to remove significant one-time increases or decreases.

Sales Tax History and Forecast (FY 2009/10 - FY 2019/20)

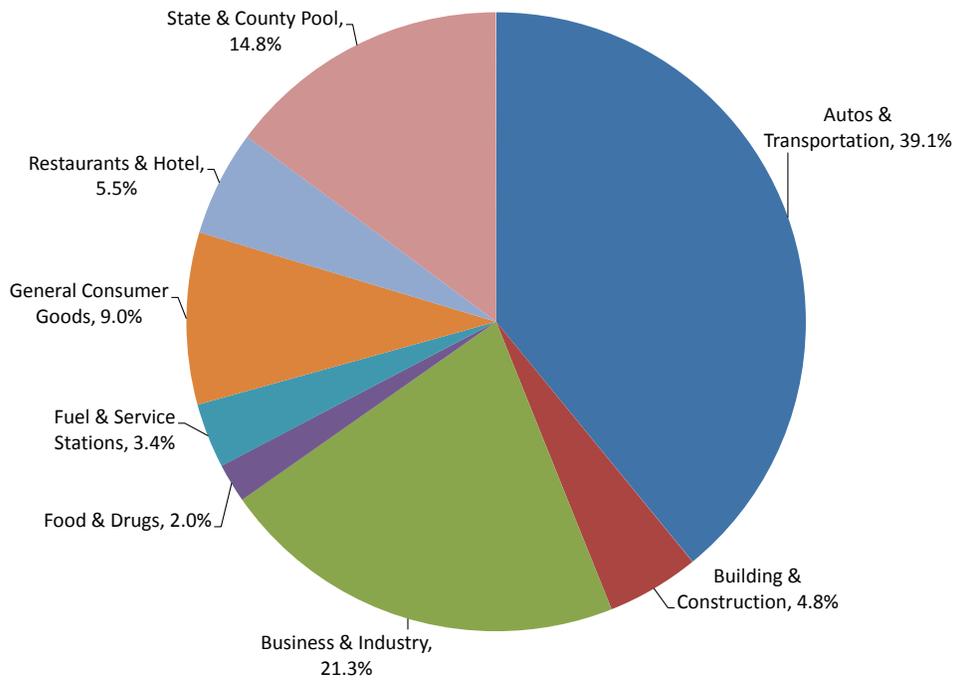


Key Factors in the Forecast: The City has a well-diversified sales tax base. In calendar year 2017, the autos and transportation segment overtook the business-to-business segment as the largest component of the City’s sales tax revenues. Although automobile sales growth is projected to slow nationally, continued development in the City’s Auto Mall should support increased activity over the next few years. The business segment is one of the most volatile and difficult to project as it can be strongly influenced by large, non-recurring transactions. The shift in consumer spending from “brick and mortar” locations (general consumer goods) to web-based providers (County pool) is reflected in the diverging growth patterns of those two segments. The largest of the City’s sales tax segments are highlighted in the following graph. The FY 2019/20 growth estimate of 5.0% (adjusted as discussed above) continues to be predicated on healthy growth in taxable consumer and business sales activity.

Evolving Composition of Major Sales Tax Revenue Resources



Sales Tax Base Composition Calendar Year 2018



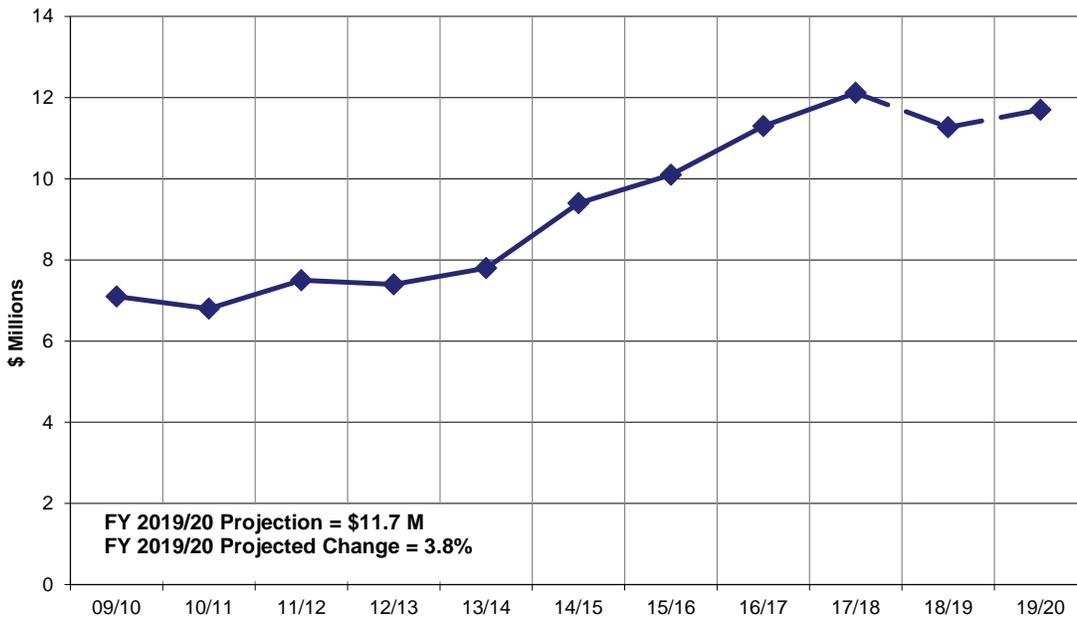
Business Taxes

Description: Business taxes are paid by individuals and entities for the privilege of conducting business in Fremont and to help pay for public services that contribute to a favorable business environment. The tax rate depends upon the type and size of the business. Some businesses pay a flat rate, but most pay based on either their gross receipts or payroll. Business tax receipts tend to fluctuate with economic cycles, though to a lesser degree than sales taxes. As part of a local business stimulus endeavor in 2009, the City Council adopted limited term exemptions for clean-tech and bio-tech companies to attract and retain those businesses, promote the health of the City’s industrial base, and continue the Council’s commitment to long-term sustainable energy and environmental goals. The exemption applies for up to five consecutive years for new businesses moving into the City, and up to two consecutive years for businesses that are already currently established in the City. The original exemption was renewed for five years by the City Council in 2012 and again in 2016, with the current exemption expiring on December 31, 2021.

Forecast: Business taxes are projected to yield \$11.3 million in FY 2018/19, a decrease of 7.0% from the prior year. The FY 2019/20 business tax estimate is \$11.7 million, an increase of 3.8%. Business tax makes up 5% of General Fund revenues.

Key Factors in the Forecast: In FY 2018/19, the construction component of business tax revenue declined significantly after several years of increase. The forecast assumes that the City’s business tax revenues will increase at 3.9% in FY 2020/21 and FY 2021/22, the average of the last three years.

Business Tax History and Forecast (FY 2009/10 - FY 2019/20)



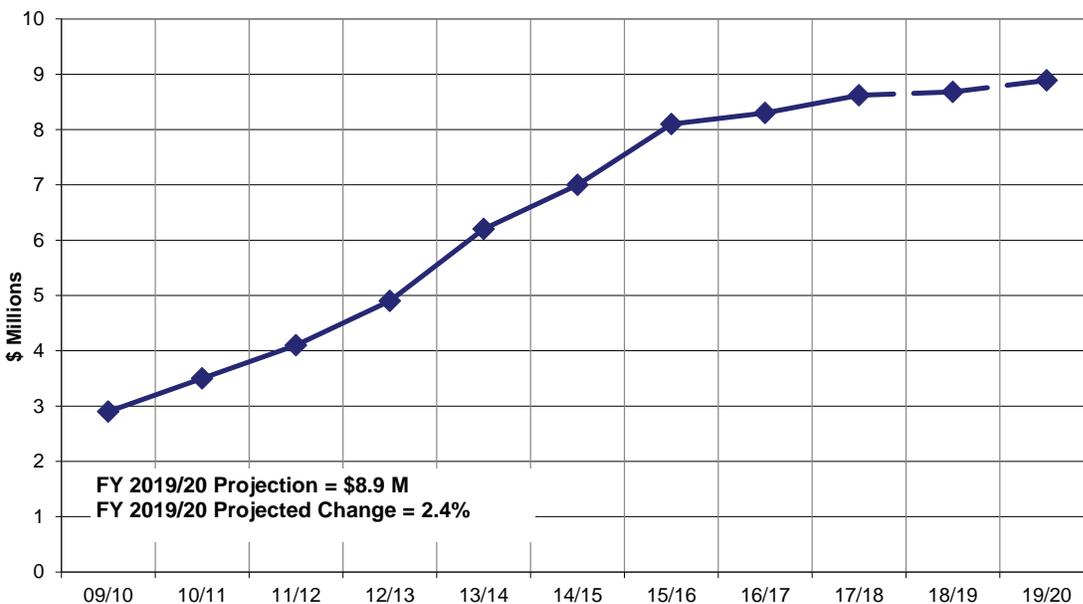
Hotel/Motel Occupancy Taxes

Description: The hotel/motel occupancy tax rate of 10% is charged on hotel and motel room occupancies of 30 days or less. It is paid by hotel and motel customers in addition to the room rate so that Fremont visitors may contribute to the cost of the public services they enjoy during their stay.

Forecast: Hotel/motel occupancy tax revenues are projected at \$8.7 million in FY 2018/19. The FY 2018/19 estimate represents an increase of 0.7% from the prior year. FY 2019/20 hotel/motel occupancy tax revenues are estimated at \$8.9 million, an increase of 2.4%, constituting 4.1% of General Fund revenues.

Key Factors in the Forecast: Following several years of double-digit growth, the more recent constrained performance can be attributed to both occupancy levels and room rates reaching a plateau. As occupancy rates have recovered significantly from the recent low point in 2009, future revenue growth will likely be based more on increases in room rates than on occupancy.

Hotel/Motel Tax History and Forecast (FY 2009/10 - FY 2019/20)



Franchise Fees

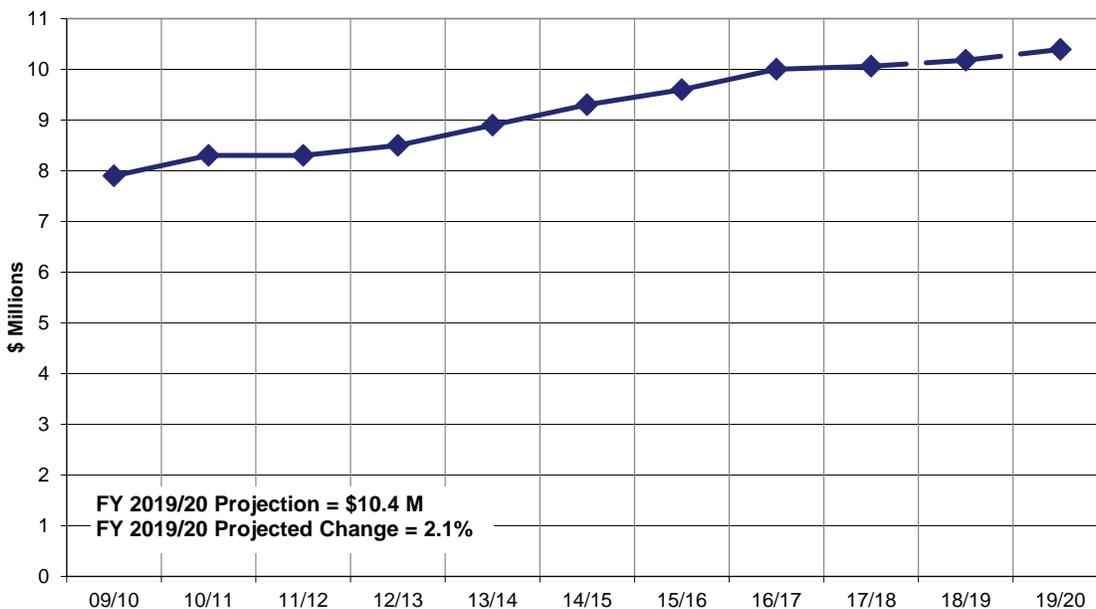
Description: State law provides cities with the authority to grant franchises to privately-owned utility and other companies for their use of the public right-of-way. The City receives franchise fees from the electric and gas utility, the solid waste collection company, local cable companies, and certain other entities for their privilege of using the public right-of-way within the City. The dominant franchise fees are calculated as a percentage of the respective franchisee’s gross revenues (subject to specified statutory adjustments) earned from services delivered or performed by the franchisee within the City.

The maximum gas and electric franchise rate is the greater of 1% on gas and electric adjusted gross revenues or 2% of the asset investment base within the City, as set by California law. PG&E pays its electric and gas utility franchise fee annually in April based on its revenues for the preceding calendar year. Gas and electric utility franchise revenues for FY 2019/20 will likely be computed as 1% of PG&E’s adjusted gross revenues (the 1% of revenues method generally results in a greater fee than the 2% of invested assets method) for calendar year 2019, and will be received by the City in April 2020.

In addition to the rate applied to PG&E gross revenues, a surcharge on gas and electricity consumption is charged to customers using other energy providers. As East Bay Community Energy became the primary energy provider for Fremont residents and businesses in July 2018, the portion of future electric franchise fee revenues captured through the surcharge is expected to increase.

The solid waste collection franchise fees are negotiated between the City and the refuse collector. The cable franchise rate, formerly established by City ordinance, is now determined in accordance with AB 2987, the Digital Infrastructure Video Competition Act (DIVCA). The franchise fee rate of 5% of the cable company’s “gross revenues” is unchanged, but cable providers now operate under a State franchise, rather than a local franchise. The solid waste collection franchise fee is paid monthly and the cable franchise fee is paid quarterly (both in arrears) throughout the fiscal year.

Franchise Fees History and Forecast (FY 2009/10 - FY 2019/20)



Forecast: The FY 2018/19 estimate shows a 1.2% increase from the prior year, with 2.1% growth projected for FY 2019/20. The projected FY 2019/20 franchise fees revenue of \$10.4 million represents 4.9% of General Fund revenues.

Key Factors in the Forecast: Key factors affecting the major franchises are discussed below.

- Electricity franchise: PG&E franchise fee revenues change because of changes to the cost of natural gas and other resources used to generate electricity, consumer power demands (which are affected by the economy), interstate energy contract pricing, and State and federal regulatory changes. The forecast assumes that the City's gas and electricity franchise fees will increase at 2.2%, the average of the last three years. Decreased demand (a factor of weather and price) or significant cost decreases are factors that might negatively affect this revenue.
- Cable franchise: AB 2987 was signed into California law and became effective January 1, 2007. This legislation transferred the franchising functions to the State and set a fixed franchise fee of 5%. Based on collections through April, the FY 2018/19 estimate is \$2.0 million. The estimate reflects a 3.2% decrease from the prior year. The FY 2019/20 projection of \$1.9 million assumes a 3.8% reduction, consistent with the trend over the last three years. The decline in this category may be the result of consumer shifts toward television access technologies which are not subject to the franchise fee.
- Solid waste collection franchise: Solid waste collection ("garbage") franchise fee revenues are estimated at \$5.0 million in FY 2018/19, with a projected increase in FY 2019/20 of 4.5% for revenue of \$5.2 million. Solid waste rate increases typically occur every other year, in even years, with the last increase occurring in January 2018. With an increased focus on recycling (which is not subject to franchise fees), new revenue growth will likely be coming primarily from fee increases and new development adding to the customer base.

General Fund Forecast

The General Fund forecast is a planning tool that helps staff identify important trends and anticipate the longer-term consequences of budget decisions. The forecast tools have been instrumental in modeling the effects of such recent budget issues as rising retirement system costs, the short- and long-term consequences of issuing variable rate debt, and potential scenarios for future revenue performance. The ability to model cost and revenue trends beyond the next budget year helps the City identify service levels that can be sustained through all phases of the business cycle.

The forecast is not a plan, but a model based on revenue and cost assumptions that are updated regularly as new information becomes available. Of these components, future cost projections, based on known costs, are relatively reliable. Revenue forecasts, on the other hand, are based on assumptions related to future economic conditions, which are fraught with uncertainty. Economic forecasts reported in the media frequently swing from optimistic to pessimistic, and demonstrate the perils of committing to a particular prediction of the future. For this reason, the forecast is updated regularly, and is the subject of periodic City Council discussion.

The key forecast assumptions are as follows:

- The California consumer price index (CCPI) will increase by at least 2% during the forecast period, allowing assessed values to increase by at least 2% for FY 2019/20 through FY 2021/22. Changes in property ownership will continue at the current level, and new construction in Warm Springs will further add to the property tax roll.
- Growth in sales tax, business tax, and hotel/motel tax revenues will continue at or just below the FY 2019/20 levels in FY 2020/21 and FY 2021/22.
- Interest rates will remain unchanged through the forecast period, stabilizing both interest earnings revenue and variable-rate debt service expenses.
- The placeholder salary adjustment of 2.5% included in the FY 2019/20 adopted budget is assumed to be part of a two-year agreement. Accordingly, an additional 2.5% adjustment is included in the forecast for FY 2020/21. However, no compensation increase is included for FY 2021/22.
- Estimated pension contribution increases related to changes in investment earnings assumptions have been incorporated based on information from CalPERS. Per the City Council Pension Liability Funding Policy, additional unfunded liability contributions have been included in each year.
- Ongoing funding for additional staff and enhanced services incorporated into the FY 2019/20 adopted budget has been included in the forecast.
- The forecast also incorporates operating costs for the new Downtown event center and senior center in Warm Springs, both of which are anticipated to open in FY 2021/22.
- Commitments for anticipated fund transfers contained in the adopted FY 2019/20-2023/24 CIP are included.
- Commitments for all known and anticipated debt service costs are included.
- The General Fund forecast incorporates the higher funding level for the General Fund Contingency Reserve of 16.7% of budgeted expenditures and transfers out. The funding level for the Budget Uncertainty Reserve is maintained throughout the forecast at \$8.3 million.

Projected resources will cover projected costs in FY 2019/20 and the two forecast years. Staff will monitor budget performance closely, and will return to Council with budget modifications as warranted.

General Fund Adopted Budget and Forecast Through FY 2021/22
(Thousands of Dollars)

	Est Actual FY 18/19	Adopted FY 19/20	Projected FY 20/21	Projected FY 21/22
Sources				
Beginning Unreserved Fund Balance	\$ 17,758	\$ 13,124	\$ 4,309	\$ 8,226
Revenues				
Taxes:				
Property Tax	99,649	106,016	112,325	119,030
Sales Tax	67,159	63,933	66,522	69,216
Business Tax	11,271	11,700	12,157	12,635
Hotel/Motel Tax	8,679	8,888	9,101	9,319
Property Transfer Tax	1,901	1,937	1,974	2,011
Paramedic Tax	1,196	1,208	1,220	1,232
Franchise Fees	10,178	10,394	10,624	10,845
Charges for Services	5,826	5,841	5,875	5,905
Fines	2,388	2,288	2,195	2,107
Use of Money and Property	938	1,658	1,658	1,658
Intergovernmental	234	234	234	234
Other Revenues	564	208	208	208
Total Revenues	209,983	214,305	224,093	234,400
Transfers In	6,886	7,346	7,386	7,540
Total Sources	234,627	234,775	235,788	250,166
Uses				
Expenditures				
General Government	16,015	17,542	17,630	17,832
Police	82,318	92,767	95,871	97,597
Fire	51,764	56,019	57,124	58,332
Maintenance (Streets/Facilities)	15,229	18,902	19,419	19,797
Maintenance (Parks/Street Medians)	8,753	9,916	9,853	10,028
Human Services	3,745	4,158	4,246	4,293
Code Enforcement/Community Development Admin	1,950	2,013	1,951	1,972
Non-departmental	2,624	3,239	3,664	3,345
Less: Citywide Savings	-	(7,000)	(6,000)	(5,000)
Debt Service	8,868	8,952	8,952	8,818
Total Expenditures	191,266	206,508	212,710	217,014
Transfers Out				
Capital Projects	19,950	5,500	5,500	5,250
Cost Center Allocations	5,812	5,288	5,420	6,820
Affordable Housing	1,505	1,660	1,759	1,864
Urban Runoff	-	238	309	410
Social Services Grants	737	756	775	775
Total Transfers Out	28,004	13,442	13,763	15,119
Total Uses	219,270	219,950	226,473	232,133
Ending Fund Balance				
Reserved Fund Balance	34,516	45,032	46,121	47,066
Unreserved Fund Balance	13,124	4,309	8,226	17,088
Total Ending Fund Balance	\$ 47,640	\$ 49,341	\$ 54,347	\$ 64,154

Notes:

Beginning in FY 2019/20, the Contingency Reserve, Program Investment Reserve, and Economic Volatility Reserve will be combined into a single General Fund Contingency Reserve, to be maintained at 16.7% of budgeted expenditures and transfers out. The Budget Uncertainty Reserve will be increased to \$8.3 million.

Beginning in FY 2018/19, a portion of the real property management budget was moved to the General Fund and the transfer to the Development Cost Center Fund was reduced.

General Fund | Transfer Detail

Transfers In	Estimated Actual FY 2018/19	Adopted FY 2019/20	Projected FY 2020/21	Projected FY 2021/22
Overhead Transfers In From Other Funds:				
Development Cost Center (Funds 391, 392, 393)	2,726	2,967	3,041	3,117
Recreation Cost Center (Fund 189)	1,412	1,405	1,440	1,476
Information Technology (Fund 620)	557	593	608	623
Environmental Services (Fund 115,123)	373	415	425	436
Human Services (Grant Funds, Fund 102)	319	350	359	368
Paratransit Grants (Fund 178, 176, 252)	111	149	153	157
Vehicle Replacement (Fund 610)	43	31	32	33
Rent Review (Fund 197)	42	23	24	25
Other (Home Grant, Fund 111, 103)	38	38	39	40
Lighting/Landscape Maint Dist (Fund 160)	15	15	15	15
Sub-total Transfers In from Other Funds	\$ 5,636	\$ 5,986	\$ 6,136	\$ 6,290
Miscellaneous One-Time Transfers In:				
Solar Feasibility Study	-	60	-	-
Climate Action Plan Update	-	50	-	-
Sub-total Misc. One-Time Transfers In	\$ -	\$ 110	\$ -	\$ -
Miscellaneous Recurring Transfers In:				
Impact Fee Debt Service Reimbursement	1,000	1,000	1,000	1,000
Family Resource Center Maintenance Support	250	250	250	250
Sub-total Misc. Recurring Transfers In	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250
TOTAL OPERATING TRANSFERS IN	\$ 6,886	\$ 7,346	\$ 7,386	\$ 7,540

Transfers Out	Estimated Actual FY 2018/19	Adopted FY 2019/20	Projected FY 2020/21	Projected FY 2021/22
Transfers to the CIP:				
Street and Sidewalk Maintenance	2,600	2,550	2,550	2,550
Parks and Median Capital Replacement	1,000	1,000	1,000	1,000
Facilities Maintenance	1,000	1,000	1,000	1,000
Downtown Plan and Warm Springs	1,250	500	500	250
ADA Facility Improvements	-	450	450	450
One-Time Projects (Warehouse, Public Safety Radios, Elevators)	14,100	-	-	-
Sub-total - Transfers to the CIP	\$ 19,950	\$ 5,500	\$ 5,500	\$ 5,250
Cost Center Allocations:				
Community Development Cost Center	2,816	2,097	2,149	2,149
Recreation Cost Center	2,490	2,673	2,740	3,440
Senior Center Cost Center	505	518	531	1,231
Sub-total - Cost Center Allocations	\$ 5,811	\$ 5,288	\$ 5,420	\$ 6,820
Other Transfers from the GF:				
Affordable Housing and Homeless Services	1,505	1,660	1,759	1,864
Social Service Grants	737	756	775	775
Urban Runoff Clean Water Program	-	238	309	410
Sub-total - Other transfers	\$ 2,242	\$ 2,654	\$ 2,843	\$ 3,049
TOTAL OPERATING TRANSFERS OUT	\$ 28,003	\$ 13,442	\$ 13,763	\$ 15,119

General Fund Historical and Adopted Budget 2019/20
(Thousands of Dollars)

	FY 14/15 Actual	FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Actual	FY 18/19 Estimated Actual	FY 19/20 Adopted Budget
Sources						
Beginning Unreserved Fund Balance	\$ 3,909	\$ 7,068	\$ 4,381	\$ 8,039	\$ 17,758	\$ 13,124
Revenues						
Taxes:						
Property Tax	75,028	79,388	86,698	93,363	99,649	106,016
Sales Tax	40,744	48,580	49,536	58,903	67,159	63,933
Business Tax	9,421	10,126	12,621	12,117	11,271	11,700
Hotel/Motel Tax	7,181	8,087	8,391	8,620	8,679	8,888
Property Transfer Tax	1,758	1,801	1,916	1,894	1,901	1,937
Paramedic Tax	1,163	1,161	1,166	1,173	1,196	1,208
Franchise Fees	9,299	9,606	9,887	10,061	10,178	10,394
Charges for Services	5,177	5,803	6,094	7,136	5,826	5,841
Fines	3,024	2,694	2,661	2,336	2,388	2,288
Use of Money and Property	777	1,247	789	882	938	1,658
Intergovernmental	1,138	565	188	283	234	234
Other Revenues	1,457	1,765	264	419	564	208
Total Revenues	156,167	170,823	180,211	197,187	209,983	214,305
Transfers In	7,390	5,549	6,641	6,499	6,886	7,346
Total Sources	167,466	183,440	191,233	211,725	234,627	234,775
Uses						
Expenditures						
General Government	12,694	13,784	14,612	14,861	16,015	17,542
Police	60,599	65,917	69,145	76,470	82,318	92,767
Fire	39,450	43,725	44,259	47,062	51,764	56,019
Maintenance (Streets/Facilities)	13,343	13,791	14,233	14,758	15,229	18,902
Maintenance (Parks/Street Medians)	7,076	7,259	7,287	8,351	8,753	9,916
Human Services	-	-	-	3,447	3,745	4,158
Code Enforcement/Community Development Admin	1,238	1,322	1,356	1,619	1,950	2,013
Non-departmental	1,395	917	1,229	2,176	2,624	3,239
Less: Citywide Savings	-	-	-	-	-	(7,000)
Debt Service	6,526	6,558	7,172	8,551	8,868	8,952
Total Expenditures	142,321	153,273	159,293	177,295	191,266	206,508
Transfers Out	17,262	24,060	22,532	15,224	28,004	13,442
Total Uses	159,583	177,333	181,825	192,519	219,270	219,950
Ending Fund Balance						
Reserved Fund Balance	26,677	29,560	30,929	32,377	34,516	45,032
Unreserved Fund Balance	7,068	4,381	8,039	17,758	13,124	4,309
Total Ending Fund Balance	\$ 33,745	\$ 33,941	\$ 38,968	\$ 50,135	\$ 47,640	\$ 49,341

Notes:

Public Works Engineering activities are funded in the Development Cost Center as shown in the Cost Centers/Internal Services section.

Community Development Planning and Building and Safety activities are funded in the Development Cost Center as shown in the Cost Centers/Internal Services section. The Community Development Housing activities are funded in various housing-related special revenue funds as shown in the Special Revenue Funds section.

Community Services Recreation activities are funded in the Recreation Cost Center from a combination of General Fund and fee revenues as shown in the Cost Centers/Internal Services section. Community Services Landscape activities are funded in the Development Cost Center as shown in the Cost Centers/Internal Services section. Community Services Environmental Services activities are funded in the Environmental Services special revenue funds as shown in the Special Revenue Funds section.

For FY 2019/20, the Contingency Reserve, Program Investment Reserve, and Economic Volatility Reserve are combined into a single General Fund Contingency Reserve, which is maintained at 16.7% of budgeted expenditures and transfers out, as well as, the Budget Uncertainty Reserve, maintained at \$8.3 million.

Beginning in FY 2018/19, a portion of the real property management budget was moved to the General Fund and the transfer to the Development Cost Center Fund was reduced.

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Other Funds

Other Funds

For budget purposes, the City's funds are grouped into four categories:

- General Fund
- Cost Center/Internal Service
- Special Revenue
- Capital

The first three categories constitute the City's primary operating funds, and the last one is a special class of fund used for capital investments. Funding for most City operations comes from the first three categories. The following section provides an overview of the City's Cost Centers, Internal Service funds, Special Revenue funds, and Capital funds. Detailed information about the General Fund is available in the General Fund section of this document.



Other Funds

Summary of All Other Funds (Thousands of Dollars)

	Cost Center/ Internal Services Funds	Special Revenue Funds	Capital Funds	Total
Sources				
Beginning Unreserved Fund Balance	\$ 24,172	\$ 66,198	\$ 66,192	\$ 156,562
Revenues				
Taxes:				
Property Tax	-	-	-	-
Sales Tax	-	1,697	-	1,697
Business Tax	-	-	-	-
Hotel/Motel Tax	-	-	-	-
Property Transfer Tax	-	-	-	-
Paramedic Tax	-	-	-	-
Franchise Fees	-	-	-	-
Charges for Services	41,227	13,291	300	54,818
Fines	-	-	-	-
Use of Money and Property	604	693	1,037	2,334
Intergovernmental	-	8,669	17,450	26,119
Other Revenues	1,662	22,341	43,931	67,934
Total Revenues	43,493	46,691	62,718	152,902
Transfers In	5,288	2,641	5,500	13,429
Total Sources	72,953	115,530	134,410	322,893
Uses				
Expenditures				
General Government	-	-	-	-
Police	-	540	-	540
Fire	1,855	336	-	2,191
Maintenance (Streets/Facilities)	-	-	1,775	1,775
Maintenance (Parks/Street Medians)	-	2,421	-	2,421
Code Enforcement/Community Development Admin	-	160	-	160
Housing	-	10,297	-	10,297
Environmental Services	-	8,796	-	8,796
Engineering	13,527	-	-	13,527
Planning	5,016	-	-	5,016
Building and Safety	10,091	-	-	10,091
Human Services	935	11,751	-	12,686
Recreation	11,412	-	-	11,412
Landscape	1,708	-	-	1,708
Non-departmental	1,076	-	-	1,076
Capital	1,608	-	68,514	70,122
Less: Citywide Savings	-	-	-	-
Debt Service	-	572	-	572
Less: Debt Service Savings	-	-	-	-
Total Expenditures	47,228	34,873	70,289	152,390
Transfers Out	8,046	1,285	1,125	10,456
Total Uses	55,274	36,158	71,414	162,846
Ending Fund Balance				
Reserved Fund Balance	18,876	6,849	-	25,725
Unreserved Fund Balance	18,965	78,208	53,281	150,454
Total Ending Fund Balance	\$ 37,841	\$ 85,057	\$ 53,281	\$ 176,179

Cost Centers and Internal Service Funds

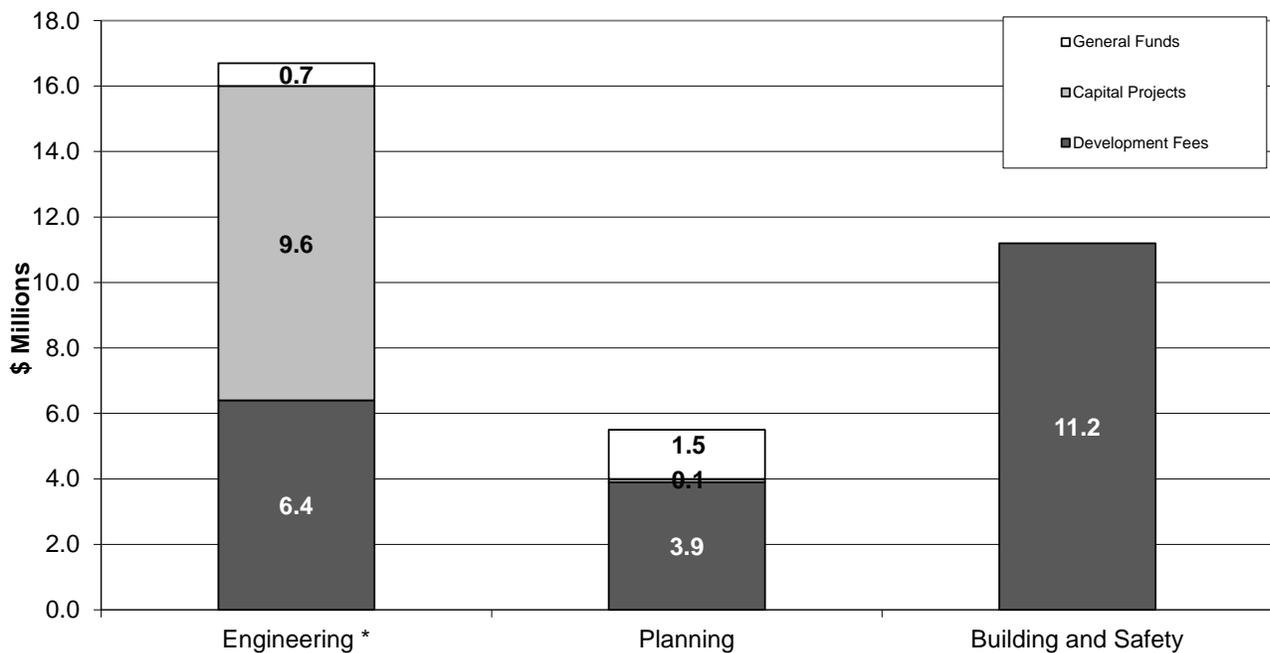
The City uses cost centers to account for City activities that are predominantly fee-based. These funds receive revenues from external users in the form of fees for services and transfers from other funds for work on City projects. The cost centers are intended to maintain their fund balances from year to year to provide flexibility to respond to revenue decreases or unexpected costs.

The City uses internal service funds to account for City-wide support services, such as risk management, information technology, and employee benefits, that operate on a cost-reimbursement basis, and to accumulate funds for vehicle, fire apparatus, and technology infrastructure capital replacement.

Development Cost Center

The Development Cost Center budget relies on a combination of development fees, charges to City capital projects, and charges to the General Fund (made in the form of a transfer) for work benefiting the community in general. In FY 2019/20, the General Fund will transfer \$2.1 million to the Development Cost Center, to be allocated among the Planning, Engineering, and Landscape Architecture Divisions to support their work programs. The work funded by the General Fund allocation generally includes updating and maintaining the City’s General Plan and Zoning Ordinance, implementing the Climate Action Plan, responding to traffic service requests, providing general customer service not associated with a particular project, and responding to City Council referrals.

Development Cost Center Funding Sources: FY 2019/20 Budget



* Engineering resources fund services in both the Community Services Department and the Public Works Department.

Other Funds | Cost Centers and Internal Service Funds

The City Council has established a Development Cost Center operational contingency reserve to help maintain service levels during temporary slowdowns in development activity, as well as a technology and system improvement reserve to provide funding for investments in permitting technology. The Development Cost Center also collects a Community Planning Fee to recover a portion of the costs associated with the annual maintenance and comprehensive updates to the General Plan and Zoning Ordinance. The Community Planning Fee is assessed on each building permit plan checked and issued. At the end of FY 2019/20, the fund balance is projected to be \$17.4 million.

Recreation Cost Center

The Recreation Cost Center provides services to the public through user fees and General Fund contributions. Employing an enterprise business model in which new programs are funded only if they are able to pay for themselves through fees, the Recreation Division successfully delivers programs and activities each year to citizens of all ages. Expanded programming, strong customer service, increased participation due to marketing efforts, and cost savings strategies have enabled the City to build a diverse and self-supporting portfolio of recreational offerings.

In FY 2019/20, the Recreation Cost Center expects to receive 78% of its \$12.4 million in total available resources from program and user fees, with only 22% (\$2.7 million) coming from General Fund support. This transfer is 7.4% (\$183,000) higher than the FY 2018/19 transfer, as it now includes support for the newly created Park Ranger Supervisor position. General Fund support enables the Recreation Cost Center to provide low to no-cost services such as Central Park operations, some teen services, the Olive Hyde Art Gallery, and community center operations.

The City Council has established a Recreation Cost Center contingency reserve to help maintain service levels during economic downturns or address revenue shortfalls. The contingency reserve requirement is set at 15% of annual operating expenditures. The Recreation Cost Center fund balance is estimated to be \$7.4 million by the end of FY 2019/20.

Senior Center Cost Center

This cost center accounts for revenues and expenditures for programs administered by the Aging and Family Services (AFS) Division of the Human Services Department for the Senior Center and for senior programs serving frail elders. Senior Center Cost Center resources are comprised of fees for service, restricted grants, private donations, and transfers in from the General Fund.

Unlike other cost centers, the Senior Center Cost Center relies on General Fund support for the majority of its funding. In FY 2019/20, the amount of General Fund support for the Senior Center Cost Center will be \$518,125, or 2.5% more than the FY 2018/19 amount.

Staff has responded to funding challenges over the last several years with a combination of fee increases, service reductions, fundraising, and use of reserves. Staff will continue to analyze Senior Center operations for opportunities to increase ongoing non-General Fund revenues and reduce operating costs to ensure long-term sustainability.

Risk Management Internal Service Fund

This fund accounts for the City’s retained self-insured risks of loss from vehicle and property damage, earthquakes and floods, workers’ compensation claims, general liability claims, and unemployment claims. Administrative costs, including insurance coverage through the City’s membership in the California Joint Powers Risk Management Authority, are also accounted for in this fund. Resources for this fund are provided through allocation “charges” to the departments and special revenue fund operations that receive these services. Total costs allocated to departments will be \$7.0 million in FY 2019/20.

Information Technology Services Internal Service Fund

This fund accounts for the City’s information systems support and technology services. It funds Information Technology Services operations and equipment replacement. Resources for this fund are provided through allocation “charges” to the departments and special revenue fund operations that receive these services. Total allocation charges to departments will be \$10.5 million in FY 2019/20 for information technology services operations and various capital replacement purchases and software upgrades. The expenditure budget for this fund is increasing by \$11 million, or 24.3%, from the adopted FY 2018/19 budget. This increase is primarily due to significant increasing pension and retiree health contributions and the addition of four new positions.

Employee Benefits Internal Service Fund

In fiscal year 2015/16, the City began prefunding its obligations for other post-employment healthcare benefits by annually prepaying the actuarially determined contribution to the CalPERS California Employers’ Retiree Benefit Trust (CERBT). This internal service fund accumulates contributions from each of the City’s operating funds, and accounts for the payments to the CERBT, benefit payments to retirees, and reimbursements from the CERBT for those benefit payments. In FY 2019/20, the budgeted contribution to the CERBT for retiree healthcare is \$10.8 million.

Fire Capital Replacement Internal Service Fund

The Fire Department maintains a fleet of fire apparatus (engines, aerial ladder trucks, and other specialized auxiliary apparatus) as well as a complement of personal protection and life-saving capital equipment (self-contained breathing apparatus, turnout (thermal protection) suits, cardiac monitors, and automated CPR devices). To facilitate timely replacement of these critical capital assets, this fund accumulates annual contributions from the General Fund and accounts for the associated capital expenditures. The FY 2019/20 contribution from the General Fund is budgeted at \$1.9 million.

Other Funds | Cost Centers and Internal Service Funds

Vehicle Replacement Internal Service Fund

The City maintains a fleet of over 500 police and civilian vehicles including automobiles, vans, trucks, motorcycles, and specialized maintenance and construction equipment. This fund accumulates annual contributions from each of the City's operating funds based on assigned vehicles, and accounts for the associated vehicle replacement purchases. Vehicle replacement contributions from all funds for FY 2019/20 remain essentially unchanged and are budgeted to total \$1.7 million.

Cost Centers/Internal Service Funds FY 2019/20 (Thousands of Dollars)

	Development Cost Center	Recreation Cost Center	Senior Center	Risk Management	Information Technology	Employee Benefits	Vehicle Replace- ment	Fire Capital Replacement	Internal Services Reclass*	Total
Sources										
Beginning Unreserved Fund Balance	\$ 6,001	\$ 3,878	\$ 454	\$ 2,915	\$ 7,192	\$ 490	\$ 3,242	\$ -	n/a	\$ 24,172
Revenues										
Taxes:										
Property Tax	-	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-	-
Business Tax	-	-	-	-	-	-	-	-	-	-
Hotel/Motel Tax	-	-	-	-	-	-	-	-	-	-
Property Transfer Tax	-	-	-	-	-	-	-	-	-	-
Paramedic Tax	-	-	-	-	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-	-	-	-	-
Charges for Services	29,718	9,469	185	7,000	10,495	10,793	1,710	1,855	(29,998)	41,227
Fines	-	-	-	-	-	-	-	-	-	-
Use of Money and Property	177	65	2	250	80	-	30	-	-	604
Other Revenues	1,318	157	123	-	14	-	50	-	-	1,662
Total Revenues	31,213	9,691	310	7,250	10,589	10,793	1,790	1,855	(29,998)	43,493
Transfers In	2,097	2,673	518	-	-	-	-	-	-	5,288
Total Sources	39,311	16,242	1,282	10,165	17,781	11,283	5,032	1,855	(29,998)	72,953
Uses										
Expenditures										
General Government	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	1,855	-	1,855
Engineering	13,527	-	-	-	-	-	-	-	-	13,527
Planning	5,016	-	-	-	-	-	-	-	-	5,016
Building and Safety	10,091	-	-	-	-	-	-	-	-	10,091
Human Services	-	-	935	-	-	-	-	-	-	935
Recreation	-	11,412	-	-	-	-	-	-	-	11,412
Landscape	1,708	-	-	-	-	-	-	-	-	1,708
Non-departmental	-	-	-	7,412	11,244	10,708	-	-	(28,288)	1,076
Capital	-	-	-	-	-	-	1,608	-	-	1,608
Less: Citywide Savings	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Less: Debt Service Savings	-	-	-	-	-	-	-	-	-	-
Total Expenditures	30,342	11,412	935	7,412	11,244	10,708	1,608	1,855	(28,288)	47,228
Transfers Out	6,017	1,405	-	-	593	-	31	-	-	8,046
Total Uses	36,359	12,817	935	7,412	11,837	10,708	1,639	1,855	(28,288)	55,274
Ending Fund Balance										
Reserved Fund Balance	14,868	4,008	-	-	-	-	-	-	n/a	18,876
Unreserved Fund Balance	2,528	3,425	347	2,753	5,944	575	3,393	-	n/a	18,965
Total Ending Fund Balance	\$ 17,396	\$ 7,433	\$ 347	\$ 2,753	\$ 5,944	\$ 575	\$ 3,393	\$ -	n/a	\$ 37,841

Notes:

* For the purpose of displaying in the all funds table, the "Charge for Services" and "Non Departmental Expenditures" categories in the Risk Management, Information Technology, and Employee Benefits Funds have been reclassified and are not part of the Cost Center/Internal Service Funds total because these amounts are included in other departments' budgets. The recreation rental revenue is shown in "Use of Money and Property" for facility rentals.

Other Funds | Cost Centers and Internal Service Funds

Cost Centers/Internal Service Funds
(Thousands of Dollars)

	Budget 2017/18	Budget 2018/19	Adopted 2019/20
Sources			
Beginning Unreserved Fund Balance	\$ 26,436	\$ 19,998	\$ 24,172
Revenues			
Taxes:			
Property Tax	-	-	-
Sales Tax	-	-	-
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	34,982	39,374	41,227
Fines	-	-	-
Use of Money and Property	399	404	604
Intergovernmental	-	-	-
Other Revenues	1,410	1,530	1,662
Total Revenues	36,791	41,308	43,493
Transfers In	5,423	5,041	5,288
Total Sources	68,650	66,347	72,953
Uses			
Expenditures			
General Government	-	-	-
Police	-	-	-
Fire	1,670	1,766	1,855
Engineering	11,534	12,529	13,527
Planning	4,397	4,676	5,016
Building and Safety	7,949	9,937	10,091
Human Services	776	895	935
Recreation	9,717	10,898	11,412
Landscape	1,652	1,804	1,708
Non-departmental	848	9	1,076
Capital	1,402	1,558	1,608
Less: Citywide Savings	-	-	-
Debt Service	-	-	-
Less: Debt Service Savings	-	-	-
Total Expenditures	39,945	44,072	47,228
Transfers Out	7,007	4,949	8,046
Total Uses	46,952	49,021	55,274
Ending Fund Balance			
Reserved Fund Balance	12,920	16,395	18,876
Unreserved Fund Balance	16,379	18,159	18,965
Total Ending Fund Balance	\$ 29,299	\$ 34,554	\$ 37,841

Special Revenue Funds

Special revenue funds account for activities (other than major capital projects) funded by special-purpose revenues. Such revenues are typically legally restricted for specific purposes and may not be spent as part of the General Fund for general public safety or maintenance activities. Most of the federal, State, and County grants the City receives are accounted for in special revenue funds. Such grant revenues typically must be spent and accounted for according to the specific grant requirements.

Human Services

The Human Services Department relies on General Fund support, grants, charges for service, and rents from the Family Resource Center (FRC) to provide a wide range of services to families and seniors. The non-General Fund sources featured in this special revenues subsection comprise 73% of the department's total funding sources in FY 2019/20. The table on page 94 shows the special revenue funding sources for Human Services. For information on the total Human Services budget, including the use of General Fund resources, please see the Department Budgets section of this document.

In FY 2019/20, the General Fund will transfer \$755,865 to the Human Services Special Revenue Fund for social service grants. Together the General Fund portion and the social service grants represent 27% of the Department's total operating budget.

Grants and Other Special Purpose Funding

The City receives grants and special purpose funding for Human Services activities from a number of different sources:

1. **Alameda County:** Probation Department funds for Youth and Family Counseling to divert at-risk youth from the criminal justice system; Department of Behavioral Health Care Services and Health Care Service Agency funds to support a multi-disciplinary team approach to family support at the Fremont Family Resource Center and alcohol or drug (AOD) intervention services.
2. **Alameda County and Union City:** Funds to provide services to elders in Fremont and the Tri-City area.
3. **Eden Housing:** Funding to provide onsite senior support services to residents at Cottonwood, Redwood, and Sequoia Senior Housing complexes.
4. **Mobile Mental Health Grant:** Funding from Proposition 63 for mental health services to home-bound clients in order to improve their ability to live safely in the community.
5. **State Medi-Cal Reimbursement:** Funds for the Multipurpose Senior Services Program (funded by the State using State and federal dollars) to provide services aimed at assisting frail elders to remain in their homes.
6. **State Medi-Cal Reimbursement:** Funds received through reimbursement for counseling and support services provided to youth, seniors, and administrative services.

Paratransit

This fund accounts for the monies used to fund the City's transportation services for seniors and people with disabilities. The City receives Measure B and Measure BB sales tax revenue from the Alameda County Transportation Commission for use on transportation-related activities such as the paratransit services, mobility management, travel training, taxi vouchers and volunteer driver programs. In FY19/20 Paratransit is expecting to receive total of \$1.697 million from Measure B and Measure BB funding which includes direct local distribution funding of \$1.546 million and \$150,693 grant funding to support supplemental transportation services for elderly and disabled Tri-City residents. The City is also expected to receive \$434,500 from the City of Newark and City of Union City under their agreement to provide paratransit services to Newark and Union City residents.

Family Resource Center Fund

This fund accounts for the revenues and costs associated with the Fremont Family Resource Center (FRC). Rental payments by the various tenants of the FRC fund the salaries and benefits of the FRC staff and operating and capital expenditures at the facility. This fund also includes grants from private foundations to support programs at the FRC. FRC funding is expected to decrease by \$313,000 in FY 2019/20.

CDBG

This fund accounts for the City's allocation of federal Community Development Block Grant (CDBG) funds received from the U.S. Department of Housing and Urban Development (HUD) for the purpose of developing viable urban communities. Through the CDBG program, the City receives an annual entitlement grant to address certain housing and community development needs. Federal regulations require that at least 70% of the City's CDBG grant directly benefit low and moderate-income households, with each community tailoring its program to address specific local needs.

CDBG entitlement funds are received on a project cost-reimbursement basis. The FY 2019/20 budget of \$1.6 million is a decrease of \$0.4 million from the FY 2018/19 budget.

Rent Review Program

This City Council established the Rent Review Program in FY 2017/18 with a cost recovery fee for the implementation and administration of the Rent Review Ordinance.

The Rent Review Program budget relies solely on fees collected from all non-exempt residential rental unit owners, with no General Fund support. The Rent Review Program fee will be adjusted annually to reflect each year's budgeted program expenditures, the rental unit inventory, and the estimated collection rate.

FY 2019/20 budgeted expenditures are \$704,000.

HOME

This fund is administered by the Human Services Department and accounts for monies received under the HOME Investment Partnership (HOME) Act. HOME funds can be used to acquire, rehabilitate, finance, and construct affordable housing. The FY 2019/20 budget is \$399,600, representing an increase of 31.4% from FY 2018/19.

Affordable Housing Ordinance

This fund accounts for all payments by residential developers who choose to fulfill their obligations under the City's Affordable Housing Ordinance by paying a fee. Pursuant to the Ordinance, 85% of funds deposited are to be used for development of new affordable housing; 10% for supportive services; and 5% for administrative costs. In FY 2019/20, \$17.6 million in revenues is anticipated to be received, to be used to develop affordable housing in the future.

Low and Moderate Income Housing Asset Fund (Formerly Housing Successor Agency)

This fund accounts for all affordable housing revenues and expenditures except those fees related to the Affordable Housing Ordinance, including all housing assets and all housing-related obligations of the former RDA. Estimated expenditures are \$1,333,000 in FY 2018/19, for operational costs related to the management and oversight of the City's affordable housing assets and programs. The total expenditures budgeted for FY 2019/20 are \$1.0 million.

City Funded Affordable Housing Fund

This fund was set up to account for funding sources and housing expenditures for the City-funded affordable housing programs. Beginning in FY 2019/20, this fund will also account for Homeless Services expenditures. At the end of FY 2018/19, the estimated fund balance was \$48.1 million. For FY 2019/20, \$1.7 million of funding is budgeted from the General Fund.

Public Safety Grants

The City receives grants for public safety activities from a variety of sources, including the following:

- 1. AB3229 - Community Oriented Policing Services (COPS) Front Line Enforcement:** This fund accounts for monies from the State which are distributed by the County to be spent on front line law enforcement activities.
- 2. Abandoned Vehicle Abatement:** This fund accounts for monies received by the City under California Vehicle Code (CVC) sections 9250.7 and 22710 and used for the abatement, removal, and disposal as public nuisances of any abandoned, wrecked, dismantled, or inoperative vehicles from private or public property.

- 3. State Office of Traffic Safety Grant:** This fund accounts for monies received from the State to provide funding for innovative traffic enforcement programs and public relations for a countywide campaign against drinking drivers.

Environmental Services

The City City receives special purpose funding for Environmental Services activities from a number of different sources, including the following:

- 1. Integrated Waste Management:** This fund accounts for monies received by the City from solid waste collection rates and used to comply with the provisions of AB 939 for the purpose of carrying out recycling, household hazardous waste, and solid waste management programs. The current fund balance serves two purposes: (1) to support rate stabilization, and (2) to cover transition costs associated with landfill closure.
- 2. Urban Runoff Clean Water Program:** This This fund accounts for monies received to comply with the federal Clean Water Act of 1987, which requires that stormwater discharges from municipal storm drain systems be regulated under a nationwide surface water permit program. In order to obtain a permit, the City must implement programs to evaluate sources of pollutants in urban storm drain runoff, estimate pollutant loads, evaluate control measures, and implement a program of pollution controls.
- 3. Measure D:** This fund accounts for monies received by the City from the Measure D surcharge imposed on unincorporated Alameda County landfills. These funds are restricted to expenditures incurred for waste diversion and recycling activities that are designed to reduce the amount of waste transferred to the landfill.

Expenditures are budgeted to increase by 8%, from \$10.9 million in FY 2018/19 to \$11.8 million in FY 2019/20. The FY 2019/20 budget increased mainly due to an increase in salary and benefits costs, and the increase in material processing expenses and organics diversion growth.

Other Funds | Special Revenue Funds

Special Revenue Funds FY 2019/20 (Thousands of Dollars)

	Human Services				
	Grants	Paratransit	FRC	Human Services	CDBG
Sources					
Beginning Unreserved Fund Balance	\$ 2,048	\$ 1,943	\$ 1,502	\$ 1,038	\$ -
Revenues					
Taxes:					
Property Tax	-	-	-	-	-
Sales Tax	-	1,697	-	-	-
Business Tax	-	-	-	-	-
Hotel/Motel Tax	-	-	-	-	-
Property Transfer Tax	-	-	-	-	-
Paramedic Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Charges for Services	45	101	80	196	-
Fines	-	-	-	-	-
Use of Money and Property	5	15	30	23	-
Intergovernmental	5,017	334	-	25	1,432
Other Revenues	378	-	1,718	48	125
Total Revenues	5,445	2,147	1,828	292	1,557
Transfers In	-	-	-	756	-
Total Sources	7,493	4,090	3,330	2,086	1,557
Uses					
Expenditures					
General Government	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Maintenance (Parks/Street Medians)	-	-	-	-	-
Code Enforcement/Community Development Admin	-	-	-	-	-
Housing	-	-	-	-	-
Environmental Services	-	-	-	-	-
Human Services	5,222	2,252	1,081	975	1,540
Recreation	-	-	-	-	-
Non-departmental	-	-	-	-	-
Less: Citywide Savings	-	-	-	-	-
Debt Service	-	-	572	-	-
Less: Debt Service Savings	-	-	-	-	-
Total Expenditures	5,222	2,252	1,653	975	1,540
Transfers Out	283	149	301	-	17
Total Uses	5,505	2,401	1,954	975	1,557
Ending Fund Balance					
Reserved Fund Balance	-	-	-	146	-
Unreserved Fund Balance	1,988	1,689	1,376	965	-
Total Ending Fund Balance	\$ 1,988	\$ 1,689	\$ 1,376	\$ 1,111	\$ -

Other Funds | Special Revenue Funds

Rent Review	HOME	Low/Mod Inc Housing	City Funded Aff Housing	Affordable Housing Ord	Public Safety Grant	Environmental Services Funds	Total
\$ 386	\$ 4	\$ 4,164	\$ 2,579	\$ 48,056	\$ 1,073	\$ 3,405	\$ 66,198
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,697
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
704	-	-	-	-	-	12,165	13,291
-	-	-	-	-	-	-	-
-	-	60	50	410	-	100	693
-	400	-	434	-	903	124	8,669
-	-	2,472	-	17,600	-	-	22,341
704	400	2,532	484	18,010	903	12,389	46,691
-	-	-	1,647	-	-	238	2,641
1,090	404	6,696	4,710	66,066	1,976	16,032	115,530
-	-	-	-	-	-	-	-
-	-	-	-	-	540	-	540
-	-	-	-	-	336	-	336
-	-	-	-	-	-	2,421	2,421
-	-	-	-	-	-	160	160
-	399	960	4,120	4,818	-	-	10,297
-	-	-	-	-	-	8,796	8,796
681	-	-	-	-	-	-	11,751
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	572
-	-	-	-	-	-	-	-
681	399	960	4,120	4,818	876	11,377	34,873
23	1	88	8	-	-	415	1,285
704	400	1,048	4,128	4,818	876	11,792	36,158
-	-	-	-	-	-	6,703	6,849
386	4	5,648	582	61,248	1,100	3,222	78,208
\$ 386	\$ 4	\$ 5,648	\$ 582	\$ 61,248	\$ 1,100	\$ 9,925	\$ 85,057

Other Funds | Special Revenue Funds

Special Revenue Funds (Thousands of Dollars)

	Budget 2017/18	Budget 2018/19	Adopted 2019/20
Sources			
Beginning Unreserved Fund Balance	\$ 56,066	\$ 63,127	\$ 66,198
Revenues			
Taxes:			
Property Tax	-	-	-
Sales Tax	1,564	1,601	1,697
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	11,373	12,120	13,291
Fines	-	-	-
Use of Money and Property	218	609	693
Intergovernmental	6,809	8,319	8,669
Other Revenues	23,661	9,504	22,341
Total Revenues	43,625	32,153	46,691
Transfers In	2,191	2,256	2,641
Total Sources	101,882	97,536	115,530
Uses			
Expenditures			
General Government	-	-	-
Police	1,231	694	540
Fire	162	265	336
Maintenance (Parks/Street Medians)	2,322	2,386	2,421
Code Enforcement/Community Development Admin	138	154	160
Housing	22,791	5,796	10,297
Environmental Services	7,595	8,011	8,796
Human Services	10,372	12,154	11,751
Recreation	-	-	-
Non-departmental	-	-	-
Less: Citywide Savings	-	-	-
Debt Service	551	571	572
Less: Debt Service Savings	-	-	-
Total Expenditures	45,162	30,031	34,873
Transfers Out	1,105	921	1,285
Total Uses	46,267	30,952	36,158
Ending Fund Balance			
Reserved Fund Balance	4,269	5,341	6,849
Unreserved Fund Balance	56,012	65,628	78,208
Total Ending Fund Balance	\$ 60,281	\$ 70,969	\$ 85,057

Capital Funds

The five-year Capital Improvement Program (CIP) is adopted biannually, and includes appropriations for projects for FY 2019/20 through FY 2023/24. Selected excerpts from the CIP are included with the operating budget to present a comprehensive picture of all the funds of the City and to reflect fund transfers approved between other operating funds and capital funds. This section contains a description of the CIP funds, a summary of approved expenditures by program category, and highlights of key projects for the current fiscal year. Additional CIP summary information can be found in the Capital Budget Summary section of this document. The complete capital plan can be found in the City's CIP.

General Fund Group

These funds are transferred from the General Fund and may be used for projects designated by the City Council.

Gas Tax Funds & Measure B, BB

Revenue in this fund comes from State gas tax and other sources, such as Measure B sales tax distributions, and can only be used for street maintenance and other traffic improvement projects.

In November 2014, voters in Alameda County passed the new 2014 Transportation Expenditure Plan and ballot Measure BB which will provide essential funding for transportation programs and projects throughout Alameda County. The City will receive funding from this new measure for Local Streets and Roads, Bicycle and Pedestrian, and Paratransit programs.

Park Impact Fee Funds

Funds in this group are restricted to acquisition, development, and/or rehabilitation of park land. The Parks and Recreation chapter of the General Plan contains the City's policies, standards, and guidelines for acquisition and development activities eligible for funding with park funds. The City Council has also adopted a Parks and Recreation Master Plan. The FY 2019/20 through FY 2023/24 Capital Improvement Program projects the use of the accumulated fund balance in these funds over the next five years.

Traffic Impact Fee Funds

Traffic impact fees are collected from development projects for streets, intersection improvements, and other infrastructure necessary to mitigate the transportation impacts of new development. These funds come from fees levied on all new development in the City.

Restricted Capital Funds

These funds are included for reference only; the amounts noted show the funds received from various grants that can only be used for a specific capital project. All projects in this group are either partially or fully funded by other funding sources not available for use other than as specified. Refer to the “restricted funds group” detail in the CIP document.

Capital Improvement Funds FY 2019/20
(Thousands of Dollars)

	General Fund Group	Gas Tax & Meas B	Park & Acq Impact Fees	Traffic Impact Fees	Committed/ Restricted Group	Expenditure Reclass*	Total
Sources							
Beginning Unreserved Fund Balance	\$ 10,124	\$ 1,897	\$ 43,610	\$ 3,938	\$ 6,623	n/a	\$ 66,192
Revenues							
Taxes:							
Property Tax	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-
Business Tax	-	-	-	-	-	-	-
Hotel/Motel Tax	-	-	-	-	-	-	-
Property Transfer Tax	-	-	-	-	-	-	-
Paramedic Tax	-	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	300	-	300
Fines	-	-	-	-	-	-	-
Use of Money and Property	-	151	701	150	35	-	1,037
Intergovernmental	-	17,450	-	-	-	-	17,450
Other Revenues	-	-	31,353	7,168	5,410	-	43,931
Total Revenues	-	17,601	32,054	7,318	5,745	-	62,718
Transfers In	5,500	-	-	-	-	-	5,500
Total Sources	15,624	19,498	75,664	11,256	12,368	-	134,410
Uses							
Expenditures							
General Government	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Maintenance (Streets/Facilities)	100	1,675	-	-	-	-	1,775
Planning	-	-	-	-	-	-	-
Building and Safety	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital	12,233	17,540	33,290	10,293	4,873	(9,715)	68,514
Less: Citywide Savings	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Less: Debt Service Savings	-	-	-	-	-	-	-
Total Expenditures	12,333	19,215	33,290	10,293	4,873	(9,715)	70,289
Transfers Out	110	-	-	-	1,015	-	1,125
Total Uses	12,443	19,215	33,290	10,293	5,888	(9,715)	71,414
Ending Fund Balance							
Reserved Fund Balance	-	-	-	-	-	-	-
Unreserved Fund Balance	3,181	283	42,374	963	6,480	n/a	53,281
Total Ending Fund Balance	\$ 3,181	\$ 283	\$ 42,374	\$ 963	\$ 6,480	\$ -	\$ 53,281

Notes:

* A portion of Capital Improvement Funds' expenditures are reclassified because costs for design, engineering, and other staff charges to capital projects are budgeted as part of the costs of projects and also included in departments' budgets. Total fund balance does not include available fund balances in restricted fund groups which are contained in the CIP.

Other Funds | Capital Funds

Capital Improvement Funds FY 2019/20 (Thousands of Dollars)

	Budget 2017/18	Budget 2018/19	Adopted 2019/20
Sources			
Beginning Unreserved Fund Balance	\$ 39,877	\$ 17,504	\$ 66,192
Revenues			
Taxes:			
Property Tax	-	-	-
Sales Tax	-	-	-
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	300	300	300
Fines	-	-	-
Use of Money and Property	1,661	1,263	1,037
Intergovernmental	13,110	15,953	17,450
Other Revenues	16,564	26,786	43,931
Total Revenues	31,635	44,302	62,718
Transfers In	8,350	8,850	5,500
Total Sources	79,862	70,656	134,410
Uses			
Expenditures			
General Government	-	-	-
Police	-	-	-
Fire	-	-	-
Maintenance (Streets/Facilities)	1,510	1,510	1,775
Planning	-	-	-
Building and Safety	-	-	-
Human Services	-	-	-
Recreation	-	-	-
Capital	34,823	41,336	68,514
Less: Citywide Savings	-	-	-
Debt Service	-	-	-
Less: Debt Service Savings	-	-	-
Total Expenditures	36,333	42,846	70,289
Transfers Out	865	1,015	1,125
Total Uses	37,198	43,861	71,414
Ending Fund Balance			
Reserved Fund Balance	-	-	-
Unreserved Fund Balance	33,844	17,545	53,281
Total Ending Fund Balance	\$ 33,844	\$ 17,545	\$ 53,281

Capital Budget Summary

Capital Budget Summary

The un-italicized text that follows is excerpted from the FY 2019/20 – FY 2023/24 Adopted Capital Improvement Program (CIP) dated June 11, 2019. The City Council adopted document is a five-year program/plan. A few minor edits have been made to the text for the purpose of incorporating this information into the Operating Budget.

The Capital Improvement Program (CIP) budget is developed every two years. This year's CIP forecasts and allocates the resources the City will use to build and maintain its infrastructure between FY 2019/20 and FY 2023/24. The plan allocates money for capital projects and the maintenance of existing infrastructure for two years, but it defines a plan that looks forward five years. The CIP is reviewed and updated with project funding appropriated for two years. The latest CIP appropriates funding for FY 2019/20 and FY 2020/21. The CIP is a budget, but it is also a tool to facilitate strategic thought and comprehensive capital planning. The structure of this process provides the opportunity to finance capital infrastructure and maintenance, balance the City's needs and priorities for a five-year period, and develop a plan that is strategic, comprehensive, and flexible. This memo introduces the FY 2019/20 – 2023/24 CIP and provides the context of the plan development and explains key components of the plan.

The investment in and maintenance of the City's physical infrastructure continues to be a priority of the City. Staff anticipates the national economy will continue to grow and the region reflects modest regional job growth. The top five revenues; property tax, sales tax, franchise fees, business tax, and hotel occupancy tax all reflect moderate growth. Investments in this CIP reflect ongoing projects to improve City infrastructure and adds projects to meet ADA requirements, facility improvements, replacements, and improve technology infrastructure.

Transportation revenues reflect an increase buoyed by the passage of the Road Repair and Accountability Act of 2017 (SB1 Beall). Through regional coordination of both City and regional transportation initiatives, increased revenues are realized from the Alameda County Transportation Commission Measure BB in the CIP program. Also, the rise in development activity has resulted in an increase in Park, Capital Facilities, and Fire Impact fees for this CIP cycle.

Despite increases in revenue for impact fees, gas tax and ACTC Measure BB contributions, the capital plan remains largely limited to and focused on preservation and maintenance of our capital assets, transportation infrastructure, and operations.

Process

Every two years, staff embarks on a significant effort to produce the CIP. The CIP development process involves a comprehensive internal project planning effort and multiple opportunities for the City Council to review the progress of the CIP development and to provide direction to staff. At the March 19, 2019 City Council work session, staff presented an overview of the CIP process, current CIP investments, and new City wide investment interest. At the May 21, 2019 staff provided initial revenue projections and identified projects in major program areas, Transportation, Parks & Landscaping, and Building / City infrastructure improvements.

Capital Budget Summary

the Also, at the May 21, 2019 meeting, the City Council received the final proposed project listing, along with the funding timeline for each project. On June 11, 2019 the Planning Agency of the City reviewed the Proposed CIP and found it to be in conformance with the General Plan, as required by State law. The first public hearing was held on June 4, 2019 and on June 11, 2019 the second public hearing was held for final comments on the FY 2019/20-2023/24 CIP.

Executive Summary

This CIP programs approximately \$241 million over the next five years for capital projects. This Executive Summary highlights some of the major projects included in the plan. The plan itself contains more detailed project descriptions and fund group summaries.

In the Capital Improvement Fund Group, the primary focus is on maintenance of existing assets and providing contributions for priority projects. The funding transfer of \$5.5 million in program years one and two will support ongoing CIP projects identified as Council priorities. Such projects include pavement maintenance, building maintenance, and projects that support the downtown plan. Along with identified Council priorities an ongoing allocation is programmed to ensure facilities are ADA compliant. An additional allocation of \$6.7 million for FY 2019/20 and \$2.6 million for FY 2020/21 support new or replacement of City facilities and improve technology infrastructure. Preservation and maintenance is a focus of this fund group and allocation to public building maintenance activities, street tree and sidewalk programs, and park capital replacement projects address the continued preservation of City assets.

As with the Capital Improvement Fund Group, the emphasis of projects funded by the Gas Tax Fund Group is on operations and maintenance of existing assets. Increased revenues in this fund group are attributed to the passage of the Road Repair and Accountability Act of 2017 (SB1- Beall) and the passage of the Alameda County Transportation Commission Measure BB in November 2014. Both sources will provide funding for projects focused on street capital improvement, street operations, and traffic and transportation projects throughout the City.

The CIP document identifies the Bike and Pedestrian Fund Group projects separately because the funding comes from restricted Measure B and Measure BB funds that require this funding be dedicated to bicycle and pedestrian projects only. The projects in this group include a variety of sidewalk improvements and installation of pedestrian safety devices. The annual funding of the bike and pedestrian project fund enables the Bike and Pedestrian Technical Advisory Committee to prioritize and recommend funding for emerging requests, as necessary.

Transportation projects funded from Traffic Impact Fees (TIF) generated by development activity allow for one-time funding towards transportation needs as a result of growth in the community. Community feedback indicates that Fremont residents are most concerned with traffic congestion management and traffic safety improvements; hence projects funded in this group address that concern through traffic signal modernization projects.

Parks

Staff and the Recreation Commission developed a list of park projects for inclusion in the plan. The Commission has recommended several park projects proceed in this CIP cycle due to the projected availability of funds. The Parks program developed in this CIP provides and continues the practice of looking forward with the funding of long-term projects for the Palm Avenue Community Park and the California Nursery Historical Park. This CIP includes funding for a comprehensive update to the City Parks and Recreation Master Plan, which will assess the community's needs and inform the future development of the City's parks, programming and operations. Central Park has new improvements planned, including a new All-Inclusive Exercise Equipment Area pathway upgrades, a new shade area at the Skate Park, and parking lot expansion to accommodate a growing community. Neighborhood parks and facilities will also receive substantive funding. For example, Dusterberry Neighborhood Park receives the final funding for design and development of this new park. This program also supports capital renovation and enhancements to existing facilities such as replacing the Centerville Community Park Restroom and Classroom, replacing another fishing dock in Niles Community Park, and renovating picnic areas and basketball courts throughout the park system.

The development of park priorities for the CIP presents challenges because the City must be mindful of its current ability to maintain existing assets, let alone develop new ones. The City Council has made strategic maintenance funding decisions that facilitates the development of Dusterberry Neighborhood Park and Palm Avenue Community Park. City impact fees, which generate most of the City's funding for park development, are highly restrictive and may only be used for the creation of new or expanded parks in compliance with the Park Master Plan. The upswing in development activity (which equates to increased revenues through impact fees) supports a strong parks program in this CIP.

Transportation

Transportation is inextricably linked with quality of life, economic vitality, and growth. Planning and construction of high quality infrastructure - roads, bridges, medians, street improvements, and sidewalks - have long been a hallmark of Fremont's high quality environment. However, rapid economic growth and the effects of the housing market on commute patterns have resulted in unprecedented traffic congestion on regional highways and local streets. The extraordinary costs of improvements, the challenges of inter-agency project management at the local, state, and federal levels, and the time required to develop and construct major transportation improvements all complicate the City's ability to effectively address traffic problems.

To address transportation needs systematically, the City is pursuing regional, multi-modal solutions that help reduce vehicle miles traveled, while maintaining and improving existing infrastructure. Major regional projects include the State Route 262 (Mission Blvd) cross connector from I-880 to I-680, widening northbound I-680 through the Sunol Grade, improving and modernizing interchanges at North Mission Blvd and Washington Blvd along I-680 and Decoto Road at I-880, extending BART to San Jose, adding a BART station in the Irvington district, and improvements to ACE train service.

Capital Budget Summary

Staff and City Council have developed a plan that programs over \$61 million in capital projects to build and improve the City's transportation network over the next five years. The City is addressing traffic congestion on Fremont thoroughfares through modernization of the traffic signal system by updating the system to the latest in industry standards and optimizing traffic signal timing to move traffic more efficiently. In addition, improving pedestrian access throughout the City is reflected in the trails and pedestrian bridge projects included in this CIP.

Capital Maintenance

Maintenance of the City's assets is the primary focus of the CIP. The FY 2019/20-2023/24 CIP provides funding to several important capital maintenance projects. Pavement Maintenance Rehabilitation efforts will receive \$53.3 million. Streets funding has increased as compared to recent CIP cycles. The increase is due to the contribution from the General Fund, along with increases attributed to the passage of afore mentioned Road Repair and Accountability Act of 2017 (SB1) and contributions from Alameda County Transportation Commission Measure BB. Fully funding public facilities maintenance needs continue to be challenging. For this CIP cycle, \$5 million is programmed for maintenance of public buildings with \$1 million programmed for FY 2019-20 and FY 2023-24, with the remaining three years reflecting a projected allocation of \$1 million annually. Maintenance projects utilize a majority of the funding available in the capital plan. The additional appropriation of \$7.3 million allocated by Council from prior year fund balance allows for funding important one-time capital maintenance projects. Staff evaluated every project in the plan for potential maintenance impacts and has been particularly cautious about funding projects that would result in increased maintenance. The lack of funding for maintenance and facility improvements will continue to present challenges in future capital plans.

Capital Improvement Fund 501 - This CIP fund is unrestricted and can be used for any capital project designated by the City Council. This portion of the CIP budget draws funding from a variety of sources, including the City's General Fund, interest earnings, unappropriated fund balance, fund transfers and proceeds from unexpended funds from project closeouts. Staff estimates that this fund will have approximately \$36.6 million available over the next five years for capital projects. This includes \$9.9 million in beginning fund balance, much of which is comprised of the \$7.3 million allocated from prior year budget. The Capital improvement fund also includes direct contributions to projects which include streets sidewalk, building facilities, parks and City-wide initiatives, such as projects in the Downtown area. Also included in this group are one-time capital maintenance projects.

Gas Tax Fund Group - Revenue in this fund group comes from the City's share of the State collected gasoline taxes, including the new Road Repair and Accountability Act of 2017 (SB1 Beall), Measure B and Measure BB transportation sales tax, and the County-wide Vehicle Registration Fee. The City can only use these funds for street capital improvement, street operations, and transportation projects throughout the City. Staff estimates that this fund group will have approximately \$83.1 million available over the next five years for capital projects.

Traffic Impact Fee (TIF) - This fund group accounts for monies received from developers to mitigate impacts on the City's transportation networks resulting from new development. The funds reflect new development's share of the cost of street improvements, interchanges, and other traffic infrastructure improvements. Over the next five years, staff estimates that the total available resources for this fund group will be \$23.5 million. Staff based these estimates on projected residential and non-residential construction activity and interest earnings over the next five years. Year to year, the traffic impact fee fund amount available is variable based on development activity.

Bike & Pedestrian Fund Group - This fund group accounts for Alameda County Measure B and Measure BB funds and funds from the county-wide Vehicle Registration Fee, which is dedicated only to bicycle and pedestrian projects. The City can only use these funds for transportation improvement projects that encourage utilization and improve safety of bicycle and pedestrian facilities throughout the City. Staff estimates that this fund group will have approximately \$7.8 million available over the next five years for capital projects.

Parkland and Park Facilities Fund Group - This fund group accounts for two distinctive impact fees relating to Parks. The Parkland fee is levied on all new residential development to pay for new development's share of the cost of acquiring land for parks. The Park Facilities fee is levied on all new residential development to pay for its share of the cost of developing park facilities. Staff is recommending funding of approximately \$58.5 million for Parks projects over the five year CIP Cycle. Park funds are restricted to projects that are new park facilities, or renovation park projects that respond to impact on the park facilities related to increased population and demand. The majority of Park acquisition/renovation funds are not allocated to projects, so the City can respond to opportunities to acquire parkland if and when those opportunities present themselves. The Recreation Commission and City Council will consider park land acquisition on a case by case basis outside the Capital Improvement Program budgeting process.

Committed/Restricted Fund Group - This fund group accounts for funds that the City projects to receive from State, federal and other agencies to fully or partially fund specific capital projects. It also lists internal restricted City funds available for specified purposes within the plan. Estimates of the total funding programmed for projects in this group is \$45.9 million. The funds available in this group include transfers from the Development Cost Center reserve to fund facility improvements and buoyed by a number of grants for transportation and capital maintenance projects from the Alameda County Transportation Commission.

Unfunded Needs

The FY 2019/20-2023/24 CIP does not represent the full picture of project funding needs. From the beginning of the development of this CIP, staff was aware of the funding challenges and considered a list of projects that balanced the amount of funds available with making a meaningful, but limited, impact on the needed capital improvements and deferred maintenance. As presented to the City Council, projects on the unfunded needs list include mobility action plan improvements, support for neighborhood commercial districts, ADA transition plan improvements, new and improved community facilities, Police center expansion, and communication and technology investments. Additionally, the City has deferred maintenance needs related to pavement condition and building maintenance.

Capital Budget Summary

Debt Management Policy

Proceeds from long-term capital debt may fund certain major capital projects in the CIP. Debt funding, within limits, is a very effective tool to fund major capital projects. Therefore, one of the fundamental elements of the CIP is the City's debt management policy, which currently limits debt expenditures to 7% of General Fund expenditures and transfers out. The City Council first formally adopted this policy on February 26, 1996 and last reaffirmed the policy on June 11, 2019 as part of the last CIP update. The Debt Policy section includes the full text of the policy.

Capital Project Reserve Policy

As part of the FY 2001/02-2005/06 CIP update, the City Council adopted a formal policy to reserve funds in support of project cost overruns or projects approved by the City Council outside of the CIP cycle. Prior to the adoption of that CIP, staff had to request fund transfers from other projects or fill in the funding gaps with unappropriated fund balance. As a result, each CIP now includes three types of project reserves to account for project overruns and projects approved after the CIP adoption. Because of funding uncertainties in this CIP, some fund groups will maintain larger reserves than required by this policy.

Project Contingency Reserve - Each capital project cost, with the exception of land acquisition, includes a contingency amount determined by the project manager. For projects with only preliminary cost estimates, the contingency is typically 20 percent. The contingency is available if the project costs exceed the initial budget estimate. This generally results from increased scope with additional project definition during the final design or from unexpected project conditions during construction. Multi-year projects also include an escalation to account for the effects of inflation. If a project does not use its project contingency reserve, the funds are returned to fund balance upon completion of the project.

Fund Group Contingency Reserve - For each capital project fund group, the City maintains a contingency reserve in a designated project. The City Manager has the authority to approve use of this reserve in increments of up to \$50,000. Amounts above \$50,000 require City Council approval. This contingency is available to projects if the project budget exhausts its project contingency reserve. Any unused portion of the reserve is used to fund this reserve in future CIP updates.

Emerging Project Reserve - For each capital project fund group, the City maintains an emerging projects reserve. The City Manager has the authority to approve use of this reserve in increments of up to \$50,000. Amounts above \$50,000 require City Council approval. This reserve funds new projects approved by the City Council outside of the CIP adoption process. Any unused portion of the reserve is used to fund this reserve in future CIP updates.

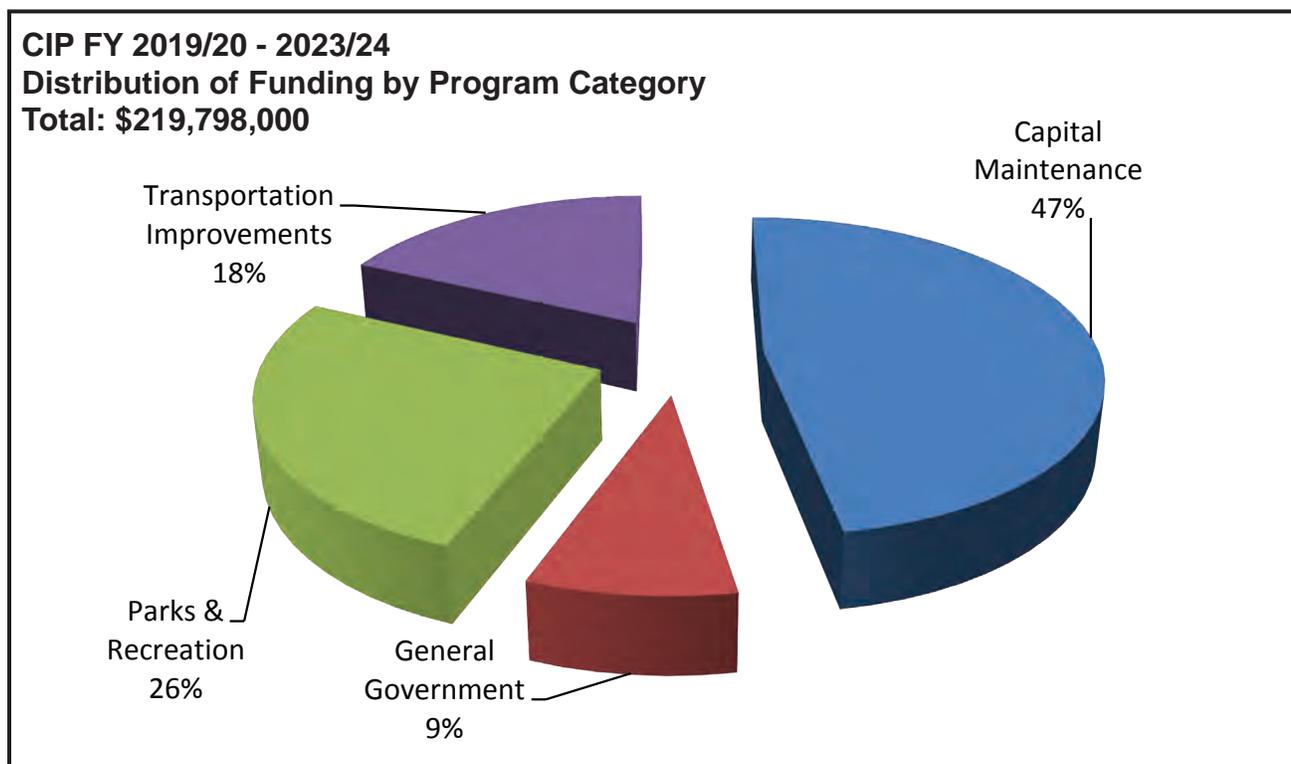
Looking Beyond the Five Year (2019/20-2023/24) CIP

The City of Fremont will continue to face challenges in finding the resources to build and maintain its capital infrastructure at a level that is acceptable to those who live and work in the City. This CIP plans for capital projects and the maintenance of existing infrastructure for five years, and it is reviewed and updated every two years. The process to update this plan biannually provides the City Council with a regular opportunity to consider these challenges, and to consider options for addressing them. Despite the funding limitations, the City will proceed with the significant capital work program outlined here for the benefit of the Fremont community.

Capital Improvement Project Highlights

Within the CIP, projects are categorized by major funding sources and among four programs: Capital Maintenance, Transportation Improvements, Parks and Recreation, and General Government. The chart below shows that the largest share of the CIP budget, 47% support capital maintenance related activities.

The following section provides a summary of key projects within each program category. Information about CIP funds summarized in the operating budget can be found in the Other Funds section of this document. A comprehensive list of projects is available in the adopted CIP for Fiscal year 2019/20 through 2023/24.



Capital Maintenance

1. Title: Concrete Repair Program, Citywide

Project Description: This is an existing annual project for reconstruction of curbs, gutters, sidewalks, driveway approaches, and installation of handicap ramps, where sidewalk replacement is required at two or more quadrants of an intersection.

Funding Source: ACTIA Measure BB (Local Streets and Roads)
New Vehicle Registration Fee SB83 (Measure F)

Project Cost:

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Five year total
\$1,200,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,200,000

Operational Impact: Concrete repairs eliminate damaged concrete and/or unsafe conditions located in the areas of public right-of-way to make these areas reasonably safe for pedestrians Citywide, thereby reducing any potential liabilities.

2. Title: Pavement Maintenance

Project Description: This project funds cape sealing and slurry sealing of streets to reduce pavement deterioration and extend pavement life.

Funding Source: Capital Improvement Fund (501)
ACTIA Measure B Local Streets and Roads
ACTIA Measure BB (Local Streets and Roads)
State Gas Exercise Tax
State Gas Tax 2106
State Gas Tax 2107

Project Cost:

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Five year total
\$6,125,000	\$5,625,000	\$5,825,000	\$6,425,000	\$6,725,000	\$30,725,000

Operational Impact: Street maintenance prevents street failures and decreases the need to perform the more expensive street reconstruction, which can cost three times the amount of the overlay project.

Capital Budget Summary | Capital Improvement Project Highlights

3. Title: Pavement Rehabilitation

Project Description: This project involves major pavement rehabilitation efforts, including overlay and street reconstruction, at selected street sections throughout the city.

Funding Source: State Gas Tax 2107-Sec 2030
State Gas Tax 2105
State Gas Tax 2106
State Gas Tax 2107

Project Cost:

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Five year total
\$4,000,000	\$3,900,000	\$4,900,000	\$4,900,000	\$4,900,000	\$22,600,000

Operational Impact: Street repair/maintenance prevents street failures and decreases the need to perform the more expensive street reconstruction.

4. Title: Street Maintenance

Project Description: Annual contribution to fund pavement and drainage repair/maintenance by City maintenance staff.

Funding Source: State Gas Excise Tax

Project Cost

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Five year total
\$1,675,000	\$1,675,000	\$1,675,000	\$1,675,000	\$1,675,000	\$8,375,000

Operational Impact: Street repair/maintenance prevents street failures and decreases the need to perform the more expensive street reconstruction.



Street maintenance project



Asphalt patching in residential area

Traffic Improvements

1. Title: Pedestrian Improvements

Project Description: Implement pedestrian facility improvements citywide to improve safety, access and convenience in conformance to City Planning Documents and support Vision Zero goals.

Funding Source: ACTIA Measure B Bikes/Peds
ACTIA Measure BB 2014 Bike & PED

Project Cost:

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Five year total
\$1,000,000	\$800,000	\$800,000	\$800,000	\$800,000	\$4,200,000

Operational Impact: Improvements to the City’s pedestrian facilities will reduce potential liability and protect the City. Maintenance impact will be small.

2. Title: Traffic Improvement Program

Project Description: Funds new traffic signals from the traffic signal priority list, signal modifications, warrant studies, preparation of the signal priority list, and other improvements to the City’s transportation system.

Funding Source: Traffic Impact Fee

Project Cost:

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Five year total
\$1,900,000	\$1,950,000	\$750,000	\$750,000	\$750,000	\$6,100,000

Operational Impact: Improvements to the City’s transportation system will reduce potential liability and protect the City. Maintenance impact will be small.

3. Title: Traffic Signal System Upgrade & Modernization

Project Description: Upgrade and modernize the City’s traffic signal system by replacing essential components of the traffic signal infrastructure with the latest innovative technology and modernize the Traffic Management Center and provide an enhanced signal communication system.

Funding Source: Traffic Impact Fee

Project Cost:

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Five year total
\$1,900,000	\$2,000,000	\$750,000	\$750,000	\$750,000	\$6,150,000

Operational Impact: Upgrading and modernizing essential components of the traffic signal infrastructure will optimize the efficiency of the traffic signal system. Maintenance impact will be small.

Capital Budget Summary | Capital Improvement Project Highlights

Parks and Recreation

1. Title: Pacific Commons Sport Park

Project Description: Develop conceptual drawings and construction documents to 100% for the Municipal Parcel.

Funding Source: Park Facility Impact Fee (after July 1995) Fund 540
Park Improvement Fund 545

Project Cost:

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Five year total
\$2,158,000	\$500,000	\$1,500,000	\$0	\$0	\$4,158,000

Operational Impact: The project begins the design process of a multi-use sports complex, a new facility for public use with increased revenues. Maintenance impacts will be small with the addition of new revenue.

2. Title: California Nursery Master Plan Implementation

Project Description: Implement projects consistent with adopted Master Plan for the California Nursery Historical Park. Begin preliminary opportunity projects to enhance revenue, preserve historic resources, and promote the site history to the community.

Funding Source: Park Facility Impact Fee (after July 1995) Fund 540

Project Cost:

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Five year total
\$10,393,960	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$13,393,960

Operational Impact: Maintenance impacts will be small with enhanced revenue.

3. Title: Palm Avenue Community Park

Project Description: Develop 12.1 acres of new community park.

Funding Source: Park Facility Impact Fee (after July 1995) Fund 540

Project Cost:

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Five year total
\$750,000	\$3,600,000	\$4,050,000	\$4,000,000	\$2,400,000	\$14,800,000

Operational Impact: This project will enhance the City’s park system and the quality of life of residents, however, City service demands will also likely to increase.

General Government

1. Title: Downtown Project

Project Description: Further public investment in infrastructure and place-making elements including the design and construction of a new Civic Center and programming of the future Civic Plaza. Combined, these efforts are designed to promote private investment that will help Downtown become “strategically urban”.

Funding Source: Capital Improvement Fund (501)

Project Cost:

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Five year total
\$1,900,000	\$500,000	\$250,000	\$250,000	\$250,000	\$3,150,000

Operational Impact: This project envisions creating a lively, pedestrian-oriented district, which will contribute to the City’s economic growth. This development will likely enhance sales tax revenue; however, City service demands will also likely increase based on the new development.



Downtown - Aerial View

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Department Budgets

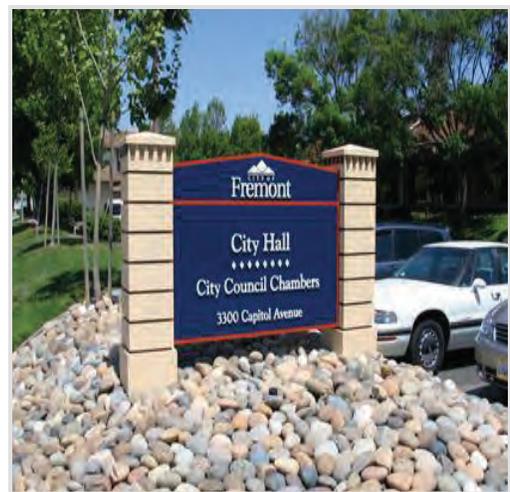
City Council

Vision:

Fremont will be a globally connected economic center with community pride, strong neighborhoods, engaged citizens from all cultures, and a superb quality of life.

Long-term Outcomes for the City of Fremont

- 1. Dynamic local economy:** A diverse, strong, and adaptable economy where businesses can be successful in the global economy and where residents and visitors can enjoy high-quality commercial amenities.
- 2. An engaged and connected multicultural community:** Strong relationships among people of all cultures and backgrounds to foster democratic community leadership and commitment to a flourishing Fremont.
- 3. Thriving neighborhoods:** Safe and distinctive commercial and residential areas where people know each other, are engaged in their community, and take pride in their neighborhoods. Make Fremont a great place to raise children.
- 4. Live and work in Fremont:** A range of housing to match the variety of jobs in Fremont, enabling people to live and work locally throughout their lives.
- 5. Interesting places and things to do:** Places of interest throughout the community where people want to gather, socialize, recreate, shop, and dine.
- 6. Effective transportation systems:** A variety of transportation networks that make travel easy throughout Fremont.
- 7. Smart City Solutions:** Continue to define Fremont's cohesive Smart City Agenda in the areas of Mobility, Public Safety, Sustainability, City Operations and Community Engagement to ultimately improve Fremont's sustainability, resilience, and quality of life.



City Council: Historical Expenditures/Budget, by Category

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Salaries & Benefits	\$ 190,199	\$ 198,654	\$ 249,319	\$ 269,905	\$ 269,905	317,803
Operating Expenditures	192,619	179,226	175,133	200,930	200,930	218,326
Capital Expenditures	-	-	-	-	-	-
Indirect Expense Allocation**	997	1,068	3,139	3,139	3,139	9,237
Totals	\$ 383,815	\$ 378,948	\$ 427,591	\$ 473,974	\$ 473,974	\$ 545,366

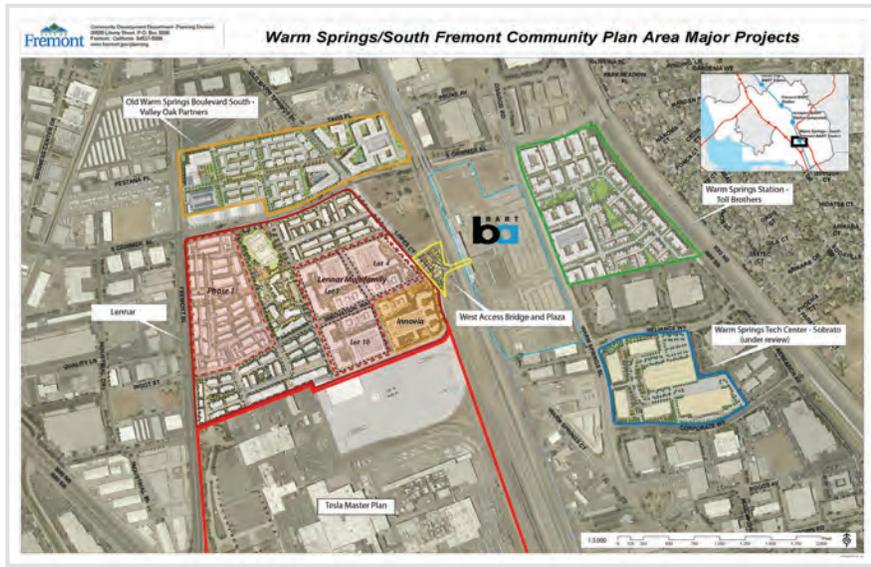
% increase/(decrease), including all funds, from FY 2018/19 Adopted Budget 15.1%

* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department.

** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.

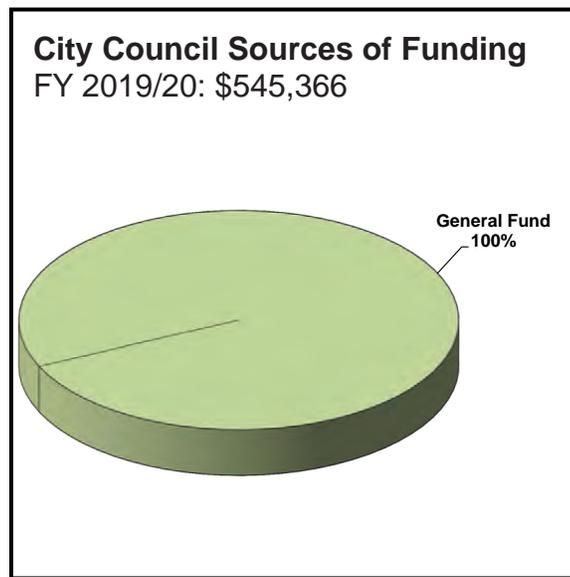
Key City Priorities

1. Warm Springs/South Fremont Development Area: Continue to work with local and regional partners, as well as State and Federal Legislators, to ensure the strategic development and implementation of the Warm Springs/South Fremont Strategy.



2. Downtown Fremont: Continue to commit time and resources to the Downtown Plan to ensure that the Downtown is poised to become a vibrant urban mixed use district within the City Center that will serve as a destination for the city and region.
3. BART to San Jose: Continue to partner with BART to ensure that Fremont’s interests are considered relative to the BART extensions to Warm Springs/South Fremont and Santa Clara County.

4. Economic Development: Attract and retain an appropriate mix of retail, office, and industrial or technology uses, in order to foster a dynamic economy and a stronger tax base.
5. Civic Engagement: Continue to implement new methods and tools to facilitate civic engagement and enhance access to open government.
6. Legislative Advocacy: Continue to pursue legislative efforts that are in the best interest of the City through regional, state, and federal partnerships.
7. Strategic Marketing Efforts: Continue to support activities that raise public and private awareness through media and public relations efforts.
8. Housing: Continue to implement housing plans that promote the development of additional affordable housing proposals.
9. Traffic: Complete the City of Fremont's Mobility Action Plan, prioritizing the use of a traffic management system and innovative technology with the SMART corridor approach to alleviate traffic congestion.



Major Changes

- The FY 2019/20 City Council budget is \$71,392 (or 15.1%) more than the FY 2018/19 adopted budget.
- Salary and benefits are increasing by 17.7% due to increases in the CalPERS retirement benefit costs, and the additional costs of two more council members for the full fiscal year.
- Indirect expense allocation is increasing by \$6,098 primarily due an increase in vehicle replacements costs.

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Community Development

Mission:

The Fremont Community Development Department will be regionally recognized as a model department that both the City and staff can be proud of. Furthermore, the role of the department is to move the community toward the sustainable, strategically urban community envisioned in the General Plan through long-range planning, code enforcement activities, and project-by-project actions.

Major Services

Planning

Implement the General Plan to ensure the City moves toward the sustainable, strategically urban community envisioned. Plan for future development, and review development proposals for conformance with the City's adopted policies and ordinances.

Building and Safety

Ensure that the built environment is constructed and maintained in accordance with adopted codes to provide the community with a healthy and safe place to live, work, and enjoy. Review construction documents and applications to ensure compliance with State and local laws. Thoroughly inspect projects and structures to provide our customers with the safety and security that the people of Fremont expect and deserve. Reduce crime through implementation of the Crime Prevention Through Environmental Design (CPTED) program.

Code Enforcement

Respond to citizen complaints and proactively seek out violations of the Fremont Municipal Code to preserve community health and safety. Provide guidance and resolution for those in need.

Housing

Work with property owners, developers, affordable housing organizations, and other community members to maintain and expand the range of housing alternatives in Fremont.

Sustainability

Implement the City's Climate Action Plan by promoting sustainable practices in City operations and in the community that reduce greenhouse gas emissions.

Business Ally

Assist businesses to navigate City and outside agency permit processes. Facilitate project reviews and work with internal and external contacts and resources to expedite permit issuance. Coordinate with the City's Office of Economic Development, Fremont Chamber of Commerce, and other business organizations.

Department Overview

The Community Development Department provides planning, development review, code enforcement services, building and fire permit issuance, construction and fire safety inspection, housing, and environmental sustainability and business assistance services. Together with the community, the department works to implement the goals of the City as set forth in the General Plan, Fremont Municipal Code, and City Council direction. The department further assists the community in meeting all development requirements. The department’s activities reflect the community’s desire to preserve its open space and hillsides, to maintain the community’s historic town centers and character, to build high-quality strategically urban development, and to maintain and increase the range of housing alternatives. The department also plays a lead role in implementation of the Climate Action Plan adopted by the City Council in 2012.



Community Development: Historical Expenditures/Budget, by Major Service Area

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Planning	\$ 4,302,313	\$ 4,537,056	\$ 4,831,955	\$ 5,190,525	\$ 5,141,537	\$ 5,482,232
Planning Administration	438,326	480,616	602,887	602,887	598,747	773,303
Building and Safety	7,266,135	8,761,844	9,565,725	10,739,690	10,723,065	11,180,424
Code Enforcement	917,306	1,181,701	1,253,743	1,258,919	1,258,919	1,334,549
Homeless Services Code Enforcement	-	-	129,648	150,322	150,322	149,913
Affordable Housing Investment	564,787	4,191,476	1,332,565	1,463,893	1,463,893	1,047,565
City Funded Affordable Housing	660,797	4,485,614	3,256,116	3,368,037	2,627,682	2,332,672
Affordable Housing Ordinance	4,003,720	4,422,605	15,773,541	22,491,728	853,364	4,817,589
Total Community Development	\$ 18,153,384	\$ 28,060,912	\$ 36,746,180	\$ 45,266,001	\$ 22,817,529	\$ 27,118,247

* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

Accomplishment Highlights FY 2018/19

- Adopted Irvington BART Station Area Plan that will preserve the existing character of established neighborhoods near the station and provide pedestrian friendly and safe integration between the station, new development, and existing land uses.
- Updated the Zoning Ordinance to provide consistency with the General Plan and clarify development regulations. This included further revisions to the R-1 (Single-Family) zoning district to assist in maintaining the character of single-family neighborhoods and ensure compatibility of new, expanded or reconstructed homes with surrounding homes, and standards to facilitate faith-based temporary homeless facilities.
- Installed a new temporary art installation on the corner of Capitol Avenue and Fremont Boulevard as part of the Downtown Public Art Program.

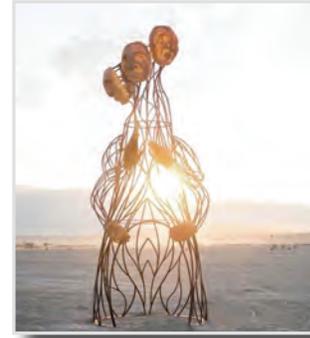
Department Budgets | Community Development

- Completed another phase of the City's boxART! Program, which selects local artists to transform traffic signal control boxes into works of art.



- Adopted standards and criteria for evaluating postwar era (1945-1970) buildings, structures, objects, sites and district for historic significance.
- Continued to update the Zoning Ordinance to provide consistency with the General Plan, address new state legislation, and clarify development regulations.
- Updated and monitored the residential land inventory in the Housing Element and began tracking additional housing/land use data for the Annual Housing Element Report to ensure compliance with 2017 housing legislation.
- Processed bi-annual General Plan Amendment Screening Requests to allow early consideration by Planning Commission and City Council of potential land use changes that would result in additional market rate housing.
- Provided community with latest updates in Community Development, including updates on development projects, affordable housing, permitting services, building and zoning regulations, sustainability initiatives, City projects and programs, through the Development Digest newsletter, Green Challenge Newsletter, City News Briefs, Notify Me email lists, social media, various department webpages, and printed materials.
- Began updating of the Climate Action Plan to reflect GHG reductions accomplished since 2005 and to look beyond year 2020 to establish deeper GHG emission reductions.
- Extended the car share pilot program to include two mixed-use development sites within Fremont.
- Began collaborating with Public Works to undertake an Electric Vehicle Infrastructure Planning process at City facilities to analyze existing and future power capacity needs and abilities to support the conversion of City fleet vehicles to plug-in battery electric as well as help support employee and public charging needs.
- Continued to spearhead community efforts to reduce energy consumption and promote clean power options.

- Collaborated with East Bay Community Energy to enroll Fremont residents and businesses into the new community choice energy program.



- Continued to collaborate with Fire, Police, Community Services, and Public Works to provide thorough and comprehensive development review services to the public.
- Continued to enhance the public's understanding of updated building regulations, including green building and accessibility regulations, through the Development Digest, improved webpages, and printed materials.
- Implemented online solar permitting for small residential rooftop systems of 10 kilowatts or less, reducing customer wait times in the Permit Center.
- Implemented process to transition to paperless record keeping, thus greatly reducing the need to store paper documents.
- Established online procedure to streamline processing of simple permits (e.g., water heaters) that do not require plan check review and began phasing out faxed permit requests.
- Increased building plan check and inspection staff with specialized certification to facilitate and implement accessibility requirements in the City's building stock.
- Continued to comprehensively address substandard building conditions with the goals of improving occupant and public safety, increasing the value of the buildings, and helping satisfy tenant expectations.
- Established energy system permitting requirements as required by AB546.
- Partnered with permitting staff to provide a code enforcement liaison at the public counter to better assist community members needing to obtain building permits to correct code violations.
- Provided dedicated code enforcement staff to help address public nuisance and litter activities associated with homeless encampments.
- Increased the maximum administrative fine levels in the Administrative Remedies Ordinance, pursuant to AB 2598.

Department Budgets | Community Development

- Amended the Administrative Remedies Ordinance to authorize immediate issuance of administrative citations for building and zoning violations stemming from illegal cannabis cultivation, pursuant to AB 2164.
- Building inspectors and code enforcement officers began using mobile devices for inspections and investigations to improve efficiency, consistency, and improve timeliness of actions.
- Coordinated with Eden Housing on the completion of construction and the tenant selection for the 90-unit Pauline Weaver Senior Apartments affordable housing project, which opened in fall 2018.
- Coordinated with Mid-Pen Housing to facilitate completion of construction and tenant selection for the 80-unit Stevenson Terrace affordable housing project, scheduled to open in Summer 2019.
- Worked with Habitat for Humanity to complete Phase 1 (11 units) of the 30-unit Central Commons affordable housing development, and secured approvals to revise affordability levels for Phase II of the project to ensure financial feasibility.
- Worked with Allied Housing (City Center Apartments) and Resources for Community Development (Islander Motel) to secure entitlements, City funding, and Alameda County Measure A-1 funding as both projects move toward construction.
- Issued a Notice of Funding Availability (NOFA) seeking proposals for additional affordable housing developments, with Council selection of new projects anticipated in early FY 2019/20.



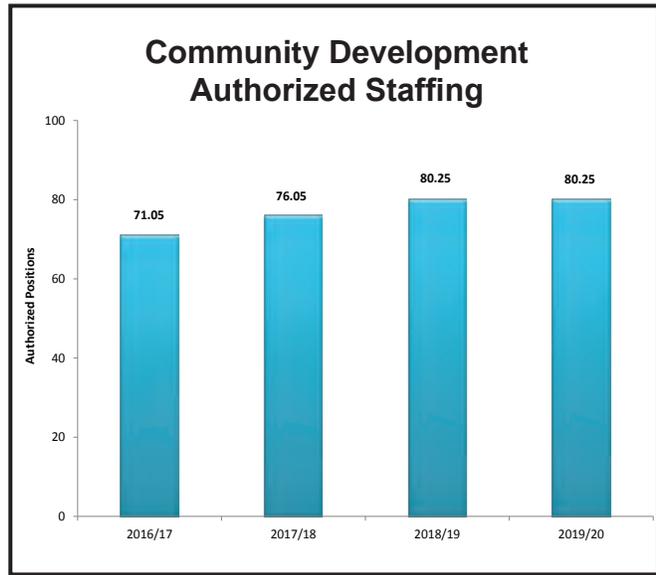
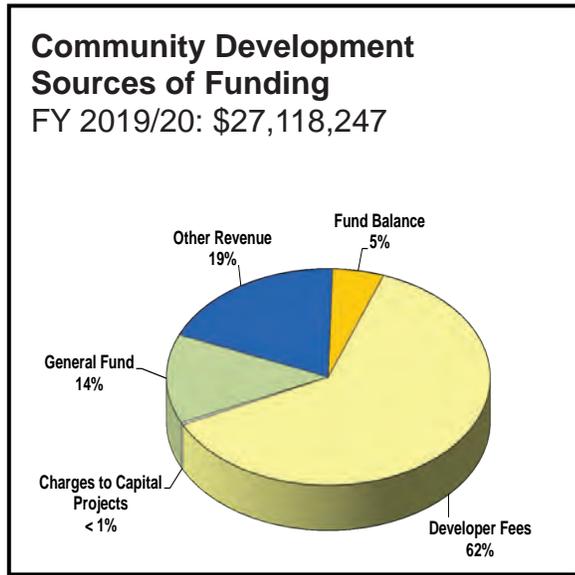
Objectives FY 2019/20

1. Provide pre-development loans to new affordable housing project(s) selected by the City Council through the NOFA.
2. Revise the City's Affordable Housing Ordinance based on evolving Council objectives, relevant court decisions, and lessons learned since the most recent update in 2015.
3. Work with affordable housing developers to move hundreds of affordable units already in the development pipeline toward completion.
4. Implement Senate Bill (SB) 743, including updating to the City's CEQA Environmental Checklist to address changes in methodology for evaluating transportation impacts, and adopt updated environmental review procedure.
5. Continue to update the Zoning Ordinance to provide consistency with the General Plan, address new state legislation, and clarify development standards.

6. Evaluate the Orchard Heights neighborhood to determine whether to adopt development standards, design rules and design guidelines for a potential “designated neighborhood” or “neighborhood conservation area” as identified in the Historic Context Statement.
7. Evaluate the growing trend in short-term rentals and their benefits and impact on the community and determine appropriate actions to address any negative impacts.
8. Continue to implement recently adopted development standards for new two-story homes and second-story additions and report back to the City Council in fall 2019 on progress toward achieving better neighborhood compatibility.
9. Continue to collaborate with East Bay Community Energy to develop energy projects and programs that support the community.
10. Continue to collaborate with Public Works to complete an Electric Vehicle Infrastructure Planning process at City facilities to analyze existing and future power capacity needs and abilities to support the conversion of City fleet vehicles to plug-in battery electric as well as help support employee and public charging needs.
11. Complete the update to the Climate Action Plan to reflect GHG reductions accomplished since 2005 and to look beyond year 2020 to establish deeper GHG emission reductions.
12. Begin analyses of opportunities to purchase existing municipal solar and consider addition of battery backup power (microgrids) to support critical power loads.
13. Improve and document additional safety procedures for field staff.
14. Enhance Accela Citizen Access (ACA), the City’s on-line permit portal, to enable the public to submit electronic permit applications and pay permit fees.
15. Modernize the Permit Center to better utilize its limited area, including creation of a kiosk center to facilitate the public’s use of the increasing number of on-line services to enable faster access to City services.
16. Implement the electronic plan checking functionality in the Accela permitting system to reduce paper consumption and storage requirements, as well as improve plan checking functionality with digital technology enhancements.
17. Develop business-specific permit submittal information to better help prospective businesses and residents navigate the permitting process.
18. Develop an inspection guideline/handbook to explain the required inspections needed for residential and commercial projects to enhance public education and staff training.
19. Adopt 2019 Building and Fire Codes with local amendments.

Performance Measurement

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Reduce waits for public counter assistance to a maximum of 15 minutes	90%	90%	95%	90%
Achieve entitlement processing schedules	90%	90%	90%	90%
Achieve building permit processing schedules	85%	90%	80%	90%



Community Development: Historical Expenditures/Budget, by Category

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Salaries & Benefits	\$ 9,550,859	\$ 11,639,165	\$ 13,362,314	\$ 14,684,668	\$ 14,304,780	\$ 14,989,136
Operating Expenditures	6,042,340	13,724,538	20,614,392	27,819,700	5,772,214	8,929,779
Capital Expenditures	61,884	140,383	103,782	95,941	95,779	5,500
Indirect Expense Allocation**	2,498,301	2,556,826	2,665,692	2,665,692	2,644,756	3,193,832
Totals	\$ 18,153,384	\$ 28,060,912	\$ 36,746,180	\$ 45,266,001	\$ 22,817,529	\$ 27,118,247
	% increase/(decrease), including all funds, from FY 2018/19 Adopted Budget					18.8%
<p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.</p>						

Major Changes

- The FY 2019/20 Community Development budget is \$4,300,718 (or 18.8%) more than the FY 2018/18 adopted budget mainly due to decreasing operating expenditures.
- Operating expenditures are increasing by \$3,157,565 (or 54.7%) due to new affordable housing development projects.
- Capital expenditures are decreasing by \$90,279 (or 94.3%) mainly due to the removal of one-time capital purchases.
- Indirect expense allocation is increasing by 20.8% mainly due to increasing information technology and risk management costs.

Community Services

Mission:

The City of Fremont Community Services Department creates community through people, parks and programs by supporting residents and businesses in conserving of resources, being active outdoors and providing diverse recreation experiences for all ages that help create a healthy lifestyle. Our residents receive quality customer service through its management of recreation facilities, the provision of quality recreation and environmental programs, park planning, and maintenance of City parks, trees, and medians.

Major Services

Recreation

Offer indoor and outdoor activities for all ages, provide park visitors' services, and manage recreation facilities and historic sites.

Parks, Medians, and Urban Landscape

Provide park facilities and services to Fremont residents. Plan, coordinate, organize, and manage maintenance of the City's park land, open space, facilities, median landscapes, and trees.

Environmental Services

Administer garbage, recycling, and stormwater programs for Fremont residents and businesses.

Landscape Architecture

Manage park planning and development, street median landscape, and public plaza projects. Issue tree removal permits and review development projects.

Department Overview

The Community Services Department provides recreation activities, parks and community facilities, street median and park maintenance, community landscape architecture, and environmental services. The Recreation and Parks Divisions manage public use of recreation facilities and plan, maintain, and oversee the City's park system. The Landscape Architecture Division carries out capital and park planning



Department Budgets | Community Services

and development projects, and implements the Parks and Recreation Master Plan. The recreation activities, carried out primarily through the Recreation Enterprise Division, include performing and visual arts, academic enrichment, sports, teen and early childhood development programs, park visitors' services, as well as management of the community centers, special facilities and historic sites. Staff provides support to the Recreation Commission and other boards and commissions that advise the City Council. The Environmental Services Division is responsible for environmentally sound and cost-effective methods for the disposal of garbage and household hazardous waste, recovery of recyclables, waste prevention, and flow of clean storm water into streams and the San Francisco Bay. Together, these divisions strive to enhance the quality of life for the residents of Fremont and its visitors.

Community Services: Historical Expenditures/Budget, by Major Service Area

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Recreation	\$ 10,135,530	\$ 10,145,998	\$ 11,718,761	\$ 12,310,157	\$ 12,310,157	\$ 12,817,269
Parks, Medians, & Urban Landscape	7,287,329	8,365,178	8,765,909	8,765,909	8,682,101	9,734,210
Environmental Services	10,263,761	9,540,379	12,487,166	13,197,605	10,923,545	11,792,081
Landscape Architecture	1,693,291	1,769,183	1,887,253	1,947,765	1,947,765	2,062,015
Homeless Services	-	-	81,425	97,750	97,750	133,361
Total Community Services	\$ 29,379,911	\$ 29,820,738	\$ 34,940,514	\$ 36,319,186	\$ 33,961,318	\$ 36,538,936

* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

Accomplishment Highlights FY 2018/19

- Completed construction of a new large group picnic area adjacent to Aqua Adventure Waterpark, which serves groups over 400 people. The area includes picnic pavilions, sand volleyball courts, a group games area, and kitchen facilities for catering and to support both the waterpark and Central Park food service needs.



- Replaced one restroom and one classroom to meet new building code and ADA standards, located at Warm Springs Community Park.

- Completed demolition of the retail building at California Nursery Historical Park, and the repair of the President's House.
- Completed the public engagement and concept design phase for the Dusterberry Neighborhood Park.
- Completed two park interpretive sign programs to enhance park user experience through education and information. One program was the Sabercat Historical Park Sign Program, and the second was the Earthquake Walk Sign Program at Central Park.
- Completed the General Plan change and public sale for underutilized rental houses to generate funds back into the enhancement and operations of the park system.
- Completed the Water Conservation Project in the Mowry Avenue medians to generate water savings through lower water use, and reduce impervious surfaces to enhance stormwater management.
- Prepared a Green Infrastructure Plan to demonstrate how the City can meet required targets for managing storm water using environmentally sustainable methods such as vegetation, cisterns and natural processes.



- Expanded organics collection to 85% multi-family dwelling units in the City.
- Implemented the Direct Discharge Trash Control Program to mitigate the potential environmental impacts of homeless encampments on Fremont creeks and waterways.
- Collaborated with the Fremont Unified School District to assume operations of the state funded After School Education & Safety Program at three (3) elementary school sites.
- Implemented a department wide volunteer management plan to maximize and streamline volunteer opportunities and processing.
- Completed underbrush tree and landscape maintenance to over 23.5 acres of undeveloped parkland and city owned open spaces to improve site lines, reduce the risk of potential fire dangers and abate probable areas that encourage illegal encampments.
- Completed Recreation Registration Software Replacement RFP.
- Hired an additional Park Ranger to aide in Homeless efforts.

Department Budgets | Community Services

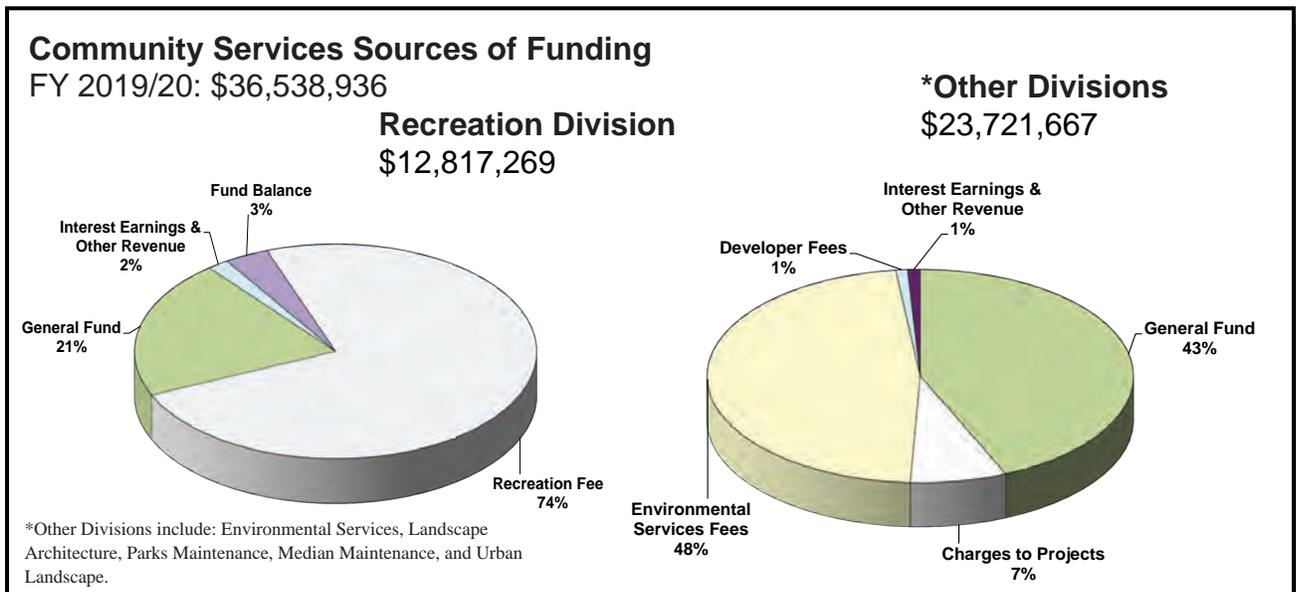
- Provided arboricultural tree maintenance using contractual services to over 800 trees, which included health assessments, removals and structural pruning to trees located in and around Parks, medians and city owned open spaces.
- Planted 121 trees city-wide with both staff and volunteers in an effort to support the Tree City USA application and in celebration of Arbor Day.
- Completed Playground Surface Replacement at the Saber Cat Playground in Central Park and surfacing upgrades were completed at 12 additional sites throughout the City.

Objectives FY 2019/20

1. Complete projects at California Nursery Historical Park including the establishment of a new irrigation well, and the installation of utility infrastructure and irrigation facilities.
2. Begin the public engagement process and asset inventory for the new citywide Parks and Recreation Master Plan.
3. Complete the Senior Center trash enclosure replacement project.
4. Complete the detail park design documents and site demolition for the Dusterberry Neighborhood Park
5. Expand organics collection to the remaining 15% of multi-family dwelling units in the City.
6. Develop outreach plan and oversee the distribution of new recycling, organics, and recycling collection containers to approximately 47,000 residential units.
7. Implement program to ensure PCB's (Polychlorinated biphenyls) from building materials (e.g; caulk, paint, mastic) do not enter storm drains during building demolition.
8. Integrate the new 4 acre Lila Bringhurst Community Park into the Parks inventory and develop routine maintenance operations to meet standard community park service levels.
9. Develop at Citywide Turf Management Plan.
10. Complete Asset Inventory and Management Software Implementation for Park Maintenance.
11. Complete the Recreation Registration Software Implementation and Replacement.

Performance Measurement

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Increase Recreation program registrants over prior year	31,433	35,000	32,000	33,500
Increase number of creek clean-up volunteers	695	700	710	800

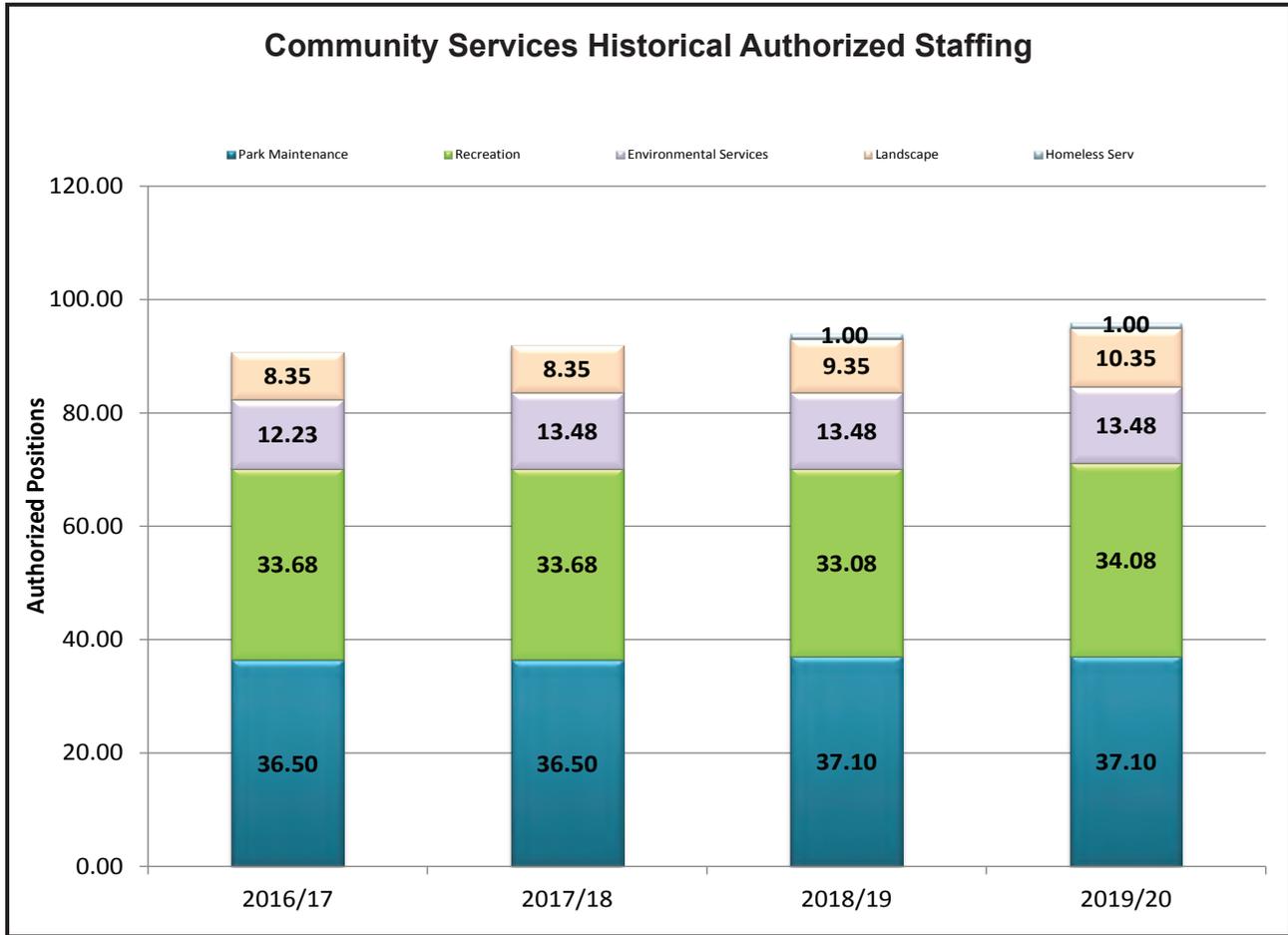


Community Services: Historical Expenditures/Budget, by Category

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Salaries & Benefits	\$ 12,642,272	\$ 13,901,929	\$ 15,764,347	\$ 16,434,347	\$ 16,433,398	\$ 17,455,901
Operating Expenditures	11,199,801	11,496,084	13,995,539	14,619,045	12,858,020	14,865,262
Capital Expenditures	1,130,349	223,446	1,543,897	1,628,097	1,032,203	229,700
Indirect Expense Allocation**	4,407,489	4,199,279	3,636,731	3,637,697	3,637,697	3,988,073
Totals	\$ 29,379,911	\$ 29,820,738	\$ 34,940,514	\$ 36,319,186	\$ 33,961,318	\$ 36,538,936
	% increase/(decrease), including all funds, from FY 2018/19 Adopted Budget					7.6%

* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.



Major Changes

- The FY 2019/20 Community Services Department budget is \$2,577,618 (or 7.6%) more than the FY 2018/19 adopted budget.
- Salary and benefits are increasing by 6.2% due to two additional positions, and changes in the CalPERS retirement benefit costs.
- Operating expenditures are increasing by \$2,007,242 (15.6%) due to contractual increases mainly in utilities, and one-time costs.
- Capital expenditures are decreasing by \$802,503 (or -77.7%) mainly due to the decrease of one-time costs.
- The indirect expense allocation is increasing by 9.6% mainly due to increasing information technology and risk management costs.

Staffing by Function-FY 2019/20

Community Services		
Community Services Director		1.00
Executive Assistant		1.00
<hr/>		
Park Maintenance		
Deputy Director	0.40	
Business Manager	1.00	
Park Superintendent	0.80	
Parks/Urban Landcape Manager	0.60	
<u>Central Park</u>		
Park Field Supervisor	1.00	
Park Maintenance Worker II	2.00	
Park Maintenance Worker I	5.00	
<u>North End Parks</u>		
Park Field Supervisor	1.00	
Park Maintenance Worker II	2.00	
Park Maintenance Worker I	3.00	
<u>South End Parks</u>		
Park Field Supervisor	1.00	
Park Maintenance Worker II	3.00	
Park Maintenance Worker I	5.00	
<u>Construction/Irrigation</u>		
Park Field Supervisor	1.00	
<u>Construction</u>		
Park Maintenance Worker II	1.00	
Park Maintenance Worker I	2.00	
<u>Irrigation</u>		
Park Maintenance Worker II	1.00	
Park Maintenance Worker I	1.00	
Urban Landscape		
<u>Tree</u>		
Park Superintendent	0.20	
Parks/Urban Landcape Manager	0.40	
Park Field Supervisor	1.00	
Park Maintenance Worker II	2.00	
Park Maintenance Worker I	1.00	
Recreation		
<u>Administrative & Support Services</u>		
Deputy Director		0.50
Recreation Superintendent II		2.00
Recreation Superintendent I		1.00
Management Analyst II		1.00
Recreation Facility & Supply Worker		1.00
Accounting Specialist II		0.75
Office Specialist II		2.00
<u>Park Visitor Services</u>		
Park Ranger Supervisor		1.00
Recreation Supervisor II		1.00
Park Ranger		4.75
Office Specialist II		1.00
<u>Recreation Services</u>		
Recreation Supervisor II		6.00
Recreation Supervisor I		6.00
Water Park Manager		2.00
Tiny Tot Specialist		3.08
<i>Program Staff - approx. 325*</i>		
Landscape Architecture		
Parks Planning and Design Manager		1.00
Senior Landscape Architect		2.00
Assoc. Landscape Architect		2.00
Landscape Architect/Designer II		3.00
Landscape Architect/Designer I		1.00
Office Specialist II		0.35
Office Specialist I		1.00
Environmental Services		
City Attorney		0.08
Deputy Director		0.10
Environmental Services Manager		1.00
Solid Waste Administrator		1.00
Management Analyst II		0.75
Environmental Specialist II		7.00
Code Enforcement Officer II		1.00
Environmental Specialist I		1.00
Park Ranger		0.25
Office Specialist II		1.00
Homeless Services		
Park Ranger		1.00

*Temporary positions not counted in full-time equivalents.

Regular Full-Time Equivalents: 96.01

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Economic Development

Mission:

To improve the community's economic base and quality of life by helping to create a strong and resilient local economy, with a diverse mix of industrial and technology uses, and vibrant retail and public amenities.

Major Services

Business Development

Promote the expansion of existing businesses and attract new businesses to increase employment opportunities, enhance revenue, promote local opportunities, and create community gathering places.

Marketing

Create and implement an overall marketing strategy for the City as a dynamic place in which to do business, and proactively communicate with the business community to promote Fremont as a location of choice.

Analysis

Monitor key economic indicators and conduct specific analyses, including market demand, retail profile, demographics, land use, innovation, and target industry clusters to increase economic growth for the City's commercial and industrial areas.

Strategic Partnerships

Build local and regional relationships, leverage existing resources, and make strategic connections between the public and private sectors to ensure that significant knowledge and resource transfer is taking place for the benefit of Fremont's business community.

Advance Key Economic Development Initiatives

Leverage significant planning efforts, including Downtown, Ardenwood, and the Warm Springs Innovation District to facilitate awareness and development momentum, thereby strengthen the City's economic future.

Department Overview

The Economic Development Department (EDD) proactively works with the business community, real estate brokers, developers, and property owners to create a supportive environment for desired retail, office, and technology/industrial development. Much of the work is accomplished through relationship building,

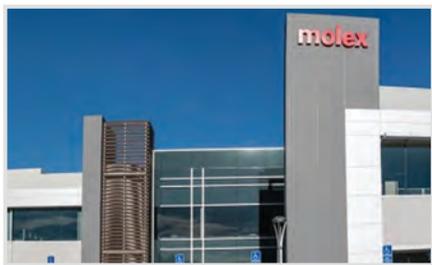


leveraging existing resources, and making strategic connections between the public and private sectors. Specific activities include conducting corporate site visits; industry event participation; implementing a progressive, multimedia marketing strategy; assisting with site selection, marketing, and permitting; and engaging with the City's Economic Development Advisory Commission (EDAC). Furthermore, EDD serves as a liaison between property owners, developers, and City staff to ensure that development moves forward in a timely and supportive manner. EDD also works with regional development organizations to strengthen Fremont's position at the local, regional, and national levels, supporting the City Council's leadership position in economic development efforts.

Accomplishment Highlights FY 2018/19

- **Business Development:**

- Engaged with existing Fremont businesses to provide assistance in FY 2018/19
- Facilitated development activity including:
 - i. Existing Company Expansion (sample): Tesla, Boehringer Ingelheim, Alom Technologies, Synnex, Inspur
 - ii. New Corporate Businesses (sample): Facebook, Merakai, Orchard Therapeutics, Novo Nordisk, Zoon, PrinterPrezz
 - iii. New Retail/Hotel (sample): Koja Ktichen, Meet Fresh, The Halal Guys, Bun Appetit, Rapid Fire Pizza, Sola Salons, Burgerim, Sale of Auto dealership sites at Pacific Commons South, four new hotels approved or under construction
 - iv. Major Commercial Development Activity (sample): Construction underway of Pacific Commons South, totaling 2.7 million square feet of advanced manufacturing space, buildout underway of buildings leased by Facebook for new campus in Ardenwood; and seven mixed-use projects (in planning/review process or underway) in Downtown Fremont. Supported startups and small business development through continued Startup Grind meet-ups, enhanced workshop curriculum, updated collateral, 'Business District Walk-Abouts', and responding to queries submitted through Fremont's online OpenCounter business portal.



Molex



Nachi Robotics

- **Advanced Key Economic Development Initiatives/Partnerships**

- Completed Warm Springs Innovation Center feasibility study lead by Los Angeles Cleantech Incubator (LACI) to establish innovation cultivator operations targeting growth-stage manufacturing/hardware companies
- Partnered with Alameda County Library for second year of Fremont FUSE Fellowship program to develop framework for next generation workforce pipeline development to support City’s innovation economy, including advanced manufacturing.
- Launched Fremont’s Opportunity Zone, which covers the downtown district, and developed campaign to engage property owners and potential investors in the strategy.
- Engaged with Project Equity to begin outreach campaign about business ownership transition plans, including the possibility of employee ownership
- Assumed leadership roles in variety of regional economic development organizations, including Silicon Valley Economic Development Alliance, International Council of Shopping Centers, Bay Area Urban Manufacturing Alliance, and Alameda County Workforce Investment Board.

- **Small Business Support:**

- Facilitated leadership transition (new chapter director) and secured new meeting location for Fremont Startup Grind meetup program.
- Participated in successful bid to relocate Alameda County Small Business Development Center (SBDC) headquarters to Ohlone College, resulting in significantly increased access to programs and services.
- Sponsored/hosted 10-session Food Business Entrepreneurship Academy for restaurant businesses.
- Coordinated with Community Development through Business Ally program to facilitate regulatory process for small businesses, including promotion of Open Counter permit portal.

- **Marketing:**

- Completed Fremont’s inaugural Development Project Bus Tour, in partnership with real estate publication, The Registry. Event involved guiding a commercial real estate developer/investor audience of nearly 200 people on 3 buses for a half-day City tour, to learn about the investment being deployed across the city and across real estate asset classes.
- Expanded communications reach with a redesigned business website, thinksiliconvalley.com, which articulates the City’s business proposition. Preliminary results include increased direct traffic (up by 68.05%) and referral traffic (up by 335.78%). Additionally, website users increased by 69.89% and sessions increased by 75.13%.
- Produced 46 blogs on Takes From Silicon Valley East featuring thought leadership from the City and strategic partners on targeted business topics. Overall, there was a total of 20,658 blog page views, a 119% increase compared to 2017. Messaging was amplified through nearly 2,893 direct interactions on @Fremont4Biz, generating an estimated 407,800 total impressions.
- Updated City’s Investment Profile brochure/infographic
- Organized several industry events in Fremont, including:
 - i. Biomedical Commercialization Bootcamp for mid-career life science professionals in partnership with Biocom, BSMA, and the Biomedical Manufacturing Network
 - ii. Cleantech Open 2018 National Academy-West (held at Seagate)
 - iii. Manufacturing Day 2018 featuring 20 Fremont tours
 - iv. Biomedical networking mixer, in partnership with Biocom (held at Seagate)
 - v. Trade focused seminar for businesses, featuring Fremont’s foreign trade zone and other legal/financial experts
- Held speaker roles at a variety of conferences and meetings demonstrating thought leadership on a variety of topics ranging from real estate to manufacturing to economic development strategy. Host organizations include Cleantech Open, Biocom, International Council of Shopping Centers (ICSC), SPUR, Bay Area Manufacturing Initiative, Silicon Valley Economic Development Alliance, American Planning Association
- Participated in/contributed to industry conferences including the Urban Library Council, Main Street America, Bio International, East Bay Manufacturing Summit, Urban Manufacturing Summit, SME Design 2 Parts Conference, BioMed Device, Cleantech Open, ICSC, and ULI to stay current on industry needs and promote Fremont directly to industry stakeholders

Objectives FY 2019/20

1. Identify partnerships and advance elements of Warm Springs Manufacturing Innovation Center strategy to support key sectors in Fremont, supported by findings in Warm Springs Innovation Center feasibility study.

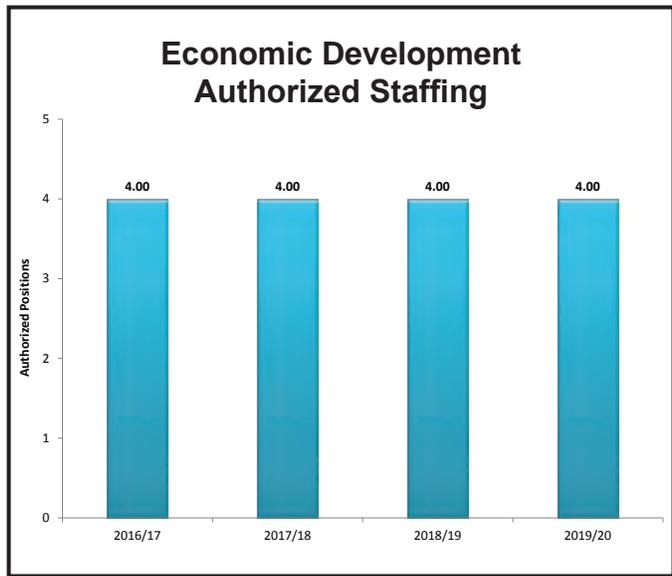
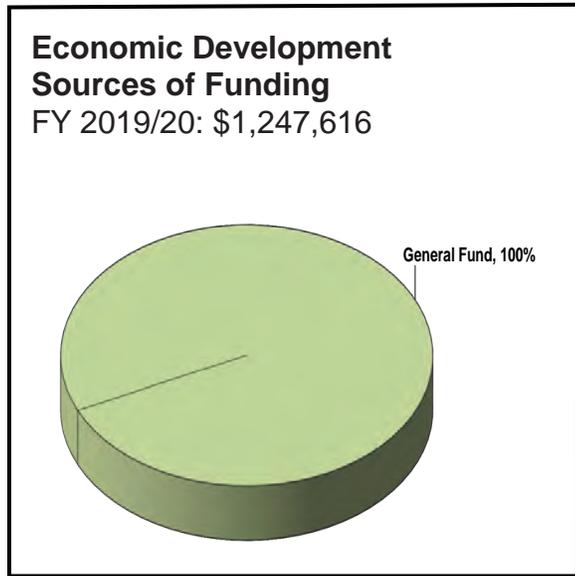
Department Budgets | Economic Development

2. Cultivate and facilitate advanced industry development and leasing activity in Ardenwood, Warm Springs, and at Pacific Commons South.
3. Expand programming to support the small business environment in Downtown and other neighborhood commercial districts, including enhanced marketing and increased placemaking/activation.
4. Ensure Fremont’s position in significant Bay Area-wide regional economic development strategies, currently under development by ABAG and other regional planning organizations.
5. Engage Fremont business community in programs/partnerships that promote business growth but that also align with or advance key City strategies (i.e. sustainability, mobility, resilience).

Performance Measurement

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Number of businesses assisted by Economic Development Department*	N/A	N/A	N/A	100
Number of business events that Economic Development Department staff hosted in Fremont, had prominent speaking role in, or directly supported organization/planning outside of Fremont*	N/A	N/A	N/A	15
Number of business appreciation visits and establishment of baseline for percentage of visits that lead to subsequent follow-up/interaction with City	55	50	35**	50
<small>*New performance measure established as part of FY 2019/20 budget process **Reduction of visits due to significant staffing changes in Department during FY 2018/19</small>				

Department Budgets | Economic Development



Economic Development: Historical Expenditures/Budget, by Category

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Salaries & Benefits	\$ 759,033	\$ 822,808	\$ 665,598	\$ 888,855	\$ 888,855	\$ 856,963
Operating Expenditures	174,206	232,258	174,616	221,750	221,750	296,750
Capital Expenditures	-	-	-	-	-	-
Indirect Expense Allocation**	75,301	80,357	88,829	88,829	88,829	93,903
Totals	\$ 1,008,540	\$ 1,135,423	\$ 929,043	\$ 1,199,434	\$ 1,199,434	\$ 1,247,616
						4.0%

% increase/(decrease), including all funds, from FY 2018/19 Adopted Budget

* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.

Major Changes

- The FY 2019/20 Economic Development budget is \$48,182 (or 4.0%) more than the FY 2018/19 adopted budget.
- Operating expenditures are increasing by \$75,000 (or 33.8%) mainly due to the increase of one-time costs.
- The indirect expense allocation is increasing by 8.7% mainly due to increasing Information Technology costs.

Staffing by Function-FY 2019/20

Economic Development	
Economic Development Director	1.00
Economic Development Manager	2.00
Economic Development Specialist	1.00

Regular Full-Time Equivalents: 4.00

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Fire

Mission:

To prevent and minimize the loss of life and property threatened by the hazards of fire, medical and rescue emergencies, hazardous materials incidents, and disaster situations within the community.

Major Services

Emergency Response

Provide emergency services by maintaining rapid response times, to increase the likelihood of preserving life and property.

Emergency Services

Provide an innovative Paramedic Program, Special Operations Task Force, Tactical Emergency Medical Services, and a San Francisco Bay and Inland Water Rescue Program

Fire Prevention and Hazardous Materials Management

Provide fire and life safety code inspection and hazardous materials management services to the community.

Emergency Management

Provide coordinated preparedness, response and recovery programs aimed at reducing vulnerability to natural and manmade hazards while increasing community resilience.

Training

Develop and train a well-qualified and professional workforce to maintain proficiency in high-risk, low frequency operations.

Department Overview

The Fire Department is responsible for providing the rapid delivery of fire, medical, rescue and life safety emergency services within Fremont. Emergency services are delivered through 13 in-service fire companies from 11 strategically located fire stations in the City. The primary goal of the department is reducing casualties and the loss of life, improving patient outcomes, reducing property loss and damage, effecting successful extrications of trapped victims, and protecting the environment from the effects of hazardous materials release. In calendar year 2018, the Fire Department responded to 16,198 calls for service, generating 18,938 Engine and Truck Company runs.

Fire: Historical Expenditures/Budget, by Major Service Area

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Operations/Emergency Medical Service	\$ 38,815,527	\$ 39,571,187	\$ 41,791,704	\$ 42,982,309	\$ 42,830,507	\$ 45,752,015
Administration	6,229,817	5,833,246	7,037,898	7,237,741	7,238,588	7,726,943
Prevention	1,428,695	1,826,723	2,107,131	2,200,786	2,202,226	2,642,616
Disaster Preparedness	61,999	52,583	237,824	237,824	237,823	232,836
Total Fire	\$ 46,536,038	\$ 47,283,739	\$ 51,174,557	\$ 52,658,660	\$ 52,509,144	\$ 56,354,410

* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

Accomplishment Highlights FY 2018/19

- Worked with Finance and Fleet Maintenance to design, inspect and procure (4) Type I Fire Engines (July 2019 delivery) in accordance with the 5 (five) year apparatus replacement schedule.



- Continued the transition to California’s Electronic Reporting System (CERS) and implementation of our local Edgesoft Data Management Program. Testing and development of the field inspection and reporting functions is ongoing.
- Restructured our Fire Prevention Residential, Educational and Institutional inspection programs to improve our ability to complete the California State Fire Marshal’s mandated inspections.
- Coordinated with the Fremont Police Department on response to terrorism and violent incidents to include a combined large-scale training exercise.
- Conducted Driver/Operator training for new personnel (Academy 16-2).
- Conducted an Engineer Academy, a Captains Academy, and promotional exam processes. Promoted 16 Engineers and 4 (four) Captains. Completed probation of 2 (two) Captains and 18 Firefighters.
- Trained two new Fire Prevention Inspectors and Hazardous Materials Inspector to assist in meeting our California State Fire Marshal mandates and CalEPA CUPA Program obligations respectively.

- Recertified the department's Emergency Medical Technicians (EMT) and all Suppression Personnel's Health Care Provider's CPR cards.
- Performed a comprehensive job analysis for the Firefighter rank.
- Collaborated with stakeholders to develop a draft Strategic Plan to identify and guide department objectives through the year 2024.
- Conducted Annual BART Tunnel Exercise for Fremont Fire Personnel.
- Trained 18 personnel as Open Water Rescue Swimmers, trained and certified Rescue Boat Operations, and trained Fire Investigators.



- Purchased and trained personnel in the use of low pressure nozzles and hose lines to decrease fatigue while improving firefighter mobility and safety.
- Supported the California Mutual Aid System with responses to the Camp Fire, Carr Fire, Pawnee Fire, Mendocino Area Fires, Cranston Fire, Delta Fire and various calls to assistance in Alameda County.
- Completed new hillside survey and mapping to ensure access, water supplies, property boundaries and roadways are accurate for emergency response and wildfire protection.

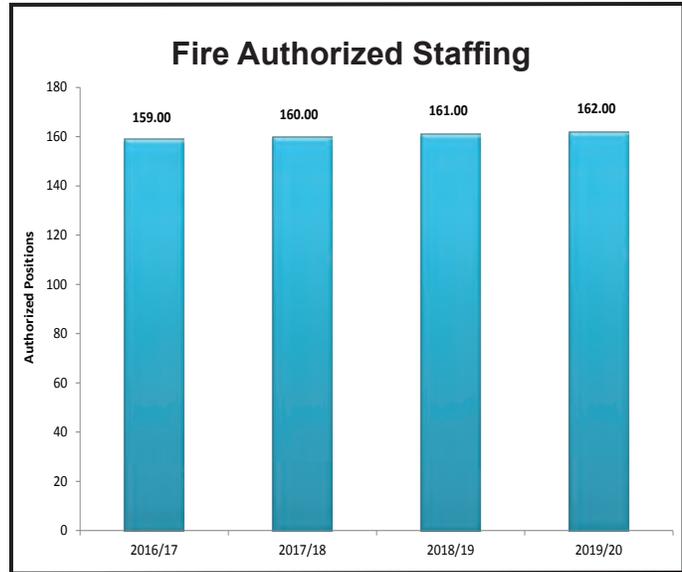
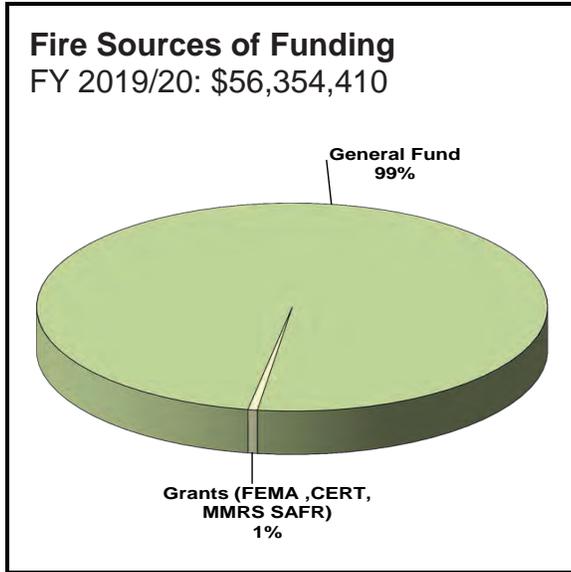
Objectives FY 2019/20

1. Update the Standards of Cover to ensure staffing and resources deployments meet Council adopted service level objectives.
2. Adoption the FY 2019-2024 Fremont Fire Department Strategic Plan.
3. Continue training the new Fire Prevention Inspectors and Hazardous Materials Inspectors to assist in meeting our California State Fire Marshal mandates and CalEPA CUPA Program obligations respectively.
4. Hire up to 24 Fire Suppression Personnel to fill anticipated vacancies.
5. Re-design and complete probationary and lateral firefighter academies.
6. Complete transition to a new County-wide ambulance service provider contract and service delivery.
7. Transition to a new Electronic Patient Health Record (EHR) system.
8. Perform comprehensive job analyses for the ranks of Engineer, Captain, and Battalion Chief.
9. Complete the draft Emergency Operation Plan which outlines roles, responsibilities, authority and procedures for city governance in the aftermath of a natural or human caused disaster.
10. Update the Emergency Preparedness Gap Analysis and develop a 5 (five) year Emergency Management Plan.
11. Work with Information Technology Services to provide Wi-Fi connectivity at Fire Stations and enhance the use of mobile technology.
12. Enhance the use of Unmanned Aerial System (UAS)/(Drones) for situational awareness, search and rescue operations, site plan development and hazardous materials emergency identification and mitigation.
13. Continue coordination with the Fremont Police Department on responses to terrorism and violent incidents including a combined large-scale training exercise.
14. Develop a comprehensive recruitment program targeting high schools, firefighter academies, paramedic schools, colleges and outreach to community organizations.
15. Conduct an Engineer and Battalion Chief Academy and promotional exam processes.
16. Purchase an airboat with FEMA grant funds (pending approval) and provide training to the department.

Performance Measurement

Measure	FY 2017/18 Actual*	FY 2018/19 Target*	FY 2018/19 Estimate*	FY 2019/20 Target*
Percent of time first unit arrives at emergency scene five minutes and thirty seconds from time of dispatch.	66%	90%	62%	90%
Percent of time all units arrive at emergency scene (structure fire) nine minutes and 30 seconds from time of dispatch.	73%	90%	70%	90%
Provide sufficient amount of quality training to maintain operational readiness	38.7 hours per person per month	20 hours per person per month	35 hours per person per month	20 hours per person per month
Provide sufficient amount of quality training to maintain required licenses and certifications	Required licenses and certifications 100% compliance	Met this measure with 100% compliance	Required licenses and certifications 100% compliance	Met this measure with 100% compliance
Percent of inspections of State Fire Marshal (SFM) regulated occupancies	Met this measure with 80% compliance	Complete inspections of 85% of SFM regulated occupancies in a given year	Met this measure with 90% compliance	Complete inspections of 95% of SFM regulated occupancies in a given year
Percent of inspections of permitted Hazardous Materials (Haz Mat) facilities	Completed 33% of Haz Mat Facility and 100% Underground Storage Tank (UST) inspections	Complete 33% of Haz Mat Facility and 100% of Underground Storage Tank (UST) inspections in a given year	Completed 33% of Haz Mat Facility and 100% Underground Storage Tank (UST) inspections	Complete 33% of Haz Mat Facility and 100% of Underground Storage Tank (UST) inspections in a given year
* Data tracked on a calendar basis.				

Department Budgets | Fire



Fire: Historical Expenditures/Budget, by Category

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Salaries & Benefits	\$ 36,245,464	\$ 40,370,618	\$ 42,459,614	\$ 43,922,163	\$ 43,922,162	\$ 47,232,919
Operating Expenditures	1,982,473	1,559,601	2,389,342	2,496,951	2,347,436	2,926,853
Capital Expenditures	2,751,762	376,621	676,071	590,016	590,016	670,214
Indirect Expense Allocation**	5,556,339	4,976,899	5,649,530	5,649,530	5,649,530	5,524,424
Totals	\$ 46,536,038	\$ 47,283,739	\$ 51,174,557	\$ 52,658,660	\$ 52,509,144	\$ 56,354,410

% increase/(decrease), including all funds, from FY 2018/19 Adopted Budget 7.3%

* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.

Major Changes

- The FY 2019/20 Fire Department budget is \$3,845,266 (or 7.3%) more than the FY 2019/19 adopted budget.
- Salary and benefits are increasing by \$3,310,757 (or 7.5%) mainly due to increasing CalPERS retirement benefit costs
- Operating expenditures are increasing by \$579,417 (or 24.7%) mainly due to contractual increases including Fire Dispatch and a new Fire academy.
- Capital expenditures are increasing by \$80,198 (or 13.6%) mainly due to the addition of two replacement vehicles.

Staffing by Function-FY 2019/20

Fire			
Fire Chief's Office			
Fire Chief		1.00	
Operations		Fire Prevention	
Deputy Fire Chief	1.00	Fire Marshal	1.00
Division Chief	2.00	Deputy Fire Marshal	1.00
Battalion Chief	6.00	Haz Mat Manager	1.00
Emergency Services Manager	1.00	Senior Haz Mat Inspector	1.00
Fire Captain	39.00	Haz Mat Inspector	3.00
Fire Engineer	41.00	Senior Code Enforcement Officer	1.00
Firefighter	44.00	Fire Prevention Inspector	3.00
<i>Public Service Assistant (PSA) 0.5*</i>		<i>Public Service Assistant (PSA) 0.5*</i>	
Emergency Medical Services/Training		Administration/Personnel	
Division Chief	2.00	Business Manager	1.00
Clinical Nurse Educator	1.00	Public Affairs Manager	1.00
Fire Captain	2.00	Management Analyst II	1.00
		Senior Executive Assistant	2.00
		Administrative Assistant	3.00
		Senior Office Specialist	2.00
		Office Specialist I	1.00

**Part time, Temporary positions not counted in full-time equivalents.*

Regular Full-Time Equivalents: 162.00

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Human Services

Mission:

To support a vibrant community through services that empower individuals, strengthen families, encourage self-sufficiency, enhance neighborhoods, and foster a high quality of life.

Major Services

Youth and Family Services (YFS)

Promote healthy children by providing family-focused mental health services that improve social-emotional well-being, strengthen family relationships, reduce delinquency, and increase school achievement.

Family Resource Center (FRC)

Co-locate 24 State, County, City and non-profit agencies to create a "one-stop," welcoming place where families are provided quality services and encouraged to build on their strengths to help themselves and others.

Aging and Family Services (AFS)

Promote an aging-friendly community by providing a continuum of services to help elders remain actively engaged, independent, safe, and in their own homes.

Transportation and Mobility Services

Provide mobility and transportation options for seniors and persons with disabilities that improve access to community services and activities, decrease social isolation, and promote independent living.

Administration

Administer the City's social service and federal grant funds, the Rent Review Program and development initiatives, in order to sustain the vitality of the City's social service safety net infrastructure.

Department Overview

The Human Services Department delivers and supports services by forging long-term community partnerships; engaging with and building the capacity of the community to do its own problem-solving; and leveraging financial and volunteer resources. The Department’s nationally and internationally recognized programs support thousands of residents throughout their life course, from infants to elders. Its youth services stimulate healthy development and lifestyle choices. Services for families help them navigate crisis situations and become economically successful. Services for older adults and their families help them maintain independence and involvement in the community. City and Federal grants foster collaboration with the non-profit community and strengthen infrastructure and public services for low and moderate income families.

Human Services: Historical Expenditures/Budget, by Major Service Area

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19 Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Family Resource Center	\$ 4,184,383	\$ 3,020,036	\$ 2,745,330	\$ 3,378,426	\$ 3,370,992	\$ 3,048,800
Youth and Family Services	2,691,948	2,501,934	3,121,512	3,204,502	3,164,897	3,566,198
Aging and Family Services	3,652,134	3,570,355	3,639,328	3,898,709	3,875,884	3,924,776
CDBG/Rent Review	1,696,183	3,603,055	3,449,218	4,670,367	2,743,157	2,260,669
Paratransit	1,702,697	1,626,549	1,908,652	2,090,678	2,090,678	2,400,467
Administration	1,263,534	1,649,265	1,955,828	1,970,762	1,934,012	2,231,275
Social Services Grants	693,263	699,826	751,168	751,168	751,168	755,866
Home Grant	230,613	642,454	104,011	348,213	303,778	399,596
Homeless Services	-	-	66,538	414,954	114,954	1,267,333
Total Human Services	\$ 16,114,755	\$ 17,313,474	\$ 17,741,585	\$ 20,727,779	\$ 18,349,520	\$ 19,854,980

* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

Accomplishment Highlights FY 2018/19

- As part of its one-year review of the Rent Review Ordinance, which established a Rent Review Board to review, if necessary, any residential rent increase over 5% in any 12 month period, the City Council adopted additional provisions recommended by staff to strengthen the ordinance.
- Through the Human Relations Commission, on October 27, 2018, the City sponsored Make a Difference Day, with over 2,500 volunteers participating in over 80 projects.



- Through the Senior Citizens Commission and as part of the World Health Organization's Global Age-Friendly Initiative, a multi-year, resident driven initiative to prepare for the growing number of older adults in Fremont, AFS continued to participate in the Alameda County Council for Age-Friendly Communities and distributed a monthly Age Friendly newsletter with circulation of over 4,000.
- Responded to over 1500 Senior Help Line phone calls from community members seeking advice and support for themselves or an older family member.



- Expanded the homeless warming center model (open on cold or rainy nights) used in previous years, to a winter shelter model, open on consecutive nights from November 15, 2018 through March 15, 2019. The shelter was operated out of the Senior Center until January 15th, and then transitioned to the Teen Center in Central Park. The shelter provided over 400 homeless individuals and families, with a warm dry place to sleep, as well as hot dinner, a shower, and a “to go” breakfast. The program hired and trained monitors to oversee nightly operations and partnered with City Serve Compassion Network, which mobilized volunteers to assist with feeding and operation. Contracted medical services were offered through Tri-City Health Center, who administered flu and Hepatitis A vaccines. Abode Services also provided service outreach, coordinated entry assessments, and housing navigation.
- With a \$125,000 grant from Alameda County, purchased a mobile hygiene unit, and began providing showers and laundry services at various service sites in Fremont and Newark.
- Through SparkPoint Fremont, served 357 low-income individuals, assisting them to build assets and reach their financial goals. 75% of measurable clients made significant progress toward their goals. In partnership with Mission Asset Fund, coordinated three peer lending circles involving 30 loans for the purpose of establishing or building credit. On average, participants increased their credit scores by 40 points if improving scores, and by 663 points if establishing credit.
- The Fremont Multi Services Senior Center had over 40,000 visits from older adults last year which included serving over 60-120 nutritious meals a day at the Lakeside Café.

Department Budgets | Human Services

- The Fremont Multi Services Senior Center currently offers over 40 programs and hosts 10 cultural and special interest groups. Programs offered provide socialization, education and wellness decreasing isolation and increasing engagement. Cultural and special interest groups are able to meet with peers that share the same culture, language and interests making them feel connected and empowered.
- Through AARP Tax Assistance, the Fremont Multi Services Senior Center helped 457 low income adults, the vast majority being older adults, to receive \$317,074 in refunds.
- YFS provided mental health, crisis intervention and family support services to over 1000 youth, adults and families to address serious symptoms of anxiety, depression, stress, family relationship challenges, and adolescent substance use disorder.
- YFS became a certified State Drug Medi-Cal provider and with funding through ACBHCS expanded Adolescent Substance Use Disorder Treatment and Recovery Support Services for up to 100 youth ages 12-18.
- YFS, with funding from ACBHCS and FUSD, provided mental health counseling services over 200 youth in 12 schools, as well as Adolescent Substance Use Intervention and Treatment services to over 50 students.
- YFS and FRC, with funding from Alameda County Probation Department and in partnership with Fremont Police Department, provided diversion counseling, mental health and case management services to over 600 youth and their families, including at-risk, truant or youth on formal Probation.
- YFS, through a grant from Kaiser Permanente's Northern California Community Benefits Program, performed outreach and provided education to youth, parents, schools and the community on mental health awareness and dangers of self-harm behaviors in children. Developed evidence based messaging strategies to improve public awareness, reduce stigma, and increase access to mental health services, including early screening, and consultation for youth and their parents.
- With funding from Alameda County Probation Department, and in partnership with Union City, and Girls Inc., YFS created and implemented a new program to provide evidence based Cognitive Behavioral Group services to help reduce at-risk behaviors in teens and parenting classes to provide caregivers of adolescents with improved relationship, limit setting and parenting strategies. Through Community Development Block Grant funds, and in partnership with Resource for Community Development, the City supported the acquisition of the Islander Motel for a future 128-unit affordable housing project for singles and families.
- With federal HOME funds, assisted 8 families to remain in their homes with the help of short term rental assistance and SparkPoint services to enable them to return to financial stability.

- Transportation and Mobility Services provided 30,000 one-way rides, 1,200 senior Clipper cards, 150 travel trainings for seniors and people with disabilities and 750 transportation assessments and service linkages for community members.
- FRC launched the FRC News, electronically and in hard copy form, providing useful information on programs and services at the FRC.
- FRC hosted the Tri-City Mobile Food Pantry and Supply Bank Diaper Distribution, providing much needed safety net services and resources for individuals and families in need.
- Participated in the implementation of the Coordinated Entry System, enabling highest need homeless to secure housing. Continued to support homeless individuals with wraparound support and problem solving.

Objectives FY 2019/20

1. Continue to operationalize and improve the effectiveness of the Rent Review Board, providing a neutral setting for tenants and landlords to discuss residential rent increases over 5% in any 12 month period. Led by a trained board, the goal of the rent review process is to provide fair and equitable resolutions for both parties. Staff will collect and analyze data, to continue to assess the efficacy of the program.
2. Implement specific strategies and actions steps outlined in the FRC's 5-year action plan, to ensure the plan becomes a reality.
3. Increase the average number of meals served at Lake Side Café by 5 meals per month in an effort to improve isolation and nutrition.
4. Increase rental revenue at Fremont Multi Services Senior Center, with goal of 100% weekend booking.
5. Partner with the Community Services Department to select a new programs and facilities software system to be utilized at the Fremont Multi Services Senior Center.
6. Begin construction of the Warm Springs Senior Center.
7. Continue to coordinate a comprehensive SparkPoint program at the Fremont Family Resource Center (FRC). SparkPoint commits to working with clients for up to three years to improve their credit, increase their income, and build their assets. The program's FY 2019/20 goal is to serve 350 participants. Of the 350 served, 145 will complete baseline and follow-up forms that enable tracking of progress over time. Of these measurable clients served, 75% will achieve economic mobility, evidenced by a 30% improvement in one of the following key SparkPoint metrics: credit score, lower debt-to-income ratio, income, or savings.

Department Budgets | Human Services

8. Increase the financial assets of low-income families through the FRC's VITA program by helping 2,700 low-income households claim a total of \$1.35 million in Earned Income Tax Credits (EITC) in 2018. Ten percent of all VITA customers will participate in at least one additional asset building activity such as opening a savings account, purchasing a savings bond, participating in a Peer Lending Circle, becoming a SparkPoint member, or working with a financial coach.
9. With federal HOME funds, assist 8-10 families to remain in their homes with the help of short term rental assistance and SparkPoint services to enable them to return to financial stability.

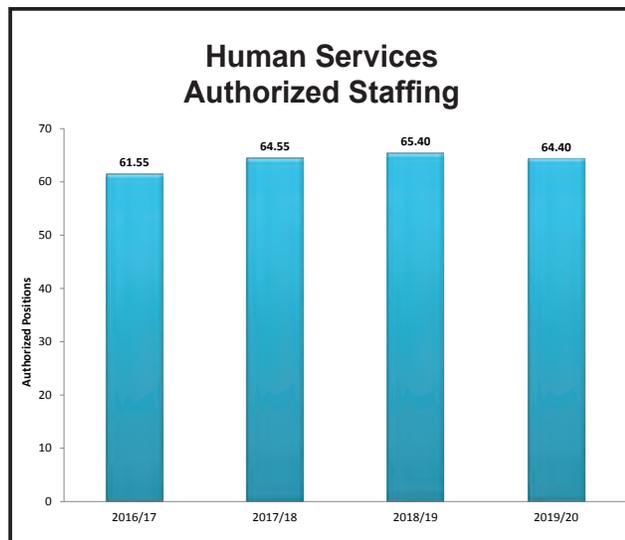
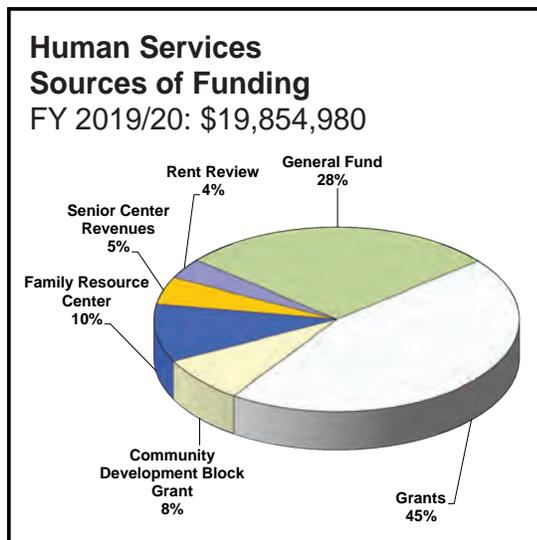
Performance Measurement

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Percent of Long-term SparkPoint Clients achieving economic mobility ¹	75%	75%	75%	75%
Percent of senior clients that improve their understanding of how to take their medication ²	100%	80%	85%	80%
Percent of youth who improved in their social emotional health and were observed as stable after receiving counseling services ³	75%	75%	75%	75%

¹Long-term SparkPoint clients will improve in one of four SparkPoint metrics (Higher Credit Score, Lower Debt to Income Ratio, Higher Income or Higher Savings) by at least 5%.

²As measured by a pre and post test administered by a public health nurse.

³ Measured by clinicians using the Child and Adolescent Needs and Strengths Assessment, an evidenced based instrument that measures client change over time.



Human Services: Historical Expenditures/Budget, by Category

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19 Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Salaries & Benefits	\$ 8,120,125	\$ 8,998,973	\$ 9,525,458	\$ 10,866,021	\$ 10,811,799	\$ 11,171,998
Operating Expenditures	6,506,545	7,049,264	6,907,373	8,649,626	6,324,986	7,270,053
Capital Expenditures	7,663	5,682	148,437	24,012	24,012	42,457
Indirect Expense Allocation**	1,480,422	1,259,555	1,160,317	1,188,120	1,188,723	1,370,472
Totals	\$ 16,114,755	\$ 17,313,474	\$ 17,741,585	\$ 20,727,779	\$ 18,349,520	\$ 19,854,980
	% increase/(decrease), including all funds, from FY 2018/19 Adopted Budget					8.2%
<p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.</p>						

Major Changes

- The FY 2019/20 Human Services budget is \$1,505,460 (or 8.3%) more than the FY 2018/19 adopted budget.
- Operating expenditures are increasing by \$945,067 (14.9%) mainly due to the implementation of additional homeless services.
- Capital expenditures are increasing by \$18,445 (or 76.8%) mainly due to additional office equipment and furniture.
- Indirect expense allocation is increasing by \$181,749 (or 15.3%) mainly due to increased information technology and risk management costs.

Staffing by Function-FY 2019/20

Human Services			
HS Administration			
	Human Services Director		1.00
	Deputy Director Human Services		1.00
	Human Services Development Officer		1.00
	CDBG Administrator		1.00
	Management Analyst II		2.00
	Program Coordinator		1.00
	Human Services Specialist		1.00
	Executive Assistant		1.00
	Senior Accounting Specialist		2.00
	Office Specialist II		1.00
	Accounting Specialist I		1.00
Youth and Family Services		Family Resource Center	
	Family Services Administrator	1.00	Family Services Administrator
	Clinical Supervisor	2.00	Management Analyst II
	Senior Program Coordinator	2.00	Senior Program Coordinator
	Counselor	8.35	Program Coordinator
	Administrative Assistant	1.00	Case Manager
	Human Services Specialist II	1.00	Human Services Specialist II
	Office Specialist II	0.50	Senior Office Specialist
	Accounting Specialist I	1.00	Office Specialist II
	<i>Counseling Interns*</i>		Office Specialist I
			1.00
			<i>Public Service Assistant*</i>
Senior Center		Aging and Family Services	
	Senior Center Manager	1.00	Family Services Administrator
	Program Coordinator	1.00	Clinical Supervisor
	Senior Office Specialist	1.00	Senior Program Coordinator
	Chef/Food Services Manager	1.00	Program Coordinator
	Assistant Chef	0.80	Case Manager
	<i>Public Service Assistants*</i>		5.425
			Counselor
			2.475
			Senior Office Specialist
			1.00
			Human Services Specialist I
			1.00
			<i>Outreach Workers*</i>
Homeless Services		Rent Review Admin	
	Crisis Intervention Specialist	1.00	Management Analyst I
			1.00
			Office Specialist II
			0.50
*Temporary positions not counted in full-time equivalents			

Regular Full-Time Equivalents: 64.40

Police

Mission:

Public safety through professional law enforcement.

Major Services

Patrol

Respond to calls for police assistance, maintain order, identify and apprehend known and suspected law violators, and seek long-term solutions to problems and issues important to the community.

Investigation

Investigate serious felony crimes such as homicide, robbery, sex crimes, child abuse, kidnapping, burglary, and assault.

Traffic Enforcement

Investigate serious collisions and enforce the vehicle code to control violations known to cause collisions.

9-1-1 Emergency Services

Communicate with individuals in peril and coordinate first responders to preserve life and property.

Animal Control

Respond to animal-related calls for service in Fremont, operate the Tri-City Animal Shelter, facilitate adoption outreach and support, provide animal spay/neuter services, license pets, and control rabies.

Department Overview

The Police Department is responsible for safeguarding lives and property, and enhancing public safety. Protective services include 9-1-1 response, traffic and law enforcement, crime trend analysis, crime investigation and prevention, and Special Weapons and Tactics (SWAT) operations. Furthermore, the Police Department operates the School Resource Officer program, community engagement, detention facility operations, and animal control/shelter services. Emergency services are provided 24 hours a day, 7 days a week.



Accomplishment Highlights FY 2018/19

- The City of Fremont experienced an 11% decline in auto burglaries for the first time in several years after implementing strategic crime reduction plan for auto burglaries. Auto burglary efforts included a prevention plan for retail shopping centers to include signage and distribution of informational flyers and promotion and maintenance of an information sharing platform used by over 15 bay area agencies. For residential burglaries there was an overall decrease of 62% since the 2011 implementation of a strategic crime reduction plan. Investigations provided neighborhood associations and commercial businesses information and guidance on establishing surveillance camera systems, and provided ongoing support to existing partners.
- The Traffic Unit focused on reducing injury collision and enhancing roadway safety through continued focus on traffic enforcement in the school zones as well as morning and afternoon commute areas. The Police Department received a grant from the California Office of Traffic Safety which was used to conduct four DUI checkpoints and numerous DUI saturation patrols. The grant was also used for numerous traffic saturation patrols focusing on primary collision factors. Traffic officers also participated in the following OTS initiatives: Click or ticket, Distracted Driving Awareness, Bike Safety, Child Passenger Safety, Motorcycle Safety and National Walk to School Day.
- The Traffic Unit continued its partnership with Traffic Engineering on the Vision Zero initiative. Fatal collisions decreased by 60% from 2017 to 2018 and injury collisions have consistently decreased since the inception of Vision Zero in 2016.



- The 9-1-1 emergency phone system upgrade in the Dispatch Center and the Mobile Command Vehicle (MCV) was completed which also increased our call handling capacity from four to six in the MCV. Dispatch continues to meet the state call answer standard of all 9-1-1 calls answered within 15 seconds at a 95% rate. Dispatch has enhanced analytics to track call handling data which improves our ability to monitor standards and quality of service.
- Investigations provided neighborhood associations and commercial businesses information, guidance, and collaboration on establishing surveillance camera systems, as well as ongoing support to existing partners.
- Implementation of a pilot program designed to test the feasibility of operating an electric (EV) police patrol vehicle. The pilot program will deploy a fully functional EV in patrol operations. This program is an extension of the City's clean technology and smart city initiatives.

- The Patrol Division created and implemented a Community Problem Solving Program. The program challenges officers to identify crime, quality of life and other problems within their assigned area and work with the community to find solutions. The intent of the program is to establish and/or develop relationships within our community and use collaborative problem solving to enhance safety, security and the overall enjoyment of our community.
- The Community Engagement Unit hosted a very well attended Department Safety Fair in September of 2018. Estimated attendance was approximately 3,500 people. They also coordinated presentations at all 28 public elementary schools through Building Bridges and hosted six Coffee with the Cops events.



- In the fall of 2018, the Department’s Public Affairs Team led a City-wide effort to joining Next Door. With more than 40,000 community members on the platform, several City Department and staff members can now have direct dialogue and share information with our residents. Feedback has been extremely positive from both our community as well as our staff since joining.
- Public Affairs staff led a newly formed communications team in an effort to increase communications between the shelter and our community. Several initiatives were implemented including: the development and design of a new logo, joining social media through Instagram, communication to our community through Next Door and the launch of a newly designed website dedicated to the Tri-City Animal Shelter.
- In the spring of 2019, a new Transparency page was added to the Fremont Police Department’s website. The page provides direct access to Department policies, information on technology such as body-worn cameras and press releases for officer involved shootings, in-custody death investigations, and incidents of public interest.
- The Personnel Unit hired 18 Police Officers, four full time and two part time Dispatchers, two Community Service Officers, one Animal Services Manager, one Animal Services Officer, two Records Specialists, one Records Assistants, two Detention Officers, one Management Analyst II, one Administrative Assistant, one Senior Accounting Specialist and one Senior Office Specialist. Four local accelerated hiring process events were held and two out of the area recruiting events as part of the new recruiting strategies that were developed last year. A new mobile friendly Fremont Police Recruiting website was also launched this year.

- The Tri-City Animal Shelter completed their remodel which includes a new front office, new dog kennels, cat habitat rooms, an additional large outdoor exercise/meet and greet pen and an exam and surgical room. The remodel has been progressing nicely, but slowly.

Objectives FY 2019/20

1. Continue current efforts and strategies focused on reducing residential and auto burglaries utilizing Intelligence Led Policing concepts. Apply effective, evidence-based policing strategies to other chronic crime issues throughout the city. Further enhance relationships with businesses and the community to educate focusing on crime reduction strategies.
2. Continue to emphasize high visibility enforcement in areas of high injury collision rates, during time periods that coincide with peak injury collision rates. Continue to emphasize pedestrian safety and to work with Traffic Engineering regarding commuter traffic concerns as new housing developments near completion. Continue our partnership with Traffic Engineering on Vision Zero initiatives and with Transportation Engineering on Fremont's Mobility Action Plan.
3. Conduct a study of anticipated staffing demands, staffing deployment models and staffing adjustments that may be necessary to adapt to the future increase of major housing developments and business complexes throughout the City.
4. A 9-1-1 for Kids educational program was recently created and the goal is to hold two presentations in the upcoming year with the Community, as well as to fully deploy Text to 9-1-1 with all wireless carriers in our area.
5. In an effort to manage new legislative mandates as well as expand communications with our community and the media, the Department will be expanding our digital media and public information teams. The two teams will focus on critical incident response, public engagement and education, social media content production and media development for internal training and communication.
6. The Department will select a new vendor to design a new website for the police department as well as develop a new content management solution. The site will serve as a recruitment tool to help market and enhance our image and build trust through transparency with our community. The site will provide public access to services, programs and other police information such as policies, presentations and data.
7. The Department will expand public access to information available on our website over the next year. Policies, videos, training standards and practices, operating procedures, as well as other public records will be available through a file depository, with a search engine that returns effective and relevant search results.
8. Over the next year the Department will expand our participation and support of Special Olympics. We will specifically engage with special Olympic athletes who live in Fremont and bring them into our department as often as we can. We plan to host several new events, including a 5k run and a Battle of the Badges flag football game to raise funds in support of athletes.

9. The newly formed Digital Evidence Unit will increase the efficiency, accuracy, accountability and purging of digital records in accordance with retention schedules, as well as respond to requests for body-worn and in-car camera videos. The goal for the upcoming year is to create policies and procedures for such requests.
10. The Personnel Unit will continue efforts to fill Officer vacancies with learned marketing strategies, as well as focus on other critical positions within the department.
11. The Tri-City Animal Shelter has partnered with the community group, “Friends of the Shelter,” to start a pilot program for feral cats of the community known as “Trap, Neuter, Return” (TNR). The goal of the program is to decrease the number of euthanized feral cats.

Performance Measurement

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Continue to apply the strategies, tactics, and methods used to sustain present level or further reduce the incidence of residential burglaries* <i>*figures reported by Uniform Crime Reporting (UCR) calendar year</i>	352 ¹ (single/multiple residences only) 673 ¹ (all burglaries)	Sustain present level or further reduction from previous year	350 ² (single/multiple residences only) 720 ² (all burglaries)	Sustain present level or further reduction from previous year
Minimize the number of injury collisions as compared to the previous year. <i>*figures reported by Uniform Crime Reporting (UCR) calendar year</i>	743 ¹	Reduction from previous year	604 ²	Reduction from previous year
Enrollment of all employees in a baseline medical analysis exam	N/A	N/A	75%	100%
Increase staffing levels to full allocations for the positions of Police Officer and Communications Dispatcher	N/A	N/A	90%	100%
¹ Calendar Year 2017. ² Calendar Year 2018.				

Department Budgets | Police

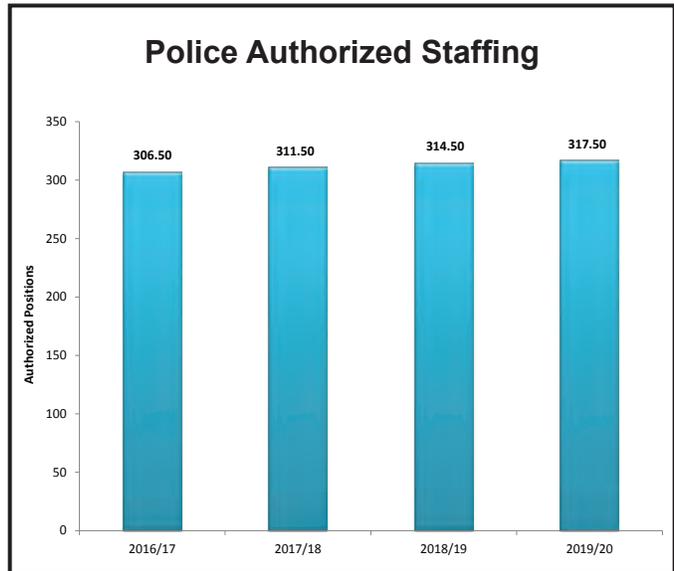
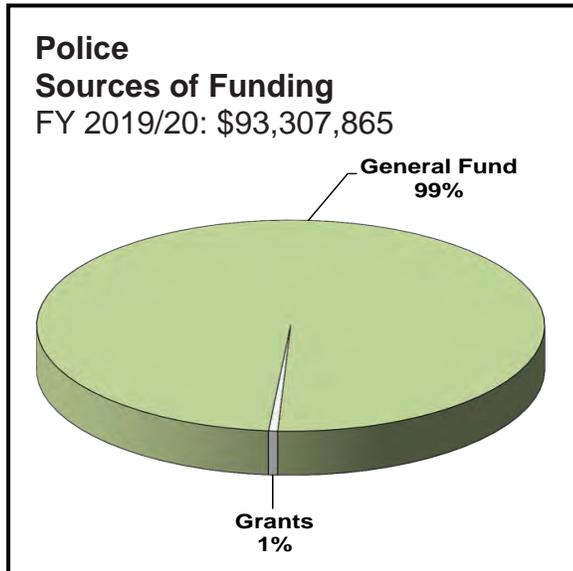
Police: Historical Expenditures/Budget, by Category

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Salaries & Benefits	\$ 56,567,266	\$ 65,247,345	\$ 70,645,998	\$ 73,402,756	\$ 73,402,756	\$ 79,137,535
Operating Expenditures	4,347,962	3,960,001	4,721,244	4,775,824	4,357,985	4,996,693
Capital Expenditures	415,999	272,049	1,068,221	821,709	353,300	485,649
Indirect Expense Allocation**	8,736,821	7,731,730	7,621,080	7,621,088	7,621,088	8,687,988
Totals	\$ 70,068,048	\$ 77,211,125	\$ 84,056,543	\$ 86,621,377	\$ 85,735,129	\$ 93,307,865

% increase/(decrease), including all funds, from FY 2018/19 Adopted Budget 8.8%

* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.



Major Changes

- The FY 2019/20 Police Department budget is \$7,572,736 (or 8.8%) more than the FY 2018/19 adopted budget.
- Salary and benefits are increasing by 7.8% mainly due to the addition of two community service officers, one equipment room assistant, and changes in the CalPERS retirement benefit costs.
- Capital expenditures are increasing by \$132,439 (or 37.5%) mainly due to increased capital needs for one-time costs.

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Public Works

Mission:

To enhance the community by providing the highest quality public works services through the engineering and maintenance of safe and effective transportation systems and public infrastructure that support a desirable quality of life for residents, businesses, and visitors, and to support the City organization with efficient and effective maintenance services for City buildings and fleet vehicles.

Major Services

<p>Engineering - Transportation <i>Plan, provide and operate a multimodal transportation system with viable choices for walking, bicycling, driving and using transit, through local actions and in coordination with regional and State transportation agencies.</i></p>
<p>Engineering - Project Delivery <i>Plan, review, design, survey, acquire property, construct, and provide inspection services to deliver public infrastructure projects, including streets, storm drainage and City buildings, as part of the City's capital improvement program (CIP) and private development activities.</i></p>
<p>Maintenance - Streets <i>Maintain the City's 500 mile street system with services related to pavement repair, traffic signs and markings, street lighting, storm drainage and street sweeping.</i></p>
<p>Maintenance - Buildings <i>Provide maintenance services, operational support, and management of systems to enhance and maintain the City's buildings consisting of approximately 160 structures and nearly one million square feet of space, and including police facilities, fire stations, community centers, libraries, administrative offices and historic structures.</i></p>
<p>Maintenance - Fleet <i>Provide maintenance, procurement, and administrative support for over 560 vehicles and related equipment, including providing vehicle service and repair for the City's police, fire, maintenance, inspection, and other administrative functions.</i></p>

Department Overview

The Public Works Department provides services related to the engineering and maintenance of the City’s public infrastructure. Public Works is responsible for the daily maintenance and upkeep of City infrastructure: design and construction of new or improved public facilities; managing and improving the safety, condition, and efficiency of the Citywide transportation network; and the expedient review of development projects in accordance with the Fremont General Plan, Municipal Code, and technical standards. Public Works also partners with regional transportation agencies, including the Alameda County Transportation Commission (ACTC), Caltrans, BART, and AC Transit to ensure Fremont’s interests are considered in major regional projects. The Department actively pursues funding grants that correspond to City Council priorities.



Overall Department work activity and demands are at a high level due to the following three factors: 1) the robust Bay Area economy has created strong private development interest in Fremont and there are currently over 100 active projects in various stages of planning, design or construction; 2) new revenues for transportation planning and project delivery from Measure BB (approved in 2014) and State Senate Bill 1 (approved in 2017) provide funding for local project with a focus on pavement maintenance, traffic safety and improved facilities for walking and bicycling, and 3) the City’s aging public buildings has created increased demand for repairs related to roof, heating and ventilation systems. To address this work activity, Public Works has been judicious in adding new permanent staff positions and has primarily focused on temporary positions and the procuring of “on call” professional services from the private sector. Public Works currently manages approximately 50 “on call” service contracts.

Public Works: Historical Expenditures/Budget, by Major Service Area

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Hazardous Materials	\$ 456,548	\$ 409,570	\$ 330,896	\$ 373,136	\$ 364,098	\$ 380,475
Streets	3,701,804	3,878,566	3,758,323	3,718,164	3,712,884	4,319,658
Public Buildings	6,495,135	6,735,786	6,869,016	7,364,727	7,347,689	8,955,417
Fleet Maintenance	3,097,222	3,356,518	3,319,440	3,471,536	3,512,906	3,741,884
Engineering	11,840,896	13,136,932	13,706,320	14,891,096	14,738,823	16,046,827
Administration	1,682,132	1,605,947	1,493,653	1,539,291	1,539,291	1,898,334
Total Transportation & Operations	\$ 27,273,737	\$ 29,123,319	\$ 29,477,648	\$ 31,357,950	\$ 31,215,691	\$ 35,342,595

* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

Accomplishment Highlights FY 2018/19

- A top priority for the City Council is to address community concerns related to traffic congestion and regional cut-through traffic. In March 2019, the City Council approved the Fremont Mobility Action Plan, including a set of near-term actions addressing Fremont’s transportation issues and prioritizing improvements. The plan was prepared by Public Works staff and a consultant team over a 16-month period, with guidance from a 14-member community task force and a significant community outreach program. Key action items relate to traffic signal modernization, safe routes to schools, travel alternatives, regional projects, and regional policy reforms to address the Bay Area’s severe imbalance between jobs and housing. The Mobility Action Plan will serve as the City’s 5-year “road map” for local action and regional advocacy related to transportation programs. Formation of a Mobility Commission is being considered to help implement the plan.



- In support of Fremont’s Vision Zero traffic safety policy, numerous projects and programs were delivered and which collectively contributed to a 50% reduction in major traffic crashes since the program was started in 2016. The positive traffic safety outcomes are due to the strategic and coordinated deployment of the City’s enforcement, education and engineering resources. Safety projects implemented in past year have included narrowing vehicle lanes and intersections for traffic speed management, installing new traffic signals, and enhancing pedestrian crossings with yield markers and flashing beacons. Fremont’s efforts to improve traffic safety have generated national recognition and multiple invitations to share information at professional conferences and meetings.
- Complementing the new Warm Springs BART Station, Public Works started construction on the \$41 million West Access Bridge and Plaza project, creating a direct pedestrian connection between the BART station and Innovation Way. The project includes an urban plaza as a central gathering place for the developing Warm Springs community. The project is supported by a \$30 million grant from ACTC and is scheduled for completion in Spring 2020. Additionally, a new bridge and trail across I-880 is being designed to connect people walking and bicycling from the Warm Springs BART station area to the Bayside Technology Park job center and the San Francisco Bay Trail within the City’s Innovation District. The project design is scheduled for completion in late 2020 and funding is being pursued through regional grants to allow for construction to start in 2021.

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- Progress continued on enhancing Downtown Fremont as the City's civic gathering place. Final design is in process on the new Downtown Center and Civic Plaza which is planned to have a groundbreaking ceremony in fall 2019. The BART Way improvement project was completed in May 2019 and serves to provide an attractive multimodal connection from the Fremont BART Station to the downtown area. Additionally, Public Works maintenance staff provided traffic control set up for numerous special events citywide with many events occurring in the Downtown area including the Festival of the Arts, Fourth of July Parade, and Festival of India.



- One of the most cost effective investments to improve traffic flow is to upgrade and retime the operations of Fremont's 220 traffic signals. Design has started on a \$9.3 million traffic signal modernization project to install adaptive signal, connected vehicle, and smart transportation technology throughout the Fremont Blvd corridor. The project is planned for completion in summer 2020. The adaptive traffic signals will have the ability to make real-time traffic signal timing changes depending on the current traffic conditions. Funding has been secured for other traffic signal modernization improvements located in the Decoto, Mowry, Walnut, Auto Mall, Mission, Grimmer, and Warm Springs corridors for completion by 2022. Additionally, minor traffic signal upgrades and corridor retiming projects were completed at 30 locations and included segments of Fremont Boulevard, Warm Springs Boulevard, Grimmer Boulevard, and Blacow Road. An additional \$650,000 in grant funding was secured to provide signal upgrades and corridor retiming over the next two years.
- Fremont's General Plan 2030 places an emphasis on increasing walking and bicycling as a travel mode. In July 2018, an updated Bicycle Master Plan was approved by the City Council. The new plan has an emphasis on implementing a network of separated bikeways that will encourage an increased level of bicycling by people of all ages and abilities. In 2018/19, more bike lanes with safety buffers were completed bringing the City-wide total to 33 miles. Also, construction started on the Walnut Avenue Bikeway Project which will improve traffic safety and build a raised and separated bike lane between Mission Boulevard and Paseo Padre Parkway.
- Fremont's Safe Routes to Schools program is active in 23 local schools and programs to encourage increased walking and biking to school are expanding. In cooperation with Fremont Unified School District, school site traffic safety assessments for all 42 public schools have been completed and work is underway to install approximately 400 low-cost safety improvement projects, with most projects getting completed by the end of 2019.

- Highlights of basic street system maintenance activities in 2018/19 included repairs to over 3,400 potholes, clearing of approximately 5,000 linear feet of storm lines, abating over 300 reported incidences of graffiti which equates to abating over 300,000 sq. ft. of graffiti, and grinding and patching over 700 sections of sidewalk.
 - Annual projects continue to be delivered to fix aging streets and sidewalks. Approximately 40 miles of streets received a pavement maintenance treatment funded through an \$14.8 million investment from City General Fund (\$2.2M), County Measure B/BB (\$8.4M), State Gas Tax (\$1.5M), and Federal/State grants (\$3.5M). The overall Pavement Condition Index (PCI) for Fremont streets is rated as “good” (PCI 73) and has improved steadily since 2012 when pavement conditions were rated as “fair” (PCI 63). Concrete repairs and modifications completed in 2018-19 include 182 sidewalk and curb locations and 393 new curb ramps were installed to improve sidewalk access for persons with disabilities.
 - In support of approved private development projects providing new jobs, housing and retail services, Public Works is working with design consultants and construction contractors to build required public infrastructure improvements consisting of streets and storm water drainage systems. A total of over 100 projects are in various stages of implementation. Major projects in construction include: Locale at State Street (Downtown), Toll Bros and Lennar Homes (Warm Springs), Walnut Residential (Central Fremont) and the Fremont Business Technology Center (Pacific Commons).
- 
- Staff from Public Works Building Maintenance and Facilities Engineering teams provide ongoing building maintenance and improvement services to support the functional needs of the City building occupants. Approximately 4,000 service requests are completed annually related to the building systems related to building security, heating, ventilation, plumbing, electrical, and roofing systems. Several Major building improvements completed this year included renovations to the Animal Shelter, replacement of the roof and gutters at the historic Shinn House, rehabilitation of the Presidents House at the California Nursery, and installation of EV charging stations at the Police Department. In early 2019, a condition assessment report was completed for the City’s “core service” buildings and identified the need for a \$46 million investment for building system improvements over the next five years.
 - The Public Works Fleet Maintenance section provides scheduled maintenance services to ensure reliable performance and to maximize the life cycle of the City’s approximately 562 vehicles and related equipment, including 293 vehicles for police and fire services. About 2,200 service activities are completed annually ranging from oil changes, tune ups, tire rotations/replacements to testing and troubleshooting advanced public safety communication systems. Additionally, 38 new vehicles were procured to meet needs for vehicle replacement and service enhancement, including vehicles for street sweeping, storm drain cleaning, police services, and fire services.

- The improvement of regional transportation systems serving the Fremont community is an ongoing and high priority activity for Public Works, which involves policy advocacy and technical support. Major projects under construction and their completion dates include: BART Extension to Milpitas and Berryessa (Late 2019), I-880 Express Lanes (2020) and the I-680 Northbound Express Lane project (2020). In coordination with Union Pacific Railroad, the California Public Utilities Commission, and Caltrans, various safety improvements are being implemented to allow for a railroad “quiet zone” at the Nursery Avenue crossing in the Niles District. Planning efforts are also underway to develop the Irvington BART Station project and to upgrade the State Route 262/Mission Boulevard corridor between I-880 and I-680 in partnership with Alameda CTC and Caltrans.

Objectives FY 2019/20

The core work objective for the Public Works Department in 2019/20 will be to continue delivering high quality engineering and maintenance services to support the City’s public infrastructure, as funded by the General Fund, the City’s capital program, private development, and regional agencies. Among the numerous projects and work activities, the following are notable for 2019/20:

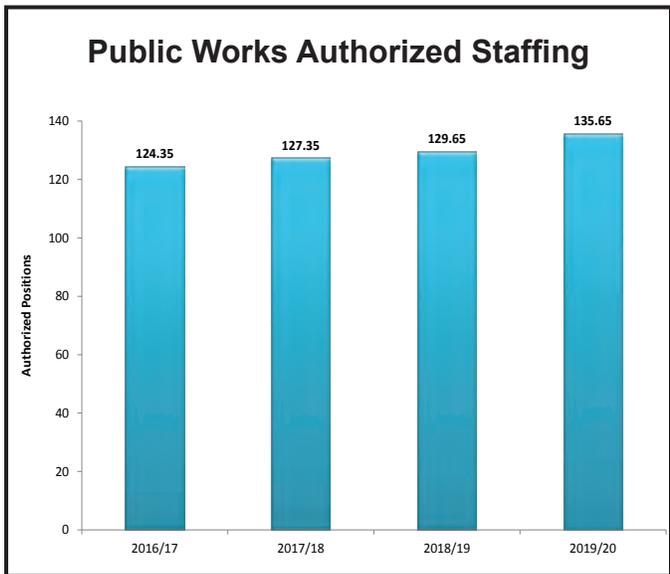
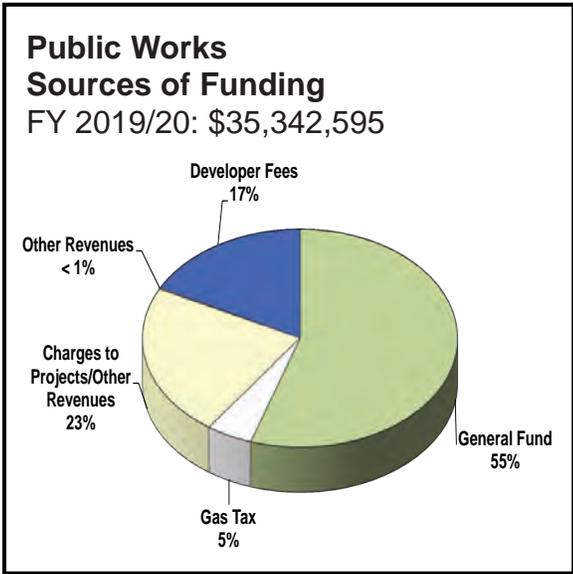
1. Form a Mobility Commission to help implement key recommendations from the Mobility Action Plan including: encourage increased travel by carpooling, transit, bicycling, and walking; increase percentage of schools actively participating in Safe Routes to Schools program; and guide the planned modernization of AC Transit bus service in the Fremont area.
2. Continue implementation of the Vision Zero traffic safety program, including efforts to enhance pedestrian crossings, tame high speed arterial streets, build new traffic signals, implement safe routes to schools program, build better bikeways, and expand traffic safety education. A traffic safety education banner program along Fremont Boulevard, funded by a grant from Kaiser Permanente, is planned for summer 2019.
3. Complete construction of the Warm Springs BART Station West Access Bridge and Plaza and start construction on the Downtown Center and Civic Plaza project.
4. In the Centerville commercial district along Fremont Boulevard from Alder to Eggers, initiate project planning and community outreach for the Centerville “complete street” improvement project. A funding grant in the amount of \$7.7 million has been secured to support project construction in 2021. In summer 2019, the Centerville Train Station is planned to be improved with a new security monitoring system and parking management system.
5. Continue efforts to modernize the Citywide to traffic signal system for improved traffic flow and reliability.
6. Launch new “micro-mobility” services as a pilot program featuring shared pedal bikes, electric bikes, and electric scooters.

7. Continue programs to enhance street pavement and sidewalk conditions, including installing new intersection ramps and repairing sidewalks to improve accessibility, replacing damaged pavement using state gas taxes, and providing a 50/50 cost sharing program with property owners to assist with sidewalk repairs.
8. Work with regional partners to upgrade State Route 262, develop the Irvington BART station, relinquish State Route 84, implement railroad quiet zones, enhance freeway interchanges, and modernize AC Transit services.

Performance Measurement

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Average Pavement Condition Index (PCI) for the entire 500-mile street network.	PCI of 72	PCI of 72	PCI of 73	PCI of 73
Percent of streets in “poor” condition (below PCI 50)	14%	13%	13%	11%
Percent of preventative maintenance repairs Fleet services performed on-schedule (e.g., completed within two weeks of scheduled service)	63%	75%	50%	75%
Number of persons severely or fatally injured in traffic crashes Note: Baseline condition is 37 in 2015 (8 fatalities)	26 in 2017 (10 fatalities)	Continuous improvement	17 in 2018 (4 fatalities)	Continuous improvement
Percent of graffiti removal calls responded to within one business day for Priority 1 graffiti (gang-related or profane) / one business week for Priority 2 graffiti for all other types	39% / 86%	65% / 85%	55% / 85%	65% / 85%

Department Budgets | Public Works



Public Works: Historical Expenditures/Budget, by Category

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Salaries & Benefits	\$ 15,599,044	\$ 17,800,515	\$ 18,988,153	\$ 20,274,849	\$ 20,274,549	\$ 22,436,126
Operating Expenditures	8,149,927	8,015,546	7,589,778	8,318,417	8,188,890	9,808,420
Capital Expenditures	245,855	198,368	277,114	142,081	129,649	456,252
Indirect Expense Allocation**	3,278,911	3,108,890	2,622,603	2,622,603	2,622,603	2,641,797
Totals	\$ 27,273,737	\$ 29,123,319	\$ 29,477,648	\$ 31,357,950	\$ 31,215,691	\$ 35,342,595

% increase/(decrease), including all funds, from FY 2018/19 Adopted Budget 13.2%

* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.

Major Changes

- The FY 2019/20 Public Works budget is \$4,126,904 (or 13.2%) more than the FY 2018/19 adopted budget.
- Salary and benefits are increasing by 10.7% mainly due to six additional positions, and changes in the CalPERS retirement benefit costs.
- Operating expenditures are increasing by \$1,619,530 (or 19.8%) mainly due to contractual services increases, utility increases, and one-time maintenance.
- Capital expenditures are increasing by \$326,603 (or 251.9%) mainly due to the purchase of vehicles and equipment.

Staffing by Function-FY 2019/20

Public Works	
<p>Maintenance Services</p> <p>Administration</p> <p>Public Works Director 0.30</p> <p>Deputy Director, 1.00</p> <p style="padding-left: 20px;">Maintenance & Business Operations</p> <p>Business Manager 1.00</p> <p>Executive Assistant 0.05</p> <p>Administrative Analyst 1.00</p> <p>Office Specialist II 3.00</p> <p style="text-align: center;"> </p> <p>Environmental Compliance</p> <p>Management Analyst II 1.00</p> <p style="text-align: center;"> </p> <p>Fleet Maintenance</p> <p>Fleet Maintenance Manager 1.00</p> <p>Fleet Mechanic II 1.00</p> <p>Fleet Supervisor 1.00</p> <p>Heavy Equipment Mechanic 4.00</p> <p>Fleet Mechanic I - Light Equipment 1.00</p> <p>Equipment Support Coordinator 1.00</p> <p>Mechanic Assistant 3.00</p> <p style="text-align: center;"> </p> <p>Public Buildings</p> <p>Building Maintenance Manager 1.00</p> <p>Management Analyst II 1.00</p> <p>Building Maintenance Coordinator 1.00</p> <p>Building Maint. Field Supervisor 3.00</p> <p>Building Maintenance Worker II 13.00</p> <p>Office Specialist II 1.00</p> <p style="text-align: center;"> </p> <p>Street Maintenance</p> <p><u>Pavement Maintenance</u></p> <p>Street Maintenance Manager 0.35</p> <p>Street Field Supervisor 1.00</p> <p>Street Maintenance Worker II 4.00</p> <p>Street Maintenance Worker I 5.00</p> <p> </p> <p><u>Street Sanitation</u></p> <p>Street Maintenance Manager 0.30</p> <p>Street Field Supervisor 1.00</p> <p>Street Maintenance Worker II 7.00</p> <p>Street Maintenance Worker I 2.00</p> <p> </p> <p><u>Traffic Safety</u></p> <p>Street Maintenance Manager 0.35</p> <p>Street Field Supervisor 1.00</p> <p>Street Maintenance Worker II 5.00</p> <p>Street Maintenance Worker I 2.00</p>	<p>Engineering</p> <p>Administration</p> <p>Public Works Director 0.30</p> <p>City Engineer 0.25</p> <p>Management Analyst II 1.00</p> <p>Executive Assistant 0.95</p> <p>Senior Office Specialist 2.00</p> <p>Office Specialist II 1.65</p> <p style="text-align: center;"> </p> <p>Design, Development, Transportation and Construction Engineering</p> <p>Public Works Director 0.40</p> <p>City Engineer 0.75</p> <p>Assistant City Engineer 1.00</p> <p>Principal Civil Engineer 3.00</p> <p>Principal Transportation Engineer 1.00</p> <p>Facility & Real Property Manager 1.00</p> <p>Senior Civil Engineer 6.00</p> <p>Senior Transportation Engineer 2.00</p> <p>Real Property Agent 2.00</p> <p>Land Surveyor 1.00</p> <p>Associate Civil Engineer 5.00</p> <p>Associate Transportation Engineer 2.00</p> <p>Facilities Design/Construction 1.00</p> <p style="padding-left: 20px;">Project Supervisor III</p> <p>Facilities Design/Construction 2.00</p> <p style="padding-left: 20px;">Project Supervisor II</p> <p>Senior Engineering Specialist 1.00</p> <p>Supervising Construction Coordinator 3.00</p> <p>Civil Engineer II 2.00</p> <p>Senior Construction Inspector 3.00</p> <p>Chief of Party 1.00</p> <p>Civil Engineer I 4.00</p> <p>Transportation Engineer II 2.00</p> <p>Transportation Engineer I 4.00</p> <p>Construction Inspector 6.00</p> <p>Construction Materials Inspector 1.00</p> <p>Survey Instrument Operator 1.00</p> <p>Engineering Specialist 3.00</p> <p>Engineering Technician I 2.00</p>

Regular Full-Time Equivalents: 135.65

Administrative Departments

Description of Responsibilities and Services

The Administrative Departments include the City Manager's Office, City Attorney's Office, City Clerk's Office, Finance, Human Resources, and Information Technology Services. These departments work together to provide the organizational infrastructure that makes services to the community possible. Because they work collaboratively to support the organization, administrative departments' objectives are presented collectively. Other department budget information is displayed on subsequent pages.

Objectives FY 2019/20

City Manager's Office

1. Pursue legislative efforts and strengthen state and federal partnerships to promote the best interests of the City, while implementing the Council's 2019/20 Legislative Guiding Principles and Priorities.
2. Pursue staff actions and efforts that assist with the implementation of the top three Council priorities for the year, established at the 2019 City Council Retreat: 1. Housing, 2. Reduce Traffic Congestion, 3. Provide Support to Neighborhood Commercial Districts.
3. Continue working on marketing and public relations efforts to promote the City of Fremont and attract businesses to the city, including building and increasing the audience and website presence for www.thinksiliconvalley.com, the City's business proposition website.
4. Warm Springs/South Fremont Development Area: Continue to work with local and regional partners, as well as State and Federal Legislators, to ensure the strategic development of the Warm Springs/South Fremont area. Anticipated accomplishments for FY 2019/20 include:
 - a. Continue to collaborate with Alameda County Transportation Commission to utilize available local funding from Measure BB to enable infrastructure and transit improvements that have been identified as opportunities and priorities by the City Council.
 - b. Explore innovative programming for transportation alternatives using the Warm Springs Area as a demonstration area and pursue Federal, State, and regional funds that support development.
 - c. Seek funding or private/public partnerships to implement a Last Mile Transit Demand Management Program to support the Warm Springs/South Fremont BART station.
 - d. Continue to solidify the City's partnership with BART and work on strategic infrastructure improvements.
 - e. Provide clear direction, support, and guidance to the private sector as proposals are evaluated through the City's entitlement process in order to ensure that the Warm Springs/South Fremont vision is realized.

- f. Identify place-making opportunities and seek funding to implement, establish, and support the Innovation District ecosystem.
5. Downtown Fremont: Continue to commit time and resources towards the implementation of the Downtown Community Plan to ensure that the Downtown is poised to become a vibrant mixed use district within the City Center that will serve as a destination for the city and region. Anticipated accomplishments for FY 2019/20 include:
 - a. Continue funding and identifying/establishing additional place making activities.
 - b. Commence construction of Phase 1 of the Civic Center Master Plan project (13,400-square-foot Downtown Event Center and one-acre Downtown Plaza)
 - c. Set an attainable and sustainable course of action to refine the Civic Center Master Plan project.
 - d. Identify public/private partnerships to sponsor and/or completely fund ongoing place-making and marketing efforts.
 - e. Complete the construction of Phase III of the Capitol Avenue Extension Project. Improvements underway include enhanced connections from Downtown, through Gateway Plaza and along Bart Way to the Fremont BART station.
 - f. Maintain and expand temporary art installations in Downtown through the management of the art fund as per the Downtown Community Plan.
6. BART to San Jose: Continue to partner with BART and the Santa Clara Valley Transportation Authority (VTA) to ensure that Fremont's interests are considered relative to the BART extension to Santa Clara County.
7. Economic Development: Attract and retain an appropriate mix of retail, office, and industrial or technology uses, in order to foster a dynamic economy and a stronger tax base. We also plan to continue our efforts to nurture the Innovation Economy in Fremont, and help foster growth industries that are driving significant new investment and employment, including advanced manufacturing, clean tech, and life sciences. Further information about Economic Development's objectives can be found in the Economic Development Department section in the budget document.
8. Civic Engagement: Continue to grow social media and online tools subscriber base and public statement posts. Implement new methods and tools to facilitate civic engagement and enhance access to open government, such as using Fremont Open City Hall as an effective communication tool.
9. Homeless Services: The City is committed to continuing its efforts to determine the best strategy for addressing Homelessness in Fremont by making strategic investments and administering a coordinated approach with local partners. Staff will continue to work with the City Council to pursue the best allocation of City resources. Areas that will be further analyzed are: enhancing staffing levels, implementing a shelter day center, establishing an incentive fund to encourage landlords to take housing subsidies for rapid rehousing of homeless families, and considering options for alternative temporary housing models.

City Attorney's Office

10. Assist City staff with legal support for City Council priorities: housing, reduce traffic congestion, and provide support to neighborhood commercial districts.
11. Continue to provide legal support for negotiations, acquisitions, development, and approvals needed for the Downtown projects, Civic Center site development, Warm Springs/South Fremont area developments and other priority developments.
12. Manage the legal defense of the City against civil lawsuits pending in state and federal court.
13. Analyze and manage disposition of administrative and workers' compensation claims.
14. Perform legal review of public contracts including adequacy of insurance coverage, and mitigate risk of liability exposure to the City.
15. Assist staff with revisions and updates to City policies and regulations, including the adoption of the 2019 California Building Standards Code.
16. Evaluate cases for prosecution of misdemeanor violations of the Fremont Municipal Code.
17. Provide legal support to the Human Resources Department in labor negotiations with the City's bargaining groups.
18. Assist staff, as needed, with the preparation and adoption of rules and procedures for commissions and boards.
19. Assist staff with updating and amending standard contract forms and City ordinances to comply with state law, such as the Peddlers Permit Ordinance.
20. Assist staff code enforcement efforts by obtaining inspection warrants, and facilitate the court appointment of a receiver for substandard houses.

City Clerk's Office

21. Continue to efficiently and accurately manage the electronic preparation and distribution of agenda packets.
22. Develop and implement a new online tool for ceremonial resolutions and proclamation requests
23. Monitor the changing postal service environment and accommodate changes as needed to the mail room during the fiscal year.
24. Continue to work with City departments to review and update each department's Records Retention Schedule to ensure the schedules are current.
25. Begin preparations for the 2020 November Election.

Department Budgets | Administrative Departments

26. Implement a new online tool for submittal of Campaign Statements.
27. Implement a new online tool for submittal of ceremonial document requests.

Finance Department

28. Continue the outreach campaign to encourage more businesses to use the City's online business tax application and renewal offerings, in coordination with Economic Development and the City Manager's office, which will make business tax account registration and renewal easier for businesses and allow more efficient use of staff time.

Human Resources

29. Complete a revision of the City's Personnel Rules.
30. Implement a paperless HR recordkeeping system.

Information Technology Services

31. In partnership with the Community Development Department, upgrade Accela Automation land management (permitting) system to version 10.x by September 2019 for improved processes and communications across multiple lines of business internally (between departments, field staff) and externally (citizens, developers, County assessor, etc.).
32. In partnership with the Community Services Department, Recreation Division, select and begin the replacement of the existing CLASS registration system with a new system that has robust facilities reservation capabilities for the public to reserve parks and building facilities online and a state-of-the-art mobile-friendly registration system for Fremont residents to easily register for the City's camps, classes, and recreation programs. Estimated go-live for the new system is September 2020.
33. Deploy an online city services – constituent relationship management (CRM) solution by December 2019 to enable the community to report issues and submit requests for services through various methods (telephone calls, emails, texts, online forms, mobile applications, etc.). The solution will include a case management system and digital tools that the community can use to access information 24 hours a day, 7 days a week.
34. In partnership with the City Manager's Office, design and plan the network infrastructure to incorporate two new buildings (the new Senior Center located in the Warm Springs District and the new Civic Center Plaza) into the City's network. The extension of the City's network into these new facilities will provide City employees with high-speed Internet access, Wi-Fi, access to City business applications, and network resources such as file and print sharing.
35. To support the growing demands for GIS services citywide, complete the following projects by the end of June 2020: Re-architect and expand GIS services by migrating to the latest GIS platform to take advantage of features not currently available in the existing environment; automate the addressing management workflow to improve processes and turnaround times for customers; migrate the current GIS data viewer to a newer and more powerful mapping software; support mobile applications out of the box; and implement a public safety enterprise agreement to provide the City's Emergency Operations Center (EOC), Police Department, and Fire Department with access to essential GIS tools.

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City Manager

Mission:

Provide strategic leadership that supports the Mayor and the City Council in its policy-making role; and effectively motivate and challenge the organization to deliver high quality services that meet the community's needs while ensuring that effective communication tools are used to engage the workforce and community.

Major Services

Public Policy Support

Provide professional expertise and support to the City Council in the formulation, interpretation, and application of public policy and legislative advocacy.

Citywide Service Delivery

Manage and coordinate citywide service delivery efforts by providing strategic direction and oversight.

Communications and Public Education

Lead efforts to promote communication among the City's departments, media, and the public, and to publicize Fremont's innovative programs, services, and best practices.

Organizational Leadership and Development

Provide leadership to departments and City activities, assure accountability of departments and staff on core activities, and champion efforts to increase leadership and management training.

Homeless Services

Manages and coordinates the City's resources, programs and services to address the impact of homelessness on the City of Fremont and all of its residents.

City Manager’s Office: Historical Expenditures/Budget, by Major Service Area

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
City Manager's Office	\$ 2,356,593	\$ 2,724,582	\$ 3,304,317	\$ 3,496,738	\$ 3,134,484	\$ 2,999,484
Communications and Marketing	474,654	272,486	230,856	337,855	538,301	341,280
Homeless Services	-	46,678	427,467	929,837	226,515	244,645
Total City Manager's Office	\$ 2,831,247	\$ 3,043,746	\$ 3,962,640	\$ 4,764,430	\$ 3,899,300	\$ 3,585,409

* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

Department Overview



The City Manager’s Office is responsible for providing support and advice to the City Council, offering leadership and legislative policy support for departments, fostering community partnerships and interagency collaboration, championing efforts to support citywide initiatives and efforts to increase organizational development and resiliency by continuing the organizational development program focusing on leadership and management training.

Accomplishment Highlights FY 2018/19

- Conducted the 2019 Employee Survey in mid-January/early-February. Overall 84 percent of employees feel “prepared” and “trained” to do their jobs.
- The City’s Organizational Development Team oversaw two LIFT Academies (Leadership Investment in Fremont for Tomorrow). One Academy was held in the spring with a second Academy in the fall. Participants who completed the Academy in February received four days of training in leadership, a key component in the organization’s succession planning efforts. The fall Academy had an additional fifth day expanding the leadership topic. LIFT participants who graduated in 2018, were required to “pay it forward” by hosting four separate trainings on topics that resonated with their professional growth. The Organizational Development Team continues to work on initiatives identified from the feedback received in the 2019 Employee Survey.
- Assisted with community outreach for the transition from At- Large Elections to District- Based Elections.
- Assisted with the hosting of five public hearing meetings in order to give the community an opportunity to weigh in on the composition of the City of Fremont election districts.

- Assisted with the transition and on-boarding of three new Councilmembers elected in the 2018 municipal district-based election.
- Hosted a City Council retreat in January 2019 to provide an opportunity for Council members and executive staff to work together to develop norms, protocols, strengthen Council-staff teamwork, and identify Council priorities for the upcoming year.
- Continued the City of Fremont's Marketing/Public Relations Campaign with the Hoffman Agency, a public relations firm, resulting in increased local, national, and international media coverage highlighting the City of Fremont in several major publications and websites. Major accomplishments include securing articles in national publications like Mashable, which positioned the City as a national leader in sustainability while showcasing the first U.S. Electric Patrol Vehicle Pilot Program, as well as in prominent local publications like The Mercury News, which highlighted Fremont's support of the entrepreneurial community through its participation in the Startup in Residence program. Additionally, Hoffman supported the media event showcasing the new Electric Patrol Vehicle at the Fremont Police Department that was picked up by 7 local broadcast stations including KRON 4, KTVU 2, NBC Bay Area, and ABC7. Through the first half of the fiscal year, there have been more than 622 million media impressions. Additional noteworthy coverage is available on the City's website at www.Fremont.gov/PressRoom. The Hoffman Agency continued to provide support to www.thinksiliconvalley.com, a website highlighting the City's business proposition, by refreshing front page modules, uploading and drafting blog posts, delivering back-end maintenance, and more.
- Expanded the City's Social Media Program by launching Nextdoor accounts for the City of Fremont, Fremont Police Department, Fremont Fire Department, and Office of Emergency Services, as well as an Instagram account for the Tri-City Animal Shelter.
- Engaged residents through Fremont Open City Hall, an online civic engagement tool. Fremont Open City Hall garnered responses from the public on important issues in Fremont such as the Mobility Action Plan, Fremont Minimum Wage Ordinance, and residential plastic usage
- Warm Springs/South Fremont:
 - a. Warm Springs/South Fremont continues to undergo a significant transformation with large-scale residential, commercial and mixed-use development projects underway, public infrastructure improvements, and planned expansions of innovative companies. The master planned projects by Lennar, Toll Brothers, Valley Oak Partners (Old Warm Springs Boulevard South), Sobrato (Warm Springs Technology Center), and Tesla are at various stages of permitting and construction. These master planned projects represent a combined total of 463 acres of development, including seven million square feet of potential commercial/industrial space (or 8,000+ new jobs), 4,000 residential units (of which 524 are affordable units), a new public elementary school, and dynamic public realm.

- b. The Warm Springs West Access Bridge and Plaza project is currently under construction. The project consists of an iconic cable-stayed pedestrian and bicycle bridge and urban plaza that will connect the Warm Springs/South Fremont BART Station to properties west of the Station over the Union Pacific railroad corridor. The project will significantly increase multimodal access to the Station. The project is a partnership between the City and BART, and its construction is being funded by Measure BB. The anticipated completion of the project is in 2020.
 - c. Completed Warm Springs Innovation Center feasibility study lead by Los Angeles Cleantech Incubator (LACI) to establish innovation cultivator operations targeting growth-stage manufacturing/hardware companies.
- Downtown Fremont:
 - a. The construction of Locale @ State Street, a mixed-use development centrally located in Downtown, is nearing completion. The development spans six acres and includes 157 residential units and 22,000 square feet of retail space at the intersection of State Street and Capitol Avenue
 - b. Final design plans have been completed for Phase 1 of the Civic Center Master Plan project (Downtown Event Center and Downtown Plaza). Construction of the project is anticipated to break ground in the fall 2019. The project includes an approximately 13,400-square-foot new community building and one-acre plaza. The design of the project would facilitate the programmatic needs of Fremont's diverse, innovative, and lively community by providing indoor and outdoor gathering space for residents and local businesses. The project site is located at the corner of State Street and Capitol Avenue (former Town Fair Plaza shopping center). The site is currently being used as a temporary plaza operated by Public Space Authority in partnership with the City to provide community-based activities, including food trucks, outdoor games, public art and music, a beer garden, maker space and regularly scheduled community events. The temporary plaza opened in April 2018 and its piloted concepts can later be integrated into the permanent plaza.
 - c. Ongoing Downtown place making efforts include Burger and Brew Fest, Fremont Street Eats, Downtown Movie Night, and Trick-or-Treat on Downtown Safety Street. Public Space Authority supplemented these on-going community events at the temporary plaza located on the former Town Fair Plaza property. The temporary plaza has hosted over 60 events and programs that drew in thousands of visitors, ranging from maker workshops and live concerts to night markets and cultural festivals. Public Space Authority will continue partnering with the City and community organizations to enhance placemaking activities through summer 2019.

- d. Public art is essential to enlivening and enriching Downtown and is important to the community's economic, social, and cultural diversity and expression. The City Council approved a Downtown Fremont Rotational Public Art Program with the intent to contribute to the vitality of Downtown by displaying exciting works of art on a two-year rotating basis. "Space Glow" is the second rotating art installation that was placed in May 2017 at the corner of Capitol Avenue and Fremont Boulevard. "Space Glow" is a 12 foot tall piece created by Patricia Vader and Joe Bologna that appears as a flower bouquet during the day, with LED lights of different colors emitting from the flowers at night giving the image of outer space. An artist call is underway to select a new artwork to replace Space Glow by summer 2019.

Objectives FY 2019/20

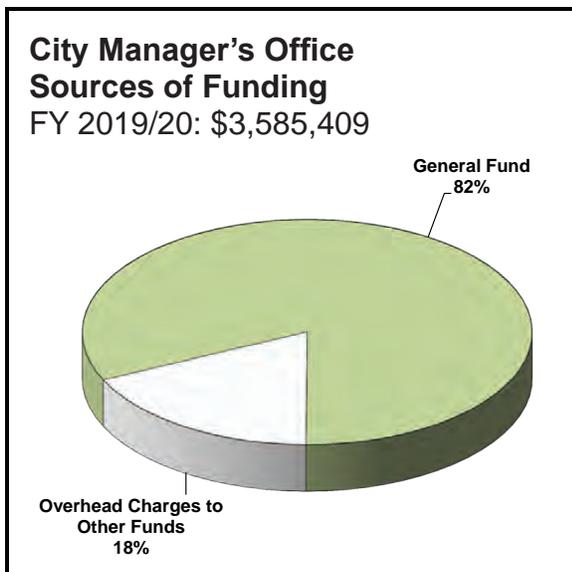
1. Pursue legislative efforts and strengthen state and federal partnerships to promote the best interests of the City, while implementing the Council's 2019/20 Legislative Guiding Principles and Priorities.
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 - a. Continue to collaborate with Alameda County Transportation Commission to utilize available local funding from Measure BB to enable infrastructure and transit improvements that have been identified as opportunities and priorities by the City Council.
 - b. Explore innovative programming for transportation alternatives using the Warm Springs Area as a demonstration area and pursue Federal, State, and regional funds that support development.
 - c. Seek funding or private/public partnerships to implement a Last Mile Transit Demand Management Program to support the Warm Springs/South Fremont BART station.
 - d. Continue to solidify the City's partnership with BART and work on strategic infrastructure improvements.
 - e. Provide clear direction, support, and guidance to the private sector as proposals are evaluated through the City's entitlement process in order to ensure that the Warm Springs/South Fremont vision is realized.
 - f. Identify place-making opportunities and seek funding to implement, establish, and support the Innovation District ecosystem.

5. Downtown Fremont: Continue to commit time and resources towards the implementation of the Downtown Community Plan to ensure that the Downtown is poised to become a vibrant mixed use district within the City Center that will serve as a destination for the city and region. Anticipated accomplishments for FY 2019/20 include:
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 - b. Commence construction of Phase 1 of the Civic Center Master Plan project (13,400-square-foot Downtown Event Center and one-acre Downtown Plaza)
 - c. Set an attainable and sustainable course of action to refine the Civic Center Master Plan project.
 - d. Identify public/private partnerships to sponsor and/or completely fund ongoing place-making and marketing efforts.
 - e. Complete the construction of Phase III of the Capitol Avenue Extension Project. Improvements underway include enhanced connections from Downtown, through Gateway Plaza and along Bart Way to the Fremont BART station.
 - f. Maintain and expand temporary art installations in Downtown through the management of the art fund as per the Downtown Community Plan.
6. BART to San Jose: Continue to partner with BART and the Santa Clara Valley Transportation Authority (VTA) to ensure that Fremont's interests are considered relative to the BART extension to Santa Clara County.
7. Economic Development: Attract and retain an appropriate mix of retail, office, and industrial or technology uses, in order to foster a dynamic economy and a stronger tax base. We also plan to continue our efforts to nurture the Innovation Economy in Fremont, and help foster growth industries that are driving significant new investment and employment, including advanced manufacturing, clean tech, and life sciences. Further information about Economic Development's objectives can be found in the Economic Development Department section in the budget document.
8. Civic Engagement: Continue to grow social media and online tools subscriber base and public statement posts. Implement new methods and tools to facilitate civic engagement and enhance access to open government, such as using Fremont Open City Hall as an effective communication tool.
9. Homeless Services: The City is committed to continuing its efforts to determine the best strategy for addressing Homelessness in Fremont by making strategic investments and administering a coordinated approach with local partners. Staff will continue to work with the City Council to pursue the best allocation of City resources. Areas that will be further analyzed are: enhancing staffing levels, implementing a shelter day center, establishing an incentive fund to encourage landlords to take housing subsidies for rapid rehousing of homeless families, and considering options for alternative temporary housing models.

Performance Measurement

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Percent of residents that agree that Fremont is a “good” or “excellent” place to live ¹	72%	N/A	N/A	76%
Percent of employees that feel “prepared” and “trained” to do their jobs ²	87%	N/A	84%	N/A
Number of social media accounts ³ maintained by the City.	26	27	33	33
Number of likes, followers and subscribers of the social media accounts.	116,000	120,000	172,707	189,977

¹ The community survey is a biennial survey. The last one took place in June 2018.
² The employee survey is a biennial survey. The next one is anticipated to take place in FY 2020/21.
³ Social media accounts refer to the Facebook, Twitter, Youtube, Google+, Instagram and Fremont Open City Hall platforms.



City Manager’s Office: Historical Expenditures/Budget, by Category

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Salaries & Benefits	\$ 2,070,960	\$ 2,209,031	\$ 2,245,112	\$ 2,850,454	\$ 2,850,455	\$ 2,699,590
Operating Expenditures	594,398	678,297	1,554,267	1,750,715	887,716	689,615
Capital Expenditures	1,456	1,043	5,132	5,132	3,000	3,000
Indirect Expense Allocation**	164,433	155,375	158,129	158,129	158,129	193,204
Totals	\$ 2,831,247	\$ 3,043,746	\$ 3,962,640	\$ 4,764,430	\$ 3,899,300	\$ 3,585,409
	% increase/(decrease), including all funds, from FY 2018/19 Adopted Budget					-8.0%

* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

** Indirect expense allocation displays the department’s share of the City’s total costs for information technology, vehicle replacement, workers’ compensation costs, and general liability insurance.

Major Changes

- The FY 2019/20 City Manager’s Budget is \$313,891 (or 8.0%) less than the FY 2018/19 adopted budget.
- Salary and benefits are decreasing by 5.3% due to the reduction of one senior executive staff position in FY 2018/19.
- Operating expenditures are decreasing by \$198,101 (or 22.3%) mainly due to a decrease in one-time costs.
- Indirect expense allocation is increasing by \$35,075 mainly due to an increase in information technology costs.

Staffing by Function-FY 2019/20

City Manager's Office	
City Manager	1.00
Assistant City Manager	1.30 *
Management Analyst II	4.00
Executive Assistant to the City Manager	1.00
Deputy City Clerk	0.75 *
Executive Assistant	1.00
Communications Office	
Communications Manager	1.00
Urban Initiatives	
Urban Initiatives Manager	1.00
Homeless Services	
Homeless Services Manager	1.00
<p><i>* Portions of these positions are also budgeted in the City Clerk's Office.</i></p>	

Regular Full-Time Equivalents: 12.05

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City Attorney

Mission:

To effectively utilize available resources to provide excellent legal and risk management services, consistent with the highest professional and ethical standards, to the Mayor and City Council, City departments, and boards and commissions, with the goal of protecting and advancing the City's interests.

Major Services

City Attorney

Provide legal services and represent the City in civil matters to protect and advance the City's interest.

Risk Management

Provide claims administration and defense, workers' compensation administration, and employee safety training.

Department Overview



The City Attorney's Office provides a full range of day-to-day legal services to the City. The office supports all aspects of the City's mission by rendering legal advice and opinions, and drafting and reviewing contracts, ordinances, resolutions and other documents needed to accomplish the City's goals and policies. Staff attorneys advise the City Council, commissions, boards, and all City departments on legal matters such as land use and environmental regulations, special development projects, potential liability for City actions, and compliance with federal and State laws, as well as employment laws. The office assists in negotiating complex agreements, including labor and multi-jurisdictional agreements, public/private partnerships, and land use and development agreements. The office also represents the City's legal interests before judicial and administrative agencies, and prosecutes code enforcement matters. The office provides risk management services to the City through its Risk Management division.

City Attorney’s Office: Historical Expenditures/Budget, by Major Service Area

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
City Attorney	\$ 2,001,026	\$ 1,993,276	\$ 1,650,613	\$ 2,025,888	\$ 2,145,479	\$ 2,266,019
Risk Management	5,351,039	5,790,836	8,615,665	8,803,714	7,336,544	7,412,151
Total City Attorney’s Office	\$ 7,352,065	\$ 7,784,112	\$ 10,266,278	\$ 10,829,602	\$ 9,482,023	\$ 9,678,170

* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

Accomplishment Highlights FY 2018/19

- Provided legal support for negotiations, acquisitions, development, and approvals needed for Downtown projects and Warm Springs/South Fremont area developments and other priority developments.
- Managed City’s participation in defense of City’s interests including Census litigation (citizenship question on the census) and punitive actions for being a “sanctuary city” (JAG grant negotiations.)
- Assisted various City departments with the drafting, updating, processing, and adoption of various amendments to the Fremont Municipal Code including the Minimum Wage Ordinance, Traffic Regulations Ordinance, and Animal Ordinance, and assisted with preparing Business Tax Regulations to interpret the Business Tax Ordinance.
- Assisted with amending Zoning Code and Purchasing Code to comply with recent state legislation.
- Managed the legal defense of the City against civil lawsuits pending in state and federal court.
- Analyzed and managed disposition of administrative and workers’ compensation claims.
- Trained City staff regarding best practices relating to employee safety, ergonomics, and workers compensation; provided feedback to safety coordinators to prevent future incidents.
- Performed legal review of public contracts including adequacy of insurance coverage, and mitigate risk of liability exposure to the City.
- Assisted City with preparation of master license agreement for small cell sites to expand wireless network.
- Represented the City in several administrative hearings regarding dangerous dogs and substandard buildings.
- Provided continuing legal support and assistance to complete conversion of City from an at-large to a district-based system of elections for a seven member City Council.

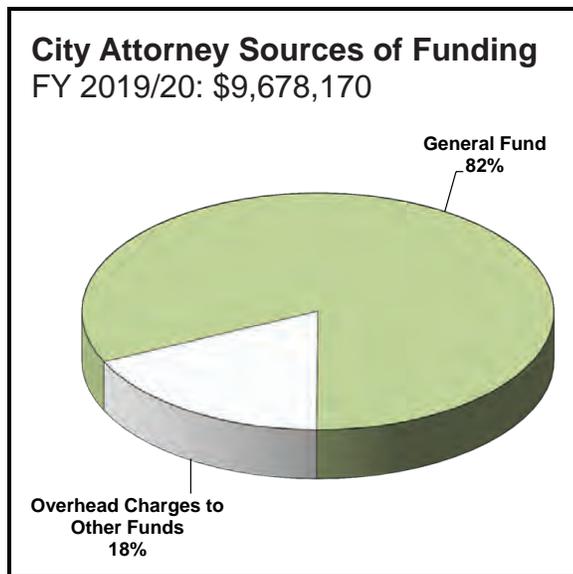
- Provided Brown Act and Public Records Act training to City boards, commissions and employees.
- Obtained several inspection warrants to aid code enforcement efforts.

Objectives FY 2019/20

1. Assist City staff with legal support for City Council priorities: housing, reduce traffic congestion, and provide support to neighborhood commercial districts.
2. Continue to provide legal support for negotiations, acquisitions, development, and approvals needed for the Downtown projects, Civic Center site development, Warm Springs/South Fremont area developments and other priority developments.
3. Manage the legal defense of the City against civil lawsuits pending in state and federal court.
4. Analyze and manage disposition of administrative and workers' compensation claims.
5. Perform legal review of public contracts including adequacy of insurance coverage, and mitigate risk of liability exposure to the City.
6. Assist staff with revisions and updates to City policies and regulations, including the adoption of the 2019 California Building Standards Code.
7. Evaluate cases for prosecution of misdemeanor violations of the Fremont Municipal Code.
8. Provide legal support to the Human Resources Department in labor negotiations with the City's bargaining groups.
9. Assist staff, as needed, with the preparation and adoption of rules and procedures for commissions and boards.
10. Assist staff with updating and amending standard contract forms and City ordinances to comply with state law, such as the Peddlers Permit Ordinance.
11. Assist staff code enforcement efforts by obtaining inspection warrants, and facilitate the court appointment of a receiver for substandard houses.

Performance Measurement

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Percent of standard contracts reviewed within 5 business days of receipt	90%	90%	90%	90%
Percent of liability (damage) claims reviewed and insufficiency noted within 14 days of receipt	100%	90%	100%	90%
Percent of all serious work-related injuries reported to Cal OSHA within 8 hours of being informed of injury	100%	100%	100%	100%



City Attorney’s Office: Historical Expenditures/Budget, by Category

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Salaries & Benefits	\$ 2,692,876	\$ 3,035,534	\$ 2,520,932	\$ 2,911,599	\$ 3,032,559	\$ 3,205,919
Operating Expenditures	4,541,543	4,635,111	7,631,877	7,804,534	6,335,995	6,343,483
Capital Expenditures	-	-	-	-	-	-
Indirect Expense Allocation**	117,646	113,467	113,469	113,469	113,469	128,768
Totals	\$ 7,352,065	\$ 7,784,112	\$ 10,266,278	\$ 10,829,602	\$ 9,482,023	\$ 9,678,170
	% increase/(decrease), including all funds, from FY 2018/19 Adopted Budget					2.1%
<p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.</p>						

Major Changes

- The FY 2019/20 City Attorney’s budget is \$196,147 (or 2.1%) more than the FY 2018/19 adopted budget.
- Salary and benefits are increasing by 5.7% mainly due to changes in the CalPERS retirement benefit cost.
- Indirect expense allocation is increasing by \$15,299 (or 13.5%) mainly due to an increase in information technology costs.

Staffing by Function-FY 2019/20

City Attorney's Office	
City Attorney	0.86*
Assistant City Attorney	0.92
Senior Deputy City Attorney	3.00**
Law Office Supervisor	1.00
Paralegal	1.00
Risk Management	
City Attorney	0.06*
Assistant City Attorney	0.08
Risk Manager	1.00
Safety Coordinator	1.00
Risk Management Technician	1.00
<p><i>* The balance of this position is budgeted in the Environmental Services Division of the Community Services Department.</i></p> <p><i>** The City Attorney's Office is currently staffed with two Senior Deputy City Attorneys and one Deputy City Attorney.</i></p>	

Regular Full-Time Equivalents: 9.92

City Clerk

Mission:

Ensure citizens’ trust in government by administering the City’s democratic processes such as open and free elections, safeguarding and providing access to City records, and ensuring that all legislative actions are transparent and known to the public; and providing information and services to support the City Council, staff, and the public.

Major Services

Legislative Process

Facilitate and maximize public and Council access to the City’s legislative processes so that all interested parties have an opportunity to participate.

Elections

Manage and conduct elections to ensure that all Fair Political Practices Commission regulations are properly followed.

Public Records Act and Public Records Retention

Coordinate the City’s Records Management Program and maintain legislative history to ensure accessibility and continuity.

Mail Room

Provide citywide mail services, for both internal routing and external mail, and ensure that mail processing is done efficiently.

Department Overview



The Office of the City Clerk oversees the preparation of the City Council agenda, records the City Council’s actions in official minutes, maintains a computerized legislative history, and is responsible for safeguarding official documents. The City Clerk is the elections officer for the City and is responsible for the administration of all general and special municipal elections. The City Clerk is the administrator and filing officer for the Fair Political Practices Commission and City of Fremont Conflict of Interest regulations. The Office of the City Clerk oversees a records management system that provides for the electronic research and storage of City records, responds to public requests for information, and distributes mail to City facilities. In an effort to streamline service delivery, the City Clerk’s Office implemented a fully automated (paperless) electronic web-based agenda automation software system to improve staff efficiency.

Accomplishment Highlights FY 2018/19

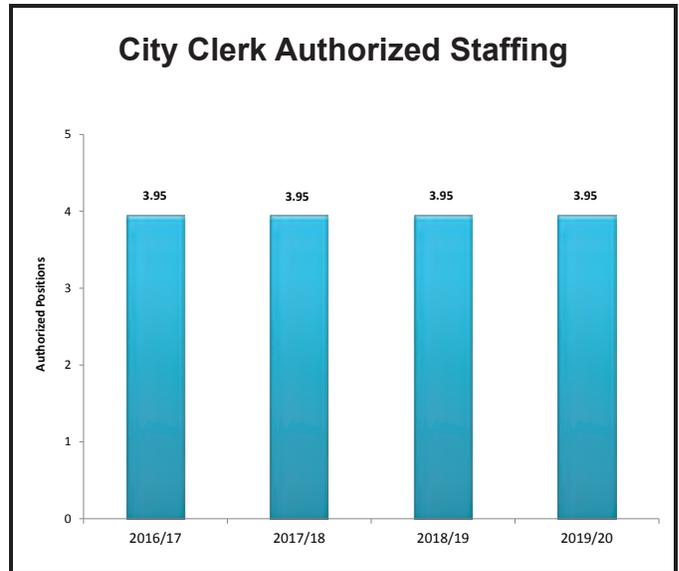
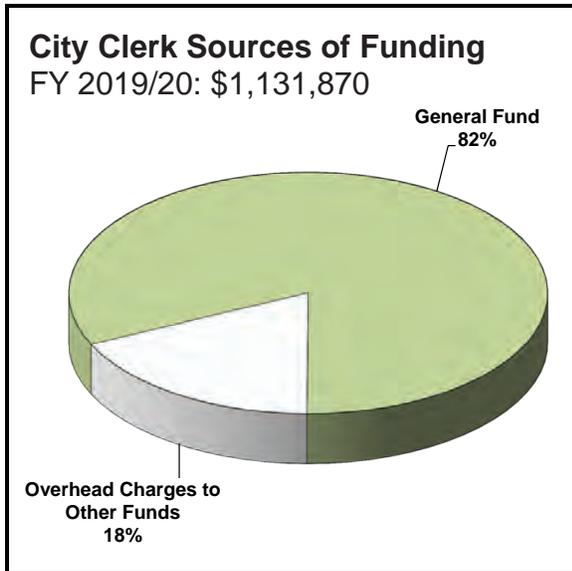
- Assisted City departments with review and completed the update of department's Records Retention Schedules to ensure the schedules are current.
- Managed the Boards and Commissions Vacancy Process, and assisted with the transition of boards and commissions members.
- Managed the creation of the Mobility Task Force and Rent Review Board.
- Assisted with community outreach and the transition from At- Large Elections to District- Based Elections.
- Assisted with the hosting of five public hearing meetings in order to give the community an opportunity to weigh in on the composition of the City of Fremont election districts.
- Administered the November 6, 2018 Municipal Election.
- Assisted with the transition of the newly elected councilmember(s).
- Implemented a new online tool for submittal of Statement of Economic Interests (Form 700).

Objectives FY 2019/20

1. Continue to efficiently and accurately manage the electronic preparation and distribution of agenda packets.
2. Develop and implement a new online tool for ceremonial resolutions and proclamation requests
3. Monitor the changing postal service environment and accommodate changes as needed to the mail room during the fiscal year.
4. Continue to work with City departments to review and update each department's Records Retention Schedule to ensure the schedules are current.
5. Begin preparations for the 2020 November Election.
6. Implement a new online tool for submittal of Campaign Statements.
7. Implement a new online tool for submittal of ceremonial document requests

Performance Measurement

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Percent of time the Agenda packet is posted and distributed no later than 4 days prior to each City Council meeting	59%	90%	62%	90%
Number of complaints received regarding Public Records Requests (PRR)	5	0	3	0



Department Budgets | City Clerk

City Clerk: Historical Expenditures/Budget, by Category

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Salaries & Benefits	\$ 781,194	\$ 845,513	\$ 757,487	\$ 763,006	\$ 763,007	\$ 821,800
Operating Expenditures	248,477	181,787	196,298	243,072	243,072	252,198
Capital Expenditures	-	-	4,500	6,000	6,000	6,000
Indirect Expense Allocation**	62,743	53,445	45,493	45,493	45,493	51,872
Totals	\$ 1,092,414	\$ 1,080,745	\$ 1,003,778	\$ 1,057,571	\$ 1,057,572	\$ 1,131,870
% increase/(decrease), including all funds, from FY 2018/19 Adopted Budget						7.0%
<p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.</p>						

Major Changes

- The FY 2019/20 City Clerk's budget is \$74,298 (or 7.0%) more than the FY 2018/19 adopted budget.
- Salary and benefits are increasing by 7.7% due to changes in the CalPERS retirement benefit costs.
- Indirect expense allocation is increasing by 14.0% due to a increase in information technology costs.

Staffing by Function-FY 2019/20

City Clerk	
Assistant City Manager	0.70 *
City Clerk	1.00
Deputy City Clerk	0.25
Office Specialist II	1.00
Office Specialist I	1.00
<p>* The balance of this position is budgeted in the City Manager's Office.</p>	

Regular Full-Time Equivalents: 3.95

Finance

Mission:

To assist the City Council, City Manager, and operating departments in prudently managing financial resources and assets by providing accurate information and high-quality business and financial planning and management advisory services, including budgeting, debt management, accounting, purchasing, revenue collection and management, and payables processing.

Major Services

Accounting

Account for the City's resources and disclose the financial condition of the City and results of its operations in the year-end comprehensive annual financial report.

Budget

Monitor local business and economic trends for effects on the City's revenue sources; prepare and monitor the annual operating budget.

Purchasing/Accounts Payable

Provide accounts payable and purchasing services.

Revenue

Collect and audit all locally-controlled revenues. Complete citywide invoicing and accounts receivable processing.

Treasury

Manage the City's investment, debt financing, and banking functions.

Department Overview

The Finance Department is responsible for providing financial information, policy analyses, and recommendations that help the City Council and all City departments make decisions about how to best allocate the City's resources. The department supports the organization's immediate as well as long-range resource allocation decisions, and responds to both economic fluctuations and changes in the State's fiscal outlook. Department staff evaluate the effects of budget changes on service levels, assist departments with business planning, support citywide economic development projects, and provide recommendations on proposals with a financial impact.

Accomplishment Highlights FY 2018/19

- Received awards for Excellence in Financial Reporting for the 34rd consecutive year and Distinguished Budget Presentation for the 22nd consecutive year from the Government Finance Officers Association of the United States and Canada (GFOA).



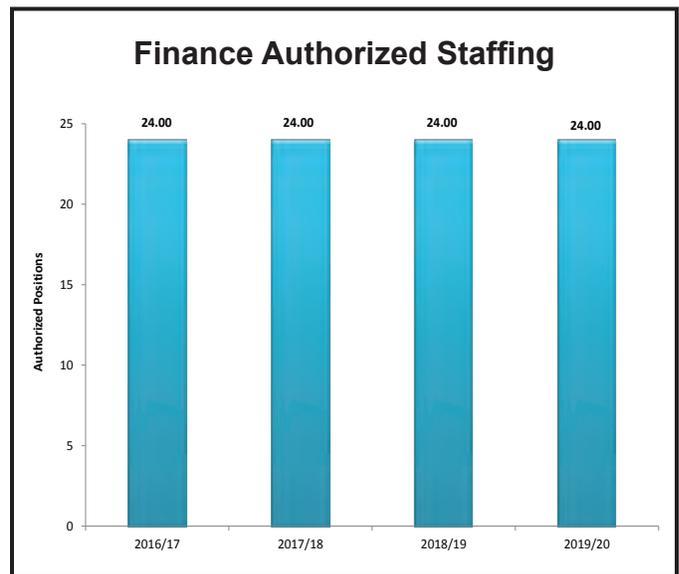
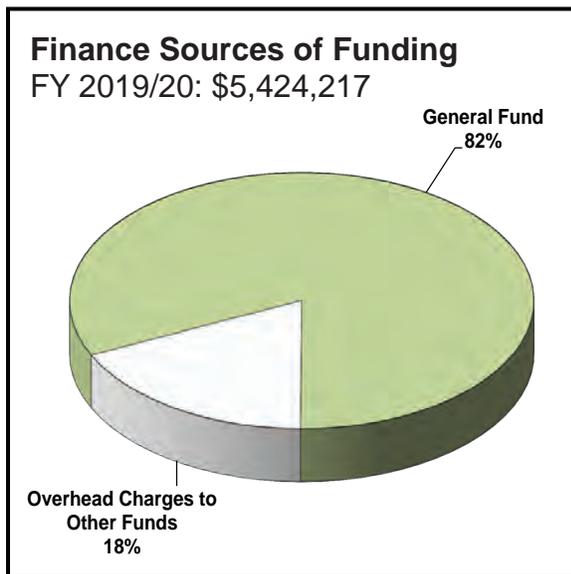
- Led Rent Review Program Fee Administration, collecting more than \$552,000 from 6,454 landlords through invoicing and additional collection efforts.
- Enhanced online business tax services by introducing online applications and simplifying the account closure process.

Objectives FY 2019/20

1. Continue the outreach campaign to encourage more businesses to use the City's online business tax application and renewal offerings, in coordination with Economic Development and the City Manager's office, which will make business tax account registration and renewal easier for businesses and allow more efficient use of staff time.

Performance Measurement

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Percent of bids reissued	8%	2%	8%	2%
Percent of Business Tax certificates issued online	36%	35%	37%	37%



Finance: Historical Expenditures/Budget, by Category

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Salaries & Benefits	\$ 3,552,920	\$ 3,771,334	\$ 3,939,268	\$ 4,219,726	\$ 4,219,726	\$ 4,465,174
Operating Expenditures	770,232	653,636	673,703	834,653	737,553	639,604
Capital Expenditures	2,773	2,037	6,111	5,000	5,000	6,500
Indirect Expense Allocation**	366,137	293,307	312,253	312,358	312,358	312,939
Totals	\$ 4,692,062	\$ 4,720,314	\$ 4,931,335	\$ 5,371,737	\$ 5,274,637	\$ 5,424,217

% increase/(decrease), including all funds, from FY 2018/19 Adopted Budget 2.8%

* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

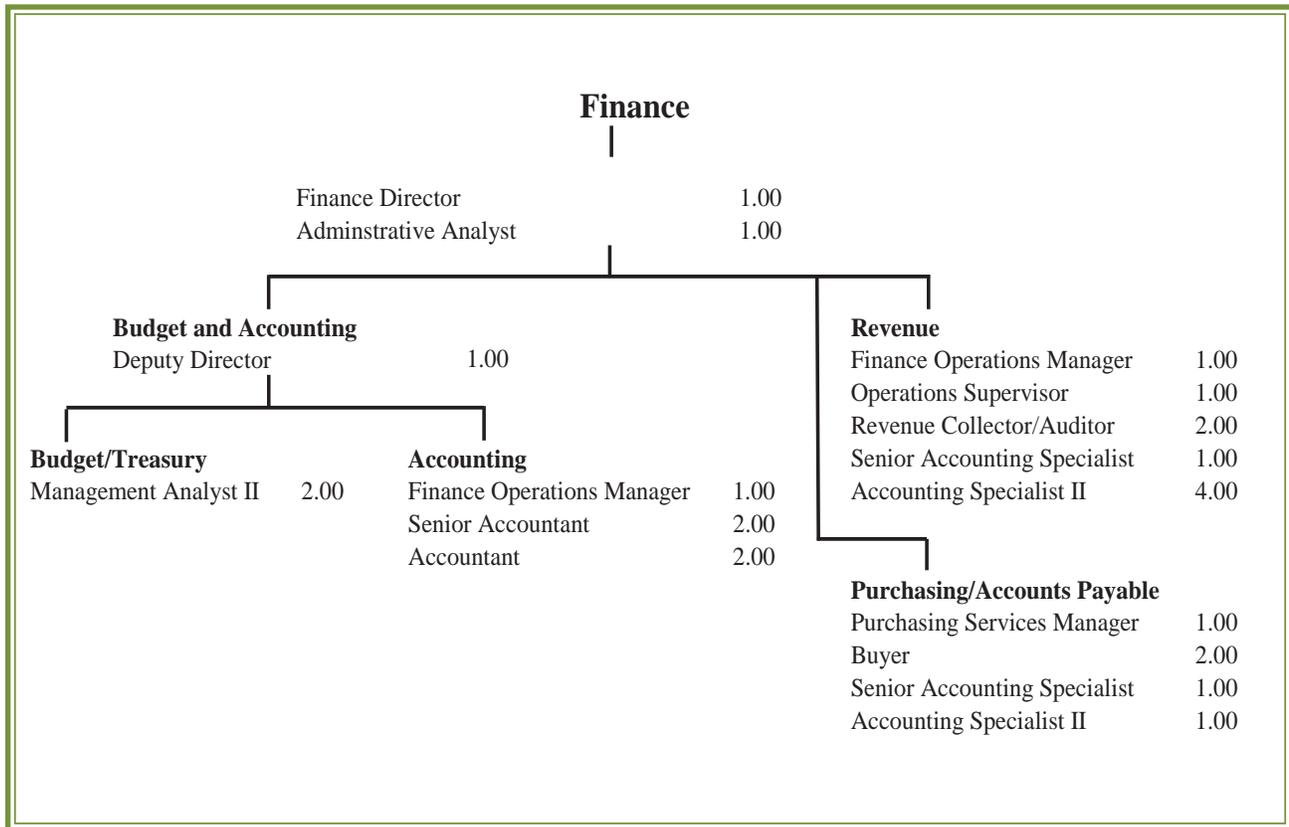
** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.

Department Budgets | Finance

Major Changes

- The FY 2019/20 Finance Department budget is \$145,580 (or 2.8%) more than the FY 2018/19 adopted budget.
- Salary and benefits are increasing by 5.8% due to changes in the CalPERS retirement benefit costs.
- Operating expenditures are decreasing by \$97,949 (or 9.1%) mainly due to a decrease in contractual services one-time costs.
- Capital expenditures are increasing by 30.0% mainly due to one-time furniture costs.

Staffing by Function-FY 2019/20



Regular Full-Time Equivalents: 24.00

Human Resources

Mission:

Partner with City departments to build and support an innovative, high performance organization while educating, empowering and providing excellent customer service to employees of the City of Fremont.

Major Services

Employee and Labor Relations

Maintain solid working relationships among the City, bargaining units, and employees.

Citywide Policy Development

Develop and improve protocols for various citywide administrative and personnel policies.

Employee and Organizational Development and Training

Develop, train and retain a well-qualified and professional workforce by providing organizational development opportunities and supporting healthy lifestyle choices in an effort to increase resiliency.

Recruitment, Examination, Classification, and Compensation

Attract and and retain an innovative, talented and engaged workforce to meet the evolving needs of the City of Fremont.

Benefits and Payroll Administration

Manage benefit programs and payroll processes by providing accurate, high quality service.

Department Overview

Human Resources staff provide specialized assistance to all employees in the following areas: employee and labor relations; citywide policy development; employee and organizational development and training; wellness, recruitment, examination, classification and compensation; and benefits and payroll administration. The department also conducts new employee orientations, assists employees with benefit enrollments and questions, and ensures compliance with Federal and State employment and income tax laws.



Accomplishment Highlights FY 2018/19

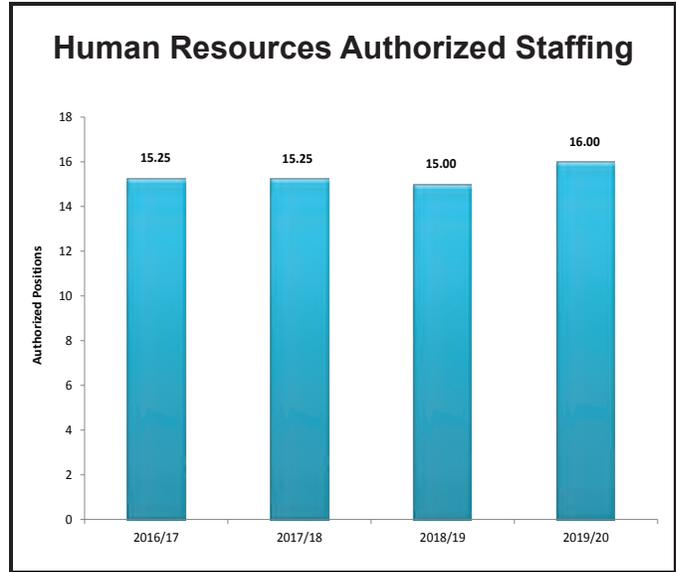
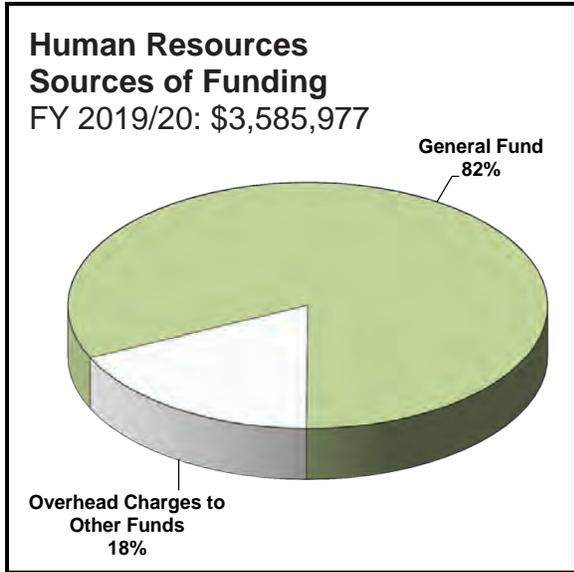
- Conducted and completed contract bargaining with the City’s nine bargaining units.
- Partner with Police Department Management staff to rebrand and reorganize the City’s process for police recruit hiring.

Objectives FY 2019/20

1. Complete a revision of the City’s Personnel Rules.
2. Implement a paperless HR recordkeeping system.

Performance Measurement

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
% of employees participating in a 457(b) deferred compensation plan for retirement savings	73%	N/A ¹	75%	80%
% of employees who have received a formal evaluation in the last 12 months	N/A ²	65%	76%	N/A ²
Avg. days between prospective police recruit application and issuance of offer letter (police recruit)	168	N/A ¹	TBD	150
Avg. days between requests to fill position and issuance of offer letter (all non-police officer positions)	165	N/A ¹	TBD	140
¹ New measure established for first time in fiscal year 2018/19. ² Measure every other year by employee survey.				



Human Resources: Historical Expenditures/Budget, by Category

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Salaries & Benefits	\$ 2,203,604	\$ 2,338,496	\$ 2,456,130	\$ 2,702,537	\$ 2,702,537	\$ 3,071,532
Operating Expenditures	218,000	238,865	277,580	291,380	291,380	347,380
Capital Expenditures	5,610	-	-	-	-	-
Indirect Expense Allocation**	175,455	148,844	151,093	151,093	151,093	167,065
Totals	\$ 2,602,669	\$ 2,726,205	\$ 2,884,803	\$ 3,145,010	\$ 3,145,010	\$ 3,585,977

% increase/(decrease), including all funds, from FY 2018/19 Adopted Budget 14.0%

* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

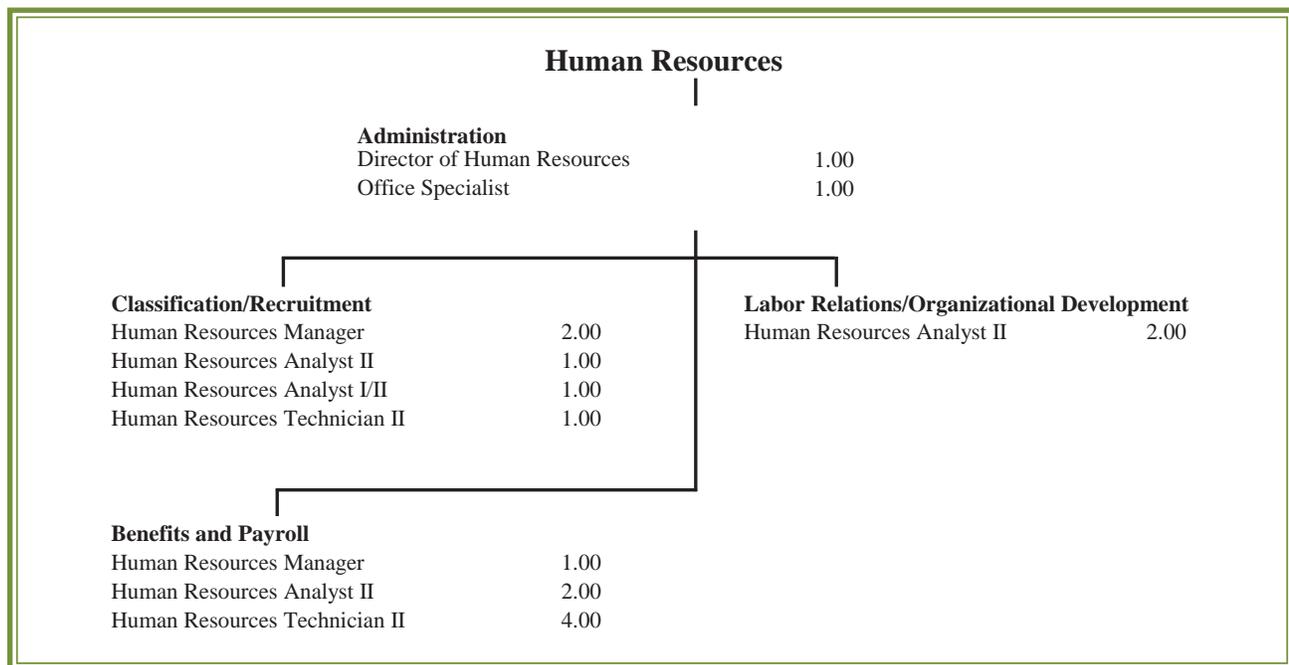
** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.

Department Budgets | Human Resources

Major Changes

- The FY 2019/20 Human Resources budget is \$440,967 (or 14.0%) more than the FY 2018/19 adopted budget.
- Salary and benefits are increasing by \$368,995 (or 13.7%) mainly due to the addition of one Human Resources Analyst II position and an increase in CalPERS retirement benefit costs.
- Operating expenditures are increasing by \$56,00 (or 19.2%) mainly due to additional costs associated with a deferred compensation committee and the LIFT Academy moving from the City Manager’s Office.
- Indirect expense allocation is increasing by 10.6% mainly due to increases in information technology costs.

Staffing by Function-FY 2019/20



Regular Full-Time Equivalents: 16.0

Information Technology Services

Mission:

To deliver the best proven technology and services available for computer, data, telecommunications, mapping, and critical business systems of the organization to employees and the public through excellent customer service, continuous improvement, innovative problem-solving, adherence to standardized information technology best practices, and collaborative solutions.

Major Services

Customer Support Services

Provide and deliver professional, helpful, responsive, high quality services to meet the customers' needs by resolving their problems or completing their requests for service or product as efficiently as possible.

Infrastructure Services

Ensure that the computer, telecommunications, data network, and security systems are available to enable City staff to provide essential services to their customers.

Enterprise Systems

Fulfill the information and service needs of the City by providing leadership in acquiring and deploying high quality, cost-effective, and timely solutions.

Geographic Information Systems (GIS)

Develop, maintain and distribute geospatial data while delivering strategic interactive mobile applications and mapping tools that enable internal and external customers to access, collect, analyze, and visualize information.

Department Overview



The Information Technology Services (ITS) Department supports and enhances computer, telecommunications, business, and mapping systems for the City. The ITS Department is committed to providing outstanding customer service by being transparent, adaptive, and responsive in meeting customer needs. The ITS Department, in partnership with its customers, assists in planning, selecting and implementing value-added business solutions that fulfill the City's strategic goals and objectives.

Accomplishment Highlights FY 2018/19

- Evaluated and analyzed the Local Update of Census Addresses (LUCA) datasets for the 2020 Census. The datasets contained more than 76,000 addresses and 8,500 street segments representing the City for GIS to review. GIS identified over 6,500 addresses and 700 streets as missing and corrections to over 3,600 addresses and 400 street segments in the existing datasets. It is important for the Census Bureau to have accurate addresses datasets as the federal government uses this information for its annual allocation of federal funds to tribal, state and local government programs and services. The Census datasets also help the City plan for future needs.



- Installed a new E911 system as part of the State of California's seven-year replacement life cycle in the Fremont Police Department Dispatch Center. Installation included new servers, storage, E911 workstations, telephone consoles as well as an upgrade to the E911 recorder. The E911 system extends to the City's mobile command vehicle where new E911 workstations were also installed.



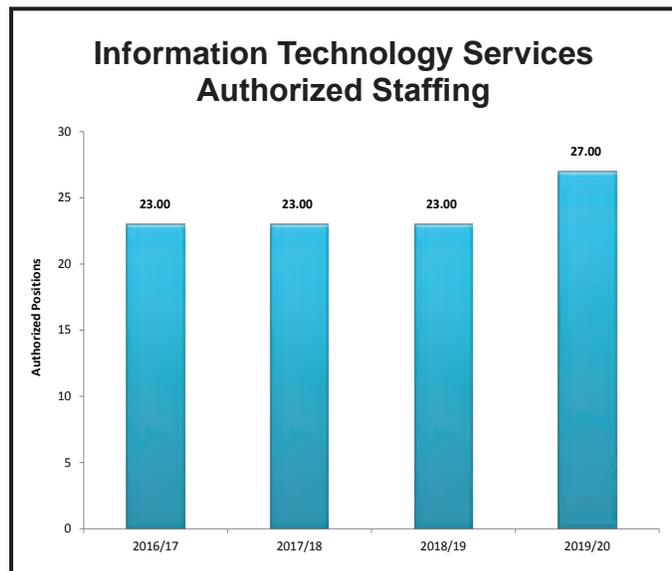
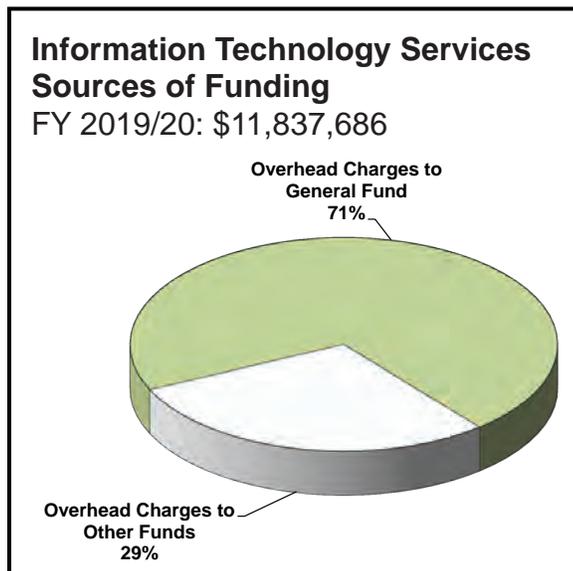
- Upgraded the network connectivity to Fremont fire stations and community centers for faster bandwidth to support in-house video training, remote conferencing, and running cloud-based applications that are integrated to the Fire Department's internal systems and to provide paperless inspection capabilities.
- Upgraded the City's primary Internet connection to support the City's current business needs and future technologies in the City's technology roadmap.
- In partnership with the Police Department, replaced the existing mobile data computers and in-car video camera systems in the vehicles as well as deployed body-worn cameras for PD personnel. Installed new servers, storage appliances, and Wi-Fi access points to process the large volume of videos. The project also included the replacement of the digital evidence management software system for the video collected from the camera systems.
- Deployed a dedicated datalink to Microsoft's Azure government cloud (Microsoft Express Route) to enable fast and reliable transport of the Police Department's body-worn and in-car videos to cloud storage and to support applications such as Microsoft Dynamics 365 and Power BI (a tool for dashboard analytics). Potential future uses for the Express Route to the Azure government cloud include data backup and disaster recovery of business systems.

Objectives FY 2019/20

1. In partnership with the Community Development Department, upgrade Accela Automation land management (permitting) system to the Software-as-a-Service version in Microsoft Azure cloud by March 2020 for improved processes and communications across multiple lines of business internally (between departments, field staff) and externally (citizens, developers, County assessor, etc.).
2. In partnership with the Community Services Department, Recreation Division, select and begin the replacement of the existing CLASS registration system with a new system that has robust facilities reservation capabilities for the public to reserve parks and building facilities online and a state-of-the-art mobile-friendly registration system for Fremont residents to easily register for the City's camps, classes, and recreation programs. Estimated go-live for the new system is September 2020.
3. Deploy an online city services – constituent relationship management (CRM) solution by December 2019 to enable the community to report issues and submit requests for services through various methods (telephone calls, emails, texts, online forms, mobile applications, etc.). The solution will include a case management system and digital tools that the community can use to access information 24 hours a day, 7 days a week.
4. In partnership with the City Manager's Office, design and plan the network infrastructure to incorporate two new buildings (the new Senior Center located in the Warm Springs District and the new Civic Center Plaza) into the City's network. The extension of the City's network into these new facilities will provide City employees with high-speed Internet access, Wi-Fi, access to City business applications, and network resources such as file and print sharing.
5. To support the growing demands for GIS services citywide, complete the following projects by the end of June 2020: Re-architect and expand GIS services by migrating to the latest GIS platform to take advantage of features not currently available in the existing environment; automate the addressing management workflow to improve processes and turnaround times for customers; migrate the current GIS data viewer to a newer and more powerful mapping software; support mobile applications out of the box; and implement a public safety enterprise agreement to provide the City's Emergency Operations Center (EOC), Police Department, and Fire Department with access to essential GIS tools.
6. Upgrade the City's desktop and email applications (Windows 10, Exchange, Outlook, and Office 365). The project includes planning and migrating 969 desktops and laptops to the latest versions of desktop and email software as well as creating and providing an online training web portal for users.

Performance Measurement

Measure	FY 2017/18 Actual	FY 2018/19 Target	FY 2018/19 Estimate	FY 2019/20 Target
Percent of service desk calls resolved at first point of contact (when call is placed to the ITS Service Desk)	78%	80%	80%	80%
Percent of network availability as measured using a monitoring tool uptime algorithm	99%	99%	99%	99%
Percent of service tickets resolved within the stated service level agreements (SLAs) for the type and criticality of each request	79%	80%	75%	80%
Percent of requests for GIS Street Naming and Addressing projects completed within agreed-upon time frames	81%	80%	80%	80%



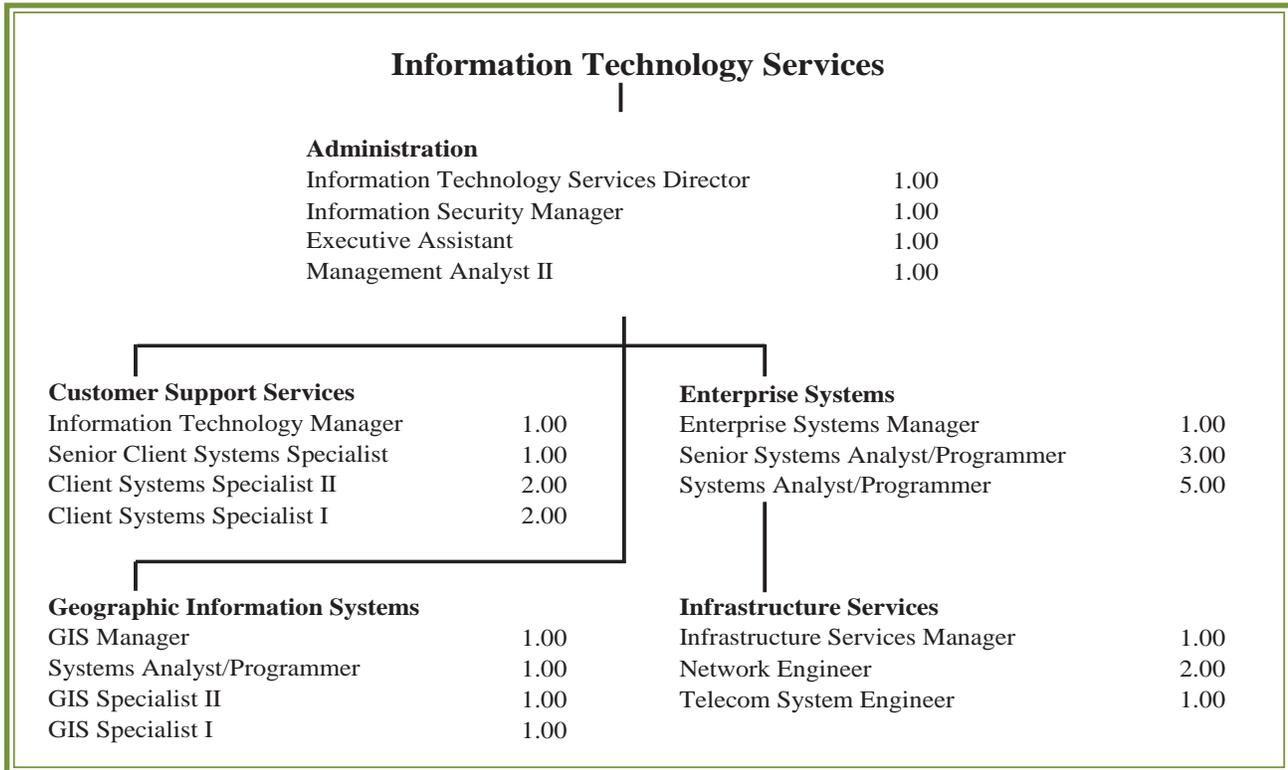
Information Technology Services: Historical Expenditures/Budget, by Category

	2016/17 Actual	2017/18 Actual	2018/19 Estimated Actual	2018/19* Adjusted Budget	2018/19 Adopted Budget	2019/20 Adopted Budget
Salaries & Benefits	\$ 3,697,676	\$ 4,169,367	\$ 4,232,064	\$ 4,565,283	\$ 4,565,283	\$ 5,305,447
Operating Expenditures	2,999,552	2,111,549	2,702,068	3,068,219	2,927,460	3,097,468
Capital Expenditures	1,130,642	621,328	2,970,039	2,970,360	1,405,537	2,775,764
Indirect Expense Allocation**	521,738	601,037	620,575	620,575	620,575	659,007
Totals	\$ 8,349,608	\$ 7,503,281	\$ 10,524,746	\$ 11,224,437	\$ 9,518,855	\$ 11,837,686
% increase/(decrease), including all funds, from FY 2018/19 Adopted Budget						24.4%
<p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for vehicle replacement, workers' compensation costs, and general liability insurance.</p>						

Major Changes

- The FY 2019/20 Information Technology Services budget is \$2,318,831 (or 24.4%) more than the FY 2018/19 adopted budget.
- Salary and benefits are increasing by 16.2% due to the addition of four positions and changes in the CalPERS retirement benefit costs.
- Operating expenditures are increasing by \$170,008 (or 5.8%) mainly due to increases in contractual services, including enhanced Geographic Information Systems (GIS) services.
- Capital expenditures are increasing by \$1,370,227 (or 97.5%) primarily due to funding added for software systems to be upgraded and a new CRM system. This expenditures category fluctuates year to year depending on system/equipment purchase needs.
- Indirect expense allocation is increasing by 6.2% mainly due to an increase in risk management costs.

Staffing by Function-FY 2019/20



Regular Full-Time Equivalents: 27.00

Staffing

Regular Position Summary

Overview

The total authorized regular staffing level of 952.73 for FY 2019/20 has increased by 16.0 full time equivalent (FTE) positions from the FY 2018/19 level. While there is an overall increase in staffing, many departments continue to operate at a low level when compared to historical staffing ratios.

The FY 2019/20 staffing increases serve to enhance public safety response capability, improve park and building maintenance services, and provide support for homeless services.

The Human Resources Department staffing increase of 1.0 FTE includes one Management Analyst II to primarily support the increased demands of recruitment for Police Officers.

The Information Technology Services Department staffing increase of 4.0 FTEs includes one Information Security Manager to manage the City's cyber security, one Senior Systems Analyst Programmer to primarily support the Police Department with technology, one Senior Systems Analyst Programmer to act as a project manager for several key system upgrades, and one Management Analyst II to assist with budgets, procurement and contracts.

The Fire Department staffing increase of 1.0 FTEs includes the addition of one Hazardous Materials Manager to assist with disaster assessment targets and complex chemical and regulatory concerns.

	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19*</u>	<u>2019/20</u>
<u>PUBLIC SAFETY</u>						
Fire	157.00	158.00	159.00	160.00	161.00	162.00
Police	296.50	303.50	306.50	311.50	314.50	317.50
TOTAL	453.50	461.50	465.50	471.50	475.50	479.50
<u>OTHER COMMUNITY SERVICES</u>						
Community Development	60.30	68.05	71.05	76.05	80.25	80.25
Community Services	90.01	90.76	91.01	92.01	94.01	96.01
Economic Development	4.00	4.00	4.00	4.00	4.00	4.00
Human Services	59.93	60.55	61.55	64.55	65.40	64.40
Public Works	117.61	121.53	124.35	127.35	129.65	135.65
TOTAL	331.85	344.89	351.96	363.96	373.31	380.31
<u>ADMINISTRATIVE SYSTEMS</u>						
City Manager's Office	9.30	9.80	10.80	10.80	12.05	12.05
City Attorney	9.92	9.92	9.92	9.92	9.92	9.92
City Clerk	4.20	3.95	3.95	3.95	3.95	3.95
Finance	22.75	24.00	24.00	24.00	24.00	24.00
Human Resources	13.50	14.25	15.25	15.25	15.00	16.00
Information Technology Services	22.00	23.00	23.00	23.00	23.00	27.00
TOTAL	81.67	84.92	86.92	86.92	87.92	92.92
CITYWIDE TOTAL	867.02	891.31	904.38	922.38	936.73	952.73

* Total number of positions anticipated at the end of June 2019.

Staffing | Regular Position Summary

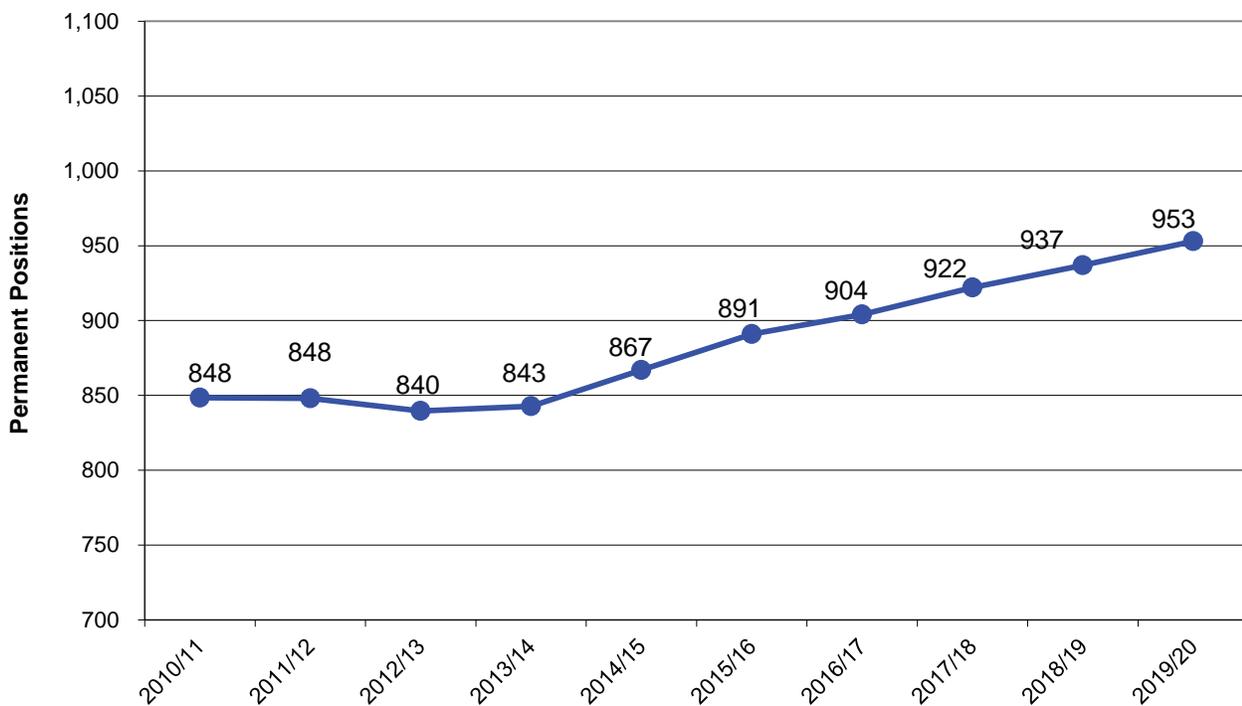
The Community Services Department staffing increase of 2.0 FTEs includes one Park Ranger Supervisor to support the Park Ranger services and assist with homeless services and one Senior Office Specialist to support the 50/50 Tree Program.

The Human Services Department staffing decrease of 1.0 FTE includes the reduction of a Case Manager position as the funding and service has transferred to the Fremont Unified School District.

The Police Department staffing increase of 3.0 FTEs represents the addition of two Community Service Officers to increase patrol capacity and one Equipment Room Assistant.

The Public Works Department staffing increase of 6.0 FTEs includes one Building Maintenance Worker II to assist with facility condition assessments, two Street Maintenance Workers to assist with traffic safety and pavement maintenance, one Engineering Tech to assist with design and development projects, one Engineer I to assist with Transportation safety, and one Facilities Design and Construction Project Supervisor II to assist with the maintenance and upkeep of aging City Infrastructure.

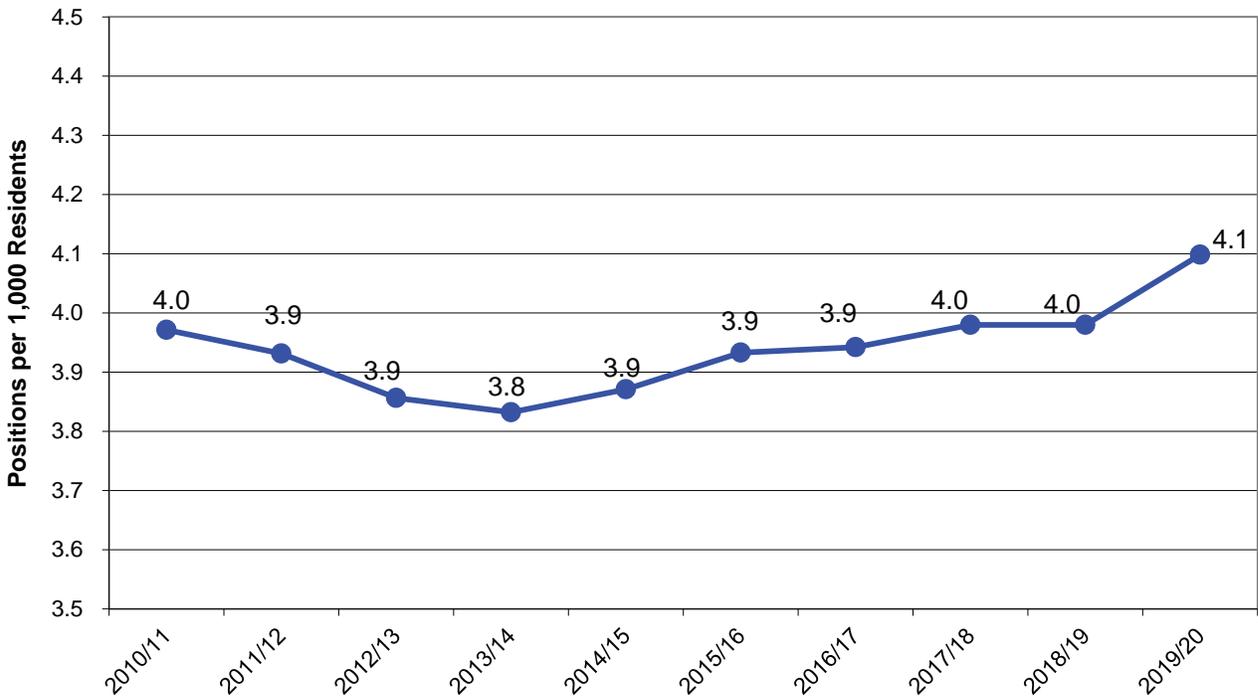
Budgeted Positions: FY 2010/11 - FY 2019/20



Historical Perspective

City staffing has remained relatively constant over the past 10 years, growing slightly to the modest level of 4.1 FTEs per 1,000 residents, virtually unchanged from FY 2010/11. Fremont continues to be one of the lowest staffed cities on a per capita basis in Alameda County. The chart below shows Fremont has exercised fiscal discipline when adding back staff as the economy recovered from the recession.

City Workforce per 1,000 Residents: FY 2010/11 - FY 2019/20



The FY 2019/20 budget continues the City’s modest staffing and related service levels even though the FY 2019/20 overall staffing level has been increased by 16.0 FTEs compared to FY 2018/19. The staffing increases serve to enhance public safety response capability, match the steady increase in activity levels and growing demands at the City’s Development Center, and improve park and facilities maintenance.

The Staffing Level Comparison table on the next page reveals that the City maintains an extremely low ratio of budgeted position to residents. Fremont’s low staffing ratio is driven by resource limitations, yet continues to work due to prudent planning and efficient City operations. Fremont has less per capita revenue to pay for basic public safety and maintenance services than other larger California cities, its neighboring cities, and other cities known for their high quality of life. Through FY 2018/19, the City of Fremont continues to have one of the lowest per capita staffing in the area.

Staffing | Regular Position Summary

Staffing Levels Relative to Other Communities

Positions per 1,000 Residents: FY 2018/19

City	2018 Population	Citywide Positions	Positions per 1,000 Residents
Palo Alto	69,395	651	9.38
Oakland	431,373	3,260	7.56
San Jose	1,042,900	6,710	6.43
Santa Clara	128,789	801	6.22
Sunnyvale	153,944	861	5.59
Pleasanton	79,483	383	4.82
Union City	74,058	351	4.73
Newark	47,178	196	4.15
Livermore	90,359	365	4.04
Fremont	231,252	922	3.99

Source: FY2017/18 published city financial reports & California Department of Finance Population Estimates for 2018, as restated as of May 1, 2019

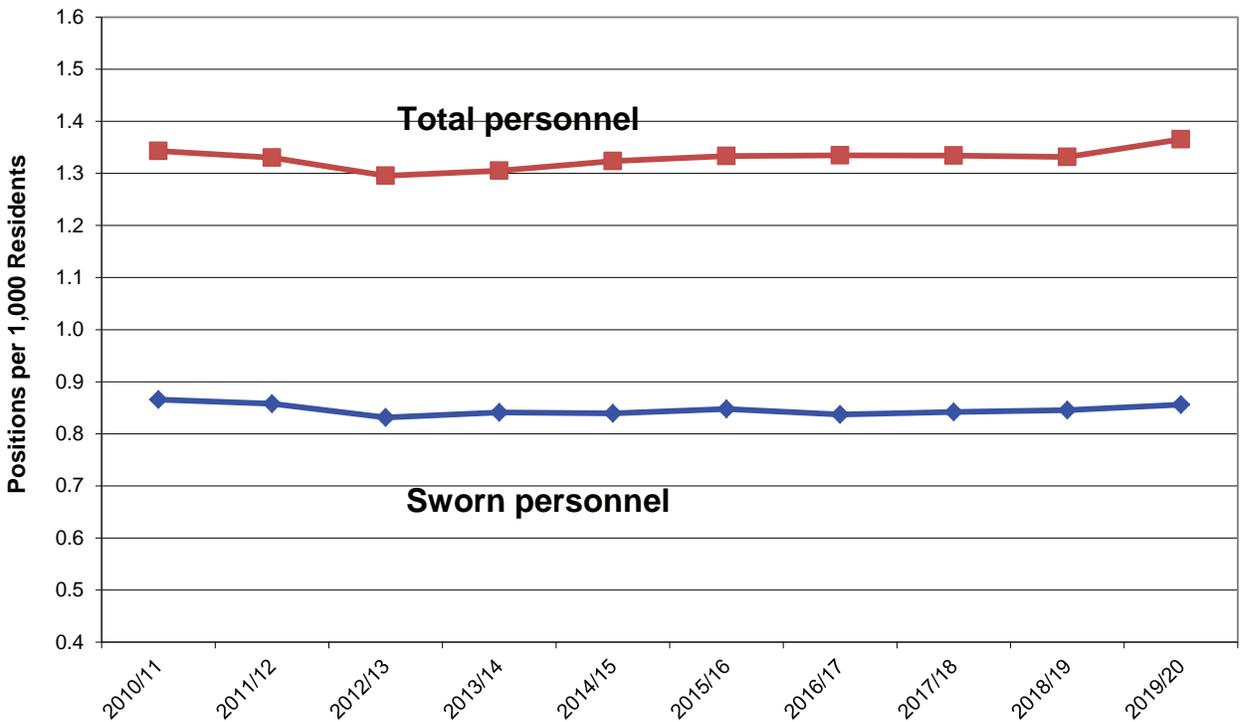
Note: Services provided by each community surveyed, and respective funding arrangements, vary widely among cities. The table reflects staffing levels in various communities, with the following adjustments to improve comparability with Fremont:

- Palo Alto:** total positions reduced by the number of positions supporting utility, wastewater, stormwater, refuse, and library services (not provided by the City of Fremont)
- Oakland:** total positions reduced by the number of positions supporting library services (not provided by the City of Fremont)
- San Jose:** total positions reduced by the number of positions supporting art, airport, library, city auditor, independent police auditor, and retirement services (not provided by the City of Fremont)
- Santa Clara:** total positions reduced by the number of positions supporting library, electric utility, water utility and sewer utility services (not provided by the City of Fremont)
- Sunnyvale:** total positions reduced by the number of positions supporting library, water, wastewater, and solid waste services (not provided by the City of Fremont)
- Pleasanton:** total positions reduced by the number of positions supporting library, water, and sewer storm water services (not provided by the City of Fremont)
- Union City:** it is noteworthy that fire protection services for Union City are provided by the Alameda County Fire Department (ACFD); an adjustment has been made to include the 38 sworn personnel fully assigned to Union City for this function
- Newark:** it is noteworthy that fire protection services for Newark are provided by the Alameda County Fire Department (ACFD); an adjustment has been made to include the 10 sworn personnel assigned to Newark for this function
- Livermore:** total positions reduced by the number of positions supporting library, water, airport, and golf services (not provided by the City of Fremont), an adjustment has been made to include the estimated cost sharing allocation of the City of Livermore-Pleasanton Fire Department (FPFD) personnel per Joint Powers Agreement

Police

Police Department staffing has increased by 3 FTE, including 2 community service officers and 1 equipment room assistant. Sworn staffing has remained unchanged for FY 2019/20, at a per capita staffing level of 0.86 sworn officers per 1,000 residents. This level of police officer coverage per thousand residents has remained relatively level over the last ten years. The service level is illustrated by the graph below.

Police Positions per 1,000 Residents: FY 2010/11 - 2019/20

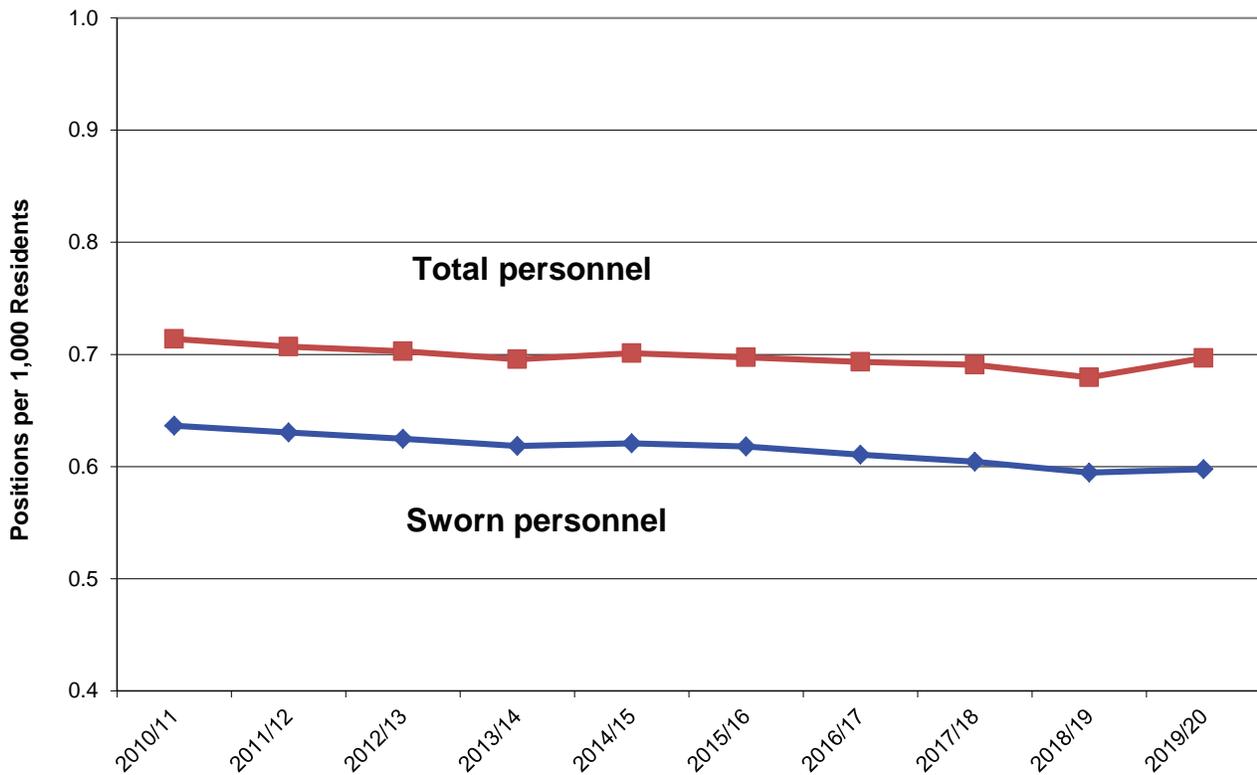


Staffing | Regular Position Summary

Fire

Fire Department staffing has increased by 1 FTE, a hazardous materials program manager. Sworn staffing has remained unchanged for FY 2019/20 at 0.6 firefighters per 1,000 residents. As illustrated by the graph below, the level of staffing has remained relatively constant over the last ten years.

Fremont continues to have one of the lowest levels of sworn fire employees per capita in either Alameda or Santa Clara Counties. Additionally, Fremont's Fire Department serves 92 square miles with 11 fire stations, an average of one fire station per eight square miles. By comparison, Oakland averages one fire station for every two square miles, San Jose averages one station for every six square miles, and Hayward averages one station for every seven square miles.



Maintenance

Low Low staffing remains a hindrance to City efforts to maintain its public buildings, streets, parks and urban forestry.

Maintenance demands related to public buildings, streets, and parks have grown in the last 25 years. The following table illustrates this growth:

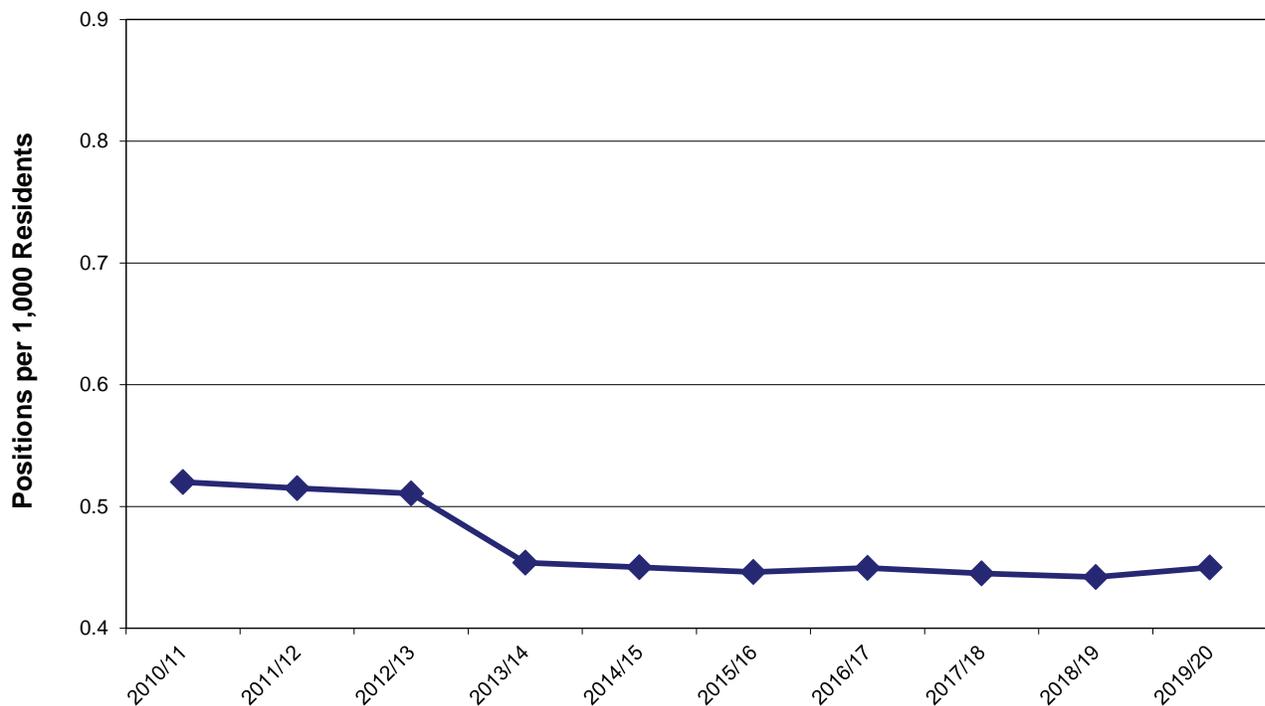
FY 2019/20 Maintenance Statistics

Asset	FY 1994/95	FY 2019/20	Percent Change
Public Buildings	581,500 sq. ft.	902,683 sq ft	55%
Streets	778 lane miles	1,081 lane miles	39%
Trees Along Streets	35,000 trees	50,000 trees*	43%
Park Land	810 acres	1,215 acres	50%

*An actual count of street trees is planned for this fiscal year

The 0.5 maintenance workers per 1,000 residents for FY 2019/20 has remained consistently low since FY 2013/14 when the City out-sourced its median maintenance activities. Even with the addition of 3 maintenance personnel in FY 2019/20, service capacity remains diminished for the foreseeable future due to limited resources.

Maintenance Workforce per 1,000 Residents: FY 2010/11 - 2019/20



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Policies and Practices

The City of Fremont budget and financial policies are subject to California State law, generally accepted accounting principles (GAAP), and actions of the City Council. The standards set by these authorities establish budget calendar dates, provide for budget control, describe the budget amendment process after budget adoption, and identify appropriate methods for budgeting, accounting, and financial reporting. The City's resources and appropriations policies are extensions of the laws established by the State of California through the City Council and follow GAAP for local governments as well as budgeting practices.

Budget practices and policies are reviewed to ensure that current financial practices are in place. Areas for future policy development and updates may include post-retirement benefits, and a periodic review and update of the City's existing reserve policies.

Budget Practices

Budget Process and Calendar

The budget process enables the City Council to make resource allocation decisions, including choices about staffing, technology, equipment, and priorities to be addressed in the coming fiscal year. The City's Annual Operating Budget is adopted by the City Council by July 1 each year. Although the City Council first reviews the budget in May, the City Manager's Office, the Finance Department, and other departments begin to prepare it at least six months before that. Throughout the year, staff provides revenue projections and updates on the City's financial performance, and continues to assess City needs. In producing the budget, the Budget Team receives input from the public, City Council, and staff.

At the mid-year budget review that typically takes place in February or March, the Finance Director provides an update to the City Council on the current year's budget and outlines policy issues facing the City. The City Council provides feedback and direction regarding proposed priorities for the future programming of General Fund resources. With this direction and the Finance Department's revenue projections, each department prepares a proposed budget. The Budget Team works closely with department managers to ensure that budgets reflect the City Council's interests, priorities, and goals.

Several weeks before the budget is adopted, the Finance Director presents the budget for the coming year to the City Council, along with information on current year accomplishments and future year goals. Copies of the proposed budget document are available to the public at public hearings, and they are also available in the City Clerk's Office, and on the City's website. The Finance Director presents the budget to the City Council in a televised public forum. Included in the Finance Director's presentation are an update of the City's financial position and General Fund forecast; a review of the national, State, and local economies; a discussion of financial policies; and an update on department activities. After reviewing the proposed budget and receiving public comment at public hearings, the City Council may direct staff to revise the proposed budget. On or before June 30, the City Council votes to adopt the budget, including any revisions to the proposed budget. At any time after the adoption of the budget, the City Council may amend or supplement the budget.

Policies and Glossary | Policies and Practices

Upon final adoption by the City Council, the budget becomes the legal authorization for the various departments to expend resources, subject to conditions established by the City Manager and City Council. Through a resolution adopted by the City Council, the City Manager is authorized to transfer appropriations as needed from any account in the budget to any other accounts within the same fund to meet overall budget requirements. This resolution further authorizes the City Manager to transfer funds designated as “Transfers” in appropriate increments and intervals. The City Council has adopted several financial and budgetary policies, which address debt, reserves, and spending authorizations, and which help guide long-term planning.

Budget Process Calendar

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
1 Start of new Budget/fiscal year	■											
2 City Council work session on year end review of prior year results					■							
3 Prepare and distribute budget instructions to departments						■						
4 Departments prepare mid-year analyses and submit budget requests							■	■				
5 Council work session on mid-year report and preliminary direction on budget								■				
6 City Manager conducts discussions with departments regarding community priorities								■	■			
7 Analyze current year revenues and make budget projections									■	■		
8 Produce the Proposed Budget									■	■	■	
9 City Council presentation on Proposed Budget											■	
10 Public hearings on Proposed Budget											■	■
11 Budget adoption												■

Citizen Participation

Citizens of Fremont participate in the budget planning process in various ways, such as participating on Council-appointed boards and commissions, providing feedback on the Fremont Open City Hall online civic engagement forum, attending budget presentations and public hearings, or meeting with City staff. Presentations to review the City’s budget and discuss relevant policy issues are held at regular City Council meetings.

Public hearings for the budget adoption typically occur in early June. Citizens have the opportunity to speak about budget issues at these hearings and at any City Council meeting during the year. All Council meetings are televised on the local cable access channel and streamed over the internet.

The City Council heard a presentation of the City Manager’s proposed FY 2019/20 budget at a televised meeting on May 21, 2019. Televised public hearings were held on June 4 and June 11, 2019.

Other Major Planning Processes

The budget is one of three major citywide planning tools. The General Plan, which governs land use and development, and the Capital Improvement Program (CIP) are the other two. Each planning process informs the others, and together they enable coordinated planning for operating City services, maintaining the City's investment in public infrastructure, and developing land consistently with community interests.

The City Council adopted the latest General Plan update on December 13, 2011. The General Plan can be referred to as a city's "constitution" for growth and development and the policy foundation upon which all development and land use decisions are based. Each general law city and county in California is required to have a General Plan that addresses specific elements as identified by the State. It contains long-term goals that set the framework for the City's development and conservation of natural resources, and the implementation actions that will move the City towards achievement of those goals. It is the official adopted policy regarding the future location, character, and quality of physical development, and conservation of the natural environment.

The Fremont General Plan establishes a new twenty-five year vision for the community based on technical and legal requirements, extensive discussions with the community, and policymaker input. The new plan aims for an "even greater" Fremont, including a flourishing downtown, increased jobs to match an increasing resident workforce, a variety of housing types, and thriving, pedestrian-oriented commercial districts. This plan also addresses the overarching vision of Fremont as a "green" city through goals and policies to meet climate change objectives, reduce solid waste, and enhance the pedestrian and cycling network.

The CIP planning process takes place every two years. The product is a funded five-year plan for building and maintaining City infrastructure. While the CIP keeps a five-year planning horizon, it appropriates funds for a two-year period. The current CIP was adopted on June 11, 2019, and appropriates funds for projects and maintenance activities for FY 2019/20 and FY 2020/21. Therefore, the capital funding information included in the Operating Budget is for display purposes only; the "budget" for capital funds was adopted with the FY 2019/20-2023/24 CIP.

Including maintenance in the capital budgeting process is intended to overtly balance the planning for capital improvements with funding needs to maintain existing infrastructure. The amount of General Fund to be transferred to the CIP is determined in the annual Operating Budget process, and may vary annually from the amount projected as revenue in the CIP. However, the CIP expenditure appropriation does not change without specific City Council action. The process for developing the FY 2019/20-2023/24 CIP began during the summer of 2018. Appropriations reflect any changes in other City funding capabilities. Conversely, the capital projects adopted in the FY 2019/20-2023/24 CIP inform the FY 2019/20 Operating Budget.

Basis of Budgeting

The City uses a multi-year financial forecast model to ensure that current budget decisions consider future financial implications. The basis for the multi-year forecast projections is current year estimated revenues and expenditures.

Revenues: The City receives revenues from a variety of sources. Property tax and sales tax comprise approximately 75% of the General Fund. The City receives the balance of its revenues from local taxes, fees, charges for services, and transfers from other funds for General Fund services. Revenue projections for the coming budget year are comprised of the estimated actual revenue projected for the current year, multiplied by the factor by which the revenue is projected to grow or decline, based on current economic information.

The City has a long-standing practice of dedicating one-time revenues to fund a variety of one-time projects. Increases in the General Fund associated with one-time revenues are not programmed for ongoing operations in the multi-year forecast. This ensures that future revenues and expenditures are reasonably projected.

Fees and Charges: The City charges for services at rates that, where possible, match the cost of providing the service. Several departments charge for services such as hazardous materials inspections, animal vaccinations and sterilization services, and counseling.

Expenditures: The City budgets at the governmental fund level, and funds are grouped for budget presentation. Major fund groups include the General Fund, Cost Center/Internal Service funds, Special Revenue funds, and Capital funds.

While all funds budgeted are included in the operating budget, this document focuses on the General Fund, which contains the majority of the City's discretionary resources for basic services such as police, fire, and maintenance. Departmental base budgets for a given budget year are determined by the following process:

1. Starting with the adopted budget for the prior year,
2. Reducing the adopted prior year budget for any one-time appropriations the department received,
3. Multiplying the adjusted budget by percentage factors for cost changes associated with negotiated bargaining unit agreements and inflation, and
4. Implementing any necessary service reductions or enhancements determined by the City Manager.

City funds are budgeted on the modified accrual basis of accounting. This method recognizes revenues when they become measurable and available to finance expenditures of the period. Expenditures are recorded when the related fund liability is incurred, with the exception of principal and interest on long-term debt, which are recorded when due.

Basis of Budgetary Accounting

The basis of budgetary accounting that follows describes how the City presents the estimated revenues, budgeted expenditures and expenses, and capital asset purchases in this budget. This description is intended to help the reader understand the differences and similarities in the budget presentation of such financial elements compared to how they are presented in other City publications, such as the City’s CIP or its Comprehensive Annual Financial Report (CAFR).

The City uses a “fixed budget” presentation which establishes a spending cap at the fund level, with departmental budgetary guidelines. Department budgets cannot be exceeded without special authorization (see Budget Practices at page 229). The proposed operating budget for the 2019/20 fiscal year was adopted on June 11, 2019. The fiscal years before FY 2019/20 shown in the operating budget are for contextual purposes only and are not adopted by the City Council in its budget resolution for FY 2019/20.

The budget is generally prepared on the same basis of accounting used by the City in its CAFR. Definitions for several of the following terms may be found in the Glossary. This terminology comes from the accounting standards used for governments which are established by the Governmental Accounting Standards Board (GASB). These standards constitute generally accepted accounting principles (GAAP) for local governments.

Although legally separate entities from the City, the Fremont Public Financing Authority (PFA) and the Fremont Social Services Joint Powers Authority (JPA) are component units of the City under GAAP. These entities are considered component units because of the degree of control exercised by the City (the City Council and City staff serve as the governing boards and staff, respectively, for these entities) and their financial dependence on the City. The JPA’s budget is included in the Human Services department budget. The payment obligations of the PFA are budgeted as debt service expenditures in the General Fund and the Family Resource Center Fund.

In the Required Supplementary Information section of the CAFR, the City compares actual revenues and expenditures for the accounting period to both the originally adopted budget and the final budget (the adopted budget with any mid-year adjustments) for estimated revenues and expenditure appropriations. These comparisons, made for the General Fund, the Development Cost Center Fund, the Recreation Services Fund, the Human Services Fund, and the Inclusionary Housing In-lieu Funds show the City’s compliance with the expenditure caps at the legal level of control. A copy of the City’s CAFR for the fiscal year ended June 30, 2018, may be obtained on the City’s website at www.fremont.gov, or by contacting the City’s Finance Department. The CAFR for the fiscal year ending June 30, 2019, will be available no later than December 31, 2019.

Expenditures are budgeted in governmental funds on the modified accrual basis of accounting, and expenses are budgeted in proprietary funds on the full accrual basis of accounting. The primary difference between the two bases of accounting is that “expenditures” emphasize the reporting of financial resource outflows (cash and cash-like resources) in the period in which they are disbursed, while “expenses” emphasize the matching of the obligation to disburse economic resources (cash and all other assets causing a change in fund net assets) to the period in which the obligation was incurred by the City.

Capital asset acquisitions are shown somewhat differently in the budget than in the CAFR. Capital assets are used in the City's operations, have an estimated useful life of more than one fiscal year, and cost \$5,000 or more. These long-lived assets include land and buildings and their improvements, vehicles, machinery and equipment, and streets and sidewalks. The City's planned capital asset purchases are shown in two places in the budget: (1) in the departmental capital outlay for capital assets to be purchased from annual operating appropriations during the budgeted fiscal year, and (2) in the Capital Budget Summary (CIP) for capital assets to be acquired over several years or which involve specific financing plans. In the CAFR fund financial statements, all capital asset acquisitions are reported in the governmental funds acquiring them as "Capital Outlay" on their operating statements, and in the proprietary funds, the acquiring funds report their acquisition as uses of cash on their statements of cash flow (the assets are also capitalized on their balance sheets).

Operating/Capital Expenditure Accountability

The annual budget sets appropriations by fund or with further allocation by department or program. At the fund level, expenditures may not legally exceed appropriations. The City Manager is authorized to transfer budgeted amounts between departments or programs within any fund. The City Council may adopt supplemental appropriations during the year.

The annual budget resolution authorizes the City Manager to increase appropriations for operating expenditures due to increases in grant or activity-based revenues in an amount not to exceed the increased grant or activity-based revenues. The City Manager may also increase appropriations for operating expenditures for the Development Cost Center and Recreation Cost Center when fee revenue in those funds exceeds the amount estimated at the time of budget adoption because of increased activity. Additionally, the City Manager may appropriate and transfer from the operating funds any amounts necessary to maintain adequate funding of the worker's compensation and liability reserves. All other revisions or transfers that alter the total appropriations of other funds must be approved by the City Council.

The City maintains a multi-year forecasting model for operating revenues and expenditures, and also produces a five-year capital plan. The multi-year forecast is regularly updated to reflect current revenue and expenditure assumptions and is presented to the City Council at mid-year and during the budget process for the next fiscal year. The City's five-year capital plan is updated every two years.

Long-Term Financial Planning

The City Council continues to focus on the long-term benefits of transportation infrastructure improvement, recruitment of consumer retail uses to balance the City's business-to-business sales tax base, and development of a pedestrian-oriented urban center in the City's Downtown. Significant resources have been invested in the City's estimated share of freeway interchanges. Four interchanges were constructed using local funds to allow the completion of extensive freeway investments funded by the County, the State, and the federal government. This investment completed the upgrades to I-880 through Fremont years earlier than would have otherwise been the case. Construction was completed on two grade separation projects that will increase safety, reduce congestion, and facilitate the extension of the Bay Area Rapid Transit District commuter rail system south to the City's Warm Springs district and, eventually, to San Jose.

Previous years allowed the City to accumulate balances in the development impact fee funds intended for infrastructure and improved amenities in the community. The park development impact fee funds also accumulated adequate funding for a significant park improvement program. The impacts of maintenance and operational costs are balanced with the cost of acquiring or developing parkland, consistent with standards in the City's park master plan.

Cash Management

Cash temporarily idle during the year is invested in obligations of the U.S. Treasury and agencies of the federal government, commercial paper, corporate bonds, bankers acceptances, qualifying mutual funds, time deposits, money market accounts, and the State Treasurer's investment pool. Investment income includes appreciation/depreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue, nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the City plans to hold to maturity. Because it is the City's practice to hold investments to maturity, unrealized investment gains and losses are not included in the budget until such time as they actually occur. Pursuant to State law, the City's investment policy is adopted by the City Council annually.

Risk Management

The City of Fremont uses a risk management program to reduce its workers' compensation and general liability claim costs. The City employs a professional risk manager, a safety coordinator, and staff, supplemented by professional claim administration firms, to minimize losses. The City participates in two multi-agency joint powers authorities to provide excess insurance coverage, one for general liability coverage and one for workers' compensation coverage. The joint powers authorities and the City rely on estimates prepared by professional actuaries to set aside funds adequate to meet potential losses. Excess coverage provided by the joint powers authorities covers claims in excess of \$500,000 for both general liability and workers' compensation claims.

Pension and Other Post-employment Benefits

The City provides pension and medical benefits for its public safety and non-safety employees through two contracts with CalPERS. The contracts include benefit levels negotiated by the City with its employee units and for which it has executed contract amendments. The plans also include some benefit levels approved by the State Legislature without contract amendment and funding mechanisms approved by the CalPERS Board of Administration. The City also provides other post-retirement benefits in the form of limited contributions toward health insurance costs for certain retirees based on the provisions of labor agreements in effect at the date of the employee's retirement.

Reserve or Stabilization Accounts

Reserves accumulated during years when revenues exceeded expenditures cushion the City's transition to a lower revenue base and allow the City to adjust spending in response to economic downturns and State revenue takeaways. The General Fund maintains four reserves: the Contingency Reserve, the Program Investment Reserve, the Economic Volatility Reserve, and the Budget Uncertainty Reserve. The City also maintains reserves for fee-based cost center operations and certain other special revenue funds, including the following:

- Development Cost Center Contingency Reserve
- Development Cost Center Technology and System Improvement Reserve
- Human Services Special Revenue Fund Contingency Reserve
- Integrated Waste Management Disposal Differential Reserve
- Integrated Waste Management Vehicle Replacement Reserve
- Urban Runoff Clean Water Program Contingency Reserve
- Recreation Cost Center Contingency Reserve
- Recreation Cost Center Operating Improvement Reserve

Starting in Fiscal Year 2019/20, the General Fund Contingency Reserve, General Fund Program Investment Reserve, and the General Fund Economic Volatility Reserve will be consolidated into a single General Fund Contingency Reserve.

General Fund Contingency Reserve

The General Fund Contingency Reserve is intended to mitigate the effects of unanticipated situations such as natural disasters and severe, unforeseen events as well as serving as back-up liquidity to the Risk Management Fund if this need were to arise. Contingency Reserve funds are also available to provide a source of working capital for new programs or undertakings that have the potential for receiving significant funding from outside sources, and organizational retooling, process improvement, and strategic entrepreneurial opportunities.

The General Fund Contingency Reserve will be funded each year at 16.7% of budgeted expenditures and transfers out, the minimum level recommended by the Government Finance Officers Association of the United States and Canada.

All uses of the General Fund Contingency Reserve must be approved by the City Council. Any such uses are to be repaid to the General Fund Contingency Reserve over a period to be determined by the City Council at the time of approval, with a target repayment period of no more than three years. (Adopted by the City Council on June 11, 2019)

General Fund Budget Uncertainty Reserve

The Budget Uncertainty Reserve is intended to offset revenue shortfalls resulting from future economic downturns and unanticipated cost increases (including increases in fuel and utility prices, and increases to CalPERS pension contribution requirements resulting from changes in actuarial assumptions, poor investment performance, or updated demographic data).

The funding level for this reserve is determined by measuring the level of financial risk associated with revenue and expenditure uncertainty over the three-year forecast period, with the goal of providing sufficient resources to maintain service levels while giving the City an opportunity to respond appropriately to its budgetary challenges.

All uses of this reserve must be approved by the City Council. (Adopted by the City Council on June 4, 2002, and modified on June 11, 2019)

Development Cost Center Contingency Reserve

The Development Cost Center maintains an operational contingency reserve to help maintain service levels during temporary slowdowns in development activity. The contingency reserve is to be funded at twenty-five percent of the combined Development Cost Center annual operating budget. All uses of the contingency reserve must be approved by the City Manager. (Adopted by the City Council on June 13, 2017)

Development Cost Center Technology and System Improvement Reserve

The Development Cost Center also maintains a technology and system improvement reserve to provide a source of capital for the following:

- Ongoing hardware and software acquisition
- Technology investment
- System improvement

The technology and system improvement reserve is to be funded at a level of \$4 million. All uses of the technology and system improvement reserve must be approved by the City Manager. (Adopted by the City Council on June 3, 1997; Revised June 13, 2017)

Development Cost Center Unreserved Fund Balance

To ensure that development fees do not exceed the level required to maintain full cost recovery, the development fee structure will be evaluated when unreserved fund balance reaches more than ten percent of the combined Development Cost Center annual operating budget. (Adopted by the City Council on June 13, 2017)

Human Services Special Revenue Fund Contingency Reserve

City Council policy is to maintain a Human Services Special Revenue Fund Contingency Reserve to help mitigate the effects of economic downturns and natural disasters, and to maintain flexibility in staffing or program levels during times of temporary decreases in grant or contract funding. The contingency reserve will be funded at a level at least equal to 15% of the Human Services Special Revenue Fund annual operating expenditures and transfers out. All uses of the contingency reserve will be approved by the City Manager. Any such uses will be repaid to the reserve over a period of no more than three years. (Adopted by the City Council on June 12, 2012)

Integrated Waste Management Disposal Differential Reserve

The Integrated Waste Management Disposal Differential Reserve represents the difference between disposal fees collected through the solid waste rates and actual landfill disposal or material processing expenses. This balance occurs because of the difference between actual solid waste volumes and those used in the rate setting process, or changes in disposal regulatory fees or requirements that occur within the rate period. The use of the disposal differential reserve for specific rate years will be determined by the City Council with the setting of biennial solid waste collection rates. (Adopted by the City Council on July 11, 2006)

Integrated Waste Management Unallocated Fund Balance

The Integrated Waste Management unallocated fund balance will be maintained to fund unexpected costs associated with providing solid waste services that occur between rate setting periods, including post-disaster debris management costs. Unexpected costs associated with providing solid waste services can result from such causes as (including, but not limited to) changes in law, extraordinary circumstances (as defined in the various solid waste contracts), and implementation of new or expanded solid waste programs or environmental initiatives (e.g., the Sustainability Element of the General Plan). In the event of a natural disaster, this fund balance will provide a source of funds for disaster response and clean-up efforts with the objective of recycling, reusing, or otherwise diverting disaster debris from the landfill to the greatest extent possible. The unallocated fund balance will be maintained at a level between 8% and 15% of the annual revenue of the solid waste collection contract. This unallocated fund balance will serve as a mechanism for managing and stabilizing rates over time by eliminating the need to fund unexpected costs with immediate solid waste rate changes. The fund balance will be evaluated with the setting of biennial solid waste collection rates during even years to determine whether adjustments in fee levels may be warranted. (Adopted by the City Council on July 11, 2006, and revised on June 8, 2010)

Integrated Waste Management Vehicle Replacement Reserve

City Council policy is to maintain an Integrated Waste Management Vehicle Replacement Reserve to replace equipment dedicated to solid waste activities performed by the City's maintenance division, consistent with the City's vehicle replacement schedule. A sufficient reserve balance will be maintained to provide for the acquisition of Integrated Waste Management vehicles according to the City's replacement schedule based on projected replacement costs. (Adopted by the City Council on June 8, 2010)

Urban Runoff Clean Water Program Contingency Reserve

City Council policy is to maintain a \$300,000 contingency reserve to respond to unfunded events such as changes in law, new initiatives, fluctuating program costs, and changing program requirements. The contingency fund balance will be evaluated on a biennial basis to determine if the level is appropriate. (Adopted by the City Council on June 1, 1999)

Urban Runoff Clean Water Program Unallocated Fund Balance

Unallocated Urban Runoff Clean Water Program funds will be used to support a multi-year focused watershed management program to enhance the Regional Water Quality Control Board's storm water quality standards. Program components may include erosion control, community education, and storm water management techniques to improve the quality of water through the watershed. The unallocated fund balance will be evaluated on a biennial basis as to the levels necessary to support project objectives. (Adopted by the City Council on June 1, 1999)

Recreation Cost Center Contingency Reserve

City Council policy is to maintain a Recreation Cost Center contingency reserve for operations to help mitigate the effects of economic downturns and natural disasters, to maintain full-time staffing levels during temporary loss of program facilities, and to deliver prepaid recreation services. The contingency reserve will be funded at a level at least equal to 15% of the Recreation Division's annual operating expenditures. All uses of the contingency reserve will be approved by the City Manager. Any such uses will be repaid to the contingency reserve over a period of no more than three years. (Adopted by the City Council on June 3, 1997 and revised on June 12, 2012)

Recreation Cost Center Operating Improvement Reserve

City Council may appropriate an annual contribution from the Recreation Cost Center to the Recreation Cost Center operating improvement reserve to provide a source of capital for the following:

- Ongoing hardware and software acquisition
- Capital and/or technology investment
- Process improvement and organizational retooling
- Entrepreneurial program opportunities that have the potential to generate revenues to cover expenditures within a three-year period.

The operating improvement reserve was funded initially at a level of \$1 million. This level of reserve is maintained to the extent market conditions and revenues permit. The City Manager will recommend annually an amount to be contributed to such a reserve. All uses of the reserve will be approved by the City Manager. (Adopted by the City Council on June 3, 1997)

Cost Center Spending Authorizations

Recreation Cost Center Spending Authorization

When revenue estimates for the Recreation Cost Center exceed the amount identified in the budget due to increases in recreation fee activity as verified by the Finance Director, the City Manager is authorized to increase appropriations for expenditures for the fiscal year in an amount not to exceed the amount of increased revenue. Approval of increased appropriations shall be made in writing by the City Manager, filed with the Finance Director, and reported to City Council as part of the fiscal year year-end financial report. (Adopted by the City Council on June 10, 2014)

Development Cost Center Spending Authorization

When revenue estimates for the Development Cost Center exceed the amount identified in the budget due to increases in development and fee activity as verified by the Finance Director, the City Manager is authorized to increase appropriations for expenditures for the fiscal year in an amount not to exceed the amount of increased revenue. Approval of increased appropriations shall be made in writing by the City Manager, filed with the Finance Director, and reported to City Council as part of the fiscal year year-end financial report. (Included in the annual resolution in prior years and adopted by the City Council on June 10, 2014)

Development Cost Recovery

The multiplier rate was established in the 1992/93 fiscal year to recover all department costs associated with an employee's direct chargeable hours on a project. The multiplier concept replaced the flat rate charging system that applied an average departmental charge for all employees. The two principal components of the multiplier rate are the direct chargeable hours and the departmental budget. Direct chargeable hours are specifically attributed to a particular project and exclude hours that are not associated with a project. Chargeable hours are determined based on an estimated percentage of employee-dedicated hours to a chargeable area. The multiplier used to calculate billing rates for planning and engineering services provided by the Development Cost Center is 3.25. It could be subsequently modified.

Interfund Loans and Debt Management

Interfund Loans

The City Council delegates authority to the City Manager to approve short-term loans of one year or less and long-term advances of five years or less between City funds under the following terms and conditions:

1. The City Manager is authorized to approve loans of one year or less and advances of five years or less between City funds; provided, that such loans and advances comply with the interfund borrowing policy and that the City Manager and Finance Director concur that such loans and advances are in the financial best interests of the City under then existing circumstances.

2. Each loan or advance approved by the City Manager will be documented in a writing signed by the City Manager and the Finance Director that states all of the following:
 - a. The purpose for which the loan or advance is being made.
 - b. The identification of both the lending and borrowing fund, or funds.
 - c. The dollar amount of the loan or advance.
 - d. The maturity date on which all principal together with all accrued and unpaid interest will be due and payable.
 - e. The scheduled dates and amounts of all principal and interest installment payments.
 - f. The applicable nominal interest rate or discount rate.
 - g. The borrowing fund's right to make full prepayment at any time without penalty.
 - h. The source or sources from which the borrowing fund or funds is expected to repay the loan or advance.
3. All loans and advances will be repaid by the borrowing funds. Because each loan or advance is expected to be free from risk of default, the Finance Director will establish the nominal interest rate or discount rate to be applied to each transaction using then prevailing interest rates on indebtedness of a comparable term issued by the Treasury Department of the United States of America.
4. No individual loan or advance approved by the City Manager will exceed the sum of forty million dollars (\$40,000,000), and the total of all loans and advances so approved and outstanding at any one time will not exceed the sum of one hundred million dollars (\$100,000,000).
5. Although the loans and advances will be unsecured, an adequate source of repayment or refunding (including future external debt issuance) is to be identified. Under all circumstances, repayment of the loans will be subordinate to claims and encumbrances established by covenants related to any debt, regardless of issue date, issued into the external financial markets by the City of Fremont, the Fremont Public Financing Authority, or any of them (collectively, the City and/or its affiliated agencies).
6. No loans or advances will be made from a City fund that is reasonably likely during the contemplated term of the loan or advance to need the same cash to pay for projects or activities for which the lending fund originally received the cash. No loan or advance will be made that will either violate any law, or cause the City and/or its affiliated agencies to breach any restrictive covenant, contractual provision, or grant term. Any loan of developer impact fees will be reported in accordance with California Government Code Section 66006(G).

7. No loan or advance will be made involving any of the following: any funds holding State Gas Tax proceeds (including, without limitation, the Special Gas Tax Street Improvement Fund), any funds holding federal streets and highway monies, any funds holding revenues collected pursuant to voter-approved measures (including, without limitation, Proposition 1B funds and general obligation bond funds) or trust funds.

(Adopted by the City Council on June 9, 2009)

Debt Management

This Debt Management Policy (the “Debt Policy”) of the City of Fremont (the “City”) is intended to comply with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt issuances undertaken by the City.

In addition to this Debt Policy, the City has separately adopted Local Goals and Policies for Special Assessment and Mello-Roos Community Facilities District Financing, Disclosure Policies and Procedures, and an Interfund Loans Policy.

The Debt Policy may be amended by the City Council as it deems appropriate from time to time in the prudent management of the City’s debt. Any approval by the City Council of a debt issuance that is not consistent with this Debt Policy shall constitute a waiver of this Debt Policy.

The City recognizes that a fiscally prudent debt management policy is required to:

- Maintain the City’s sound financial position;
- Ensure the City has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses;
- Protect the City’s credit-worthiness;
- Ensure that all debt is structured to protect both current and future taxpayers, ratepayers and constituents of the City; and
- Ensure that the City’s debt is consistent with the City’s planning goals and objectives and capital improvement program or budget, as applicable.

I. Purposes for Which Debt May Be Issued

A. Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land, to be owned and operated by the City.

1. Long-term debt financings are appropriate when any of the following conditions exist:

- The project is included in the City’s five-year capital improvement program (CIP) and is in conformance with the City’s General Plan.

- The project to be financed, if not included in the CIP, is necessary to provide essential services or is mandated by state or federal requirements.
 - The project to be financed will provide benefit to the community over a period equal to or exceeding the term of the financing.
 - Total debt does not constitute an unreasonable burden to the City and its taxpayers and ratepayers.
 - The debt is used to refinance outstanding debt to produce debt service savings or to realize the benefits of a debt restructuring.
2. Long-term debt financings will not be considered appropriate for current operating and routine maintenance expenses.
 3. The City may use long-term debt financings subject to the following conditions:
 - The project to be financed must be approved by the City Council.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
 - The City estimates that sufficient revenues will be available to service the debt through its maturity.
 - The City determines that the issuance of the debt will comply with applicable state and federal law.

B. Short-term debt. Short-term debt may be issued for the following purposes:

1. To fund cash flow deficits in a fiscal year arising from a timing mismatch between revenues and expenditures.
2. To provide interim financing in anticipation of long-term debt issuance, property sale proceeds, grants, or other sources of funding to retire the short-term debt.
3. To finance the acquisition of shorter-lived capital assets such as fire apparatus or solar panel arrays.

C. Pooled Financings. Pooled financings with other government agencies will be considered, as appropriate.

D. Financings on Behalf of Other Entities. The City may find it beneficial to issue debt on behalf of other governmental agencies or private third parties to further the public purposes of the City. In such cases, the City shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with this Debt Policy.

II. Types of Debt

For purposes of this Debt Policy, “debt” shall be interpreted broadly to mean bonds, notes, certificates of participation, financing leases, or other financing obligations, but the use of such term in this Debt Policy shall be solely for convenience and shall not be interpreted to characterize any such obligation as an indebtedness or debt within the meaning of any statutory or constitutional debt limitation where the substance and terms of the obligation comport with exceptions thereto.

The following types of debt are allowable under this Debt Policy:

General Obligation Bonds – Bonds secured by a promise to levy ad valorem property taxes in an unlimited amount as necessary to pay annual debt service. General obligation bonds must be approved by a two-thirds vote of the qualified electors, and the bonds may only be used to finance the acquisition or improvement of real property. Because they are secured by the property tax levy, general obligation bonds are considered by investors to have the highest credit quality and consequently bear the lowest interest rates.

Revenue Bonds – Bonds may be secured by revenues generated by the facility that is financed, dedicated user fees, or another source of dedicated revenues such as a voter-approved additional sales (transactions) tax. Voter approval may not be required if debt service is paid solely from a special fund consisting of enterprise or other legally-restricted revenues.

Lease Revenue Bonds, Certificates of Participation, and Lease-Purchase Transactions – The City enters into a tax-exempt lease with a nonprofit corporation, joint powers authority, leasing company, bank, or other lessor. The lessor acquires the leased asset (which could include real property or equipment), either by purchasing it from a third party or by leasing it from the City. If applicable, the lessor, with the assistance of the City, undertakes the acquisition and/or construction of the financed project and leases the leased asset back to the public agency pursuant to a financing lease. The lessor’s rights to receive payments under the financing lease are sold to investors and the proceeds of the sale are used to pay the costs of acquiring and/or constructing the financed asset. The lease financing structure may be used to finance the cost of acquiring land and equipment and constructing improvements, and the leased asset does not have to be the asset being acquired or constructed. Lease financing does not require voter approval, but generally bears a higher interest rate than general obligation debt due to a perceived higher risk of default.

Special Assessment Bonds or Special Tax (Mello-Roos) Bonds – The City may establish special assessment districts or community facilities districts to finance acquisition or construction of real or personal property. A two-thirds majority vote of property owners or residents within a community facilities district is required to approve a special tax and to issue bonds. A majority vote of property owners in a special assessment district (weighted based on proportional benefit from the financed project) is required to approve an assessment. In the case of a special assessment district the assessment amount is proportional to the benefit attributable to the property owner. In a community facilities district the special tax is levied pursuant to a rate and method of apportionment that defines the special tax formula for each property type. In the event of a default by a property owner in the payment of its assessment or special tax, the lien of the assessment or special tax has the same priority as property taxes. Bondholders rely on the

special taxes/assessments and, typically, a commitment by the City to foreclose on delinquent properties to collect delinquent special taxes/assessments, and have no recourse to the City's General Fund.

Tax and Revenue Anticipation Notes (TRANS) – TRANS are issued to fund cash flow deficits in a fiscal year arising from a timing mismatch between revenues and expenditures. Typically, TRANS would be issued at the beginning of the fiscal year with repayment coming from any funds received during that fiscal year. TRANS can mature in either the same fiscal year as issued or in the following fiscal year.

Bond or Grant Anticipation Notes (BANs/GANs) – Notes are issued to provide temporary financing, to be repaid by long-term financing or grant proceeds.

The City may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

III. Relationship of Debt to the City's Capital Improvement Program and Budget

The City is committed to long-term capital planning. The project priority process used in developing the city's five-year capital improvement program (CIP), including criteria for evaluating projects and project viability, is reviewed by the City Council as part of the biennial update of the CIP.

The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's capital budget and the CIP.

The City shall integrate its debt issuances with the goals of its CIP by timing the issuance of debt to ensure that facilities and equipment are available when needed in furtherance of the City's public purposes.

The City shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues and avoid the use of debt financing for these purposes.

IV. Policy Goals Related to Planning Goals and Objectives

The City is committed to long-term financial planning, maintaining appropriate reserve levels and employing prudent practices in governance, management and budget administration. The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's annual operating budget and CIP.

It is a policy goal of the City to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City will maintain open communications with rating agencies, investors, and other market participants to enhance the market value of the City's outstanding debt and minimize borrowing costs.

The City will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the City to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 3% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

V. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the City shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The City will periodically review the requirements of and will remain in compliance with the following:

- Any continuing disclosure undertakings under SEC Rule 15c2-12;
- Any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues;
- Any covenants and reporting requirements specified in financing documents; and
- The City's investment policies as they relate to the investment of bond proceeds.

It is the policy of the City to ensure that proceeds of debt are spent only on lawful and intended uses. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the City will submit written requisitions for such proceeds. The City will submit a requisition only after obtaining the signature of the Finance Director or designee. In those cases where it is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the Finance Director shall retain records of all expenditures of proceeds through the final payment date for the debt.

VI. Debt Issuance Considerations

A. Funding Methods for Capital Projects. Before pursuing debt issuance for a project, consideration should be given to the full range of available funding options which may include pay-as-you-go and interfund borrowing.

1. Pay-as-you-go

With a pay-as-you-go approach, the City uses available cash to pay for projects. Funding sources can include the City's General Fund, special revenue funds, and capital project funds, user charges, impact fees, grants, private contributions, or capital replacement funds set up specifically to pay for capital improvements or replacements.

2. Interfund Borrowing

Interfund loans may be appropriate for financing priority needs on a case-by-case basis. The City's Interfund Loans Policy specifies the terms and conditions under which the City Manager may approve interfund loans and advances.

B. Debt Limits.

1. Legal Restrictions

City staff will work with bond counsel and the financial advisor to ensure that any proposed debt issuance is consistent with federal and State law, the City's municipal code and policies, contractual obligations of the City, and any applicable bond referenda approved by voters.

California Government Code Section 43605 limits the issuance of general obligation bonds to no more than 15% of the City's gross assessed valuation. For measurement purposes, the City converts assessed valuation data from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted.

2. Financial Restrictions

Debt service supported by the General Fund will not exceed 7% of total budgeted General Fund expenditures and transfers out.

The General Fund may be used to provide back-up liquidity to improve the viability of a self-supported debt issue, but only if the General Fund is not exposed to significant risk of loss of assets or impairment of liquidity. This evaluation of risk will consider such things as the following:

- Volatility and collection risk of the revenue source identified for repayment of the debt; and
- The likelihood that the General Fund will be reimbursed within one year for any payments it might potentially need to make in its role as back-up guarantor.

If the City Council determines the risk of loss of assets or impairment of liquidity to the General Fund to be relatively minimal, self-supported debt service for debt that relies on the General Fund as a back-up guarantor will not exceed 7% of budgeted General Fund expenditures and transfers out. This limitation is separate from and in addition to the debt limitations for General Fund supported debt service described above.

C. Debt Structuring Practices.

The amortization schedule and use of optional redemption features will reflect the anticipated availability of funds for debt service and redemption, as well as the potential trade-offs between the City's operational flexibility and the cost of funds.

Debt shall be issued as fixed rate debt unless the City makes a determination that a variable interest rate would be beneficial in a specific circumstance (e.g., interim financing, potential change in taxability, redemption flexibility, debt service savings).

The City will seek credit enhancements, such as letters of credit or bond insurance, when necessary or advantageous.

D. Debt Issuance Practices.

The City will engage an independent municipal advisor to assist with each debt issuance. All financing professionals and service providers will be selected in accordance with the procurement provisions in the City's municipal code.

Whenever the City anticipates incurring debt to finance a project and advancing project costs (e.g., project development costs, architectural costs, studies, etc.) before the debt proceeds are available, the City will adopt a resolution declaring its intent to reimburse itself for those costs.

Costs incurred by the City, such as bond counsel and financial advisor fees, printing, underwriters' discount, and project design and construction costs, will be charged to the bond issue to the extent allowable by law.

The City will generally conduct financings on a competitive basis; however, negotiated financings may be used when market volatility is a concern, or the financing mode, size, security or structure warrants a negotiated sale.

E. Use of Derivatives.

A derivative - or swap - is a financial instrument created from or whose value depends upon (is derived from) the value of one or more separate assets or indices of asset values. As used in public finance, derivatives may take the form of interest rate swaps, futures and options contracts, options on swaps, and other hedging mechanisms such as rate locks.

Prior to considering a swap or other derivative product, the City should first determine whether staff has the appropriate expertise and resources to understand and monitor the transactions, prepare necessary financial reports and audit footnotes on an ongoing basis, as well as manage the variable rate instruments and liquidity facilities associated with the derivative product. If the City determines that the appropriate expertise and resources are available, it should develop a comprehensive derivatives policy prior to entering into its first derivatives transaction.

Unfunded Liabilities

Pension Liability Funding Policy

The annual pension contributions calculated by CalPERS reflect actuarial methods that result in steadily increasing retirement costs in the near term and higher absolute costs over the long term. To slow or eliminate growth in annual retirement contributions over the next decade and reduce the City's overall retirement costs, the City Council has directed the City Manager to incorporate an additional pension contribution payment into development of the proposed operating budget each year using a minimum additional contribution equal to 10% of the unfunded liability contributions specified by CalPERS, with a larger additional contribution contingent on availability of funds. (Adopted by City Council on November 21, 2017)

Glossary of Budget Terms

Adopted Budget

The adopted budget is the annual City operating budget approved by the City Council for the fiscal year.

Agency Fund

Agency funds are used to account for assets held by the City on behalf of others as their agent. Agency funds are custodial in nature (i.e., assets equal liabilities) and do not involve the measurement of results of operations. Agency funds are not included in the annual operating budget, but are included in the comprehensive annual financial report.

Annual Operating Contingency

An account, appropriated in the adopted budget used at the discretion of the City Manager to fund emergency or extraordinary items.

Appropriation

An authorization by the City Council to make expenditures and to incur obligations for a specific purpose within a specific time frame.

Assessed Valuation

A dollar value placed on real estate or other property by Alameda County as a basis for levying property taxes.

Audit

Scrutiny of the City's accounts by an independent auditing firm to determine whether the City's financial statements are fairly presented in accordance with generally accepted accounting principles.

Balanced Budget

The budget for a fund is balanced when total budgeted resources, including revenues, transfers in from other funds, and unallocated fund balance from previous years, meet or exceed total budgeted use of resources, including expenditures and transfers out to other funds.

Base Budget

Under traditional budgeting, the base budget is that amount carried over from one year to the next. Each year, approved amounts may be added to or subtracted from the base budget.

Beginning Balance

Unencumbered resources available in a fund from the prior fiscal year after payment of prior fiscal year expenditures.

Bond

Capital raised by issuing a written promise to pay a specified sum of money, called the face value or principal amount, with interest at predetermined intervals.

Budget

A fiscal plan of financial operation listing an estimate of proposed expenditures and the proposed means of financing them. The budget must be approved by the City Council prior to the beginning of the fiscal year.

Budget Principles

Principles used by the City Council and staff to guide development of budgets. For the City of Fremont, these principles fall into three primary categories: General Fund Preservation, Reduce the Cost of Doing Business, and Revenue Generation.

California Public Employees' Retirement System (CalPERS)

The retirement system, administered by the State of California, to which all regular City employees belong.

Capital Asset/Capital Outlay

Land, infrastructure, and equipment used in operations that have initial useful lives greater than one year. The City has set the capitalization threshold for reporting infrastructure capital assets at \$25,000, and for all other capital assets at \$5,000. Expenditures made for capital assets are commonly referred to as "Capital Outlay," and are shown in either the CIP (see next page) or department budgets depending on whether the capital asset to be acquired is part of the City's long-term capital improvement program or needed for daily departmental operations.

Capital Budget

A plan of proposed capital outlays and the means of financing them for the current fiscal year period. For a five-year capital budget, the third through fifth year of the Capital Improvement Program is adopted-in-concept.

Capital Improvement Program (CIP)

The five-year financial plan for improving assets and integrating debt service and capital assets maintenance, adopted in a separate budget document and updated every two years.

Certificates of Participation (COPs)

A lending agreement, similar to lease revenue bonds, secured by a lease on the acquired asset or other assets of the City.

Consumer Price Index (CPI)

An indicator of inflation, used in some salary-increase or other calculations.

Cost Center

Cost centers are funds established to account for the transactions and activities related to specific City services, and the fees are used for the benefit of the fee payers. The Development Cost Center, for example, is a fund that accounts for services related to planning, engineering, and inspection of public and private development construction projects.

Debt Service

Payment of the principal and interest on an obligation resulting from the issuance of bonds, notes, or certificates of participation (COPs).

Deficit

An excess of expenditures over revenues (resources).

Department

An organizational unit comprised of divisions or functions. It is the basic unit of service responsibility encompassing a broad mandate of related activities.

Encumbrances

A legal obligation to pay funds for expenditures yet to occur, such as when a purchase order has been issued but the related goods or services have not yet been received. Encumbrances cease to exist when the obligations are paid or terminated.

Expenditure

The actual spending of governmental funds.

Fiscal Year

A twelve-month period of time to which a budget applies. In Fremont, the fiscal year is July 1 through June 30.

Fund

An independent fiscal and accounting entity with a self-balancing set of accounts, used to record all financial transactions related to the specific purpose for which the fund was created.

Fund Balance

The difference between fund assets and fund liabilities.

Gann Limit

State of California legislation that limits a City's appropriations growth rate to changes in population and either the change in California per capita income or the change in the local assessment roll due to non-residential new construction.

General Fund

The primary fund of the City used to account for all revenues and expenditures of the City not legally restricted as to use. This fund is used to accumulate the cost of the City's general operations.

GASB

Governmental Accounting Standards Board. This is the organization that establishes generally accepted accounting principles (GAAP) for state and local governments.

General Obligation Bond

Bonds backed by a voter-approved property tax increase, used to acquire and improve real property.

Grant

A contribution or gift of cash or other assets from another governmental entity or foundation to be used or expended for a specific purpose, activity, or facility. An example is the Community Development Block Grant (CDBG) provided by the federal government.

Hotel/Motel Occupancy Tax

A tax imposed on travelers who stay in temporary lodging facilities within the City. Also referred to as a Transient Occupancy Tax.

Infrastructure

Facilities on which the continuance and growth of the community depend, such as roads, sidewalks, parks and public buildings.

Interfund Transfers

Moneys transferred from one fund to another, such as from a fund receiving revenue to the fund through which the resources are to be expended.

Internal Service Fund

Internal service funds account for City-wide support services, such as risk management, information technology, and employee benefits, that operate on a cost-reimbursement basis, and are used to accumulate funds for vehicle, fire apparatus, and technology infrastructure capital replacement.

Lease Revenue Bonds

A lending agreement, similar to certificates of participation, secured by a lease on the acquired asset or other assets of the City.

Local Improvement District (LID) Bonds

Bonds paid for by special assessments on benefitted property for specific public capital improvements, generally infrastructure.

Materials, Supplies and Services

Expenditures for items that are ordinarily consumed within a fiscal year.

Memoranda of Understanding (MOUs)

The documented agreements resulting from labor negotiations between the City of Fremont and its various bargaining units.

Multi-year Forecast

The Finance Department's three-year forecast of revenues and expenditures.

Non-departmental

Appropriations of the General Fund not directly associated with a specific department. Expenditure items and certain types of anticipated general savings are included.

Object Code

A four-digit number describing a revenue or expenditure.

Objectives

The expected results or achievements of a budget activity.

Operating Budget

Annual appropriation of funds for ongoing program costs, including salaries and benefits, services and supplies. This is the primary means by which most of the financing, acquisition, spending and service delivery activities of the City are controlled. Reserves and contingencies are also components of Fremont's operating budget.

Operating Transfer

Amounts transferred between funds; not considered a revenue or expense. For example, legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended are shown as operating transfers.

Ordinance

A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries.

Other Post-employment Benefits (OPEB)

Post-employment benefits are those benefits other than pension benefits, including post-employment healthcare (retiree medical) and other non-pension benefits.

Overhead

Charges to various funds to cover the cost of administrative services, rent, custodial services, etc.

Performance Measurement

A process for collecting and reporting information regarding performance. It can involve looking at processes/strategies in place, as well as whether outcomes are in line with the intent of the activity.

Performance Measures

Quantitative measures that provide information about products, services, and the processes that produce them. They are a tool to help understand, manage, and improve the services an organization provides.

Proposed Budget

The proposed budget is the budget that is sent to the City Council by the City Manager. The proposed budget, including changes made by the City Council during its review, is approved and then becomes the adopted budget.

Proprietary Funds

City of Fremont activities that operate in a manner similar to private enterprises. Revenues are derived from fees charged to users, and the programs are largely cost-covering. Also referred to as Enterprise Funds.

Resolution

A special order of the City Council, with a lower legal standing than an ordinance.

Revenues

Revenues include tax proceeds and compensation received for specific services to the public (external revenues), as well as revenues received from other funds (internal revenues).

Salaries and Benefits

A budget category that generally accounts for salaries of regular and temporary employees, overtime, and employee benefits, such as medical, dental, pension, and retiree healthcare.

Special Revenue Fund

This fund type is used to account for City revenues from sources that, by law or administrative action, are designated to finance particular functions or activities of government.

Transfers In and Transfers Out

Movement of revenue out of one fund and into another. The recipient fund uses the money to cover the cost of services provided (such as when the General Fund transfers money to the Recreation Cost Center) or to cover the cost of fee-funded activities provided for the benefit of the general public (such as when the General Fund transfers money to the Development Cost Center).

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RESOLUTION NO. 2019-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREMONT APPROVING AND ADOPTING A BUDGET FOR THE FISCAL YEAR JULY 1, 2019 THROUGH JUNE 30, 2020

WHEREAS, the City Manager has prepared a municipal budget for the fiscal year ending June 30, 2020, entitled “City of Fremont, Fiscal Year 2019/20 Proposed Operating Budget” (“Proposed Budget”), a copy of which is on file in the office of the City Clerk; and

WHEREAS, the City Council has examined the Proposed Budget, has conferred with the City Manager and appropriate staff in public sessions, and has deliberated and considered the Proposed Budget during public hearings.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FREMONT
RESOLVES AS FOLLOWS:

SECTION 1. The City Manager is hereby directed to prepare the final budget, in substantial conformance with the Proposed Budget, and as directed by the City Council, for the fiscal year July 1, 2019 through June 30, 2020. The final budget shall be the “City of Fremont, Fiscal Year 2019/20 Adopted Operating Budget.” The final budget may be referred to as “the Budget,” and a copy of the Budget shall be filed in the office of the City Clerk. The Budget is hereby adopted and approved.

SECTION 2. The City Manager is hereby authorized to implement the Budget as set forth in this resolution. The City Manager may delegate the authority to implement this resolution to the Finance Director, or other designated City employees.

SECTION 3. The City Manager is authorized to transfer appropriations as needed from savings available in any account in the Budget to any other accounts within the same fund to meet overall Budget requirements.

SECTION 4. The City Manager is authorized to transfer among various funds amounts designated as “Transfers” in the Budget in increments and at intervals determined by the City Manager.

SECTION 5. The City Manager is authorized to increase appropriations for fiscal year 2019/20 expenditures in an amount not to exceed the amount of funds encumbered, but not yet expended, from fiscal year 2018/19. The actual amount of the increased appropriation due to encumbrances will be reported to the City Council as part of the fiscal year 2018/19 year-end financial report.

SECTION 6. When revenue estimates for the Development Services cost center exceed the amount identified in the Budget due to increases in development and fee activity as verified by the Finance Director, the City Manager is authorized to increase appropriations for fiscal year 2019/20 expenditures in an amount not to exceed the amount of increased revenue. Approval of increased appropriations shall be made in writing by the City Manager, filed with the Finance Director, and reported to the City Council as part of the fiscal year 2019/20 year-end financial report. The

multiplier used to calculate billing rates for planning services and engineering services provided by the Development Services cost center will be 3.25.

SECTION 7. When revenue estimates for the Recreation cost center exceed the amount identified in the Budget due to increases in recreation fee activity as verified by the Finance Director, the City Manager is authorized to increase appropriations for fiscal year 2019/20 expenditures in an amount not to exceed the amount of increased revenue. Approval of increased appropriations shall be made in writing by the City Manager, filed with the Finance Director, and reported to the City Council as part of the fiscal year 2019/20 year-end financial report.

SECTION 8. When revenue estimates exceed the amount identified in the Budget due to increases in grant or fee revenues as verified by the Finance Director, the City Manager is authorized to increase appropriations for fiscal year 2019/20 expenditures in an amount not to exceed the amount of increased revenue. Approval of increased appropriations shall be made in writing by the City Manager, filed with the Finance Director, and reported to the City Council as part of the fiscal year 2019/20 year-end financial report.

SECTION 9. When higher than anticipated revenue activity in the General Fund results in increased costs to directly support that activity (e.g., automated traffic enforcement), the City Manager is authorized to increase appropriations for fiscal year 2019/20 expenditures in an amount not to exceed the amount of increased revenue. Approval of increased appropriations shall be made in writing by the City Manager, filed with the Finance Director, and reported to the City Council as part of the fiscal year 2019/20 year-end financial report.

SECTION 10. The City Manager is authorized to appropriate and transfer funds from the General Fund, or other funds from which personnel costs are budgeted, to the Risk Management Fund in the amounts necessary to maintain adequate funding of the workers' compensation and general liability reserves based on the actuarial valuation reports for these programs as of June 30, 2019, to the extent that the necessary amounts are available as unencumbered ending fund balance.

SECTION 11. The City Manager is instructed to use restricted funding sources in accordance with the requirements of the funding sources prior to using funds with unrestricted resources in order to allow the City the greatest flexibility in meeting its financial obligations.

SECTION 12. Each Councilmember is authorized \$7,500, and the Mayor is authorized \$17,500, for Council travel and expense reimbursement, to be utilized in accordance with the Council Travel Budget and Expense Reimbursement Policy.

SECTION 13. The City Manager is instructed to implement all policies contained in the "Policies" section of the Budget.

SECTION 14. This resolution shall take effect immediately upon its adoption.

ADOPTED, June 11, 2019, by the City Council of the City of Fremont, by the following vote:

AYES: Mayor Mei; Vice Mayor Salwan; Councilmembers Bacon, Keng, Jones, Kassan and Shao

NOES: None

ABSENT: None

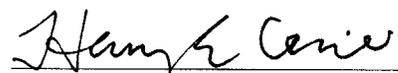
ABSTAIN: None



Mayor

ATTEST:


City Clerk

APPROVED AS TO FORM:


City Attorney

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RESOLUTION NO. 2019-25

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREMONT
ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR
2019/20 FOR THE CITY OF FREMONT**

WHEREAS, Article XIII B of the California Constitution (enacted with the passage of Proposition 4 in 1979; with modifications under Proposition 111, passed by the voters of California in June 1990; and implemented by California Government Code Sections 7900, and following), specifies appropriations of governmental entities may increase by an amount not to exceed the change in population and the change in either the California per capita income or the change in non-residential assessed valuation due to new construction within the City; and

WHEREAS, documentation used in the determination of the fiscal year 2019/20 appropriations limit has been available to the public prior to City Council's determination in this matter, as required by Government Code Section 7910.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF FREMONT RESOLVES AS FOLLOWS:

SECTION 1. Pursuant to the appropriations limit formula set forth by Government Code Sections 7900-7913, the City Council does hereby establish the appropriations limit for fiscal year 2019/20 for the City of Fremont as \$735,945,561, as documented in Exhibit A, attached hereto and incorporated herein by reference as though fully set forth.

SECTION 2. The City Council of the City of Fremont adopts as the adjustment factors for use in determining the fiscal year 2019/20 appropriations limit the following:

Population Factor: The percentage change in the City's population from January 1 of the preceding calendar year to January 1 of the current calendar year as provided in the State of California Department of Finance "Price and Population Information" publication, dated May 2019.

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Assessment Factor: The percentage change in assessment roll from the preceding year due to non-residential new construction for fiscal year 2019/20.

ADOPTED, June 11, 2019, 2019, by the City Council of the City of Fremont, by the following vote:

AYES: Mayor Mei; Vice Mayor Salwan; Councilmembers Bacon, Keng, Jones, Kassan and Shao

NOES: None

ABSENT: None

ABSTAIN: None

ATTEST:

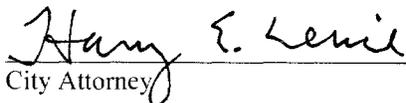


City Clerk



Mayor

APPROVED AS TO FORM:



City Attorney

Exhibit A to Resolution No. 2019-25

Article XIII B of the California Constitution (enacted with the passage of Proposition 4 in 1979, with modifications under Proposition 111 passed in June 1990, and implemented by California Government Code sections 7900, and following) provides the basis for the appropriations limitation. In brief, the City’s appropriations growth rate is limited to changes in population and either the change in California per capita income or the change in the local assessment roll due to new, non-residential construction. The formula to be used in calculating the growth rate is:

$$\frac{\% \text{ change in population} + 100}{100}$$

multiplied by

either

$$\frac{\% \text{ change in per capita income} + 100}{100}$$

or

$$\frac{\% \text{ change in assessment roll due to non-residential construction} + 100}{100}$$

The resultant factor times the previous appropriations limit equals the new appropriations limit.

Both the California per capita personal income price factor and the population percentage change factor are provided by the State Department of Finance to local jurisdictions each year. The population percentage change factor estimates the change in the City’s population between January of the previous fiscal year and January of the current fiscal year. Reports that present changes in new non-residential assessed value are provided by the County of Alameda. These numbers provide the basis for the factor to be used in the City’s calculation of the appropriations limit. Of the two methods above, the City is using the “per capita personal income” factor because it results in the higher appropriations limit.

On May 1, 2019, the State Department of Finance notified each city of the population change factor and the per capita personal income factor to be used in determining the appropriations limit. The percentage change in per capita income is 3.85%. The calculation as applied to the City of Fremont for FY 2019/20 is as follows:

The population change on January 1 of the previous year (231,252) compared to the population on January 1, 2019 (232,532) is 1,280, or a 0.55% increase.
 The change in per capita personal income is 3.85%.
 The factor for determining the year-to-year increase is computed as:

$$\frac{0.55 + 100}{100} \times \frac{3.85 + 100}{100} = 1.0442$$

Applying this year’s factor of 1.0442 to last year’s limit of \$704,793,680, the appropriations limit for FY 2019/20 yields \$735,945,561.

Based on an operating budget of \$219,950,000, Fremont is not at risk of exceeding the

appropriations limit. The appropriations limit is adopted by the City Council concurrently with the adoption of the FY 2019/20 operating budget.