

**CITY OF MARTINEZ
CALIFORNIA**

**2005-06 AND 2006-07
BIENNIAL BUDGET**

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JUNE CATALANO, CITY MANAGER

JUNE 15, 2005

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June 15, 2005

Honorable Mayor and City Council Members:

I respectfully submit to you the Biennial Budget for the City of Martinez for fiscal years 2005-2007. The City Council held a Goal Setting Session on February 1, 2005. In that meeting the Council articulated several overarching principles regarding what is especially important to the community, and identified specific goals and objectives for the next two years in support of those principles. Those principles are outlined below:

Retain and enhance the City's small town character and strong sense of community. Martinez is a special place. It retains a small town charm and feels buffered from the more hectic pace and congestion of many other Bay Area cities. Martinez has its own school district, it is generally safe, and residents consider it a good place to live and to raise their families. People enjoy traditional community events such as the Fourth of July and Little League parades. These characteristics have contributed to a tangible sense of community.

Continue to preserve the City's history to the community's advantage. Martinez has nurtured a sense of its history, reflected in the architecture of older residential neighborhoods, in the scale and ambience of its downtown, and by an appreciation of such features as John Muir's home and the railroad. This respect for history will contribute to maintaining the character of the community, an improved City image, and continued economic development.

Enhance the City's image to attract more investors and visitors. The City has been associated, by some persons not familiar with it, with nearby oil refining facilities and unattractive gateway corridors, suggesting to them an industrial character—however, that is not borne out by the real nature of the area. With its strong sense of community pride, Martinez seeks to enhance its image, and thereby bolster investment, property values, and tourism.

Work toward a stronger, more diverse local economy. The community would benefit from a stronger and more diversified local economy that would give residents added options for dining out and buying goods and services near

home. A more vibrant economy would also contribute to greater City revenues that could be used for desired facilities and services. The marina and downtown will be where most economic development will be concentrated.

Expand opportunities for outdoor recreation. Martinez also enjoys an attractive natural setting, lying between hillsides and the waterfront that affords a wide variety of outdoor recreation options. However, additional sports fields and facilities like a bike park would benefit the community's young people. A new community swimming pool is another important goal.

The Council identified several goals that they would like to achieve, along with specific objectives that could be accomplished during the fiscal years 2005-2007. The highest priority goals are as follows:

- 1. Enhance Marina area.** Realizing this goal would mean a better functioning marina with physical improvements such as a new breakwater and deeper channels; new landside improvements such as restaurants, possibly visitor accommodations, and new active recreation facilities; and more attractive and efficient access through town to the marina.

Within the timeframe of the 2005-07 Budget, the City hopes to achieve the following specific objectives:

- Select and enter into a new contract with a new marina operator.
- Review and where necessary, update the master plan and business plan.
- Removal of the old pier.
- Start the permitting process for the new breakwater and dredging; identify funding sources for implementation of those improvements.

- 2. Revitalize Downtown.** Realizing this goal would mean a downtown with more diverse stores and restaurants, improved parking and circulation, more housing opportunities, the fuller development of underutilized public properties, retrofitted un-reinforced masonry buildings, and the addition of a wider range of cultural facilities.

Within the timeframe of the 2005-07 Budget, the City hopes to achieve the following specific objectives:

- Completion and adoption of the Downtown Specific Plan.
- Underground overhead utilities on Marina Vista.
- Assess the feasibility of a new parking structure on existing surface parking lots.
- Move the City Corporation Yard out of downtown.

- 3. Move Forward on the John Muir Festival Center.** Realizing this goal would mean the development of a new performing arts theater at the old auto parts site, completion of improvements to the John Muir amphitheater, and remodeling and enlarging the National Park Service Visitor Center.

Within the timeframe of the 2005-07 Budget, the City hopes to achieve the following specific objectives:

- The JMFC Committee to begin construction of the new theater.
- Completion of the John Muir amphitheater improvements.

- 4. Vote on Formation of Redevelopment Agency.** Realizing this goal would mean a public vote on this issue. If approved, a number of follow up actions would be needed to actually create the agency and develop a redevelopment plan.

Within the timeframe of the 2005-07 Budget, the City hopes to realize the following specific objectives:

- An election on the formation of a Redevelopment Agency.

- 5. Update emergency response plan.** Realizing this goal would mean an updated emergency response plan that covers protection measures for wildfires and industrial accidents, identification of needed infrastructure and equipment upgrades, and emergency evacuation plans.

Within the timeframe of the 2005-07 Budget, the City hopes to achieve the following specific objectives:

- Completion and approval of the updated plan.
- Identification of those implementation measures that are highest priority and most feasible.

The 2005-2007 Biennial Budget incorporates the Council's principles, goals and objectives and continues existing levels of service to the community. It also adheres to the fundamental City Council policies of funding current operations expenditures with current year revenues, maintaining an adequate fund balance to protect the City from unforeseen circumstances, and allocating resources to the highest priority services.

RECAP OF 2004-2005

Despite the State's continuing dependence on local revenues to fill the gap in its operating budget, the City's revenues in 2004-05 are expected to exceed original projections by \$1,146,000, or a total of \$16,024,000. In addition to mid-year revenue adjustments of \$377,000, this increase reflects several one time revenues, including the VLF Gap Loan Repayment of \$569,000, a Community Development Block Grant of \$25,000, and \$175,000 for the sale of property. The approval by voters of Proposition 1A in November 2004 is expected to protect local agencies from future local revenue shifts by the State. The Triple Flip tax swap imposed by the State in 2004-05 has reduced the sales tax and vehicle license fee revenues the City receives, and replaced them with additional property tax revenue. The General Fund is expected to end fiscal year 2004-05 with an unreserved fund balance of \$4.7 million.

The City can be proud of its many accomplishments in support of the Council's goals for fiscal years 2003-2005. These achievements are enumerated in each department's budget narrative, and the most significant are highlighted below.

Ensure public safety and security

- ❑ Implemented a "Wireless 911" system, becoming one of the first agencies in the State to enable cell phone users in Martinez direct access to the Martinez Police Dispatch in case of an emergency.
- ❑ Implemented the "Cell Phones for Seniors" program, providing more than 150 cell phones to needy seniors for use in the event of an emergency.
- ❑ Developed a page on the City's website that allows citizens to access the general locations of sex offenders registered in Martinez.
- ❑ In conjunction with Mothers Against Drunk Driving (M.A.D.D.), implemented a program to target impaired drivers and monitor drunk driving cases as they migrate through the court system.
- ❑ Implemented a program to provide free gunlocks to citizens to prevent injuries, particularly to children.

Develop methods of financing infrastructure

- ❑ Secured Measure C funding for the Alhambra Avenue Improvement Project, which will run from Highway 4 to Alhambra Valley Road and MacAlvey Drive.
- ❑ Obtained grants from the Coastal Conservancy and Department of Boating and Waterways to fund construction of the Ferry Plaza and reconstruction of the boat launch ramp.
- ❑ Received a Community Development Block Grant (CDBG) to fund a Façade Improvement Program that provides money to local businesses as an incentive to improve their storefronts and exteriors.
- ❑ Obtained a grant from the United States Tennis Association to offer basic tennis instructions to children, adults and people with disabilities.
- ❑ Provided informational workshops and held an advisory vote to gauge citizen support for establishment of a Redevelopment Agency.
- ❑ Developed a proposed general obligation bond measure that was placed on the November 2004 ballot that would have supported improvements to the marina, parks, the library and other community facilities.

Revitalize Downtown

- ❑ Hired an Economic Development Director to facilitate attracting new businesses to the City, in particular to the downtown.
- ❑ Assisted in the opening of 12 new businesses, including several downtown restaurants and retail establishments
- ❑ Completed the draft Downtown Specific Plan and Environment Impact Report (EIR) and held public workshops.
- ❑ Leased a downtown building for use by the Willows Theatre Company as an indoor performing arts center, with live performances scheduled to begin in December 2005.

Enhance community pride and involvement

- ❑ Worked with representatives from the ABC show “Extreme Makeover: Home Edition,” hundreds of community volunteers, and the local construction firm *DeNova Homes* to build a new home in one week for a Martinez family in need.
- ❑ Received the 2004 Helen Putnam Award for Excellence, Honorable Mention, from the League of California Cities for its efforts to enhance public trust and ethics, while fostering greater community involvement.
- ❑ Worked with local groups to sponsor a successful Jazz Festival.

- ❑ Partnered with local civic groups to present the Holiday Frolic event, including the Children’s Light Parade and lighting of the “Tree of Spirit.”
- ❑ Continued to aggressively implement code enforcement and introduced a new Administrative Citation Ordinance to provide additional tools for enforcement.

Practice fiscal responsibility.

- ❑ Received the Government Finance Officers’ Association (GFOA) Certificate of Excellence Award and the California Society of Municipal Finance Officers (CSMFO) Award of Excellence for the City’s 2002-03 and 2003-04 comprehensive annual financial reports (CAFRs).
- ❑ Received the CSMFO Public Communications and Operating Budget Awards for the 2003-05 budget.
- ❑ Designated reserve funds for one-time expenditures such as paving and beautification projects to enhance the appearance and livability of the City.
- ❑ Maintained a healthy reserve, despite revenue shifts by the State to fill its budget gap.
- ❑ Invested in replacing more than 1,000 outdated downtown parking meters with modern electronic meters designed to resist vandalism and theft.
- ❑ Successfully reduced on the job injuries by 48% and realized savings of \$349,000 in the City’s Workers’ Compensation premium

FINANCIAL SUMMARY

Economic growth is expected to slow this year but the unemployment rate is expected to drop from 5.5% to 5.2%. Economic forecasters are predicting that gross domestic product (GDP) will expand by 2.8 – 3.6% in 2005 and 2.6 – 3.6% in 2006. Growth is expected to decelerate in 2006, with the trade deficit and low national savings rate causing potential problems for the economy. Economists generally agree that the housing market will cool as mortgage rates rise. Consumer prices are expected to rise 2.2% this year and 2.3% next year.

In California, solid growth is expected in 2005. In 2006, state and local economies will be impacted by an overall downturn in the national economy. The Bay Area remains the most expensive place to live in the United States. The cost of housing is the single most important factor driving the cost of living, however, the housing market is expected to begin to slow leading to tepid overall growth in the next few years.

There are certain trends in California city finances. State and Federal aid to California cities has declined from 21% of a typical city's budget in 1974-75 to 10% today. The sales tax base is declining due to a shift toward a service-oriented economy and increasing internet and catalog retail sales. Public safety spending has increased since September 11, 2001, and infrastructure improvements and maintenance are lagging.

The Governor's proposed 2005-06 budget recognizes the passage of Proposition 1A in November 2004, which limits the State's ability to shift revenues designated for local governments. However, local governments are committed to contributing \$1.3 billion in additional property tax shifts in 2005-06 to help the State balance its budget. The City's share is \$399,000. This amount is in addition to the ongoing ERAF property tax shifts occurring since 1992-93 from local governments, which help the State meet its constitutional requirement to fund schools. Through 2004-05, the City has lost \$17,022,000 in these ERAF takeaways. In addition, some funding to cities for special programs not covered by Proposition 1A has been cut, deferred or suspended, including proposed borrowing from Proposition 42 revenues in 2005-06; deferral and suspension of some state mandates; elimination of funding for booking fees, and limitations on charges that counties can impose on cities for these services.

BUDGET HIGHLIGHTS

Revenues

Total General Fund revenues are projected at \$16,484,258 in 2005-06 and \$17,195,063 in 2006-07. Property tax, which is the largest source of General Fund revenue, is estimated to grow by 5% in both years, to \$5,565,000 in 2005-06 and to \$5,843,250 in 2006-07. Sales tax and Sales Tax In-Lieu are expected to increase by 6% in 2005-06 to \$4,133,954, and to increase by 3% in 2006-07 to \$4,257,973. Other major revenue sources include franchise fees, user fees, and business license taxes.

Expenditures

General Fund operating expenditures are \$16,403,395 in 2005-06 and \$17,168,432 in 2006-07, with an additional \$779,276 in transfers out in 2005-06 and \$610,431 in 2006-07. Staff has carefully reviewed all proposed expenditures. The City's staffing levels remain low in comparison to surrounding cities of similar size. For example, the City's ratio of FTEs per 1,000 of population is 3.2.¹ The average of other cities in Contra Costa County is 4.14 FTEs/1,000 of

¹ Includes totals for primary services that are contracted by other cities (i.e. Police and Building) and excludes Water System personnel

population. No additional general fund positions have been requested. A parking meter technician position to collect parking meter revenue and funded by parking fund revenue is budgeted. The total FTEs for all funds is 131.8. Highlights of the budget are identified in the following table:

BUDGET HIGHLIGHTS

INCREASES TO OPERATING	FY 2004-05 BUDGET	FY 2005-06 BUDGET	DIFFERENCE FROM 2004-05	FY 2006-07 BUDGET	DIFFERENCE FROM 2004-05
Salaries	8,026,328	8,186,972	160,644	8,349,831	323,503
PERS	1,607,473	2,025,959	418,486	2,092,586	485,113
Employee health benefits	1,083,524	1,224,121	140,597	1,382,842	299,318
Retiree benefits	367,938	440,966	73,028	509,877	141,939
Utilities	702,560	811,105	108,545	842,659	140,099
TOTAL	11,787,823	12,689,123	901,300	13,177,795	1,389,972
AREAS OF SAVINGS	FY 2004-05 BUDGET	FY 2005-06 BUDGET	DIFFERENCE FROM 2004-05	FY 2006-07 BUDGET	DIFFERENCE FROM 2004-05
Reduction in Overtime	443,300	411,000	(32,300)	421,300	(22,000)
Reduction in Temporary Salaries	516,874	496,250	(20,624)	502,400	(14,474)
Reduction in Workers Comp	703,984	516,350	(187,634)	542,957	(161,027)
Reduction in Liability Insurance	520,794	346,608	(174,186) ²	364,469	(156,325)
Equipment Replacement Expenditures	401,235	188,000	(213,235)	199,000	(202,235)
2003 General Bond	240,341	57,306	(183,035)	241,306	965
Sworn Disability Insurance	41,585	8,308	(33,277)	8,337	(33,238)
Disability Insurance Assessment	44,276	24,565	(19,711)	24,566	(19,710)
TOTAL	2,912,389	2,048,387	(864,002)	2,304,335	(608,054)

² Does not include \$182,000 credit received for reduction in claims experience

A healthy fund balance is important to protect the City in times of economic uncertainty. This budget maintains an undesignated fund balance of \$4,018,254, or 24% of the operating budget in 2005-06, and \$3,434,454, equal to 20% of the operating budget in 2006-07. It is equally important to target appropriate investments that will enhance the quality of life for our citizens and support economic development that will provide long term benefits to the City. A portion of the fund balance has been designated for one time expenditures that support the City Council's goals and meet future financial obligations. These one time expenditures and transfers are presented in the table below:

TRANSFERS FROM RESERVES	FY 2005-06	FY 2006-07
<i>Transfers to Designated Reserves:</i>		
Retiree Benefits	368,641	334,796
Future Pension Obligations	100,000	150,000
Insurance Reserve	125,000	
<i>Transfers to Other Funds:</i>		
Paving Projects (CIP)	150,000	105,000
9/11 Memorial (CIP)	15,000	
Lifeline Water Program (Water)	20,635	20,635
<i>One-time Expenditures:</i>		
Library Hours	42,800	45,000
Chamber of Commerce	50,000	50,000
Main Street	50,000	50,000
Events Coordinator	30,000	30,000
636 Ward Street Rent	43,740	44,430
Art and Library Grants	13,500	5,000
First Night	5,000	5,000
TOTAL	1,014,316	839,861

The table below summarizes the General Fund revenues, expenditures, transfers and fund balances for each of the two years:

GENERAL FUND SUMMARY	FY 2005-06	FY 2006-07
Revenues	16,484,258	17,195,063
Expenditures	<u>16,403,395</u>	<u>17,168,432</u>
Excess Revenues/Expenditures	80,863	26,631
Transfer to CIPs	(165,000)	(105,000)
Transfer to Water System	(20,635)	(20,635)
Transfers to Designated Reserves	(593,641)	(484,796)
Beginning Fund Balance	4,716,667	4,043,254
Net Change to Fund Balance	(698,413)	(583,800)
Ending Fund Balance	4,018,254	3,434,454

The total budgeted revenue for all City funds in 2005-06 is \$33,539,265, with expenditures of \$36,902,296. In 2006-07, revenues are budgeted at \$36,375,445, with expenditures of \$39,099,016. All City funds include: General, Gas Tax, Transportation, Equipment Replacement, Information Services, NPDES-Stormwater, Parking Services, Water System, Marina, Lighting and Landscaping, Debt Service, and Special Assessment Funds. Each of these funds consolidates the revenues, expenditures, and one-time investments for specific activities.

Highlights of the Other Funds budgets include:

The Water System Fund includes an increase in the cost of purchasing raw water of \$200,000 the first year and \$267,500 in the second year of the budget. Labor and benefits increased due to the reclassification of four maintenance workers to the Water System, but was offset by a reduction in job costing for these workers. The Water System's overall budget in 2005-06 is \$11,920,443, including CIP expenses of \$2,900,000 and debt service of \$900,144. Revenues are budgeted at \$9,588,660 for 2005-06. The Water System's overall budget in 2006-07 is

\$11,959,561, including CIP expenses of \$2,750,000 and debt service of \$892,661. Revenues are budgeted at \$9,600,860 for 2006-07. The capital improvement expenses include the City's continuing effort to replace existing water meters with meters that can be read remotely, a block at a time, which allows for more efficient consumption readings and reduces labor costs. Another ongoing capital improvement is the replacement of water mains that have reached the end of their useful life cycle, which reduces leak repairs and inconvenience to the public. The largest project is the replacement of the Harborview Reservoir which will ensure a safe and reliable supply of water to our citizens. All CIPs for the Water System can be found under Section 10, Enterprise Funds.

The Parking Fund includes a Parking Meter Technician position that was recommended in the parking needs study that was completed last year. The cost is \$46,700 in 2005-06 and \$55,700 in 2006-07. The budget reflects a reduction in repair and maintenance of \$15,000 due to the installation of new parking meters, which was a capital improvement project in 2004-05. The operating budget for 2005-06 is \$470,547; revenues are projected at \$472,700. The 2006-07 operating budget is \$480,950 and revenues are budgeted at \$483,800. The fund balance will increase slightly over the two year period.

The Marina Fund includes a reduction in expenditures over the two year budget of \$48,035 in relation to the 2004-05 budget. This reduction is due primarily to the completion of the restaurant design. Revenues are estimated at \$163,319 in 2005-06 with expenditures of \$157,228. Revenues in 2006-07 are projected to be \$166,747 with expenditures of \$166,191. There are no new capital improvements budgeted for the Marina in 2005-06 and 2006-07.

Capital Improvement Program

The Capital Improvement Program (CIP) budget, excluding enterprise funds, is \$3,176,485 for 2005-06 and \$5,331,994 in 2006-07. The projects included in the program are described in Section 13, Capital Improvement Projects.

CONCLUSION

The City must continue to identify both opportunities to reduce costs and to attract new sources of revenue. It must also continue its efforts to support existing businesses and attract new businesses that meet the community's needs and strengthen its economic base. Finally, it is essential that the City continue its practice of prudent fiscal management to ensure that its resources are adequate to draw upon during economic downturns and to meet its future obligations. This

Budget presents a plan for addressing the goals of the City Council within existing resources. It supports both the immediate needs of the community and the long-term fiscal health of the City.

Respectfully Submitted,

June Catalano
City Manager

*California Society of
Municipal Finance Officers*

Certificate of Award

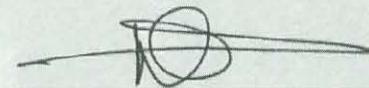
Excellence in Operational Budgeting 2003-04

Presented to

City of Martinez

This certificate recognizes Meritorious Achievement in Operational Budgeting and reflects a highly professional budget document and the underlying budgeting process through which the budget is implemented.

March 1, 2004



Chair, Budgeting & Financial Management

Dedicated to Excellence in Municipal Financial Management



*California Society of
Municipal Finance Officers*

Certificate of Award

Merit in Public Communication Budgeting 2003-04

Presented to

City of Martinez

This certificate recognizes meritorious achievement in Public Communication Budgeting and reflects a highly professional budget document and the underlying budgeting process through which the budget is implemented.

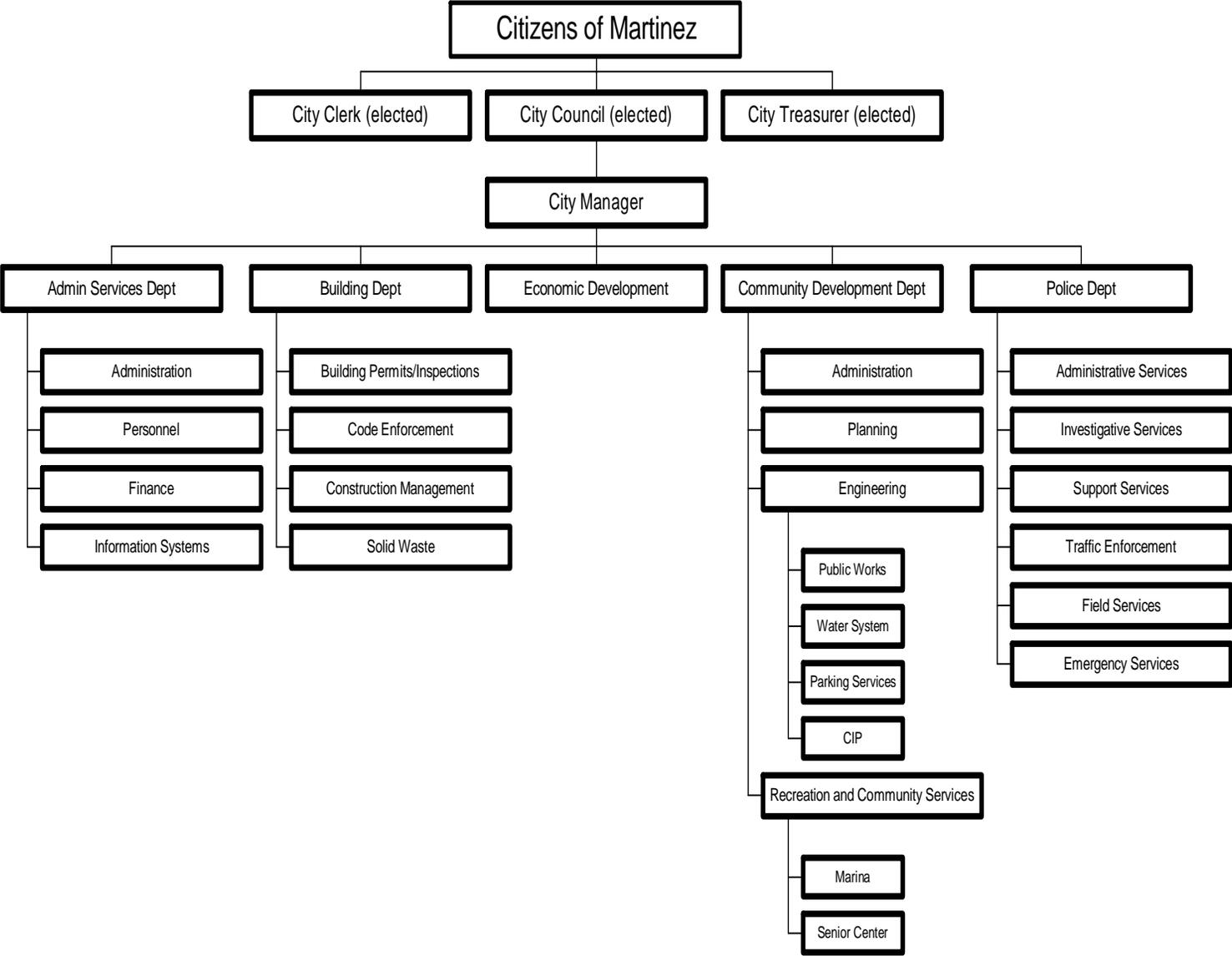
March 1, 2004



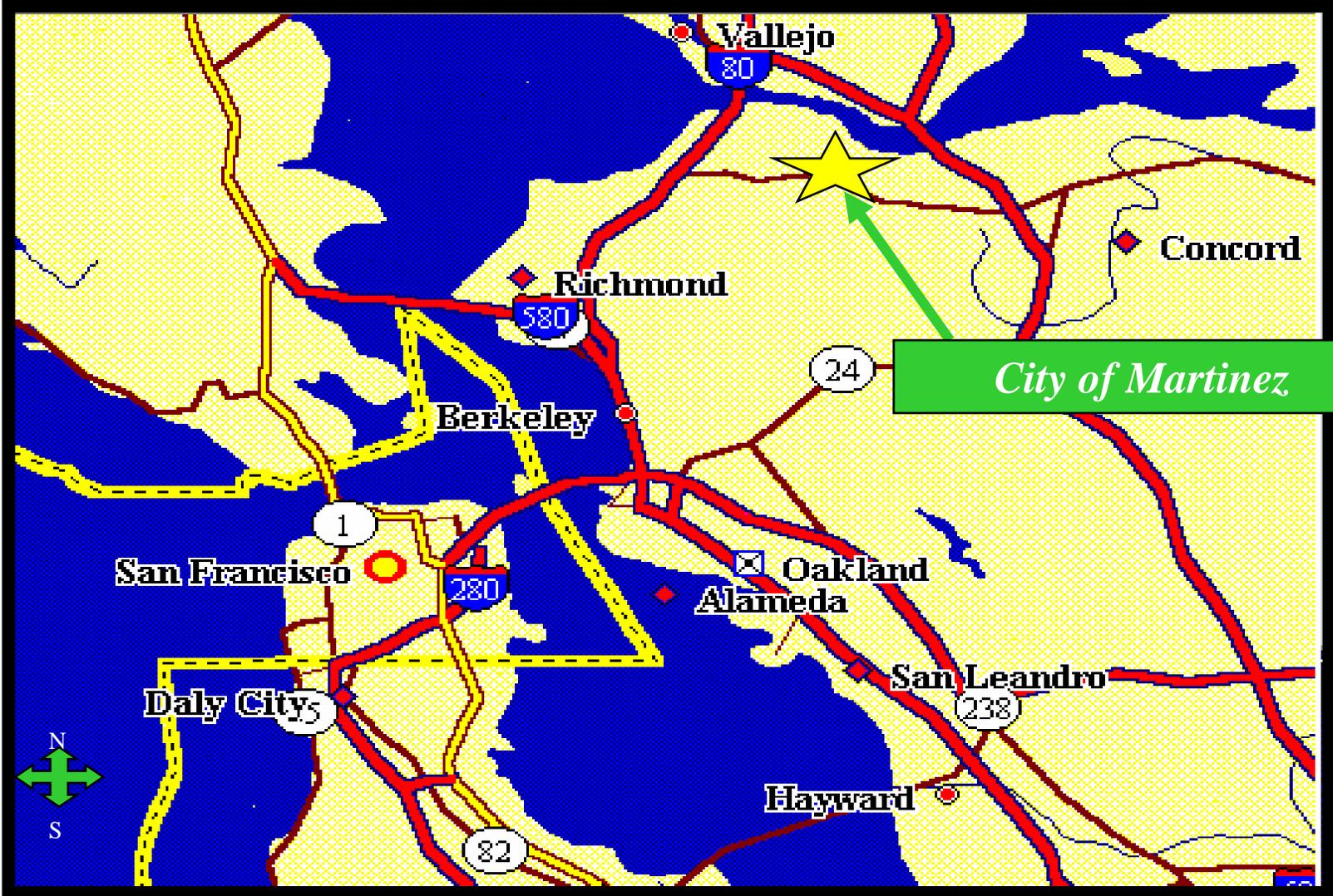
Chair, Budgeting & Financial Management

Dedicated to Excellence in Municipal Financial Management

CITY OF MARTINEZ ORGANIZATION CHART



AREA MAP



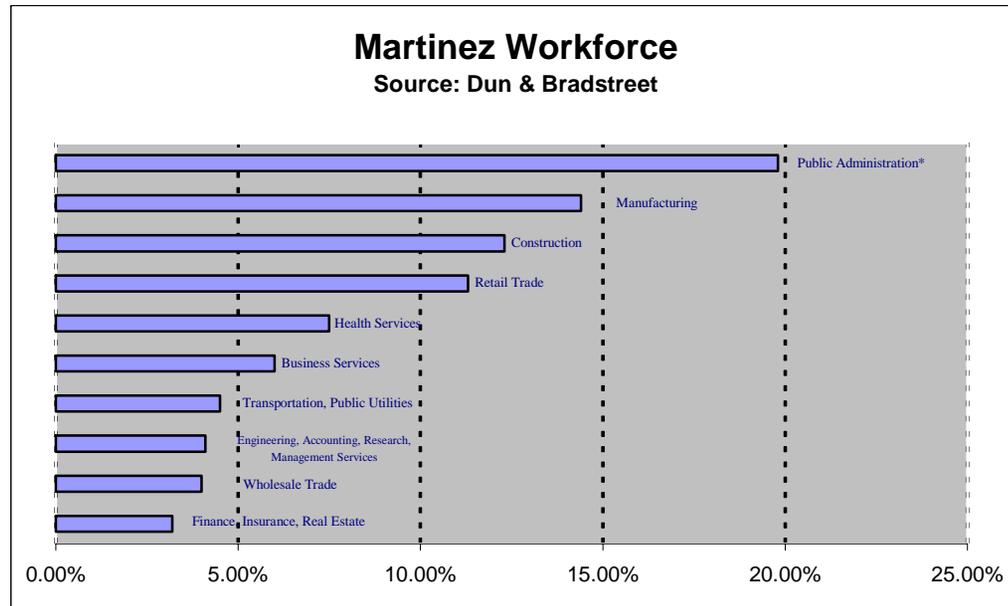
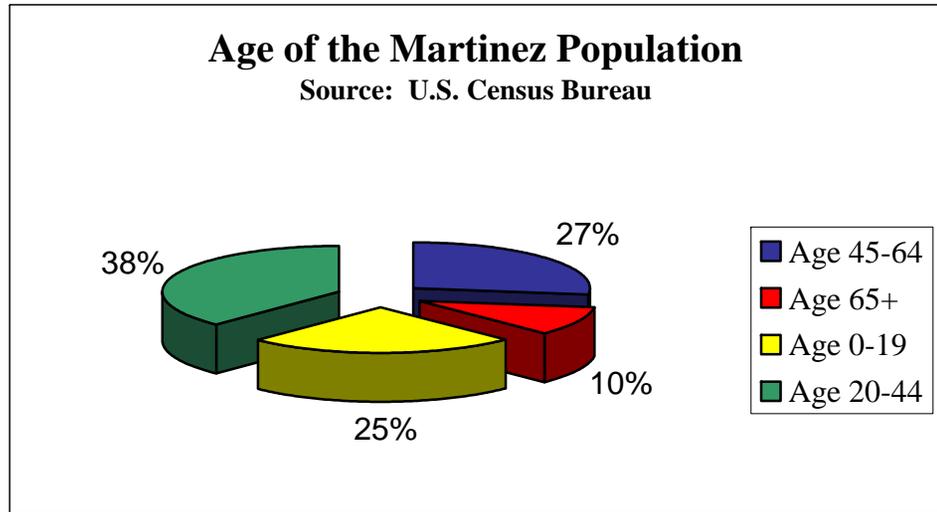
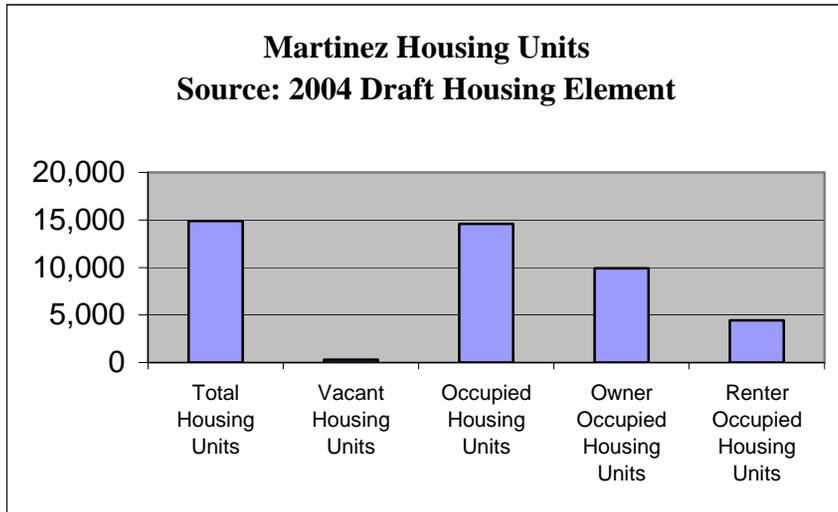
MISCELLANEOUS STATISTICS

Year of Incorporation	1876	Police Protection	
Form of Government	Council/ Manager	Number of Police Stations	1
Employees (Full Time)	131.8	Number of Sworn Officers	39
Area (Miles)	12.5	Number of Support Personnel	16
Miles of Streets	122	Miles of Water Lines (Estimated)	200
Acres of Developed Park Land	103	Water Meters (Estimated)	9,800
Elevation	30 feet	Building Permits Issued (Estimated)	3,200
Population	36,818	Building Inspections (Estimated)	12,000
Average Minimum Temperature	57 degrees	Hospitals	
Average Maximum Temperature	92 degrees	Contra Costa Regional Medical Center	
Average Rainfall	18"	Kaiser Permanente Hospital	
Median Household Income	\$63,010	VA Medical Center	
Median Home Price	\$415,000	Education	
		Elementary Schools	4
		Middle School	1
		High School	1
		Continuation School	1
		Independent Study	1
		Students	5,297

Sources:

US Census Bureau
 Various City Records and the Martinez Unified School District
 City of Martinez Area Chamber of Commerce

DEMOGRAPHICS INFORMATION



*Martinez is the County Seat of Contra Costa County.

ELEMENTS OF THE BUDGET DOCUMENT

The Budget for 2005-2007 is a policy document that describes the City's goals and objectives and indicates how resources are allocated to achieve these goals. In addition, it serves as a financial plan, an operations guide, and a communications tool.

The document includes the following key elements:

Introduction

The Introduction includes the City Manager's Budget Message to the City Council. The Budget Message highlights the Council's goals, summarizes the City's financial position, highlights key issues that are addressed in the budget, documents proposed new programs, and recommends strategies for ensuring financial stability while continuing to provide high quality services to the community. The Introduction also has the overall City organization chart, area map and miscellaneous statistics and demographics.

Budget Guide

The Budget Guide section includes the budget calendar, an explanation of the budget process, structure of the City's finances, revenue descriptions, key assumptions used to build the budget, and the City's long term debt.

Summary Schedules

This Summary Schedules section provides summary financial information regarding fund balances, projected revenues, expenditures and transfers for all funds in the City. This section also includes a summary of positions by department.

General Fund and Departmental Operating Budgets

The General Fund section provides descriptive information on the functions, accomplishments, objectives, and budget highlights of the General Government budget group, and a listing of both historical and proposed expenditures for this area.

The Departmental Operating Budgets are divided into individual sections for the following operating departments: Administrative Services, Building, Police, and Community Development. Each section includes a departmental organization chart, staffing summary, and a list of major responsibilities. Additionally, each department budget provides summary narrative and financial information for

each of its divisions/program areas that includes significant accomplishments for FY 2004-05, upcoming objectives, and budget highlights. The historical and proposed two year budget expenditures by division are provided.

Enterprise Funds

The Enterprise section provides information on the City's three enterprise funds: Water System, Marina and Parking Services.

Special Revenue Funds

This section provides information on the City's five special revenue funds: COPS Grants, Gasoline Tax, Transportation, NPDES, Lighting and Landscaping, and Mitigation/Impact Fees.

Internal Service Funds

This section includes information on the City's two internal service funds: Equipment Replacement and Information Systems.

Capital Improvements

The Capital Improvements section details the proposed capital projects for the 2005-07 fiscal years and those projects carried forward from the prior year. This section includes projects that have been reviewed and approved by the City Council. Projects recommended for funding have been selected based on criteria approved by the City Council.

Appendices

The Appendices section includes: Budget Resolution; Appropriation (Gann) Limit Resolution and Description; Investment Policy; Fixed Assets Capitalization and Inventory Control Policy; Capital Financing and Debt Management Policy; Summary of Benefits by Representative Unit; Guide to Funds by Number; Budget Glossary; List of Acronyms; and Budget Index.

2005-06 AND 2006-07 BUDGET CALENDAR

October 26, 2004:	Budget Calendar and staffing summaries/personnel listings distributed to departments
November 9, 2004:	Departments return staffing summaries/personnel listings to Finance
December 7, 2004:	Program revenue and operations budget worksheets distributed to departments
January 17, 2005:	Departments return program revenue and operations budget worksheets to Finance
January 26, 2005	Budget narrative worksheets distributed to departments
February 1, 2005:	Council goal-setting session
February 18, 2005:	Finance completes initial draft of budget and assembles workbooks
February 22 – March 4, 2005:	Budget work sessions with City Manager and Department Heads
February 23, 2005:	Departments return budget narratives to Administrative Services
March 10, 2005:	Final budget narratives distributed to departments
March 14, 2005:	CIP updates to Finance
March 17, 2005:	Departments return final budget narratives to Administrative Services
March 23, 2005:	Meet with Budget Subcommittee
April 20, 2005:	Public budget workshop
April 21, 2005:	Review changes with Budget Subcommittee
May 4, 2005:	Additional discussion by City Council at Council Meeting
June 1, 2005:	Present proposed budget to Council
June 15, 2005:	Budget adopted by Council
June 30, 2005:	Budget printed and available for distribution

BUDGET DEVELOPMENT

Budget Process

The proposed budget includes estimated revenues and expenditures for operating and capital improvement projects for the two fiscal years on a basis consistent with Generally Accepted Accounting Principles (GAAP). The data is presented to the City Manager for review and a public meeting is conducted to obtain public comments. The City Council adopts the budget by June 30 through passage of an adopting resolution.

As with any budget preparation, the ongoing process includes the phases of development, proposal, adoption, and monitoring. The process began with the preparation and distribution of budget instructions and guidelines by the Administrative Services Department in October 2004. Departments were instructed to submit their budget requests to the City Manager by mid January 2005 so that the 2-year budget could be developed and reviewed by the Budget Subcommittee. Additionally, the City Council held a public goal-setting session in February 2005 to establish the City's priorities for the budget period. On June 1, 2005, the Council was presented with the proposed budget. The budget – and an appropriations resolution to fund both years of the budget – were adopted at a public City Council meeting on June 15, 2005.

After the budget has been adopted, the monitoring phase will begin. Department heads will maintain control over their respective funds and ensure adequate resources are available. A mid-year budget review will be conducted in February of each of the two fiscal years. The City will conduct an annual budget review in June of the first year, and at that time make any changes to update the second budget year. Any necessary adjustments to the budget will be enacted by City Council resolution.

Level of Budget Control

The 2-year budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within their respective departments. The City Manager is authorized to revise the budget so long as the total revisions in any single budget year do not exceed 5% of the budget, and provided that sufficient revenues are available to offset such revisions. Council approval is required for additional appropriation from fund balances or new revenue sources. The legal level of budgetary control is the department level.

Reporting Entity

The City of Martinez was incorporated 1876 under the laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. The City operates under a Council-Manager form of government, and currently provides a wide variety of services to its citizens, including police, public services, community development, engineering, recreation, and general administrative services. The financial statements for the City of Martinez are prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The City maintains both governmental and proprietary fund types.

Governmental Fund Types

General Fund: The General Fund is the general operating fund of the City and accounts for all unrestricted financial resources except those required to be accounted for in another fund.

Special Revenue Funds: Special Revenue Funds account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

Debt Service Funds: Debt Service Funds account for the accumulation of resources for and the payment of, interest and principal on general long-term debt and related costs.

Capital Projects Funds: Capital Projects Funds account for financial resources segregated for the acquisition of major capital projects or facilities (other than those financed by proprietary fund types.)

Proprietary Fund Types

Enterprise Funds: Enterprise Funds account for operations in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges.

Internal Service Funds: Internal Service Funds account for the financing of goods and services provided by one department or agency to other departments or agencies of the City or to other governmental units, on a cost-reimbursement basis.

Basis of Accounting

Basis of accounting refers to how revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement of focus applied. Governmental fund types use a modified basis of accounting. Revenues are recognized when available and measurable. Revenues which are accrued include Federal and State grants and subventions, transient occupancy taxes, document transfer tax, sales taxes collected by the State on behalf of the City prior to year-end, interest and certain charges for current services. Revenues which are not considered susceptible to accrual include certain licenses, permits, fines, forfeitures and penalties. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt and special assessment debt are recorded as expenditures when paid.

All proprietary funds are accounted for using the accrued basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Depreciation of all proprietary fund fixed assets is charged as an expense against operations each year, and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the proprietary fund's balance sheet as a reduction in the book value of fixed assets.

Basis of Budgeting

The budgets of *General Governmental Type Funds* are prepared on a modified accrual basis, which means that obligations of the City are budgeted as expenditures, but revenues are recognized only when they are measurable and available.

The *Enterprise Funds* also recognize expenditures as encumbrances when a commitment is made. Revenues, on the other hand, are recognized when they are obligated to the City, for example water user fees are recognized as revenue when service is provided.

In all cases for the General Governmental and Enterprise Funds when goods and services are not received by year end, the encumbrances lapse.

The Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances on the basis of "Generally Accepted Accounting Principles" (GAAP). In most cases this conforms to the way the City prepares its budget with the following exceptions:

- Principal payments on long-term debt within the Enterprise Funds are applied to the outstanding liability on a GAAP basis, as opposed to being expended on a Budget basis.
- Capital Outlay within Enterprise Funds are recorded as assets on a GAAP basis and expended on a Budget basis.
- Depreciation expense is recorded on a GAAP basis only.

STRUCTURE OF THE CITY'S FINANCES

The City's finances are structured in a variety of funds, which are the basic accounting and reporting entities in governmental accounting: The funds that comprise the 2005-07 budget are described as follows:

General Fund

The General Fund is the City's primary reporting entity for current general government operations of the City of Martinez. It accounts for all financial resources not required by law or administrative action to be accounted for in another fund. Section 4 of this Budget provides detailed financial information of the General Fund. The budget by department can be found under Sections 5-9.

Enterprise Funds

The City's Enterprise Funds include the Water System, Marina, and Parking Services. Each is financed and operated in a manner similar to a private business enterprise. The intent is that the costs of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures. Section 10 provides the financial information for the City's Enterprise Funds, which includes their respective Capital Improvement Program (CIP) information.

Water System Fund

The Water System Fund accounts for the funds received from customers receiving water service provided by the City and the related expenditures for administration, system improvements, maintenance and repair, and debt service issue related to the provision of water service to the customers.

Marina Fund

The Marina Fund revenues include lease payments, sales and property taxes, and a State loan for capital improvement projects.

Parking Services Fund

Parking Fund accounts for the activities related to the various parking lots and parking meters in the City. Revenue is generated from parking meters and parking permits

Special Revenue Funds

Special Revenue Funds account for revenue sources that are legally restricted to specific purposes. These funds can be found in detail under Section 11.

Cops Grants

These are Federal and State grants received by the Police Department for improvements in public safety technology and other special projects.

National Pollution Discharge Elimination System (NPDES)

The City participates in the Contra Costa County Flood Control and Water Conservation District for the collection, administration, distribution, and expenditure of funds derived from stormwater utility assessments. The assessment is collected with property taxes received by the County Tax Collector and is used for pollution control improvements and drainage system maintenance.

Transportation

These funds are a combination of State and Federal grants and Measure C funds that provide congestion relief through capital improvements and transportation network and growth management. Measure C funds are local revenue used to leverage Federal and State contributions available for transportation projects.

Gasoline Tax

Gasoline tax is a tax on each gallon of fuel used to propel a motor vehicle or aircraft. Gas tax revenue is distributed to cities using several formulas. These funds must be used exclusively for engineering costs, maintenance and repair, and capital improvement projects related to City streets.

Lighting and Landscaping

This fund accounts for the installation, maintenance and improvements of subdivision landscape and lighting within the various special assessment districts. Monies are collected through an annual levy on the property owners within each district.

Mitigation/Impact Fees

This fund accounts for fees collected from developers to mitigate the impact of new development. The City established the following impact fees: traffic, park in-lieu, child care, drainage, cultural facilities, police facilities, and park and recreation.

Internal Service Funds

Internal Service Funds are proprietary funds used by the City to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The following are the City's two Internal Service Funds, which can be found under Section 12:

Equipment Replacement

The Equipment Replacement Fund accounts for the accumulation of funds for equipment replacement and the subsequent replacement and maintenance of the equipment under City control. Costs are charged to departments by way of "rental charges" of City vehicles and equipment.

Information Systems

The Information System Fund accounts for the services rendered to all City departments for management of the City's hardware and software needs. Costs are charged to departments by percent based on the number of computer work stations and overall use of technology.

Capital Improvement Program

The Capital Improvement Program (CIP) budget is for expenditures on capital projects such as major street or park improvements, building construction, and major facility maintenance. Section 13 provides those projects that are in progress or will be undertaken in the next two budget years (other than those paid for by Enterprise Funds).

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs (other than those paid for by the Enterprise Funds). Information on the debt service of the General Fund can be found in Section 4.

REVENUE DESCRIPTIONS

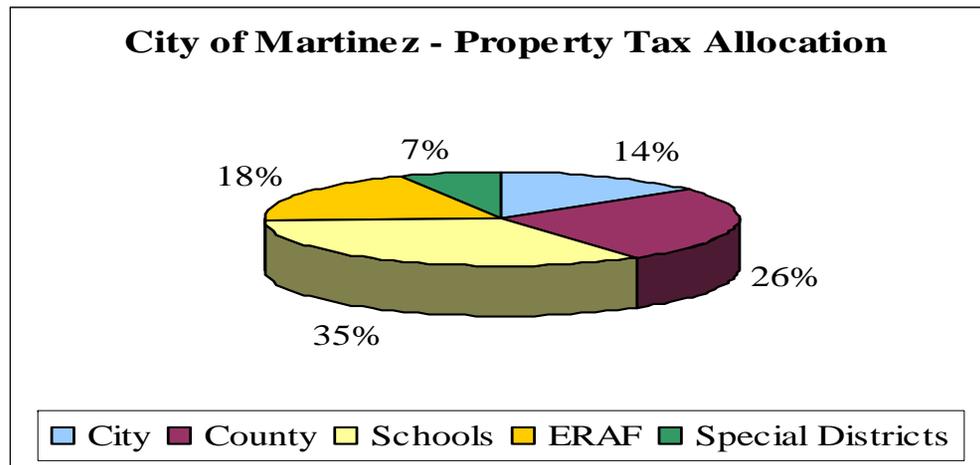
General Fund Revenues

The General Fund is the City's primary reporting entity for current general government operations of the City of Martinez. It accounts for all financial resources not required by law or administrative action to be accounted for in another fund. All revenues not restricted to specific purposes are recorded in the General Fund, and likewise all services that are of a general nature – police, routine public works activities, development-related functions, leisure activities, and general administrative support – are budgeted here. The General Fund is the City's largest operating fund.

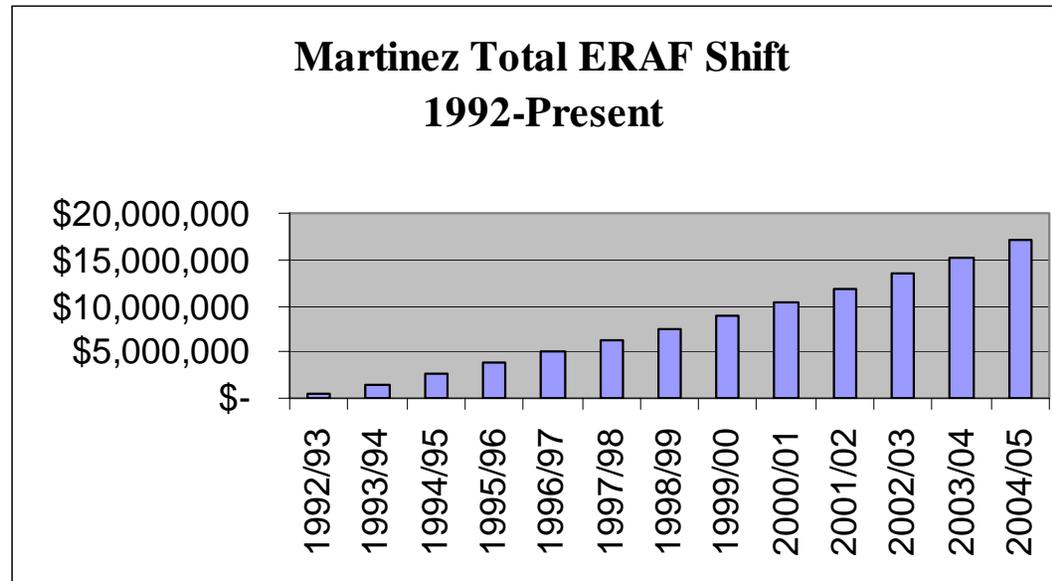
The City of Martinez relies on four major revenue sources, listed below, to balance the General Fund. These revenue sources make up 79% of the General Fund budget.

Property Tax

Property taxes are levied by the County and are based on an annual assessed valuation of the property by the County Assessor. The property tax is limited to 1% of the assessed value, of which Martinez receives approximately 14% as its share. The balance is shared by the following: Contra Costa County (26%), school districts (35%), special districts (7%) and the Education Revenue Augmentation Fund (ERAF 18%). The chart below illustrates how the City shares property tax with other agencies.



Local governments are committed to contributing \$1.3 billion in additional property tax shifts in 2005-06 to help the State balance its budget, of which the City's share is \$399,000. This amount is in addition to the ongoing ERAF property tax shifts that have occurred since 1992-93 from local governments which help the State meet its constitutional requirement to fund schools. Through 2004-05, the City has lost \$17,022,000 in these ERAF takeaways. The chart below highlights the cumulative amounts of lost revenue to the City as a result of ERAF.

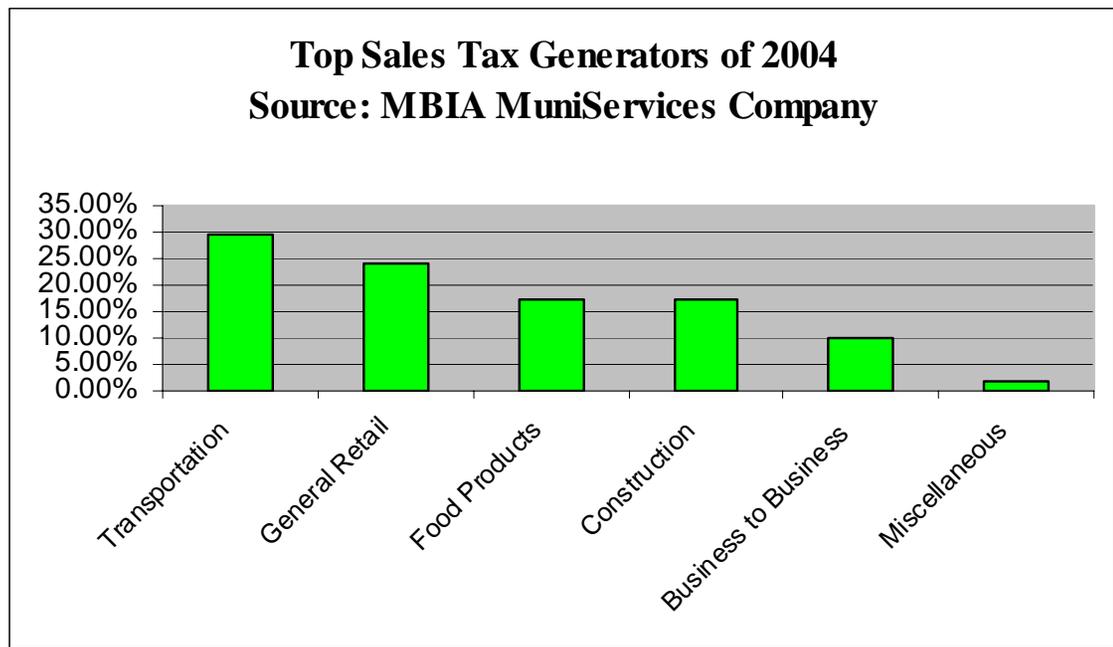


Property tax revenue is expected to increase by 5% in FY 2005-06 to \$5.6 million and 5% in FY 2006-07 to \$5.8 million, largely due to new construction and the reassessment of recently sold properties. These assumptions are representative of the region-wide surge in real estate values as a result of strong home sales activity. Projections are based on historical trends of assessed valuation growth for the City of Martinez and input from the County Assessor's Office.

Sales and Use Tax & Sales Tax In-Lieu

Sales tax is imposed on retailers for the privilege of selling tangible personal property. Use tax is imposed on the user of a product purchased out-of-state and delivered for use in California. Local sales tax revenue is distributed by the State. Prior to 2004-05, cities

received 1% of sales tax revenue based on a point-of-sale formula. As of July 1, 2004, the State reduced the local allocation by .25%, and uses this portion as security for the State’s “Economic Recovery Bonds.” The State has replaced the .25% reduction of sales tax with a dollar-for-dollar allocation of local property tax, which is referred to as Sales Tax In-Lieu. Sales tax revenue, including the Sales Tax In-Lieu, is projected to grow by 6% in FY 2005-06 to \$4.1 million and 3% in FY 2006-07 to \$4.3 million. The table below illustrates the percentage of sales tax revenue by economic category.



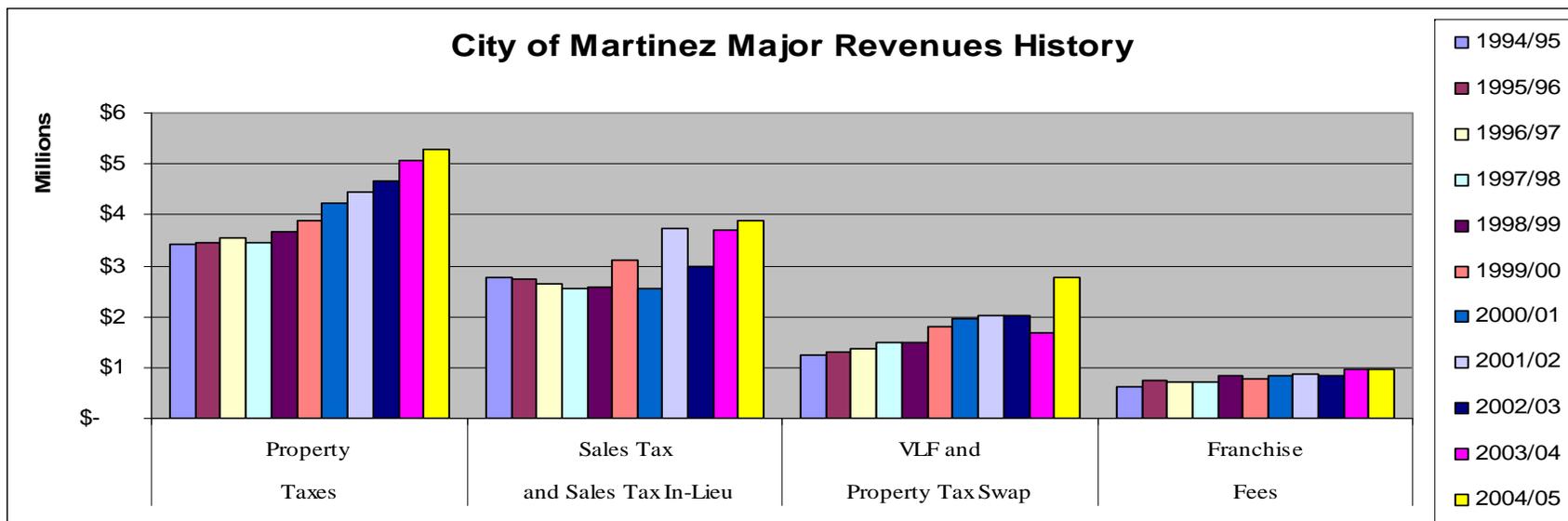
VLF Property Tax Swap & Motor Vehicle In-Lieu Tax

Prior to fiscal year 2004-05, a license fee equivalent to 2% of the market value of motor vehicles was imposed annually by the State “in lieu” of personal property taxes (the “Motor Vehicle In-Lieu Tax”) and amounted to approximately \$2 million of revenue to the City. Beginning in 2004-05, this rate was dropped to .67%, which will drop Motor Vehicle In-Lieu Tax to \$175,498 in 2005-06 and to \$179,008 in 2006-07. The difference between the old and new VLF rate is being made up with a new revenue source referred to as the “VLF Property Tax Swap,” which will grow with property taxes. This revenue is estimated to be \$2,018,225 in 2005-06 and

increase by 4% to \$2,058,590 in 2006-07. The City lost \$625,588 in VLF revenue in 2003-04 due to the gap caused by the delayed backfill of VLF revenue (referred to as the “VLF Gap Loan”). The City chose to “sell” its loan in 2004-05 and received \$568,991, which is reflected in the Major Revenues History graph below.

Franchise Fees

The City imposes fees on certain utility companies and other businesses for “rental” of the City streets and rights-of-way. In Martinez, franchise fees based upon a percentage of total revenue are collected from several agencies including PG&E, Comcast (cable television), and Pleasant Hill/Bayshore Disposal (refuse collection, disposal, recycling). The City also receives franchise fees for pipelines that are based upon specific dimensions. These calculations are periodically adjusted to reflect CPI increases. This revenue source is projected to increase by 16% to \$1,117,500 in FY 2005-06 due to the anticipated renewal of the City’s cable television franchise, and increase marginally to \$1,132,500 in FY 2006-07. The chart below provides a historical perspective of the growth of the top four General Fund revenue sources over the past 10 years.



Note: Sales Tax Revenues for FY 2001-02 include audit adjustments for deferred revenues and accruals at year-end. The decrease from FY 2001-02 to FY 2002-03 is the result of these adjustments and an overall softening of the economy.

Other revenue sources that generate at least \$100,000 annually and comprise 14% of the General Fund budget are listed below.

Sales and Use Tax – Public Safety

This is a one-half cent sales tax received from the County based on our local sales tax and is earmarked for local public safety. This revenue is estimated to increase at the same rate as our regular sales tax revenue. Projected revenues are \$389,765 for FY 2005-06 and \$401,458 for FY 2006-07.

Water System In-Lieu Tax

This tax is assessed to the water district as “rent” to cover the cost of using the City’s infrastructure. This revenue is projected to rise by 5% in FY 2005-06 to \$334,995, and 5% in FY 2006-07 to \$351,745.

Documentary Transfer Tax

The documentary transfer tax is based on the transfer of ownership of real estate. The City shares in the \$1.10 tax that is collected by the County. This revenue source is projected to increase by 5% over current year’s revenues to \$262,500 in FY 2005-06, and by another 5% to \$275,625 in FY 2006-07. This projected increase can be attributed to the overall increased value of properties within City limits.

Transient Occupancy Tax

The transient occupancy tax is a 10% tax imposed by the City on hotel and motel room charges. The revenue for this fiscal year is expected to remain flat at \$250,000 in FY 2005-06 and increase slightly to \$255,000 in FY 2006-07.

Business License Tax

The business license tax is imposed on businesses for the privilege of conducting business within the City. This revenue source is estimated to increase by 2.5% in FY 2005-06 to \$460,000 and by 2% in FY 2006-07 to \$470,000.

Building Permits

Building permit fees are collected to cover the cost of regulating the construction of new buildings. This regulation allows cities the means to protect the overall community interests. Building permit revenue is estimated at \$370,200 in FY 2005-06 and \$414,600 in FY 2006-07.

Parking Citations

This includes fines for parking violations. The annual revenue is estimated at \$171,000 in each of the next two years.

Interest Income

This is the interest the City earns on investment of its funds. The City invests in the State investment pool referred to as the Local Agency Investment Fund (LAIF). Interest income of \$250,000 is projected for the next fiscal two years as interest rates are expected to remain constant.

Daycare Fees

These fees are collected to offset the cost of providing contract child daycare services. This revenue is expected to decrease to approximately \$130,000 for both years.

Enterprise Funds

The City's Enterprise Funds include the Water System, Marina, and Parking Services funds. Each is financed and operated in a manner similar to a private business, and receives its revenues primarily through user fees.

Water System Fund

Water Sales: The City has four elevation zones and each zone has a consumption rate charge of between \$2.65 and \$3.00 per hundred cubic feet, based on the customer's meter above mean sea level. This consumption charge represents water sales, which is estimated at \$5,579,000 for both budget years.

Service Charges: Monthly service charges are based on the size of the customer's meter. 92% of the City's 9,800 meters are 5/8 of an inch with a charge of \$19. The balance of meters is between 1 to 10 inches, with the charges between \$45 and \$2,490. Service charges are projected at \$3,200,000 for the next two years.

Fire Service Charges: This charge is for water system capacity to supply water to automatic fire protection systems. Approximately 100 accounts benefit from this service and revenue is approximately \$290,000 each year.

Other revenues: The balance of revenues for the water system amount to \$519,660, which includes interest income, backflow charges, connection fees and other miscellaneous revenue.

Marina Fund

Revenues to the Marina fund include lease payments, sales and property taxes, and a State loan for capital improvement projects. Revenue is estimated at \$163,319 for 2005-06 and \$166,747 in 2006-07.

Parking Services Fund

Parking Services Fund revenue is generated from parking meters and estimated to be \$390,000 in 2005-06 and \$392,000 in 2006-07. Other revenues in the Parking Fund amount to \$82,700 in 2005-06 and \$91,800 in 2006-07.

Special Revenue Funds

Special revenue funds account for revenue sources that are legally restricted to specific purposes and listed below are each fund's revenue source.

Cops Grants

These are State and Federal grants received by the Police Department for improvements in public safety technology and other special projects. The City will receive \$291,164 in 2005-06 and at this time there are no grants budgeted in 2006-07.

National Pollution Discharge Elimination System (NPDES)

The City participates in the Contra Costa County Flood Control and Water Conservation District for the collection, administration, distribution and expenditure of funds derived from stormwater utility assessments. The assessment is collected by the County Tax Collector with the property tax. The revenue received from the assessment is used for pollution control improvements, and drainage system maintenance. Revenue is projected at \$540,000 for both years.

Transportation

These funds are a combination of State and Federal grants and Local Measure C funds that provide congestion relief through a combination of capital improvements, and transportation network and growth management. Local Measure C funds are local revenue used to leverage State and Federal contributions available for transportation projects and are projected to be \$486,000 for each of the next two years.

Gasoline Tax

Gasoline tax is a tax on each gallon of fuel used to propel a motor vehicle or aircraft. The gasoline tax revenue is distributed to cities using several formulas. These funds must be used exclusively for engineering costs, maintenance and repair, and capital improvement projects related to City streets. The City of Martinez will receive an estimated \$709,200 in gas tax revenue in 2005-06 and \$724,500 in 2006-07.

Lighting and Landscaping

Revenue comes from an annual levy on property owners within the Lighting and Landscaping Assessment districts that is collected with property taxes. Revenue is projected at \$122,831 for each of the next two years.

Mitigation/Impact Fees

Fees are collected from developers to mitigate the impact of new development. The total projected revenue is estimated at \$124,000 for each of the next two years.

KEY BUDGET ASSUMPTIONS

A number of assumptions were used to develop the 2-year operating budget. These assumptions will be carefully monitored throughout the budget period, and adjusted as necessary during the budget cycle. The key budget assumptions for the 2-year budget include both revenues and expenditures.

Revenue Assumptions

- Property Tax revenues are expected to increase by 5% in both FY 2005-06 and FY 2006-07. These growth assumptions are representative of the region-wide surge in real estate values as a result of home sales and are based on historical trends of assessed valuation growth for the City of Martinez, and input from the County Assessor's Office.
- Sales Tax revenues will increase by approximately 6% in FY 2005-06 and 3% in FY 2006-07. These projections are based on trend and input from the City's sales tax consultant.
- Motor Vehicle In-Lieu Tax revenues were based on the State assessing 2% on the value on car registrants on behalf of local governments. Beginning in FY 2004-05, local governments are now receiving .67% of assessed value with the difference being made up in a new allocation of property tax referred to as "VLF Property Tax Swap." The City has calculated a 2% increase on the Motor Vehicle In-Lieu Tax for both fiscal years and a 4% increase on the VLF Property Tax Swap revenue.
- Franchise Fee Revenues are expected to grow by 16% in FY 2005-06 over the current year in anticipation of a new cable franchise agreement, but will remain relatively the same in FY 2006-07.
- Other major general fund tax revenues such as Business License Tax, Documentary Transfer Tax, and Transient Occupancy Tax are expected to increase between 2% and 3%.
- Revenues from Police Services and Fines & Forfeitures are expected to remain relatively the same in both fiscal years.

Expenditure Assumptions

- Salary increases for all employee groups are anticipated for both budget years based upon the provisions of each bargaining unit's MOU.
- Employer PERS contribution rates for Police Sworn personnel are budgeted at 24.63% in FY 2005-06 and 25% in FY 2006-07. Employer PERS contribution rates for miscellaneous personnel are budgeted at 10.1% in the first year and 10.3% in the second year. These figures are based on estimates from PERS.
- Healthcare costs are expected to increase by 15% in both fiscal years, with medical costs for retirees over 65 years of age increasing by 45% in the first budget year and 30% in the second year.

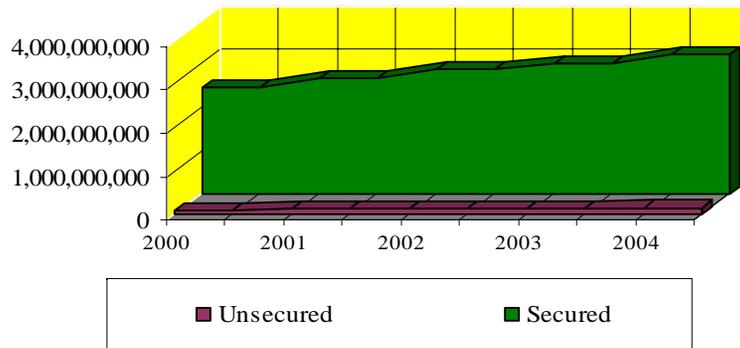
- Worker's Compensation rates are projected to decrease in FY 2005-06 to \$601,245 due to significant reduction in claims over the past several years. For FY 2006-07 the City calculated a 5% increase to \$630,152 based on an increase in rates.
- Liability insurance has been budgeted in FY 2005-06 at \$403,685. The City estimated a 5% increase for FY 2006-07 at \$423,000.
- A vehicle-purchasing reduction will be instituted for FY 2005-06, resulting in total savings of \$213,000 the first year and \$199,000 the second year as compared to the current fiscal year.

LONG-TERM DEBT

The City of Martinez has a capital financing and debt management policy that sets the parameters for issuing debt and provides guidance in the timing and structuring of long-term debt commitments. This policy can be found under Appendix E. The City of Martinez’s total long-term debt obligations are listed below. These schedules contain audited numbers from the June 30, 2004 Comprehensive Annual Financial Report. Audited numbers for 2005 were not yet available at the time this budget was prepared.

The legal debt limit as of June 30, 2004, based on the total assessed value of all real and personal property of \$3,352,491,393 and the debt limit percentage of 15%, per Government Code 25 and 43605, was \$502,873,709. The debt margin available as of June 30, 2004 was \$502,873,709. Below is a chart of the Assessed Value of taxable property for the last five years.

5 Year Assessed Valuation of Taxable Property



Fiscal Year	Unsecured	Secured	Total Assessed
2000	87,049,640	2,436,784,325	2,523,833,965
2001	103,657,475	2,640,208,257	2,743,865,732
2002	112,004,636	2,879,599,484	2,991,604,120
2003	118,371,038	2,990,800,498	3,109,171,536
2004	138,013,747	3,214,477,646	3,352,491,393

Bonds

1999 Certificates of Participation

On August 1, 1999, the City issued Certificates of Participation (COPs) in the amount of \$6,040,000 to fund and retire the construction of various improvements to the City’s existing municipal water system. The bonds are rated AAA by Standard & Poor’s with interest ranging from 4.2% to 5.375%. Interest and principal payments are payable from net revenues derived from the operation of the Water System.

Year Ending June 30,	Principal	Interest	Total
2005	\$145,000	\$291,919	\$436,919
2006	150,000	285,724	435,724
2007	155,000	279,241	434,241
2008	160,000	272,389	432,389
2009	170,000	265,044	435,044
2010	175,000	257,172	432,172
2011	185,000	248,731	433,731
2012	195,000	239,609	434,609
2013	200,000	229,930	429,930
2014	210,000	219,677	429,677
2015-2019	1,240,000	917,664	2,157,664
2020-2024	1,605,000	542,289	2,147,289
2025-2029	1,185,000	97,691	1,282,691
Total	\$5,775,000	\$4,147,080	\$9,922,080

2003 Certificates of Participation

On March 11, 2003, the City issued Certificates of Participation (COPs) in the amount of \$7,795,000 to refund and retire the outstanding 1992 City Hall Refurbishment COPs and the 1993 Water System Improvements COPs. The bonds are rated AAA by Standard & Poor’s with interest ranging from 2% to 4%. Interest and principal payments are payable from lease revenues on City Hall and net revenues derived from the operation of the water system.

Year Ending June 30,	General Fund		Water System		Total
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2005	\$ 195,000	\$ 59,256	\$ 295,000	\$ 166,370	\$715,626
2006	200,000	55,306	300,000	160,420	715,726
2007	200,000	51,306	300,000	154,420	705,726
2008	205,000	47,256	310,000	148,320	710,576
2009	215,000	42,516	315,000	141,282	713,798
2010-2014	1,185,000	106,254	1,730,000	550,678	3,571,932
2015-2019			2,055,000	206,367	2,261,367
Total	\$2,200,000	\$361,894	\$5,305,000	\$1,527,857	\$9,394,751

Loans Payable

State of California

The City entered into agreements on three separate occasions with the State of California to fund various projects at the Marina. The three loans are as follows:

In January of 1960, a loan of \$1,300,000 was granted to the City for the construction of a Marina.

On December 20, 1973, a loan of \$450,000 was granted to the City to complete a small craft harbor at the Marina.

On January 14, 1983, a loan of \$770,425 was granted to the City to fund twelve capital improvements projects at the Marina.

The above loan agreements, except the 1960 loan which has no specific repayment terms, require the Marina to remit approximately \$170,000 per year for each of the subsequent five years for debt service, and additional amounts thereafter. However, the Marina did not make any principal or interest payments on the above loans between fiscal 1996 and fiscal 2004. During fiscal year ended June 30, 2004, accrued interest was added to the outstanding principal for all the state loans with the exception of the 1960 loan. The City and State are currently in negotiations to amend these loan agreements. Subsequent to fiscal year end 2004, the City made an interest payment in August 2004.

Budget for Fiscal Years 2005-06 and 2006-07

ALL FUNDS BUDGET SUMMARY

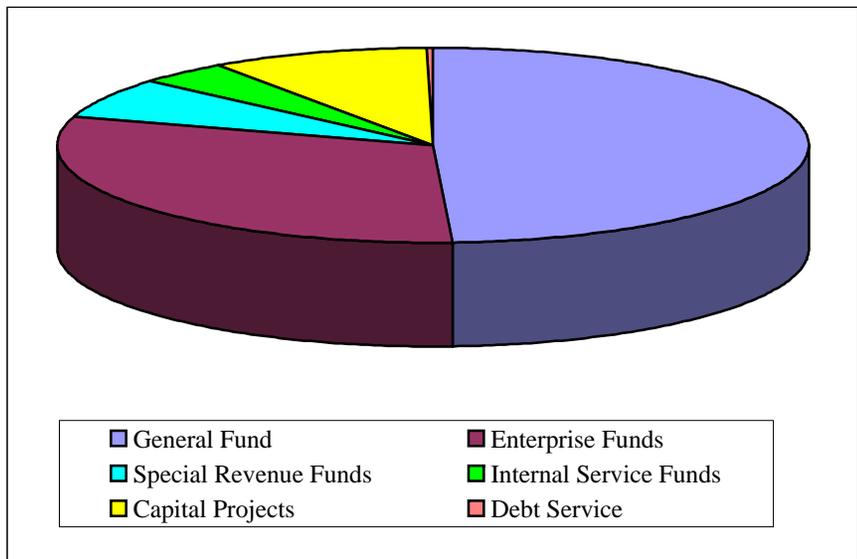
	Fund Balance at 6/30/05	2005-06			Fund Balance at 6/30/06	2006-07			Fund Balance at 6/30/07
		Budget Revenues 05/06	Budget Appropriations 05/06	Transfers In(Out) 05/06		Budget Revenues 06/07	Budget Appropriations 06/07	Transfers In(Out) 06/07	
General Fund	\$ 4,716,667	\$ 16,484,258	\$ 16,403,395	\$ (779,276)	\$ 4,018,254	\$ 17,195,063	\$ 17,168,432	\$ (610,431)	\$ 3,434,454
<u>Enterprise Funds</u>									
Water System	6,420,548	9,568,025	11,784,993	(114,815)	4,088,765	9,580,225	11,828,294	(110,632)	1,730,064
Marina	(3,463,163)	163,319	157,228		(3,457,072)	166,747	166,191		(3,456,516)
Parking Services	361,297	472,700	470,547		363,450	483,800	480,950		366,300
Sub-total of Enterprise Funds	3,318,682	10,204,044	12,412,767	(114,815)	995,144	10,230,772	12,475,435	(110,632)	(1,360,152)
<u>Special Revenue Funds</u>									
COPS Grants	65,774	291,164	256,938		100,000	0	100,000		(0)
NPDES	8,715	540,000	468,881	(50,000)	29,834	540,000	477,391	(50,000)	42,443
Transportation	438,308	486,000	182,947	(713,825)	27,536	486,000	184,001	(187,494)	142,041
Gas Tax	372,014	709,200	483,677	(200,000)	397,537	724,500	495,638	(200,000)	426,399
Lighting & Landscape	205,994	122,831	94,983		233,842	122,831	95,973		260,700
Mitigation/Impact Fees	921,738	124,000	0		1,045,738	124,000	0		1,169,738
Sub-total of Special Revenue	2,012,543	2,273,195	1,487,426	(963,825)	1,834,487	1,997,331	1,353,003	(437,494)	2,041,320
Capital Improvement Programs	0	2,047,660	3,176,485	1,128,825	0	4,789,500	5,331,994	542,494	0
<u>Internal Service Funds</u>									
Equipment Replacement	1,375,857	966,667	929,690		1,412,833	966,667	945,977		1,433,524
Information Systems	322,868	356,675	356,675		322,868	391,677	391,677		322,868
Sub-total of Internal Service	1,698,725	1,323,342	1,286,366	0	1,735,701	1,358,344	1,337,654	0	1,756,392
Debt Service	212,000	57,306	257,306		12,000	241,306	253,306		0
Totals	\$ 11,958,617	\$ 32,389,805	\$ 35,023,745	\$ (729,091)*	\$ 8,595,586	\$ 35,812,316	\$ 37,919,824	\$ (616,063)*	\$ 5,872,014

* This net transfer out balance is the amount transferred from General Fund and Water System to General Fund Designated Fund Balance for Retiree Health Benefits, Insurance and future Pension Obligations.

Budget for Fiscal Years 2005-06 and 2006-07

SUMMARY OF ALL FUNDS REVENUE

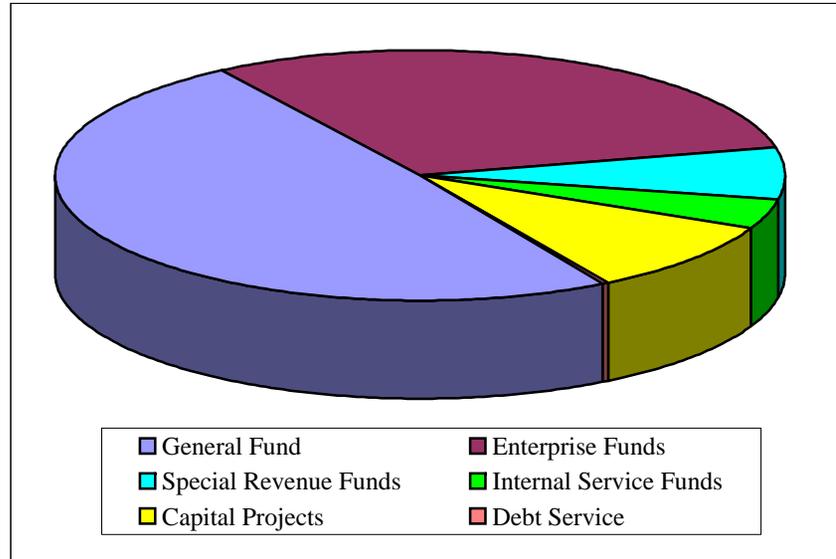
FISCAL YEAR 2005-06



General Fund	49.15%	16,484,258
Enterprise Funds	30.49%	10,224,679
Special Revenue Funds	6.78%	2,273,195
Internal Service Funds	3.95%	1,323,342
Capital Projects	9.47%	3,176,485
Debt Service	0.17%	<u>57,306</u>

Total All Funds **\$33,539,265**

FISCAL YEAR 2006-07



General Fund	47.27%	17,195,063
Enterprise Funds	28.18%	10,251,407
Special Revenue Funds	5.49%	1,997,331
Internal Service Funds	3.73%	1,358,344
Capital Projects	14.66%	5,331,994
Debt Service	0.66%	<u>241,306</u>

Total All Funds **\$36,375,445**

Budget for Fiscal Years 2005-06 and 2006-07

SUMMARY OF ALL FUNDS REVENUE

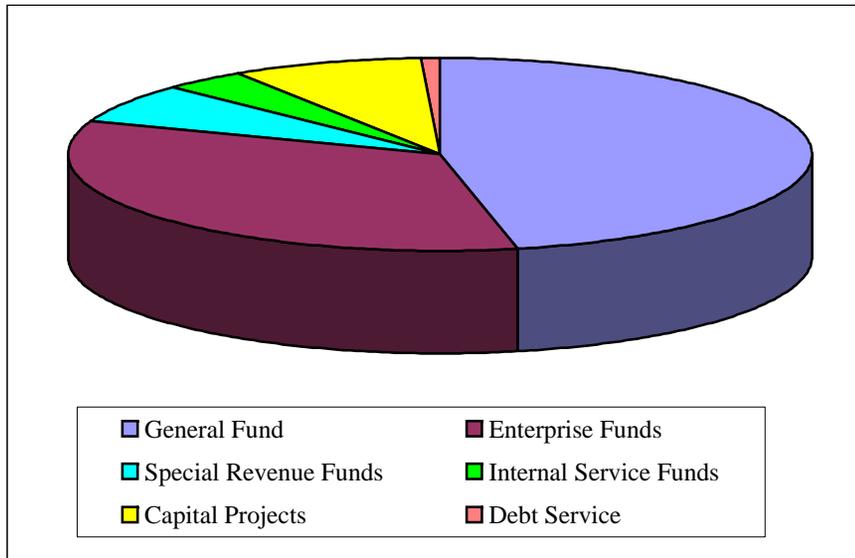
Fiscal Year 2005-06	General Fund	Enterprise Funds	Special Revenue Funds	Internal Service Funds	Capital Improvement Program	Debt Service Fund	Totals
Taxes	\$ 13,743,107	\$ 52,955	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,796,062
Special Assessments			659,326				659,326
Licenses & permits	443,700						443,700
Fines, forfeits & penalties	344,000						344,000
Intergovernmental	706,113		1,477,864		2,047,660		4,231,637
Charges for services	672,689	984,555	124,000	1,323,342		57,306	3,161,892
Use of money & property	288,900	322,364	12,005				623,269
Water Sales & Service		8,779,000					8,779,000
Other Revenue	285,749	65,170					350,919
Total Revenues	16,484,258	10,204,044	2,273,195	1,323,342	2,047,660	57,306	32,389,805
Transfers From Other Funds		20,635			1,128,825		1,149,460
Total Revenues Including Transfers In	\$ 16,484,258	\$ 10,224,679	\$ 2,273,195	\$ 1,323,342	\$ 3,176,485	\$ 57,306	\$ 33,539,265

Fiscal Year 2006-07	General Fund	Enterprise Funds	Special Revenue Funds	Internal Service Funds	Capital Improvement Program	Debt Service Fund	Totals
Taxes	\$ 14,644,683	\$ 55,483	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,700,166
Special Assessments			659,326				659,326
Licenses & permits	491,100						491,100
Fines, forfeits & penalties	344,000						344,000
Intergovernmental	721,316		1,202,000		4,789,500		6,712,816
Charges for services	597,680	990,755	124,000	1,358,344		241,306	3,312,085
Use of money & property	288,900	340,364	12,005				641,269
Water Sales & Service		8,779,000					8,779,000
Other Revenue	107,384	65,170					172,554
Total Revenues	17,195,063	10,230,772	1,997,331	1,358,344	4,789,500	241,306	35,812,316
Transfers From Other Funds		20,635			542,494		563,129
Total Revenues Including Transfers In	\$ 17,195,063	\$ 10,251,407	\$ 1,997,331	\$ 1,358,344	\$ 5,331,994	\$ 241,306	\$ 36,375,445

Budget for Fiscal Years 2005-06 and 2006-07

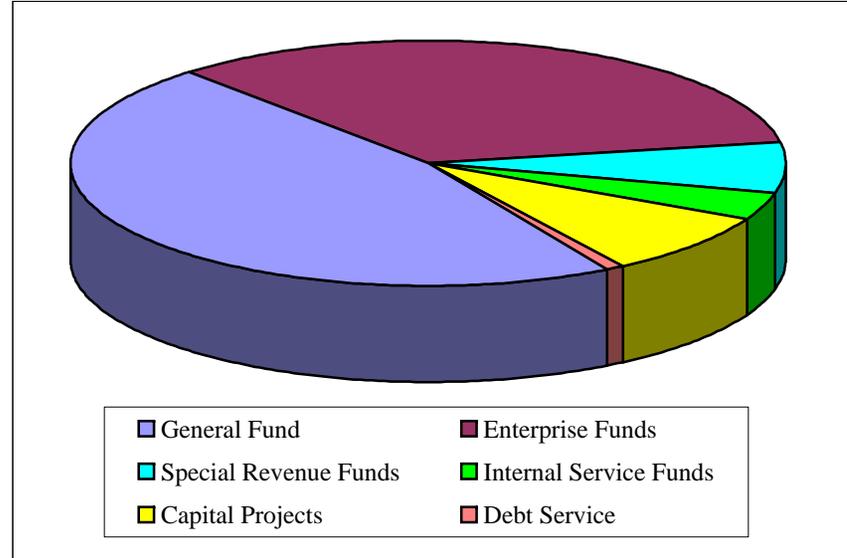
SUMMARY OF ALL FUNDS EXPENDITURES

FISCAL YEAR 2005-06



General Fund	46.56%	17,182,671
Enterprise Funds	34.00%	12,548,217
Special Revenue Funds	6.64%	2,451,251
Internal Service Funds	3.49%	1,286,366
Capital Projects	8.61%	3,176,485
Debt Service	0.70%	<u>257,306</u>
Total All Funds		<u>\$36,902,296</u>

FISCAL YEAR 2006-07



General Fund	45.47%	17,778,863
Enterprise Funds	32.24%	12,606,702
Special Revenue Funds	4.58%	1,790,497
Internal Service Funds	3.42%	1,337,654
Capital Projects	13.64%	5,331,994
Debt Service	0.65%	<u>253,306</u>
Total All Funds		<u>\$39,099,016</u>

Budget for Fiscal Years 2005-06 and 2006-07

SUMMARY OF ALL FUNDS EXPENDITURES

Fiscal Year 2005-06	General Fund	Enterprise Funds	Special Revenue Funds	Internal Service Funds	Capital Improvement Program	Debt Service Fund	Totals
General Government	\$ 1,238,168						\$ 1,238,168
Nondepartmental Services	983,254						983,254
Administrative Services	729,044			356,675			1,085,719
Building	869,539						869,539
Police	8,375,575		256,938				8,632,513
Community Development	4,207,815		1,230,488	929,690			6,367,994
Water System		7,984,849					7,984,849
Marina		157,228					157,228
Parking Services		470,547					470,547
Capital Improvement Program		2,900,000			3,176,485		6,076,485
Debt Service		900,144				257,306	1,157,450
Total Expenditures	<u>16,403,395</u>	<u>12,412,767</u>	<u>1,487,426</u>	<u>1,286,366</u>	<u>3,176,485</u>	<u>257,306</u>	<u>35,023,745</u>
Transfers To Other Funds	779,276	135,450	963,825				1,878,551
Total Expenditures Including Transfers Out	<u>\$ 17,182,671</u>	<u>\$ 12,548,217</u>	<u>\$ 2,451,251</u>	<u>\$ 1,286,366</u>	<u>\$ 3,176,485</u>	<u>\$ 257,306</u>	<u>\$ 36,902,296</u>

Fiscal Year 2006-07	General Fund	Enterprise Funds	Special Revenue Funds	Internal Service Funds	Capital Improvement Program	Debt Service Fund	Totals
General Government	\$ 1,291,849						\$ 1,291,849
Nondepartmental Services	1,116,058						1,116,058
Administrative Services	762,051			391,677			1,153,728
Building	899,453						899,453
Police	8,740,937		100,000				8,840,937
Community Development	4,358,083		1,253,003	945,977			6,557,063
Water System		8,185,633					8,185,633
Marina		166,191					166,191
Parking Services		480,950					480,950
Capital Improvement Program		2,750,000			5,331,994		8,081,994
Debt Service		892,661				253,306	1,145,967
Total Expenditures	<u>17,168,432</u>	<u>12,475,435</u>	<u>1,353,003</u>	<u>1,337,654</u>	<u>5,331,994</u>	<u>253,306</u>	<u>37,919,824</u>
Transfers To Other Funds	610,431	131,267	437,494				1,179,192
Total Expenditures Including Transfers Out	<u>\$ 17,778,863</u>	<u>\$ 12,606,702</u>	<u>\$ 1,790,497</u>	<u>\$ 1,337,654</u>	<u>\$ 5,331,994</u>	<u>\$ 253,306</u>	<u>\$ 39,099,016</u>

Budget for Fiscal Years 2005-06 and 2006-07

ALL FUNDS TRANSFER SUMMARY

To Fund	From Fund	Purpose	Budgeted Transfer 2004/05	Budgeted Transfer 2005/06	Budgeted Transfer 2006/07
Water System	General Fund	Funding of Lifeline for Water	\$ 18,000	\$ 20,635	\$ 20,635
Lighting & Landscape	General Fund	City's share of LLD	5,500		
		Sub-Total	<u>23,500</u>	<u>20,635</u>	<u>20,635</u>
Capital Improvement Program	General Fund	Fund Capital Projects	355,000	165,000	105,000
Capital Improvement Program	NPDES	Fund Capital Projects	50,000	50,000	50,000
Capital Improvement Program	Transportation	Fund Capital Projects	24,536	713,825	187,494
Capital Improvement Program	Gas Tax	Fund Capital Projects	236,213	200,000	200,000
		Sub-Total	<u>665,749</u>	<u>1,128,825</u>	<u>542,494</u>
GF Designated Reserves	General Fund	Insurance		125,000	
GF Designated Reserves	General Fund	Future Pension Obligations		100,000	150,000
GF Designated Reserves	General Fund	Retiree Health Benefits	559,493	368,641	334,796
GF Designated Reserves	Water System	Retiree Health Benefits		135,450	131,267
		Sub-Total	<u>559,493</u>	<u>729,091</u>	<u>616,063</u>
TOTAL INTERFUND TRANSFERS			<u>\$ 1,248,742</u>	<u>\$ 1,878,551</u>	<u>\$ 1,179,192</u>

SUMMARY OF POSITIONS

	<u>BUDGETED</u> <u>2003-04</u>	<u>BUDGETED</u> <u>2004-05</u>	<u>BUDGETED</u> <u>2005-06</u>	<u>BUDGETED</u> <u>2006-07</u>
GENERAL GOVERNMENT				
City Manager	1.0	1.0	1.0	1.0
Secretary to City Manager	1.0	1.0	1.0	1.0
Deputy City Clerk	1.0	1.0	1.0	1.0
Economic Development & Special Proj. Director	0.0	1.0	1.0	1.0
	<u>3.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>
ADMINISTRATIVE SERVICES				
Administrative Services Director	1.0	1.0	1.0	1.0
Management Analyst	1.0	1.0	1.0	1.0
Personnel Technician	1.0	1.0	1.0	1.0
Finance Manager	1.0	1.0	1.0	1.0
Accountant	1.0	1.0	1.0	1.0
Senior Account Clerk	2.0	2.0	2.0	2.0
Account Clerk III	1.0	1.0	1.0	1.0
Account Clerk II	2.0	2.0	2.0	2.0
Information Systems Specialist	1.0	1.0	1.0	1.0
	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>
BUILDING DEPARTMENT				
Building Director	1.0	1.0	1.0	1.0
Chief Building Inspector	1.0	1.0	1.0	1.0
Construction Inspector	1.0	1.0	1.0	1.0
Code Enforcement Inspector	1.0	1.0	1.0	1.0
Building Inspector II	2.0	2.0	2.0	2.0
Permit Technician II	1.0	1.0	1.0	1.0
	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>
POLICE DEPARTMENT				
Police Chief	1.0	1.0	1.0	1.0
Police Commander	2.0	2.0	2.0	2.0
Police Sergeant	5.0	5.0	5.0	5.0

	BUDGETED 2003-04	BUDGETED 2004-05	BUDGETED 2005-06	BUDGETED 2006-07
POLICE DEPARTMENT CON'T				
Police Officer	31.0	31.0	31.0	31.0
Support Services Supervisor	1.0	1.0	1.0	1.0
Lead Police Clerk/Dispatcher	1.0	1.0	1.0	1.0
Police Clerk Dispatcher	6.0	6.0	6.0	6.0
Administrative Secretary	1.0	1.0	1.0	1.0
Evidence/Property Technician	1.0	1.0	1.0	1.0
Police Assistant	5.0	4.0	4.0	4.0
Records Clerk	2.0	2.0	2.0	2.0
	<u>56.0</u>	<u>55.0</u>	<u>55.0</u>	<u>55.0</u>
COMMUNITY DEVELOPMENT DEPARTMENT				
Community Development Director	1.0	1.0	1.0	1.0
Planning Manager	1.0	1.0	1.0	1.0
Management Analyst	1.0	0.0	0.0	0.0
Administrative Aide III	3.0	3.0	3.0	3.0
Senior Planner	1.0	1.0	1.0	1.0
Planning Technician	1.0	1.0	1.0	1.0
City Engineer	1.0	1.0	1.0	1.0
Senior Civil Engineer	1.0	1.0	1.0	1.0
Associate Civic Engineer	1.0	1.0	1.0	1.0
Junior Civil Engineer	1.0	1.0	1.0	1.0
Public Works Superintendent	1.0	1.0	1.0	1.0
Maintenance Supervisor	2.0	2.0	2.0	2.0
Maintenance Lead Worker	3.0	3.0	3.0	3.0
Maintenance Worker II	5.0	5.0	5.0	5.0
Maintenance Worker I	3.0	3.0	3.0	3.0
Equipment Mechanic	2.0	2.0	2.0	2.0
Account Clerk II	1.0	1.0	1.0	1.0
Senior Custodian	1.0	1.0	1.0	1.0
Park Supervisor	1.0	1.0	1.0	1.0
Park Lead Caretaker	3.0	3.0	3.0	3.0
Park Caretaker II	2.0	2.0	2.0	2.0

	BUDGETED 2003-04	BUDGETED 2004-05	BUDGETED 2005-06	BUDGETED 2006-07
COMMUNITY DEVELOPMENT CON'T				
Park Caretaker I	2.0	2.0	2.0	2.0
Deputy Director of Recreation	1.0	1.0	1.0	1.0
Recreation Supervisor	1.0	1.0	1.0	1.0
Senior Citizen Supervisor	1.0	1.0	1.0	1.0
Senior Citizen Coordinator	0.8	0.8	0.8	0.8
	<u>41.8</u>	<u>40.8</u>	<u>40.8</u>	<u>40.8</u>
WATER SYSTEM				
Water Superintendent	1.0	1.0	1.0	1.0
Assistant Water Superintendent	1.0	1.0	1.0	1.0
Senior Meter Service Worker	1.0	1.0	1.0	1.0
Meter Service Worker	1.0	1.0	1.0	1.0
Meter Repair Worker	1.0	1.0	1.0	1.0
Senior Instrument Technician	1.0	1.0	1.0	1.0
Instrument Technician	1.0	1.0	1.0	1.0
Water Operations Supervisor	1.0	1.0	1.0	1.0
Water Plant Operator II	2.0	2.0	2.0	2.0
Water Plant Operator I	3.0	3.0	3.0	3.0
	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>
PARKING				
Parking Meter Technician	0.0	0.0	1.0	1.0
	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>
TOTAL PERSONNEL	131.8	130.8	131.8	131.8

Budget for Fiscal Years 2005-06 and 2006-07

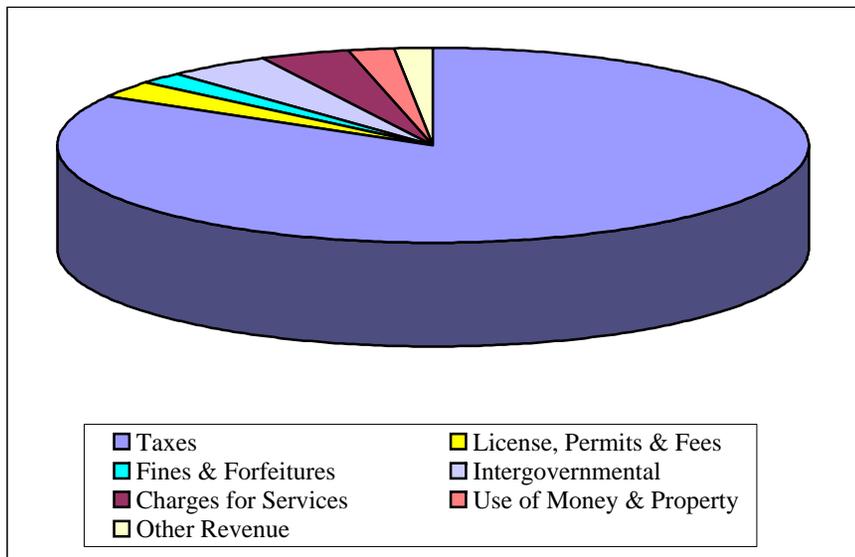
GENERAL FUND - FUND BALANCE

	2004/05 Budget	2005/06 Budget	2006/07 Budget
Revenues	\$ 16,023,684	\$ 16,484,258	\$ 17,195,063
Expenditures	<u>15,959,883</u>	<u>16,403,395</u>	<u>17,168,432</u>
Excess of Revenues/(Expenditures)	<u>63,801</u>	<u>80,863</u>	<u>26,631</u>
Transfer to Designated Reserves:			
Retiree Benefits	(559,493)	(368,641)	(334,796)
Future Pension Obligation		(100,000)	(150,000)
Insurance		<u>(125,000)</u>	
Total transfers to Designated Reserves	<u>(559,493)</u>	<u>(593,641)</u>	<u>(484,796)</u>
Transfers to Capital Projects:			
Capital Projects for Paving	(250,000)	(150,000)	(105,000)
Capital Projects for 911 Memorial	(5,000)	(15,000)	
Capital Projects for Open Slide Repairs	<u>(100,000)</u>		
Total transfers to Capital Projects	<u>(355,000)</u>	<u>(165,000)</u>	<u>(105,000)</u>
Transfers to Other Funds:			
Water System for Lifeline	(18,000)	(20,635)	(20,635)
Lighting & Landscape	<u>(5,500)</u>		
Total transfers to Other Funds	<u>(23,500)</u>	<u>(20,635)</u>	<u>(20,635)</u>
Total Transfers	<u>(937,993)</u>	<u>(779,276)</u>	<u>(610,431)</u>
Beginning Undesignated Fund Balance	<u>5,590,859</u>	<u>4,716,667</u>	<u>4,018,254</u>
Ending Undesignated Fund Balance	<u>\$ 4,716,667</u>	<u>\$ 4,018,254</u>	<u>\$ 3,434,454</u>

Budget for Fiscal Years 2005-06 and 2006-07

GENERAL FUND REVENUES

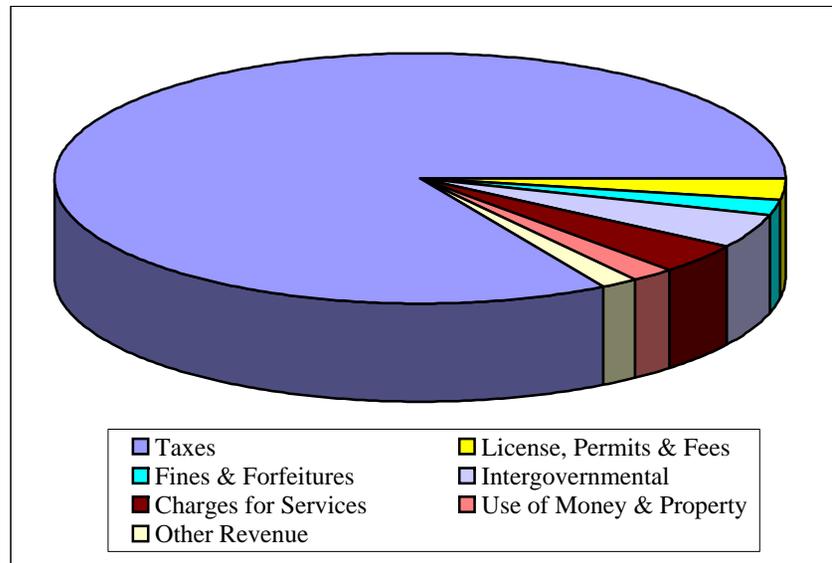
FISCAL YEAR 2005-06



Taxes	83.37%	13,743,107
License, Permits & Fees	2.69%	443,700
Fines & Forfeitures	2.09%	344,000
Intergovernmental	4.28%	706,113
Charges for Services	4.08%	672,689
Use of Money & Property	1.75%	288,900
Other Revenue	1.73%	<u>285,749</u>

Total General Fund **\$16,484,258**

FISCAL YEAR 2006-07



Taxes	85.17%	14,644,683
License, Permits & Fees	2.86%	491,100
Fines & Forfeitures	2.00%	344,000
Intergovernmental	4.19%	721,316
Charges for Services	3.48%	597,680
Use of Money & Property	1.68%	288,900
Other Revenue	0.62%	<u>107,384</u>

Total General Fund **\$17,195,063**

Budget for Fiscal Years 2005-06 and 2006-07

GENERAL FUND - REVENUES

		2003/04	2004/05	2005/06	2006/07
		Actual	Projected	Budget	Budget
<u>Taxes</u>					
4111	Property Tax	\$ 5,072,309	\$ 5,300,000	\$ 5,565,000	\$ 5,843,250
4199	State Tax Shift		\$ (400,069)	\$ (399,067)	
4200	Sales & Use Tax	3,683,973	3,000,000	3,000,000	3,090,000
4201	Sales Tax In-Lieu		889,286	1,133,954	1,167,973
4331	VLF Property Tax Swap		1,971,541	2,018,225	2,058,590
4310	Document Transfer Tax	240,425	250,000	262,500	275,625
4320	Transient Occupancy Tax	252,147	250,000	250,000	255,000
4410	Business License Tax	403,405	448,900	460,000	470,000
4420	Franchise Fees	962,045	963,968	1,117,500	1,132,500
4613	Water System In-Lieu Tax	309,750	319,043	334,995	351,745
	Total Taxes	\$ 10,924,054	\$ 12,992,669	\$ 13,743,107	\$ 14,644,683
<u>License, Permit & Fees</u>					
4430	Building Permits	276,303	250,177	370,200	414,600
4430.1	Accela Software Fee	19,373	0	7,500	7,500
4440	Mechanical Permits	60,048	45,000	66,000	69,000
	Total License, Permit & Fees	\$ 355,725	\$ 295,177	\$ 443,700	\$ 491,100
<u>Fines & Forfeitures</u>					
4781	Court Fines	84,078	160,620	80,000	85,000
4782	Traffic Safety Fund	0	42,000	50,000	45,000
4783	Parking Citations	124,537	124,000	171,000	171,000
4785	Tow Releases		10,000	15,000	15,000
4868	Abandon Vehicle	28,135		28,000	28,000
	Total Fines & Forfeitures	\$ 236,750	\$ 336,620	\$ 344,000	\$ 344,000

Budget for Fiscal Years 2005-06 and 2006-07

	2003/04	2004/05	2005/06	2006/07
	Actual	Projected	Budget	Budget
<u>Intergovernmental Agencies</u>				
4211 Public Safety Sales Tax Prop 172	\$ 365,934	\$ 374,774	\$ 389,765	\$ 401,458
4330 Motor Vehicle-In-Lieu VLF	1,686,776	785,133	175,498	179,008
4335 Off Highway	\$ 1,206		1,200	1,200
4340 Homeowners Property Tax Relief	\$ 74,269		75,000	75,000
4521 State Grant-POST Reimbursement	7,976		57,650	57,650
4530 State Mandates			5,000	5,000
4531.1 Bulletproof Vest Grant			2,000	2,000
4635 Booking Fees Reimbursement	75,102	76,000		
4535.6 CDBG Grant		25,000		
4860 State Grants	10,411			
Total Intergovernment Revenues	\$ 2,221,673	\$ 1,260,907	\$ 706,113	\$ 721,316
<u>Charges for Service</u>				
4450 Planning Fees	77,207	62,400	97,300	107,100
4621 Public Works Inspections	61,853	50,000	148,109	57,500
4622 Engineering Plan Check Fees	84,900	52,000	64,200	67,200
4631 Police Services	52,677	58,000	40,000	40,000
4643 General Recreation Fees	44,730	30,276	30,280	30,280
4643.1 Recreation Class Fees	35,779	14,120	36,000	36,000
4644.1 Sports Programs	47,961	49,480	50,500	50,500
4644.2 Swimming Pool	43,408	20,240	43,500	43,500
4644.3 Tournament Revenue	1,189	5,060	5,000	5,000
4649 Day Care Fees	163,831	172,200	130,000	130,000
4651 Planning Plan Check Fees	25,618	15,600	27,800	30,600
Total Charges for Services	\$ 639,153	\$ 529,376	\$ 672,689	\$ 597,680

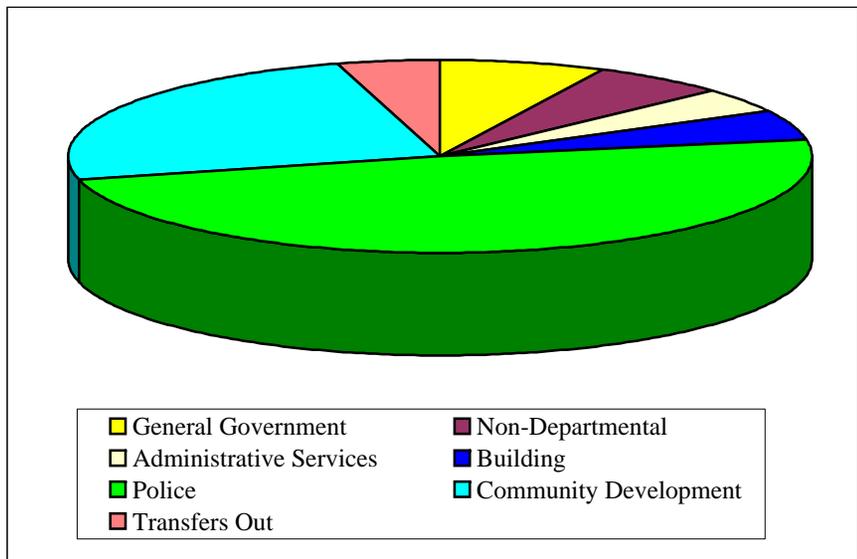
Budget for Fiscal Years 2005-06 and 2006-07

	2003/04	2004/05	2005/06	2006/07	
	Actual	Projected	Budget	Budget	
<u>Use of Money & Property</u>					
4642	Park Rental Fees	25,527	20,240	\$ 30,000	\$ 30,000
4648	Concession	3,305	3,036	3,300	3,300
4701	Interest Income	133,264	275,000	250,000	250,000
4750	Rental Income	2,182	1,000	1,000	1,000
4751	Senior Center Rental	3,802	4,600	4,600	4,600
4760	Sale of Property		175,000		
	Total Use of Money & Property	\$ 168,080	\$ 478,876	\$ 288,900	\$ 288,900
<u>Other Revenue</u>					
4460	Bond Fees	\$ 10,387	\$ 3,268	\$ 5,000	\$ 5,000
4614	Water System Admin Fee	79,236	82,405	85,701	89,129
4624	Solid Waste	571	16,731	600	600
4650	Maps & Publications	936	300	300	300
4770	Miscellaneous Revenue	1,233	355	355	355
4775	Refunds and Rebates	13,609	5,000	5,000	5,000
4775.2	Workers Comp/Liability Rebate	65,251	15,000	181,793	
4776	Restitution, Damage & Recoveries	1,357			
4802	Donations & Contributions	32,284	7,000	7,000	7,000
	Total Other Revenue	\$ 204,864	\$ 130,059	\$ 285,749	\$ 107,384
	Sub-total Operating Revenues	\$ 14,750,300	\$ 16,023,684	\$ 16,484,258	\$ 17,195,063
4001	Transfers In	150,000			
	TOTAL REVENUE GENERAL FUND	\$ 14,900,300	\$ 16,023,684	\$ 16,484,258	\$ 17,195,063

Budget for Fiscal Years 2005-06 and 2006-07

GENERAL FUND EXPENDITURES

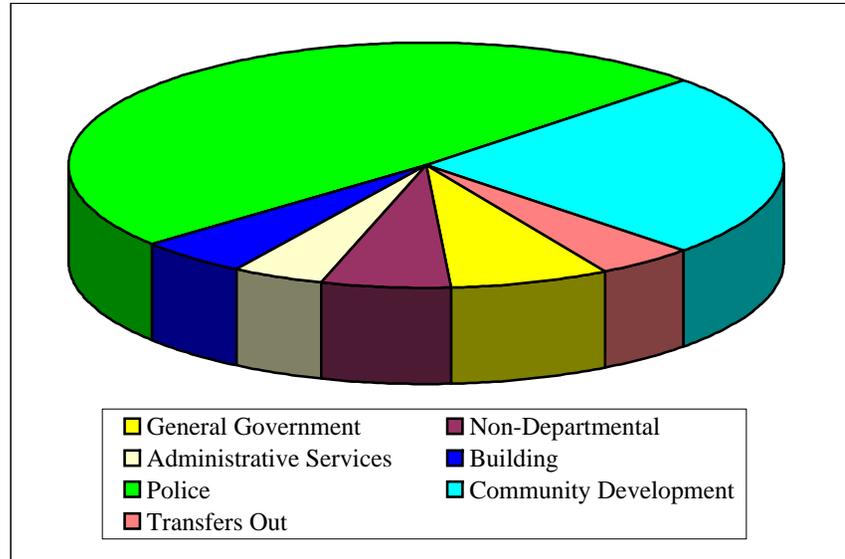
FISCAL YEAR 2005-06



General Government	7.21%	1,238,168
Non-Departmental	5.72%	983,254
Administrative Services	4.24%	729,044
Building	5.06%	869,539
Police	48.74%	8,375,575
Community Development	24.49%	4,207,815
Transfers Out	4.54%	<u>779,276</u>

Total General Fund **\$17,182,671**

FISCAL YEAR 2006-07



General Government	7.27%	1,291,849
Non-Departmental	6.28%	1,116,058
Administrative Services	4.29%	762,051
Building	5.06%	899,453
Police	49.16%	8,740,937
Community Development	24.51%	4,358,083
Transfers Out	3.43%	<u>610,431</u>

Total General Fund **\$17,778,863**

Budget for Fiscal Years 2005-06 and 2006-07

GENERAL FUND EXPEDITURES BY DEPARTMENT

	2003/04 Actual	2004/05 Budget	2005/06 Budget	2006/07 Budget
0100101 City Council	226,328	255,834	260,637	294,815
0100102 City Clerk	82,864	118,442	160,648	163,702
0100103 City Treasurer	7,630	11,208	12,136	12,855
0100104 City Manager	301,419	317,667	366,751	376,916
0100105 City Attorney	173,202	145,873	112,257	112,842
0100106 Economic Development	0	30,363	325,739	330,720
Total General Government Expenditures	791,443	879,387	1,238,168	1,291,849
0100201 General Services	185,557	238,606	200,150	212,150
0100202 Franchise	77,175	79,058	104,228	100,269
0100203 Contingencies	0	23,936	176,000	232,000
0100204 Retiree Benefits	320,438	387,938	502,875	571,639
Total Non-departmental Expenditures	583,170	729,538	983,254	1,116,058
0100401 Administration	129,866	153,502	140,348	143,293
0100402 Personnel	87,880	109,982	142,976	151,110
0100404 Finance	360,667	377,750	445,719	467,648
Total Administrative Services Expenditures	578,413	641,234	729,044	762,051
0100502 Inspection	533,188	594,836	748,055	774,153
0100503 Code Enforcement	85,057	119,012	121,484	125,300
Total Building Department Expenditures	618,245	713,848	869,539	899,453
0100601 Police Administration	1,052,989	1,286,612	1,133,598	1,240,040
0100602 Investigative Services	1,246,118	1,322,126	1,237,620	1,280,890
0100603 Support Services	1,046,894	1,174,067	1,257,665	1,290,304
0100604 Traffic Enforcement - Patrol	50,783	292,016	411,736	424,358
0100605 Field Services - Patrol	3,909,148	4,007,801	4,310,756	4,481,145
0100607 Emergency Services	49,264	23,027	24,200	24,200
Total Police Department Expenditures	7,355,196	8,105,649	8,375,575	8,740,937

Budget for Fiscal Years 2005-06 and 2006-07

	2003/04 Actual	2004/05 Budget	2005/06 Budget	2006/07 Budget
0100701 Community Development	239,467	170,490	124,244	137,476
0100702 Economic Development	327,515	448,289	0	0
0100703 Planning	540,417	648,104	491,860	509,263
0100704 Engineering	269,049	292,190	312,389	324,265
0100710 Traffic Control Maintenance	285,671	274,265	259,126	264,675
0100712 Street Lighting	320,928	346,427	388,059	402,607
0100720 Parks/Grounds Maintenance	888,288	997,153	1,061,343	1,092,322
0100723 Cemetary Maintenance	2,282	5,680	31,572	32,645
0100724 Open Space Maintenance	58,949	61,611	60,642	61,775
0100730 Public Facilities Maintenance	269,763	210,709	130,987	134,020
0100790 City Hall Building Maintenance *	0	0	0	0
0100791 Maintenance Services	0	0	178,894	187,117
0100801 Community Services Admininstrion	401,946	446,361	322,068	347,903
0100802 Cultural & Arts	102,532	250,416	106,295	108,735
0100803 General Recreation	73,241	68,102	75,118	75,274
0100804 Municipal Swimming Pool	93,401	134,740	159,936	166,092
0100805 Amphitheatre	108,978	38,250	8,250	8,250
0100806 Day Care	136,651	136,450	111,160	111,924
0100808 Sports Programs	86,175	71,680	76,699	71,873
0100809 Senior Center Programs	245,601	280,284	300,297	312,967
0108091 Alzheimer Respite	7,173	9,025	8,877	8,900
Total Community Development	4,458,028	4,890,226	4,207,815	4,358,083
Total General Fund Operating	14,384,495	15,959,883	16,403,395	17,168,432
Transfers Out	1,336,189	937,993	779,276	610,431
Total General Fund Expenditures & Transfers	15,720,684	16,897,876	17,182,671	17,778,863

* City Hall Building Maintenance costs are distributed among the departments located in City Hall.

Budget for Fiscal Years 2005-06 and 2006-07

GENERAL FUND 10 YEAR HISTORY OF REVENUES

<u>Description</u>	<u>Actual 1997/98</u>	<u>Actual 1998/99</u>	<u>Actual 1999/00</u>	<u>Actual 2000/01</u>	<u>Actual 2001/02</u>	<u>Actual 2002/03</u>	<u>Actual 2003/04</u>	<u>Projected 2004/05</u>	<u>Budget 2005/06</u>	<u>Budget 2006/07</u>
Property Taxes	3,439,598	3,675,351	4,056,308	4,454,216	4,435,184	4,591,561	5,072,309	5,300,000	5,565,000	5,843,250
State Tax Shift - ERAF III								(400,069)	(399,067)	
Sales Tax	2,544,735	2,926,623	3,106,403	2,537,196	3,730,588	2,981,530	3,683,973	3,889,286	4,133,954	4,257,973
Other Taxes	1,623,587	1,986,516	1,880,881	2,006,208	2,113,322	2,149,411	2,167,772	4,203,452	4,443,220	4,543,460
Licenses, Permits and Fees	405,338	549,101	557,888	545,180	380,802	381,300	355,725	295,177	443,700	491,100
Fines & Forfeitures	173,354	234,651	189,891	229,903	280,697	387,676	236,750	336,620	344,000	344,000
Intergovernmental Agencies	2,115,300	2,042,852	2,681,056	2,717,372	2,823,289	3,307,920	2,221,673	1,260,907	706,113	721,316
Charges for Services	519,973	564,653	617,432	612,675	674,532	593,072	639,153	529,376	672,689	597,680
Use of Money and Property	316,618	304,588	260,653	505,929	373,688	232,712	168,080	478,876	288,900	288,900
Other Revenue	670,370	461,909	1,237,199	416,762	456,243	264,157	204,864	130,059	285,749	107,384
Total Operating	11,808,873	12,746,244	14,587,711	14,025,441	15,268,345	14,889,339	14,750,300	16,023,684	16,484,258	17,195,063
Transfer In from Other Funds	14,272	9,476	9,023	6,000	8,093	213,318	150,000			
Total General Fund Revenues	11,823,145	12,755,720	14,596,734	14,031,441	15,276,438	15,102,657	14,900,300	16,023,684	16,484,258	17,195,063

Budget for Fiscal Years 2005-06 and 2006-07

GENERAL FUND 10 YEAR HISTORY OF EXPENDITURES

Description	Actual 1997/98	Actual 1998/99	Actual 1999/00	Actual 2000/01	Actual 2001/02	Actual 2002/03	Actual 2003/04	Projected 2004/05	Budget 2005/06	Budget 2006/07
General Government	934,287	1,010,819	1,111,298	1,419,168	981,212	801,417	791,443	879,387	1,238,168	1,291,849
Non Departmental	712,652	911,277	643,098	450,757	672,191	1,157,970	583,170	729,538	983,254	1,116,058
Administrative Services	0	0	0	0	596,745	402,692	578,413	641,234	729,044	762,051
Community Development	925,618	1,013,765	961,277	1,304,433	4,182,718	4,171,614	4,458,028	4,890,226	4,207,815	4,358,083
Community Services	1,018,023	923,099	918,710	1,117,326	0	0	0	0	0	0
Public Works	1,525,922	1,418,354	1,384,804	1,445,886	0	0	0	0	0	0
Building Department	0	0	0	0	580,976	609,678	618,245	713,848	869,539	899,453
Police Services	<u>5,273,968</u>	<u>5,777,093</u>	<u>5,793,758</u>	<u>5,924,990</u>	<u>6,505,642</u>	<u>7,255,249</u>	<u>7,355,196</u>	<u>8,105,649</u>	<u>8,375,575</u>	<u>8,740,937</u>
Total Operating	<u>10,390,470</u>	<u>11,054,407</u>	<u>10,812,945</u>	<u>11,662,560</u>	<u>13,519,484</u>	<u>14,398,620</u>	<u>14,384,495</u>	<u>15,959,883</u>	<u>16,403,395</u>	<u>17,168,432</u>
Transfer To Other Funds	369,323	759,175	496,095	422,772	765,575	731,846	1,336,189	937,993	779,276	610,431
Total General Fund Expenditures	<u>10,759,793</u>	<u>11,813,582</u>	<u>11,309,040</u>	<u>12,085,332</u>	<u>14,285,059</u>	<u>15,130,466</u>	<u>15,720,684</u>	<u>16,897,876</u>	<u>17,182,671</u>	<u>17,778,863</u>

Note: The General Fund 10 Year History reflects reorganization of City Departments implemented in 2001/02.

1. Prior to 2001/02 Administrative Services was included in General Government.
2. Starting in 2001/02 Community Services and Public Works is included in Community Development.
3. Prior to 2001/02 Building Department was part of Community Development.
4. Starting in 2005/06 Economic Development was moved from Community Development to General Government.

GENERAL FUND FOUR YEAR BUDGET PROJECTIONS 2007-08 TO 2010-11

Revenues

- ❑ Property tax revenues will increase 5% per year based on the assumption that assessed valuations will rise as people continue to move farther away from the Bay Area, thereby increasing home sales in Contra Costa County.
- ❑ Water system in lieu tax is expected to increase at the same rate as property taxes (5% for each year), and the VLF property tax swap will increase 4% each year.
- ❑ Sales tax, sales and use tax for public safety, documentary transfer tax, vehicle in lieu tax, and transient occupancy tax are projected to increase by 3% annually.
- ❑ Licenses and permits, fines and forfeits, current fees, income from use of property, and other miscellaneous revenues are also expected to increase by 3% per year.
- ❑ Intergovernmental will increase 3% for public safety sales tax, and 2% for motor vehicle in lieu and homeowners property tax relief. All other intergovernmental revenues are projected to remain unchanged.

Expenditures

- ❑ Salaries increase is based on current MOU provisions and employee merit increases.
- ❑ Health benefits are projected to increase 15% annually.
- ❑ PERS employer rates (from PERS Actuarial):

	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>
Sworn	24.63%	25.00%	32.7%	37.3%	37.0%	37.0%
Misc JFA	10.10%	10.30%	11.3%	11.3%	11.3%	11.3%
Misc City	\$61,910	\$61,762	\$61,762	\$61,762	\$61,762	\$61,762

Non-salary/benefit operating expenditures increase by CPI rate projected to be 3%. One-time expenditures are not included in future year projections.

Budget for Fiscal Years 2005-06 and 2006-07

GENERAL FUND PROJECTIONS

	<u>2004/05</u> <u>Projections</u>	<u>2005/06</u> <u>Budget</u>	<u>2006/07</u> <u>Budget</u>	<u>2007/08</u> <u>Projected</u>	<u>2008/09</u> <u>Projected</u>	<u>2009/10</u> <u>Projected</u>	<u>2010/11</u> <u>Projected</u>
<u>REVENUE</u>							
Taxes	12,992,669	13,743,107	14,644,683	15,217,184	15,813,653	16,435,145	17,082,767
Licenses, Permits & Fees	295,177	443,700	491,100	505,833	521,008	536,638	552,737
Fines & Forfeitures	336,620	344,000	344,000	354,320	364,950	375,898	387,175
Intergovernmental	1,260,907	706,113	721,316	730,814	748,425	766,513	785,090
Charges for Services	529,376	672,689	597,680	615,610	634,079	653,101	672,694
Use of Money & Property	478,876	288,900	288,900	297,567	306,494	315,689	325,159
Other Revenue	130,059	285,749	107,384	110,396	113,488	116,673	119,954
Total Revenue	<u>16,023,684</u>	<u>16,484,258</u>	<u>17,195,063</u>	<u>17,831,724</u>	<u>18,502,096</u>	<u>19,199,657</u>	<u>19,925,577</u>
<u>EXPENDITURES</u>							
General Government	879,387	1,238,168	1,291,849	1,208,201	1,260,238	1,314,980	1,372,606
Nondepartmental	729,538	983,254	1,116,058	1,259,555	1,404,213	1,574,142	1,774,265
Administrative Services	641,234	729,044	762,051	803,267	845,722	890,808	938,719
Community Development	4,890,226	4,207,815	4,358,083	4,425,588	4,621,045	4,826,914	5,043,921
Police Services	8,105,649	8,375,575	8,740,937	9,015,534	9,588,696	10,217,433	10,908,806
Building Department	713,848	869,539	899,453	940,821	983,387	1,028,217	1,075,459
Total Expenditures	<u>15,959,883</u>	<u>16,403,395</u>	<u>17,168,432</u>	<u>17,652,966</u>	<u>18,703,302</u>	<u>19,852,494</u>	<u>21,113,775</u>
Operating Surplus (Deficit)	<u>63,801</u>	<u>80,863</u>	<u>26,631</u>	<u>178,758</u>	<u>(201,205)</u>	<u>(652,837)</u>	<u>(1,188,197)</u>
<u>UNDESIGNATED FUND BALANCE</u>							
Beginning Balance	5,592,088	4,716,667	4,018,254	3,434,454	3,211,737	2,607,616	1,599,145
Transfer to Capital Improvements	(355,000)	(165,000)	(105,000)				
Funding of Lifeline for Water	(18,000)	(20,635)	(20,635)	(20,635)	(20,635)	(20,635)	(20,635)
Transfers In(Out) Other Funds	(5,500)						
Rent at 636 Ward Street *				(45,840)	(47,280)		
Transfer to Designated Reserves	(559,493)	(593,641)	(484,796)	(335,000)	(335,000)	(335,000)	(335,000)
Undesignated Fund Balance	<u>4,716,667</u>	<u>4,018,254</u>	<u>3,434,454</u>	<u>3,211,737</u>	<u>2,607,616</u>	<u>1,599,145</u>	<u>55,312</u>
<u>DESIGNATED FUND BALANCE</u>							
Catastrophes	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Contingencies	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Retiree Health Benefits	3,025,965	3,530,056	3,996,119	4,386,119	4,776,119	5,166,119	5,556,119
Future Pension Obligations		100,000	250,000	250,000	250,000	250,000	250,000
Insurance		125,000	125,000	125,000	125,000	125,000	125,000
Deferred Maintenance-City Hall	111,855	111,855	111,855	111,855	111,855	111,855	111,855
Designated Fund Balance	<u>3,537,820</u>	<u>4,266,911</u>	<u>4,882,974</u>	<u>5,272,974</u>	<u>5,662,974</u>	<u>6,052,974</u>	<u>6,442,974</u>
Total Undesignated & Designated	<u>8,254,487</u>	<u>8,285,165</u>	<u>8,317,428</u>	<u>8,484,711</u>	<u>8,270,590</u>	<u>7,652,119</u>	<u>6,498,286</u>

* Rent is included in operating for 2004-07.

Budget for Fiscal Years 2005-06 and 2006-07

DEBT SERVICE FUND - REVENUE

	<u>2003/04</u> <u>Actual</u>	<u>2004/05</u> <u>Projected</u>	<u>2005/06</u> <u>Budget</u>	<u>2006/07</u> <u>Budget</u>
Debt Service (41)				
4031 Transfers In	73,714		0	0
4701 Interest Income	57			
4755 Rental Charges-City	475,753	61,407	57,306	241,306
Total Debt Service	<u><u>\$ 549,524</u></u>	<u><u>\$ 61,407</u></u>	<u><u>\$ 57,306</u></u>	<u><u>\$ 241,306</u></u>

Budget for Fiscal Years 2005-06 and 2006-07

DEBT SERVICE - EXPENDITURES						
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		2003/04	2004/05	2005/06	<i>Increase</i>	2006/07	<i>Increase</i>
		Actual	Projected	Budget	<i>(Decrease)</i>	Budget	<i>(Decrease)</i>
<i>Debt Service</i>							
40	2003 COP - CITY HALL						
	Operating	5,090	2,150	2,000	(150)	2,000	
	Debt Service	69,504	254,257	255,306	1,049	251,306	(4,000)
	TOTAL 1992 COP - CITY HALL	74,594	256,407	257,306	899	253,306	(4,000)
40	CA ENERGY COMMISSION						
	Operating	4,149					
	Direct & Indirect Costs						
	TOTAL CA ENERGY COMMISSION	4,149	_____	_____	_____	_____	_____
	TOTAL DEBT SERVICE FUNCTION	78,743	256,407	257,306	899	253,306	(4,000)



General Government





General Government

<p>City Council Establish City goals and policies</p> <p>City Manager Policy Development Policy Implementation Direction/Leadership of City Staff</p> <p>Economic Development New Business Promotion Downtown Revitalization Community Coordination Manage Special Projects</p> <p>City Clerk City Records Management Community Meetings Liaison Conduct Elections</p> <p>City Attorney Legal Advice and Representation</p> <p>City Treasurer Integrity/Fidelity of City Finances</p>	<p>The General Government group supports all City programs. Programs within this section provide overall operational management, policy direction, economic development, public meeting and record administration, legal services, and a variety of non-departmental services. Functional areas of General Government include the City Council, City Manager, Economic Development, City Clerk, City Attorney (a contracted service), and City Treasurer. The City Council, including the Mayor, City Clerk and City Treasurer, are elected positions. Authorized positions in this area include the City Manager, Economic Development Director, Secretary to the City Manager, and Deputy City Clerk.</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="5" style="text-align: center;">DEPARTMENT STAFFING</th> </tr> <tr> <th style="text-align: left;"><u>Authorized Positions</u></th> <th style="text-align: center;"><u>2003-04</u></th> <th style="text-align: center;"><u>2004-05</u></th> <th style="text-align: center;"><u>2005-06</u></th> <th style="text-align: center;"><u>2006-07</u></th> </tr> </thead> <tbody> <tr> <td>City Manager</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td>Secretary to City Manager</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td>Deputy City Clerk</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td>Economic Development Director</td> <td style="text-align: center;">0.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td></td> <td style="text-align: center; border-top: 1px solid black;">3.0</td> <td style="text-align: center; border-top: 1px solid black;">4.0</td> <td style="text-align: center; border-top: 1px solid black;">4.0</td> <td style="text-align: center; border-top: 1px solid black;">4.0</td> </tr> </tbody> </table>	DEPARTMENT STAFFING					<u>Authorized Positions</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	City Manager	1.0	1.0	1.0	1.0	Secretary to City Manager	1.0	1.0	1.0	1.0	Deputy City Clerk	1.0	1.0	1.0	1.0	Economic Development Director	0.0	1.0	1.0	1.0		3.0	4.0	4.0	4.0
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GENERAL GOVERNMENT

CITY COUNCIL

The Martinez City Council is comprised of the Mayor and four Council Members who are each elected at-large for four-year terms. The Council is responsible for representing the residents of Martinez, providing policy and programmatic direction to the City Manager and City organization, and ensuring staff accountability for carrying out policies responsive to the needs of the community. The Council held a goal-setting session to establish the City's priorities for the budget period, in which they identified a number of overarching principles. The principles set for the next two years were to retain and enhance the City's small town character and strong sense of community; to continue to preserve the City's history to the community's advantage; to enhance the City's image to attract more investors and visitors; to work toward a stronger, more diverse local economy; and to expand opportunities for outdoor recreation.

The following goals and objectives were identified for the 2005-07 budget period:

2005-2007 GOALS AND OBJECTIVES

Enhance Marina Area

- Select and enter into a contract with a new marina operator
- Review and where necessary, update the master plan and business plan
- Remove the old pier
- Start the permitting process for the new breakwater and dredging and identify funding sources for implementation of those improvements

Revitalize Downtown

- Complete and adopt the Downtown Specific Plan
- Underground the overhead utilities on Marina Vista
- Assess the feasibility of a new parking structure on existing surface parking lots
- Move the City Corporation Yard out of the Downtown

CITY COUNCIL 2005-2007 GOALS AND OBJECTIVES (CONTINUED)

Move Forward on the John Muir Festival Center

- The JMFC Committee to start construction of the new theater
- Complete improvements to the John Muir amphitheatre

Vote on formation of Redevelopment Agency

- Hold election

Update Emergency Response Plan

- Complete and approve the updated plan
- Identify those implementation measures that are the highest priority and most feasible

2005-2007 BUDGET HIGHLIGHTS

- \$14,500 reduction in Professional/Technical Services each year due to savings on printing fees for the City Newsletter and shifting postage expenses to General Services
- \$5,000 transfer from Reserves for contribution to First Night each year

CITY MANAGER

It is the responsibility of the City Manager to assist the City Council in developing and evaluating policies that meet the needs of Martinez residents and customers, to ensure effective implementation of adopted policies, and to provide direction and leadership to the City government staff. The City Manager's significant accomplishments in 2003-05 include providing leadership and/or direct management for the following key projects and programs in support of the 2003-05 goals of the City Council:

2003-2005 ACCOMPLISHMENTS

- Maintained a quality police force to ensure a safe community
- Maintained prudent management of the City's finances
- Improved worker's compensation and liability insurance rates
- Enhanced economic development and hired an Economic Development Director
- Improved Code Enforcement
- Constructed major improvements to the Marina
- Leased building at 636 Ward Street for cabaret theater run by the Willows Theatre Company
- Implemented a new parking meter program
- Completed a community-wide survey and introduced a bond measure for various community improvements

The City Manager's specific objectives directly support the 2005-07 goals of the City Council:

2005-2007 KEY OBJECTIVES

- Complete long term lease for the Marina
- Continue an aggressive economic development program
- Complete the Downtown Specific Plan
- Working with the JMFC, complete retrofit of 636 Ward Street
- Complete acquisition and transfer of 630 Court Street
- Update Emergency Response Plan
- Monitor Rental Inspection Program
- Develop long-term strategy for enhancement and preservation of the City swimming pool
- Continue to address homeless issues

CITY MANAGER 2005-2007 KEY OBJECTIVES (CONTINUED)

- Maintain and improve customer service and communications with the community
- Utilize the City website to convey useful information to the public

ECONOMIC DEVELOPMENT

Economic Development focuses on downtown revitalization, strengthening the local economy and promoting Martinez as a destination for new businesses, visitors, and investors. These efforts are strengthened through coordination with local business organizations, property owners, and business owners. A new position, Economic Development Director, was created to bolster the City's efforts in this regard. The functions of Economic Development were formerly staffed and budgeted in the Community Development Department.

2003-2005 ACCOMPLISHMENTS

- Assisted in the opening of 12 new businesses, including several downtown restaurants and retail establishments
- Received a Community Development Block Grant (CDBG) to fund a Façade Improvement Program
- Provided informational workshops and held an advisory vote to gauge citizen support for establishment of a Redevelopment Agency

2005-2007 KEY OBJECTIVES

- Continue working to revitalize downtown
- Continue to attract and promote new and diverse businesses
- Assist the JMFC/Willows Theatre with conversion of 636 Ward Street for live theater
- Manage special projects

2005-2007 BUDGET HIGHLIGHTS

- \$50,000 transfer from Reserves to Contributions/Promotions each year for Chamber of Commerce
- \$50,000 transfer from Reserves in FY 2005-06 and \$30,000 transfer from Reserves in FY 2006-07 to Contributions/Promotions for Main Street Martinez
- \$30,000 transfer from Reserves to Professional/Technical Services each year for Events Coordinator

CITY CLERK

The Martinez City Clerk, who is elected at-large and serves in a part-time capacity, is the formal guardian of public information, administers oaths of office, and verifies all resolutions and ordinances.

The Deputy City Clerk, a full-time staff position, is responsible for ensuring the security and accessibility of all official City records; serving as the information and records manager of all legislative proceedings; conducting all aspects of municipal elections; and serving as a support office to the City Clerk, City Council, City Manager and staff, City boards and commissions, and the residents of Martinez. During the period FY 2003-05, the City Clerk:

- Completed Phase One of the Laserfiche digital records storage system which included all minutes, resolutions, and ordinances
- Conducted regular and special elections in November 2004

2005-2007 BUDGET HIGHLIGHTS

- \$14,000 reduction in Temporary Salaries each year
- \$9,600 increase in Professional/Technical Services each year
- \$6,500 increase in Other Services in FY 2005-06 in anticipation of special election

CITY ATTORNEY

The City Attorney provides the City Council, City Manager, and all City programs with the legal advice and representation they request or require in order to provide service to the public. The City Attorney also is responsible for advising or taking appropriate steps to reduce the risks of various City activities, and for assisting in the administration and enforcement of laws, regulations, and City programs. The City Attorney's regular duties include: representing the City in legal matters and providing advice as requested on a variety of issues and concerns; attending City Council meetings to provide expert counsel, clarification, and interpretation; and providing information and assistance to City staff as needed to support program and service delivery efforts. City Attorney services are provided to the City of Martinez on a contractual basis.

2005-2007 BUDGET HIGHLIGHTS

- \$10,000 reduction in Legal Services each year

CITY TREASURER

The City Treasurer, a part-time elected official of the City of Martinez, is charged with ensuring the integrity and fidelity of City finances and signing all checks issued by the City.

NONDEPARTMENTAL SERVICES

This budget group accounts for expenditures that are not based in a specific program. No positions are allocated here.

GENERAL SERVICES

This budget includes general operating supplies and equipment such as postage, telephone charges and contracted maintenance and repair.

FRANCHISE ADMINISTRATION

Expenditures related to the City's solid waste, recycling, and cable television franchises are budgeted here.

RETIRED EMPLOYEES

This is the budget for the current year cost of the retired employees' medical benefit.

CONTINGENCY

Funds have been designated for unknown but anticipated budget increases.

2005-2007 BUDGET HIGHLIGHTS

- \$115,000 increase in Retiree Benefits in FY 2005-06; \$184,000 increase in FY 2006-07
- \$52,000 reduction in General Services Professional/Technical Services each year
- \$8,000 increase in Franchise Administration Professional/Technical Services for additional recycling programs needed to meet the City's recycling quota

Budget for Fiscal Years 2005-06 and 2006-07

GENERAL GOVERNMENT EXPENDITURES

	<u>2003/04</u> <u>Actual</u>	<u>2004/05</u> <u>Projected</u>	<u>2005/06</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2006/07</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
<i>General Government</i>						
01 101 CITY COUNCIL						
Labor	73,740	80,887	93,352	12,465	100,142	6,790
Operating	193,989	187,862	174,186	(13,677)	177,666	3,480
Direct & Indirect Costs	(41,402)	(12,915)	(6,900)	6,015	17,007	23,907
TOTAL CITY COUNCIL	<u>226,328</u>	<u>255,834</u>	<u>260,637</u>	<u>4,803</u>	<u>294,815</u>	<u>34,177</u>
01 103 CITY TREASURER						
Labor	9,913	11,813	12,733	920	13,540	808
Operating	462	1,510	1,545	35	1,583	38
Direct & Indirect Costs	(2,745)	(2,115)	(2,142)	(27)	(2,268)	(127)
TOTAL CITY TREASURER	<u>7,630</u>	<u>11,208</u>	<u>12,136</u>	<u>928</u>	<u>12,855</u>	<u>719</u>
01 104 CITY MANAGER						
Labor	365,140	384,492	401,147	16,655	405,082	3,936
Operating	36,214	50,043	39,165	(10,878)	40,280	1,114
Direct & Indirect Costs	(99,935)	(116,868)	(73,561)	43,307	(68,446)	5,115
TOTAL CITY MANAGER	<u>301,419</u>	<u>317,667</u>	<u>366,751</u>	<u>49,084</u>	<u>376,916</u>	<u>10,165</u>
01 102 CITY CLERK						
Labor	107,142	129,002	121,605	(7,397)	125,457	3,851
Operating	34,688	55,071	67,990	12,919	65,439	(2,552)
Direct & Indirect Costs	(58,966)	(65,631)	(28,948)	36,683	(27,193)	1,754
TOTAL CITY CLERK	<u>82,864</u>	<u>118,442</u>	<u>160,648</u>	<u>42,206</u>	<u>163,702</u>	<u>3,054</u>

Budget for Fiscal Years 2005-06 and 2006-07

	<u>2003/04</u> <u>Actual</u>	<u>2004/05</u> <u>Projected</u>	<u>2005/06</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2006/07</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
01 105 CITY ATTORNEY						
Labor						
Operating	252,034	235,504	225,640	<i>(9,864)</i>	225,997	357
Direct & Indirect Costs	<u>(78,832)</u>	<u>(89,631)</u>	<u>(113,382)</u>	<u><i>(23,751)</i></u>	<u>(113,155)</u>	<u>227</u>
TOTAL CITY ATTORNEY	<u>173,202</u>	<u>145,873</u>	<u>112,257</u>	<u><i>(33,616)</i></u>	<u>112,842</u>	<u>585</u>
01 106 ECONOMIC DEVELOPMENT						
Labor		30,363	162,716	<i>132,353</i>	167,140	4,424
Operating			163,023	<i>163,023</i>	163,580	558
Direct & Indirect Costs						
TOTAL ECONOMIC DEVELOPMENT		<u>30,363</u>	<u>325,739</u>	<u><i>295,376</i></u>	<u>330,720</u>	<u>4,981</u>
TOTAL GENERAL GOVERNMENT	<u>791,443</u>	<u>879,387</u>	<u>1,238,168</u>	<u><i>358,781</i></u>	<u>1,291,849</u>	<u>53,681</u>

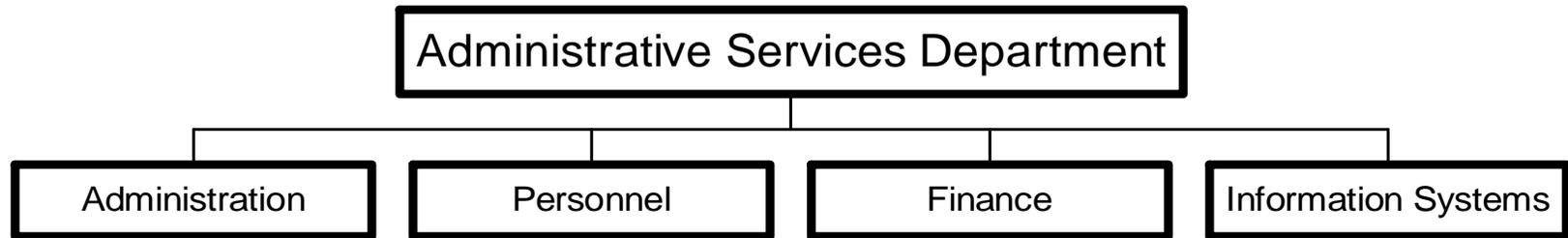
Budget for Fiscal Years 2005 - 2006 and 2006 - 2007

NONDEPARTMENTAL EXPENDITURES

	<u>2003/04</u> <u>Actual</u>	<u>2004/05</u> <u>Projected</u>	<u>2005/06</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2006/07</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
<i>Nondepartmental</i>						
01 201 GENERAL SERVICES						
Operating	315,090	362,164	180,150	(182,014)	192,150	12,000
Capital		20,000	20,000		20,000	
Direct & Indirect Costs	(129,532)	(143,558)		143,558		
TOTAL GENERAL SERVICES	<u>185,557</u>	<u>238,606</u>	<u>200,150</u>	<u>(38,456)</u>	<u>212,150</u>	<u>12,000</u>
01 202 FRANCHISE ADMINISTRATION						
Labor						
Operating	74,555	74,300	78,450	4,150	73,950	(4,500)
Capital						
Direct & Indirect Costs	2,620	4,758	25,778	21,020	26,319	541
TOTAL FRANCHISE ADMINISTRATION	<u>77,175</u>	<u>79,058</u>	<u>104,228</u>	<u>25,170</u>	<u>100,269</u>	<u>(3,959)</u>
01 204 RETIRED EMPLOYEES						
Labor		20,000	61,910	41,910	61,762	(148)
Operating	320,438	367,938	440,966	73,028	509,877	68,912
TOTAL RETIRED EMPLOYEES	<u>320,438</u>	<u>387,938</u>	<u>502,875</u>	<u>114,937</u>	<u>571,639</u>	<u>68,764</u>
01 203 CONTINGENCY						
Labor		18,936	140,000	121,064	150,000	10,000
Operating		5,000	36,000	31,000	82,000	46,000
TOTAL CONTINGENCY		<u>23,936</u>	<u>176,000</u>	<u>152,064</u>	<u>232,000</u>	<u>56,000</u>
TOTAL NONDEPARTMENTAL	<u>583,170</u>	<u>729,538</u>	<u>983,254</u>	<u>253,716</u>	<u>1,116,058</u>	<u>132,805</u>



Administrative Services Department





Administrative Services Department

Administration	DEPARTMENT STAFFING																																																																																																																									
Risk Management/Safety Program	<p>The Administrative Services Department is charged with the overall administration of several City programs, including Risk Management, Contract/Franchise Agreements, Financial Management, Human Resources, and Information Systems.</p> <p style="text-align: center;">DEPARTMENT STAFFING</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Authorized Positions</u></th> <th style="text-align: center;"><u>2003-04</u></th> <th style="text-align: center;"><u>2004-05</u></th> <th style="text-align: center;"><u>2005-06</u></th> <th style="text-align: center;"><u>2006-07</u></th> </tr> </thead> <tbody> <tr> <td>Administrative Services Director</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td>Management Analyst</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td>Contract/Franchise Agreements</td> <td>Personnel Technician</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td>Citywide Policies and Programs</td> <td>Finance Manager</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td>Personnel</td> <td>Accountant</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td>Recruitments</td> <td>Senior Account Clerk</td> <td style="text-align: center;">2.0</td> <td style="text-align: center;">2.0</td> <td style="text-align: center;">2.0</td> <td style="text-align: center;">2.0</td> </tr> <tr> <td>Employee Benefits</td> <td>Account Clerk III</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td>Labor Relations</td> <td>Account Clerk II</td> <td style="text-align: center;">2.0</td> <td style="text-align: center;">2.0</td> <td style="text-align: center;">2.0</td> <td style="text-align: center;">2.0</td> </tr> <tr> <td>Finance</td> <td>Information Systems Specialist</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td>Payroll</td> <td style="border-top: 1px solid black;"></td> <td style="text-align: center; border-top: 1px solid black;">11.0</td> </tr> <tr> <td>Billing and Collections</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Accounts Payable and Receivable</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Financial Audits and Reports</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Budget Preparation and Analysis</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Business Licenses</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Information Systems</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Computer Support</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Telephones and Data Accessories</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>City Website</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					<u>Authorized Positions</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	Administrative Services Director	1.0	1.0	1.0	1.0	Management Analyst	1.0	1.0	1.0	1.0	Contract/Franchise Agreements	Personnel Technician	1.0	1.0	1.0	1.0	Citywide Policies and Programs	Finance Manager	1.0	1.0	1.0	1.0	Personnel	Accountant	1.0	1.0	1.0	1.0	Recruitments	Senior Account Clerk	2.0	2.0	2.0	2.0	Employee Benefits	Account Clerk III	1.0	1.0	1.0	1.0	Labor Relations	Account Clerk II	2.0	2.0	2.0	2.0	Finance	Information Systems Specialist	1.0	1.0	1.0	1.0	Payroll		11.0	11.0	11.0	11.0	Billing and Collections						Accounts Payable and Receivable						Financial Audits and Reports						Budget Preparation and Analysis						Business Licenses						Information Systems						Computer Support						Telephones and Data Accessories						City Website					
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ADMINISTRATION

The Administrative Services Department oversees Risk Management, Contract/Franchise administration, City policies and programs, the Safety Program, and State Mandated Services Reimbursement programs. The City participates in the Municipal Pooling Authority of Northern California (MPA) for its Risk Management programs. Administration directs the activities of finance, personnel, and information systems for the City.

2003-2005 ACCOMPLISHMENTS

- Successfully implemented all modules of the MUNIS Financial/Human Resource software system on schedule and within budget
- Completed contract negotiations with the Martinez Police Officers' Association
- Completed analyses and updated Impact Mitigation Fees, User Fees, and Cost Allocation Plan
- Reduced on the job injuries by 48% over the two-year period and received 2nd and 3rd level Safety Program Excellence awards
- Received excellence awards from GFOA and CSMFO for the City's Comprehensive Annual Financial Report
- Received CSMFO awards for budget document and for public communication of the budget
- Developed a Bond Measure in November 2004 for funding of community facilities
- Released RFRP for cable franchise renewal and continued to participate in the informal negotiations process
- Published 6 new issues of the Martinez City Times Newsletter
- Developed an Administrative Policies Manual and distributed to the City's management group

2005-2007 KEY OBJECTIVES

- Complete cable franchise renewal negotiations
- Negotiate labor contracts with 2 bargaining units and update the Management Compensation Plan by December 2005
- Update safety procedures when necessary, conduct monthly safety inspections, and provide 6 safety training courses per year
- Prepare budgets and financial reports that provide meaningful information and meet State and national standards of excellence
- Monitor City's leases and franchises to ensure compliance
- Update City administrative policies and procedures to reflect legislative changes
- Continue publishing 3 issues per year of the Martinez City Times Newsletter
- Continue to represent the City on the MPA Board of Directors
- Update actuarial analysis of retiree medical in preparation for GASB 45

2005-2007 BUDGET HIGHLIGHTS

- \$7,000 reduction in Professional/Technical Services each year

PERSONNEL

Personnel provides support services to all City departments including recruitment and examination, new employee orientations, labor relations, employee benefit administration, worker's compensation claims, staff training and development, and maintenance of official personnel files. Personnel ensures that the City is in compliance with State and Federal laws, Civil Service Rules, City policy, and various Memorandums of Understanding. The Division works closely with the MPA, of which the City is a member, coordinates with ICMA, the City's deferred compensation administrator, and CalPERS, the California Public Employees Retirement System.

2003-2005 ACCOMPLISHMENTS

- Completed contract negotiations with the Martinez Police Officers' Association
- Completed recruitments for 19 positions, including Deputy Director of Parks and Community Services, Economic Development/Special Projects Director, Finance Manager, Senior Civil Engineer, and Senior Planner
- Sponsored several Wellness events for City employees and increased attendance at the 2004 and 2005 annual Health Fairs by over 25% from the 2003 event
- Participated in the Bay Area Medical Review (BAMR) group
- Completed implementation of the Human Resource management software system (MUNIS)

2005-2007 KEY OBJECTIVES

- Negotiate expiring labor contracts for two (2) bargaining units, and update management compensation plan by December 2005
- Provide continuous administrative, benefit, and recruitment support to all departments
- Sponsor Wellness events and activities and continue to increase attendance
- Develop an employee performance evaluation reporting system in MUNIS by October 2005
- Test the Applicant Tracking System in MUNIS
- Establish employee benefits group to consider benefit program and cost containment measures

2005-2007 BUDGET HIGHLIGHTS

- No significant changes

FINANCE

Finance prepares and monitors the biennial budget and Comprehensive Annual Financial Report (CAFR), coordinates annual and special audits, prepares annual State reports, issues fiscal status reports, and calculates the annual appropriation limit. Finance provides support services to other departments including general accounting, budget preparation, accounts payable, accounts receivable, payroll and employee benefits. Finance also administers the City's treasury and revenue operations, debt service, maintains the general ledger, issues business licenses and parking permits, administers job costing, staffs the public cashier counter, and processes billing and collection of water customers. Additionally, Finance monitors the City's capital improvement budget, and coordinates major financing transactions for City capital projects.

2003-2005 ACCOMPLISHMENTS

- Prepared GASB-34 compliant CAFR
- Received excellence awards from GFOA and CSMFO for the City's Comprehensive Annual Financial Report
- Received CSMFO awards for budget document and for public communication of the budget
- Completed implementation of all MUNIS financial software modules
- Strengthened internal controls and improved workflow and business processes with cross training of Finance staff
- Processed approximately 60,000 water billings and 3,200 building permit receipts
- Issued over 2,500 business license annual renewals and processed more than 100 new licenses and 400 quarterly renewals
- Initiated audit of business license tax
- Implemented new cost allocation methodology

2005-2007 KEY OBJECTIVES

- Prepare GASB-33 compliant CAFR beginning with FY 2004-05
- Develop centralized finance file system by December 2005
- Develop improved management reports for crucial decision making by City management
- Complete RFP process for banking services by July 2006 and audit services by February 2007
- Review payroll module to improve tracking and reporting capabilities by Spring 2006
- Continue cross training of finance staff to ensure adequate coverage for essential functions
- Complete implementation of the City's fixed assets into the financial software system

2005-2007 BUDGET HIGHLIGHTS

- \$15,000 reduction in Professional/Technical Services each year
- \$11,000 reduction in Temporary Salaries each year

INFORMATION SYSTEMS

Information Systems supports, maintains and enhances citywide information services related to the Wide and Local Area Network (WAN/LAN), computer hardware and software, data communications, telecommunications and the City's website. The Information Systems budget, which is included in the Internal Service Funds section, provides for the City's hardware, software and staff support needs.

2003-2005 ACCOMPLISHMENTS

- Completed implementation of the City's Financial/Human Resources management software system
- Implemented the City's new website and achieved a Golden Web Award from the International Association of Web Masters and Designers
- Created a page on City's website with the general location of sex offenders registered in the City
- Replaced the City's phone and voicemail systems
- Maintained 6 network servers, 100 workstations and 45 printers
- Provided desktop support and replaced outdated equipment
- Coordinated maintenance contracts with outside vendors for computer hardware and software and phone system support

2005-2007 KEY OBJECTIVES

- Implement anti-spamming software for email system to help eliminate the threat of computer viruses by September 2005
- Keep network and email servers up to date on software releases and upgrades
- Update City's Laserfische program to enable integration with the Police Departments records program by December 2005
- Update City's financial server to latest Microsoft server operating system release by September 2005
- Update City's financial software and train users on latest version by September 2005
- Support, maintain and enhance the City's information technology hardware, software and communications infrastructure
- Provide desktop support and replace outdated equipment
- Coordinate maintenance contracts with outside vendors for computer hardware and software and the phone system

2005-2007 BUDGET HIGHLIGHTS

- \$30,300 reduction in Professional/Technical Services each year
- \$16,900 reduction in Repair and Maintenance Services in FY 2005-06; \$10,800 increase in FY 2006-07

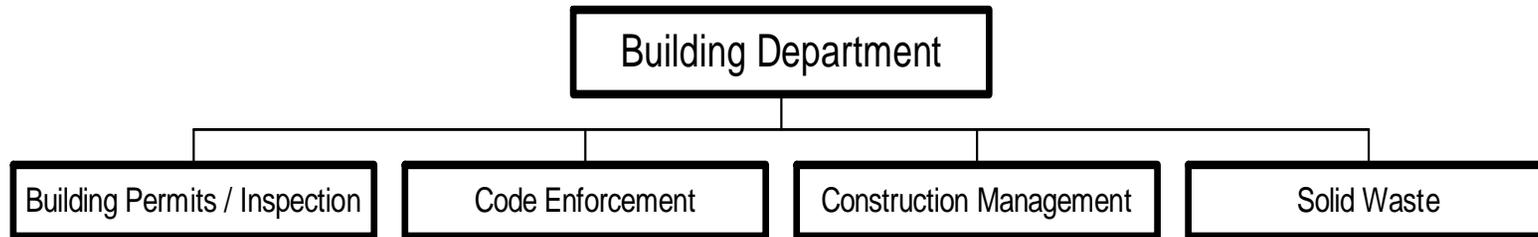
Budget for Fiscal Years 2005-06 and 2006-07

ADMINISTRATIVE SERVICES EXPENDITURES

	<u>2003/04</u> <u>Actual</u>	<u>2004/05</u> <u>Projected</u>	<u>2005/06</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2006/07</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
<i>Administrative Services</i>						
01 401 ADMINISTRATION						
Labor	211,856	231,364	253,512	22,148	256,120	2,608
Operating	18,257	42,198	28,826	(13,372)	29,770	944
Direct & Indirect Costs	(100,247)	(120,060)	(141,989)	(21,929)	(142,597)	(607)
TOTAL ADMINISTRATION	<u>129,866</u>	<u>153,502</u>	<u>140,348</u>	<u>(13,154)</u>	<u>143,293</u>	<u>2,945</u>
01 404 FINANCE						
Labor	564,730	621,219	676,667	55,448	698,811	22,144
Operating	8,721	12,667	82,438	69,771	85,832	3,394
Direct & Indirect Costs	(212,784)	(256,136)	(313,386)	(57,250)	(316,995)	(3,609)
TOTAL FINANCE	<u>360,667</u>	<u>377,750</u>	<u>445,719</u>	<u>67,969</u>	<u>467,648</u>	<u>21,929</u>
01 402 PERSONNEL						
Labor	91,624	107,660	111,785	4,125	114,163	2,379
Operating	54,639	70,800	68,695	(2,105)	74,103	5,408
Direct & Indirect Costs	(58,383)	(68,478)	(37,504)	30,974	(37,157)	347
TOTAL PERSONNEL	<u>87,880</u>	<u>109,982</u>	<u>142,976</u>	<u>32,994</u>	<u>151,110</u>	<u>8,134</u>
TOTAL ADMINISTRATIVE SERVICES	<u>578,413</u>	<u>641,234</u>	<u>729,044</u>	<u>87,809</u>	<u>762,051</u>	<u>33,007</u>



Building Department





Building Department

Building Permits/Inspection	The Building Department is charged with managing a variety of areas including Building Permits and Inspection; Code Enforcement; Construction Management, and Solid Waste/Recycling programs. The City's Unreinforced Masonry, Community Preservation, and Administrative Citation programs are all managed here.																																								
Plan Review	<p style="text-align: center;">DEPARTMENT STAFFING</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Authorized Positions</u></th> <th style="text-align: center;"><u>2003-04</u></th> <th style="text-align: center;"><u>2004-05</u></th> <th style="text-align: center;"><u>2005-06</u></th> <th style="text-align: center;"><u>2006-07</u></th> </tr> </thead> <tbody> <tr> <td>Building Director</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td>Chief Building Inspector</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td>Construction Inspector</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td>Code Enforcement Inspector</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td>Building Inspector II</td> <td style="text-align: center;">2.0</td> <td style="text-align: center;">2.0</td> <td style="text-align: center;">2.0</td> <td style="text-align: center;">2.0</td> </tr> <tr> <td>Permit Technician II</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td></td> <td style="text-align: center; border-top: 1px solid black;">7.0</td> </tr> </tbody> </table>	<u>Authorized Positions</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	Building Director	1.0	1.0	1.0	1.0	Chief Building Inspector	1.0	1.0	1.0	1.0	Construction Inspector	1.0	1.0	1.0	1.0	Code Enforcement Inspector	1.0	1.0	1.0	1.0	Building Inspector II	2.0	2.0	2.0	2.0	Permit Technician II	1.0	1.0	1.0	1.0		7.0	7.0	7.0	7.0
<u>Authorized Positions</u>		<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>																																				
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Construction Schedule Maintenance																																									
Change Order Negotiation																																									
Progress Payments																																									
Solid Waste																																									
Landfill Waste Reduction																																									
Reuse / Recycle Programs																																									
Public Education Programs																																									

BUILDING PERMITS / INSPECTION

Inspection staff coordinate and monitor the review, plan checking, City approval, permit issuance, inspection, code compliance, and acceptance processes for all building construction activities in Martinez. This area also provides counter staff to assist the public when needed, and to help the design professionals with project submittals. Inspection activities include utility and encroachment permits, engineering grading, and site development. Staff assist with NPDES program issues such as erosion control and stormwater pollution prevention plans. Additionally, staff provide construction management and inspection services for capital improvement projects including contract management, budget administration, work scheduling, payroll certification, change order processing, and resolution of design issues.

2003-2005 ACCOMPLISHMENTS

- Issued 3,200 permits
- Conducted more than 12,000 inspections
- Conducted over 500 NPDES storm water inspections
- Conducted approximately 1,500 right-of-way inspections
- Implemented unreinforced masonry (URM) placarding program
- Completed “Extreme Makeover – Home Edition” project in December 2004

2005-2007 KEY OBJECTIVES

- Continue to enhance customer service and streamline permit issuing process
- Work with City Council to update the City’s URM Ordinance (2006)
- Work with URM property owners to retrofit buildings
- Work with the Police Department to update the City’s Emergency Response Plan
- Provide all necessary training to keep inspection staff current with changes in the construction industry
- Monitor Rental Inspection Program

2005-2007 BUDGET HIGHLIGHTS

- \$10,000 increase in Temporary Salaries each year
- \$7,000 increase in Repair and Maintenance Services in FY 2005-06 for software reprogramming

CODE ENFORCEMENT

The Code Enforcement program investigates land use, zoning, municipal code and other health and safety complaints. Staff works with property owners to correct violations, which improves property values and the environment.

2003-2005 ACCOMPLISHMENTS

- Handled 3,000 Code Enforcement complaints
- Opened 1,100 Code Enforcement cases
- Eliminated complaint backlog
- Investigated 117 proactive cases (initiated by Code Enforcement Inspector with no complaint received)
- Implemented new Community Preservation Ordinance

2005-2007 KEY OBJECTIVES

- Develop/implement a new Administrative Citation Ordinance (2005)
- Continue to utilize proactive Code Enforcement
- Expand use of the City website to educate the public regarding the Code Enforcement program
- Work with Planning to identify outdated Municipal Code sections to improve overall enforcement
- Research grant opportunities

2005-2007 BUDGET HIGHLIGHTS

- No significant changes

CONSTRUCTION MANAGEMENT

This program area manages all City construction projects to ensure compliance with plans and specifications. Staff work with contractors, designers, and other agencies to keep projects on schedule and within budget. Key functions include assisting the design group with construction document preparation and monitoring the contract bidding and awarding process. This group also represents the City in any disputes, responds to requests for information, and negotiates change orders encountered during construction.

2003-2005 ACCOMPLISHMENTS

- Managed/inspected all the City's Capital Improvement projects, including Bay Trail phases I and II, the Downtown Curb Ramp Project, and the boat launch ramp and Ferry Plaza improvements at the Marina
- Managed/inspected several repaving and resurfacing projects on City streets
- Completed phases I and II of the Bay Trail project at Granger's Wharf
- Started the three year Peyton Slough tide gate and slough realignment project
- Inspected all right-of-way work in the City

2005-2007 KEY OBJECTIVES

- Continue to provide complete construction management to ensure quality workmanship, timely completions, and cost effective measures on all City projects
- Work with Community Development Department to improve overall Capital Improvement Program
- Provide design assistance on a variety of City projects
- Provide training to staff to remain current with changes in the construction industry

2005-2007 BUDGET HIGHLIGHTS

- No significant changes

SOLID WASTE

The Solid Waste Program provides for the protection of public health and safety and the environment through waste prevention, waste diversion, and safe waste processing and disposal. Staff works with Pleasant Hill Bayshore Disposal to establish rates, pick-up schedules, and recycle programs. A primary goal is the reduction of landfill waste through reuse and recycle programs. The budget for this program area is listed under Franchise Administration in the Nondepartmental Services group.

2003-2005 ACCOMPLISHMENTS

- Maintained effective, responsive solid waste and recycling services for Martinez residents and businesses
- Submitted two Annual Reports for Waste Reduction/Recycling (as required by AB939) and completed one Biennial Review conducted by California Integrated Waste Management Board (CIWMB) staff
- Implemented new Single Stream Recycling Program
- Obtained and managed grant funding from the California Department of Conservation and CIWMB to support container recycling and hazardous waste collection/recycling
- Coordinated and/or assisted in special events including the Computer Recycling Collection event (March 2003); Downtown Martinez Clean Up (April 2003 and 2004); and the Neighborhood Clean Up, City Park Recycling, and Earth Day Fair events (April 2003 and 2004)

2005-2007 KEY OBJECTIVES

- Maintain effective, responsive solid waste and recycling services for Martinez residents and businesses
- Exceed 50% Diversion Requirement established by AB939
- Expand commercial/industrial recycling programs
- Enact a Construction and Demolition Waste (C & D) Diversion Ordinance requiring the recycling of construction and demolition debris (2006)
- Coordinate and assist special events and provide special assistance to the Martinez community

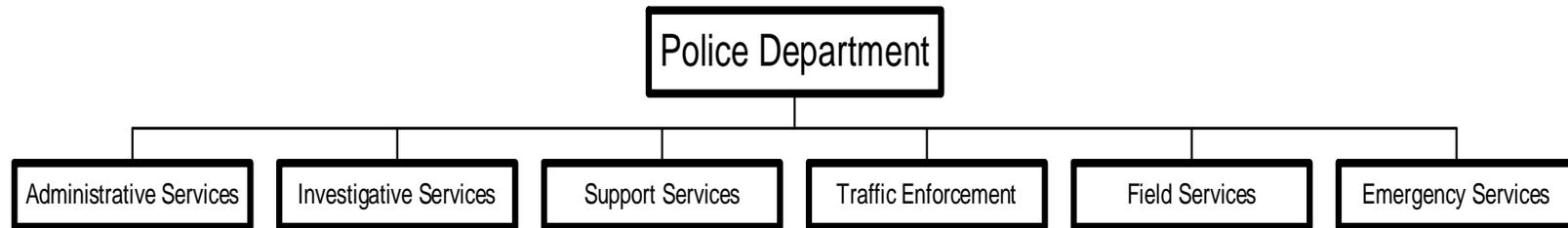
Budgets for Fiscal Years 2005 - 2006 and 2006 - 2007

BUILDING DEPARTMENT EXPENDITURES

	<u>2003/04 Actual</u>	<u>2004/05 Projected</u>	<u>2005/06 Budget</u>	<u>Increase (Decrease)</u>	<u>2006/07 Budget</u>	<u>Increase (Decrease)</u>
<i>Building Department</i>						
01 502 INSPECTION						
Labor	558,320	642,456	694,878	52,422	708,431	13,553
Operating	(47,165)	(18,890)	27,222	46,112	27,468	246
Direct & Indirect Costs	22,033	(28,730)	25,955	54,685	38,253	12,298
TOTAL INSPECTION	<u>533,188</u>	<u>594,836</u>	<u>748,055</u>	<u>153,219</u>	<u>774,153</u>	<u>26,098</u>
01 503 CODE ENFORCEMENT						
Labor	78,180	86,892	95,830	8,938	97,580	1,750
Operating	(5,258)	29,475	18,523	(10,952)	18,993	470
Direct & Indirect Costs	12,135	2,645	7,131	4,486	8,726	1,596
TOTAL CODE ENFORCEMENT	<u>85,057</u>	<u>119,012</u>	<u>121,484</u>	<u>2,472</u>	<u>125,300</u>	<u>3,816</u>
TOTAL BUILDING DEPARTMENT	<u>618,245</u>	<u>713,848</u>	<u>869,539</u>	<u>155,691</u>	<u>899,453</u>	<u>29,913</u>



Police Department





Police Department

Administrative Services	DEPARTMENT STAFFING				
Department Polices and Programs	The Police Department is charged with maintaining the Public Safety of the City's citizens and its visitors. In addition to its administrative functions, the Department consists of Field Services, Investigative Services, Support Services, Traffic Enforcement, and Emergency Services.				
Budgeting and Contracts					
Investigative Services	DEPARTMENT STAFFING				
Criminal Case Investigations	Authorized Positions				
Identity Theft and Computer Crimes	2003-04	2004-05	2005-06	2006-07	
Juvenile Diversion Program	Police Chief	1.0	1.0	1.0	1.0
Support Services	Police Commander	2.0	2.0	2.0	2.0
Police Dispatching Services	Police Sergeant	5.0	5.0	5.0	5.0
Records Management	Police Officer*	31.0	31.0	31.0	31.0
Public Counter Service	Support Services Supervisor	1.0	1.0	1.0	1.0
Traffic Enforcement	Lead Police Clerk/Dispatcher	1.0	1.0	1.0	1.0
Parking/Moving Violations Enforcement	Police Clerk Dispatcher	6.0	6.0	6.0	6.0
Traffic Safety Program Promotion	Administrative Secretary	1.0	1.0	1.0	1.0
Traffic Accident Investigation	Evidence/Property Technician	1.0	1.0	1.0	1.0
Field Services	Police Assistant**	5.0	4.0	4.0	4.0
24-hour Uniformed Patrol Services	Records Clerk	2.0	2.0	2.0	2.0
Community Oriented Policing		56.0	55.0	55.0	55.0
Reserve and Cadet Programs	*includes one grant-funded position				
Emergency Services	**includes one grant-funded position in 2003-04				
Emergency Planning and Response					
Emergency Operations Center					

ADMINISTRATIVE SERVICES

The mission of the Police program is to deliver a high level of community interaction, providing professional law enforcement and public safety services in a fair, compassionate, and proactive manner, and to maintain a high quality of life and safety for Martinez residents and visitors.

2003-2005 ACCOMPLISHMENTS

- Successfully managed a major fire disaster
- Provided training for all department supervisors on disaster response and preparedness
- Successfully provided citizens with location map on City's website for high risk sex offenders
- Maintained service levels throughout the City despite a difficult fiscal climate
- Obtained a \$250K drunk driver enforcement grant with cooperation from MADD (Mothers Against Drunk Driving), of which \$100K will be used by the Martinez Police Department and \$150K will be used by MADD
- Actively pursued frequent drug/alcohol offenders, especially in the downtown areas
- Continued full-time traffic division enforcement, resulting in reduced number of traffic related complaints
- Implemented a "Cell Phones for Seniors" program, supplying more than 150 cell phones to needy seniors for use in emergencies
- Successfully obtained State legislation in cooperation with the City Council and City Attorney's office regarding notification requirements of sexually violent predators placed in the community

2005-2007 KEY OBJECTIVES

- Continue to search for grant opportunities as they become available at the State and Federal levels
- Obtain POST certification of in-house training classes such as drug recognition, firearms, defensive tactics, and disaster response to minimize the cost of mandated training requirements
- Pursue funding options such as grants and/or donations for the replacement of the Mobile Command Vehicle
- Provide additional disaster emergency response training to City staff by Spring 2006
- Identify the highest priority and most feasible implementation measures and complete update of City Emergency Response Plan by Summer 2006

2005-2007 BUDGET HIGHLIGHTS

- \$28,000 reduction in Repair and Maintenance Services each year
- \$8,000 reduction in Professional/Technical Services in FY 2005-06
- \$37,000 increase in Employee Training each year (will be offset by POST)
- \$36,000 increase in Other Services each year for Booking Fees
- \$5,000 increase in Temporary Salaries in FY 2006-07

INVESTIGATIVE SERVICES

Investigative Services is responsible for criminal investigations. The Division's responsibilities have been expanded to increase investigations of computer crimes and identity theft. This expansion has resulted in the investigation of several child pornography and identity theft cases.

2003-2005 ACCOMPLISHMENTS

- Completed 6 computer forensic exams and solved 5 computer crimes
- Updated RIMS Law Enforcement Records Management System for better case management and review, including addition of a mapping function to the sex registrant files which allows the offenders' locations to be plotted by the system
- Installed bar code tracking software in the property room to improve inventory efficiency

2005-2007 KEY OBJECTIVES

- Revive juvenile diversion program through a joint effort with Contra Costa County Juvenile Probation by Summer 2006
- Improve cooperation/coordination with Child and Family Services (CFS) at the Patrol and Investigative Service levels
- Provide weekly patrol level training during briefings
- Initiate "Operation Thumbprint" by January 2007, which will require persons writing checks to provide a thumbprint to help minimize fraudulent check offenses

2005-2007 BUDGET HIGHLIGHTS

- No significant changes

SUPPORT SERVICES

Support Services is responsible for police dispatching, report writing, and records control. The Division also staffs the front counter and has direct contact with the general public. Support Services is also responsible for confidentiality issues involving police reports.

2003-2005 ACCOMPLISHMENTS

- Centralized all Police records into new, organized filing system and reduced storage space by scanning and clearing documents from two major file cabinets
- Creation of new hire orientation packets to include basic reference materials for new police officers
- Designed and installed furniture allowing for improved workspace utilization and addition of secondary workstations
- Processed 6,458 cases in 2004, an increase of 760 over those processed in 2002
- Became first City in the County to implement a “wireless 911” system allowing cell phone users direct access to the Martinez Police Dispatch in the event of an emergency
- Completed installation of new radio system to provide enhanced citywide reception
- Filled two vacant dispatch positions and implemented new dispatch schedule to provide better coverage on the weekends

2005-2007 KEY OBJECTIVES

- Continue to reduce storage space through utilization of document scanning
- Integrate software programs when possible to increase search and retrieval capabilities
- Post media log on the City website by Spring 2006
- Establish and implement a complete schedule of maintenance activities including the Records Management System, supplies, and safety inspections by Spring 2006
- Continue to cross-train Records and Police Assistant personnel
- Update the Dispatch Training Manual by Summer 2006

2005-2007 BUDGET HIGHLIGHTS

- \$10,000 increase in Communications each year

TRAFFIC ENFORCEMENT

Traffic Enforcement is responsible for citywide enforcement of California Vehicle Code violations as well as parking violations. The Division is responsible for vehicle abatement on both public and private property. This Division is also responsible for numerous Community Oriented Policing projects involving traffic.

2003-2005 ACCOMPLISHMENTS

- Provided traffic safety programs to local schools
- Reduced number of traffic complaints significantly through application of public information and speed display trailers
- Reduced overall average vehicle speeds through proactive program enforcement
- Coordinated with City Engineer to address traffic-related issues
- Continued to sponsor and promote the child safety car seat program

2005-2007 KEY OBJECTIVES

- Initiate commercial traffic enforcement program by January 2006
- Expand taxi inspection and permit program through scheduling of regular inspections by Summer 2006
- Continue to reduce accident rates through aggressive enforcement

2005-2007 BUDGET HIGHLIGHTS

- No significant changes

FIELD SERVICES

Field Services is responsible for all uniformed patrol within the City of Martinez. This Division responds to calls for service at all hours of the day and night. It is also responsible for Community Oriented Policing projects, as well as foot patrol, park patrol and bicycle patrol.

2003-2005 ACCOMPLISHMENTS

- Used the Community Oriented Policing Program's (COPPS) philosophy of providing professional, disciplined policing services designed to ensure the safety and security of the community
- Continued to address significant quality of life issues by focusing on houses of criminal activity, junk vehicle abatement, and homeless concerns
- Obtained grant funding with cooperation from MADD to combat DUI incidences
- Completed installation of new in-car computers and high speed GPS modems to allow officers to write their reports from out in the field
- Added one federally funded School Resource Officer
- Maintained a 0% homicide rate
- Responded to 59,855 calls for service over a two-year period, a 13% increase (52,821) from the preceding two years

2005-2007 KEY OBJECTIVES

- Increase enforcement of DUI-related incidents
- Complete updated department operations manual by Spring 2006
- Continue to apply COPPS philosophy in new and innovative ways
- Partner with other local jurisdictions to enhance homeland security
- Continue aggressive implementation of the domestic violence prevention program

2005-2007 BUDGET HIGHLIGHTS

- \$13,000 increase in Supplies each year

EMERGENCY SERVICES

Emergency Services is responsible for citywide emergency preparedness and emergency services response. This includes training of City employees and providing information to the general public. In an actual emergency, the Police Department has the responsibility of taking the lead in all citywide emergency services.

2003-2005 ACCOMPLISHMENTS

- Responded to and successfully managed major fire
- Trained all Police Department supervisors in Incident Command
- Participated in cross-training with heavy industry
- Completed construction of new City Emergency Operations Center

2005-2007 KEY OBJECTIVES

- Plan and conduct citywide emergency preparedness training exercise by Fall 2006
- Identify the highest priority and most feasible implementation measures and complete update of City Emergency Response Plan by Summer 2006
- Provide annual neighborhood training on emergency preparedness

2005-2007 BUDGET HIGHLIGHTS

- No significant changes

Budget for Fiscal Years 2005 - 2006 and 2006 - 2007

POLICE DEPARTMENT EXPENDITURES

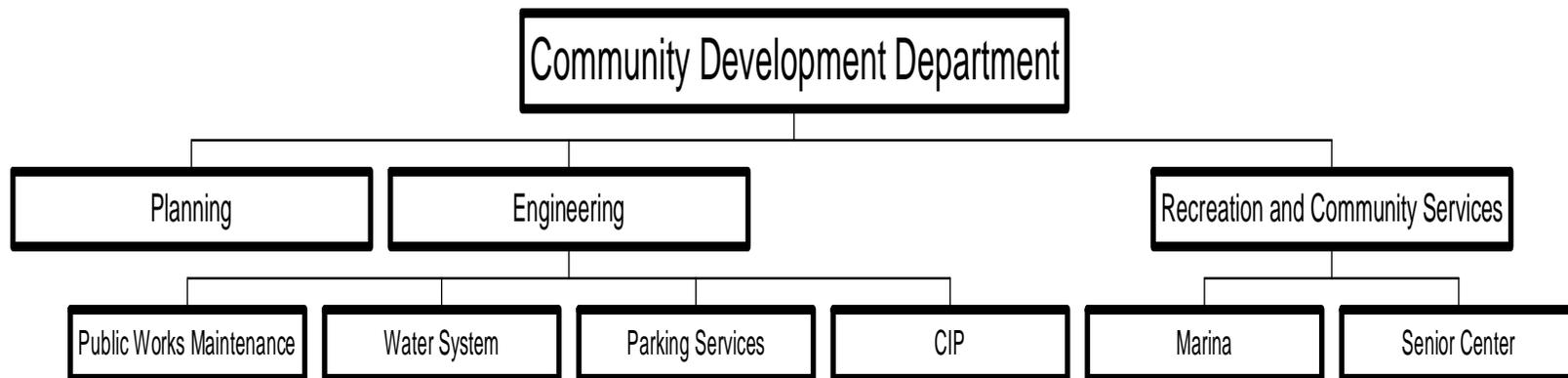
	<u>2003/04</u> <u>Actual</u>	<u>2004/05</u> <u>Projected</u>	<u>2005/06</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2006/07</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
<i>Police Services</i>						
01 601 POLICE ADMINISTRATION						
Labor	328,079	323,541	333,477	9,936	343,458	9,981
Operating	509,200	726,738	661,694	(65,044)	684,553	22,859
Capital						
Direct & Indirect Costs	215,710	236,333	138,426	(97,907)	212,029	73,603
TOTAL POLICE ADMINISTRATION	<u>1,052,989</u>	<u>1,286,612</u>	<u>1,133,598</u>	<u>(153,014)</u>	<u>1,240,040</u>	<u>106,443</u>
01 605 FIELD SERVICES						
Labor	3,651,102	3,692,760	4,025,181	332,421	4,188,449	163,268
Operating	267,850	325,918	335,509	9,591	344,728	9,219
Capital						
Direct & Indirect Costs	(9,804)	(10,877)	(49,934)	(39,057)	(52,032)	(2,098)
TOTAL FIELD SERVICES	<u>3,909,148</u>	<u>4,007,801</u>	<u>4,310,756</u>	<u>302,955</u>	<u>4,481,145</u>	<u>170,389</u>
01 602 INVESTIGATIVE SERVICES						
Labor	1,141,761	1,206,183	1,073,903	(132,280)	1,112,224	38,322
Operating	104,357	115,943	163,718	47,775	168,666	4,948
Direct & Indirect Costs						
TOTAL INVESTIGATIVE SERVICES	<u>1,246,118</u>	<u>1,322,126</u>	<u>1,237,620</u>	<u>(84,506)</u>	<u>1,280,890</u>	<u>43,270</u>
01 603 SUPPORT SERVICES						
Labor	936,247	1,070,613	1,135,684	65,071	1,162,997	27,313
Operating	97,159	103,254	137,716	34,462	143,445	5,729
Capital	13,488	200		(200)		
Direct & Indirect Costs			(15,735)	(15,735)	(16,138)	(403)
TOTAL SUPPORT SERVICES	<u>1,046,894</u>	<u>1,174,067</u>	<u>1,257,665</u>	<u>83,598</u>	<u>1,290,304</u>	<u>32,639</u>

Budget for Fiscal Years 2005 - 2006 and 2006 - 2007

	<u>2003/04</u> <u>Actual</u>	<u>2004/05</u> <u>Projected</u>	<u>2005/06</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2006/07</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
01 604 TRAFFIC ENFORCEMENT						
Labor	257,999	502,060	525,260	23,200	540,258	14,998
Operating	(170,998)	(169,908)	51,164	221,072	52,671	1,506
Direct & Indirect Costs	<u>(36,218)</u>	<u>(40,136)</u>	<u>(164,688)</u>	<u>(124,552)</u>	<u>(168,571)</u>	<u>(3,883)</u>
TOTAL TRAFFIC ENFORCEMENT	<u>50,783</u>	<u>292,016</u>	<u>411,736</u>	<u>119,720</u>	<u>424,358</u>	<u>12,622</u>
01 607 EMERGENCY SERVICES						
Labor						
Operating	49,264	23,027	24,200	1,173	24,200	
TOTAL EMERGENCY SERVICES	<u>49,264</u>	<u>23,027</u>	<u>24,200</u>	<u>1,173</u>	<u>24,200</u>	
TOTAL POLICE SERVICES FUNCTION	<u>7,355,196</u>	<u>8,105,649</u>	<u>8,375,575</u>	<u>269,926</u>	<u>8,740,937</u>	<u>365,362</u>



Community Development Department





Community Development Department

Administration

Overall Department Management
 Transportation
 Parking Services

Planning

Development Review
 Advance Planning
 Design Review Committee

Engineering

Development Review
 Pavement Management
 Capital Improvement Projects
 Clean Water Program
 Public Works/Parks/Fleet Maintenance
 Water System

Recreation/Community Services

Recreation Programs
 Senior Center
 Marina
 John Muir Festival Center
 Cultural and Community Commissions

The Community Development Department is charged with managing the City's Planning, Engineering, Public Works and Recreation/Community Services functions. The City's Enterprise Funds (Water System, Marina, and Parking Services) and Capital Improvement Projects, including Transportation, also fall under the purview of this Department.

DEPARTMENT STAFFING

<u>Authorized Positions</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
Community Development Director	1.0	1.0	1.0	1.0
Planning Manager	1.0	1.0	1.0	1.0
Management Analyst	1.0	0.0	0.0	0.0
Administrative Aide III	3.0	3.0	3.0	3.0
Senior Planner	1.0	1.0	1.0	1.0
Planning Technician	1.0	1.0	1.0	1.0
City Engineer	1.0	1.0	1.0	1.0
Senior Civil Engineer	1.0	1.0	1.0	1.0
Associate Civil Engineer	1.0	1.0	1.0	1.0
Junior Civil Engineer	1.0	1.0	1.0	1.0
	12.0	11.0	11.0	11.0

(Staffing summary continued on next page)



Community Development Department

Administration	(Continued from previous page)				
	DEPARTMENT STAFFING				
	Authorized Positions	2003-04	2004-05	2005-06	2006-07
Overall Department Management					
Transportation					
Parking Services	Public Works Superintendent	1.0	1.0	1.0	1.0
Capital Improvement Programming	Maintenance Supervisor*	2.0	2.0	2.0	2.0
Planning	Maintenance Lead Worker*	3.0	3.0	3.0	3.0
Development Review	Maintenance Worker II*	5.0	5.0	5.0	5.0
Advance Planning	Maintenance Worker I	3.0	3.0	3.0	3.0
Design Review Committee	Equipment Mechanic	2.0	2.0	2.0	2.0
Engineering	Account Clerk II	1.0	1.0	1.0	1.0
Development Review	Senior Custodian	1.0	1.0	1.0	1.0
Pavement Management	Park Supervisor	1.0	1.0	1.0	1.0
Capital Improvement Projects	Park Lead Caretaker	3.0	3.0	3.0	3.0
Clean Water Program	Park Caretaker II**	2.0	2.0	2.0	2.0
Public Works/Parks/Fleet Maintenance	Park Caretaker I	2.0	2.0	2.0	2.0
Water System	Deputy Dir. of Recreation/Comm Svcs	1.0	1.0	1.0	1.0
Recreation/Community Services	Recreation Supervisor	1.0	1.0	1.0	1.0
Recreation Programs	Senior Center Supervisor	1.0	1.0	1.0	1.0
Senior Center	Senior Center Coordinator	0.8	0.8	0.8	0.8
Marina		41.8	40.8	40.8	40.8
John Muir Festival Center	*4 positions funded by Water System				
Cultural and Community Commissions	**includes one position funded by NPDES				

ADMINISTRATION

Community Development administration provides overall department management. It oversees capital improvement programming for transportation projects such as the Intermodal project, Federally-funded paving projects (Measures C and J), and the Bay Trail. The Transportation Project Manager is the City's representative to the Contra Costa Transportation Authority, Caltrans, the Capital Corridor Joint Powers Authority, and TRANSPAC.

2003-2005 ACCOMPLISHMENTS

- Obtained Measure C funding for Alhambra Avenue improvements – MacAlvey Drive to Highway 4
- Obtained Federal funding for repaving portions of Alhambra Avenue from Benham Drive to John Muir Road
- Completed Bay Trail Phase I from Ferry to Berrellessa streets
- Completed portion of Bay Trail Phase II (from Union Pacific Railroad to Nejedly Staging area)
- Secured State funding for Bay Trail and Intermodal landscaping

2005-2007 KEY OBJECTIVES

- Use Measure C funding to complete Alhambra Avenue improvements by June 2007
- Use Federal funding to repave Alhambra Avenue from Benham Drive to John Muir Road by June 2007
- Complete Bay Trail Phase II by June 2007
- Complete Intermodal landscaping north of railroad tracks from Ferry Street to horse arena by June 2006
- Complete construction of Waterfront Road open space improvements by June 2006

2005-2007 BUDGET HIGHLIGHTS

- \$37,000 reduction in Professional/Technical Services each year
- \$16,000 reduction in Temporary Salaries each year
- \$8,000 reduction in Other Services each year

PLANNING

Planning staff assist customers with permit processing and interpretation of City policies related to the zoning and subdivision ordinances. They also work with private citizens, business and property owners, residents, community groups, developers, other City departments, and outside agencies on community problems and concerns. Planning provides support to the Planning Commission, Zoning Administrator, and the Design Review Committee. In addition, Planning staff participate on the NPDES Public Education Industrial Outreach Committee and work with the County on CDBG grants.

2003-2005 ACCOMPLISHMENTS

- Completed Specific Plan and Environmental Impact Report
- Completed draft Housing Element and Initial Study
- Strengthened the department by hiring a senior planner
- Completed first phase of the Redevelopment Feasibility Study
- Processed over 100 development projects

2005-2007 KEY OBJECTIVES

- Adopt Downtown Specific Plan by the end of 2005
- Adopt Final Housing Element by the end of 2005

2005-2007 BUDGET HIGHLIGHTS

- No significant changes

ENGINEERING

Engineering works with other City programs to plan, construct and maintain public works facilities including streets, storm drains, traffic signals and water systems. The City's Water System is an enterprise fund separate from the General Fund and is described in detail in the Enterprise Funds section. In addition, Engineering staff manages the City's Clean Water (NPDES) Program, implements the annual Community Development Block Grant (CDBG) Program, assists in establishing and maintaining Lighting and Landscape Assessment Districts, serves on the Traffic Safety Committee, prepares grant applications for State and Federal funds to pay for major capital improvement projects, assists the City's Transportation Projects Manager in the implementation of major transportation capital projects, and reviews and processes residential, commercial and industrial development applications.

2003-2005 ACCOMPLISHMENTS:

- Processed subdivision projects including the Jordon Development on Arnold Drive and the Brecht Development on Haven Street
- Issued approximately 300 oversized load permits and 200 encroachment permits
- Implemented the Clean Water Program in compliance with State and Federal Regulations
- Obtained \$45,500 in Community Development Block Funds for Curb Ramp project
- Obtained \$90,000 in Transportation Development Act Grant funds for Hidden Lakes Bridge replacement
- Obtained \$20,000 in Regional Signal Timing Program funds to coordinate 20 signals throughout the City and unincorporated areas
- Obtained \$20,000 in P-TAP funds to update the Pavement Management Study
- Partnered with Muir Heritage Land Trust and Martinez Unified School District on Alhambra Creek Restoration projects
- Assumed the management and collection responsibilities of the new parking meter system
- Completed Impact and Cost of Services Fee Studies and updated the fee schedules according to Council direction

2005-2007 KEY OBJECTIVES

- Establish and update policies, procedures and processes to better coordinate with other departments and improve customer service
- Develop a long-term plan for improving the condition of City streets by March 2007
- Develop a long-term plan for the replacement of deteriorated water lines by December 2006
- Update Subdivision Ordinance by July 2007
- Incorporate Clean Water element into General Plan by September 2006
- Update City's flood ordinance to be in compliance with FEMA regulations by December 2005
- Utilize the City's web site to improve the flow of information to the public

2005-2007 BUDGET HIGHLIGHTS

- No significant changes

PUBLIC WORKS

Public Works maintains 122 miles of City streets, 103 acres of developed park land, 230 acres of open space, 11 acres of medians, 200 miles of water lines, and 9,800 water meters. Public Works staff also provides repair and janitorial services for all City buildings, installs new water mains and services, reads and services water meters, repairs water leaks, and maintains 110 pieces of large and small equipment, including replacement, routine servicing and repairs. Program staff regularly works with local volunteer groups to include them in the process of serving the community by improving public spaces.

2003-2005 ACCOMPLISHMENTS:

- Maintained a perfect safety record without any at fault injuries to the work force for over two years, the best such safety record of any City in the MPA
- Repaved sections of numerous streets and roadways including Castro, Harbor View, D-Street, Allen, Soto, Henrietta and Mellus
- Assisted with the installation of new downtown parking meters
- Repaired asphalt street base failures at Arriba Street, Degnan Drive, Virginia Hills Drive, and Escobar Street
- Initiated beautification and restoration of numerous City street medians including Alhambra Avenue, Chilpancingo Parkway, Marina Vista Street, Morello Avenue, Pacheco Boulevard, and Center Avenue
- Finished major landscaping projects at Hidden Valley Park and the Waterfront Amphitheater
- Replaced one-third of all water backflow prevention devices
- Provided on call service after hours and on all weekends and holidays
- Maintained all City owned facilities and provided services and repair to all City vehicles and equipment
- Installed computers, light bars, heavy duty suspension and custom controls in Police vehicles
- Implemented Clean Water Program municipal activities
- Installed drainage improvements on Calle Verde to reduce the risk of flooding
- Installed major drainage improvements on Valley Avenue to alleviate frequent flooding
- Managed work alternative program for people to work off court-appointed fines
- Managed weekend youth work program to provide community service option for juveniles

2005-2007 KEY OBJECTIVES:

- Assume maintenance responsibility for the newly-renovated Alhambra landscaped median by Summer 2005
- Repair asphalt base failures in preparation for street rehabilitation program by August 2005
- Implement additional programs and training to prevent employee injuries
- Replace additional one-third of all water backflow prevention devices by December 2005
- Continue to provide 24 hour coverage for emergency situations such as water main breaks and flooding

PUBLIC WORKS (CONTINUED)

2005-2007 BUDGET HIGHLIGHTS

- \$109,000 increase in Utilities in FY 2005-06; \$141,000 increase in FY 2006-07
- \$22,000 increase in Repair and Maintenance each year for repairs to City buildings

RECREATION AND COMMUNITY SERVICES

This division offers activities and services for Martinez residents of all ages. Recreation provides sports, recreation, and operation of the Rankin Park Pool. The Senior Center offers programs, activities, and services for older residents. Day care contract operations are managed here, as well as various special projects including the John Muir Festival Center (with Economic Development) and the Marina. Staffing is provided for the Parks and Recreation Commission; Veteran's Commission; Marina Commission; Cemetery Commission; and Arts, Library, and Cultural Services Commission. Recreation works with Public Works to manage the use of the following City and community facilities:

- 16 ballfields and 4 concession stands
- Senior Community Center
- Golden Hills Park Building
- Kiwanis Youth Center
- A three-pool municipal complex at Rankin Park
- Alhambra Cemetery
- 17 parks

2003-2005 ACCOMPLISHMENTS

- Merged Special Projects and Deputy Director of Parks and Community Services for greater efficiency
- Hired a new Deputy Director of Parks and Community Services
- Completed fee study analysis for Recreation and Senior Services
- Completed major Senior Center renovations and maintenance
- Added numerous active Senior class selections
- Increased Senior Center membership by 10%
- Increased Playground program participation by 15%
- Implemented special populations art classes
- Implemented tennis programs for children and adults
- Began construction on boat launch ramp and ferry plaza improvements – to be completed in Spring 2005
- Issued RFP for long-term lease at Marina
- Placed Parks bond on November 2004 ballot
- Developed leases for 636 Ward Street – future home of the Willows Cabaret
- Scheduled delivery of the theater production facility for the amphitheater

RECREATION AND COMMUNITY SERVICES (CONTINUED)

2005-2007 KEY OBJECTIVES

- Meet local transportation needs for Seniors by June 2007
- Recruit younger Seniors to participate in Senior Center offerings by December 2005
- Increase active trips for Seniors by December 2007
- Add more varied Senior classes to attract a more diverse population of Senior participants
- Implement a more intensive advertising campaign for the Senior Center
- Create a special populations tennis program
- Complete the Parks Master Plan
- Develop analysis of improvements needed at the City swimming pool
- Erect the amphitheater production building by close of 2005
- Begin live theater performances at 636 Ward Street by December 2005
- Sign long-term lease for the Marina by August 2005

2005-2007 BUDGET HIGHLIGHTS

- \$20,000 reduction in Day Care Professional/Technical Services for instructor fees
- \$18,500 reduction in Amphitheater Professional/Technical Services
- \$42,800 transfer from Reserves to Cultural and Arts to fund extended library hours in FY 2005-06; \$45,000 transfer in FY 2006-07
- \$13,500 transfer from Reserves to Cultural and Arts for Art and Library Grants in FY 2005-06 (contingent upon the Friends of the Library raising matching funds of \$12,500); \$5,000 transfer in FY 2006-07

Budget for Fiscal Years 2005 - 2006 and 2006 - 2007

COMMUNITY DEVELOPMENT EXPENDITURES

		<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>Increase</u>	<u>2006/07</u>	<u>Increase</u>
		<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>	<u>(Decrease)</u>
<i>Community Development</i>							
01	701	COMMUNITY DEVELOPMENT ADMIN					
		Labor	310,275	270,739	191,519	194,498	2,979
		Operating	31,231	21,656	(50,608)	(51,022)	(414)
		Direct & Indirect Costs	(102,038)	(121,905)	(16,667)	(6,000)	10,667
		TOTAL COMMUNITY DEVELOPMENT ADM	<u>239,467</u>	<u>170,490</u>	<u>124,244</u>	<u>137,476</u>	<u>13,232</u>
01	702	ECONOMIC DEVELOPMENT					
		Labor					
		Operating	327,515	448,289			
		Direct & Indirect Costs					
		TOTAL ECONOMIC DEVELOPMENT	<u>327,515</u>	<u>448,289</u>			
01	703	PLANNING					
		Labor	301,077	387,727	414,760	426,922	12,163
		Operating	228,574	250,331	49,173	51,151	1,978
		Direct & Indirect Costs	10,766	10,046	27,927	31,190	3,262
		TOTAL PLANNING	<u>540,417</u>	<u>648,104</u>	<u>491,860</u>	<u>509,263</u>	<u>17,403</u>
01	704	ENGINEERING					
		Labor	463,034	539,830	659,319	671,823	12,504
		Operating	(214,035)	(219,705)	(111,001)	(110,151)	850
		Direct & Indirect Costs	20,050	(27,935)	(235,930)	(237,408)	(1,478)
		TOTAL ENGINEERING	<u>269,049</u>	<u>292,190</u>	<u>312,389</u>	<u>324,265</u>	<u>11,876</u>
01	710	TRAFFIC CONTROL MAINTENANCE					
		Operating	285,671	274,265	131,450	132,353	903
		Direct & Indirect Costs			127,676	132,322	4,646
		TOTAL TRAFFIC CONTROL MAINTENANCE	<u>285,671</u>	<u>274,265</u>	<u>259,126</u>	<u>264,675</u>	<u>5,549</u>

Budget for Fiscal Years 2005 - 2006 and 2006 - 2007

	2003/04	2004/05	2005/06	Increase	2006/07	Increase
	Actual	Projected	Budget	(Decrease)	Budget	(Decrease)
01 712 STREET LIGHTING						
Operating	320,928	346,427	345,500	(927)	358,500	13,000
Direct & Indirect Costs			42,559	42,559	44,107	1,549
TOTAL STREET LIGHTING	<u>320,928</u>	<u>346,427</u>	<u>388,059</u>	<u>41,632</u>	<u>402,607</u>	<u>14,549</u>
01 720 PARKS GROUNDS MAINTENANCE						
Labor	638,045	668,650	613,027	(55,623)	635,349	22,322
Operating	250,243	318,503	489,782	171,279	500,169	10,387
Capital		10,000		(10,000)		
Direct & Indirect Costs			(41,466)	(41,466)	(43,195)	(1,730)
TOTAL PARK GROUNDS MAINTENANCE	<u>888,288</u>	<u>997,153</u>	<u>1,061,343</u>	<u>64,190</u>	<u>1,092,322</u>	<u>30,979</u>
01 723 CEMETERY MAINTENANCE						
Operating	2,282	5,680	2,896	(2,784)	2,916	20
Direct & Indirect Costs			28,676	28,676	29,729	1,053
TOTAL CEMETERY MAINTENANCE	<u>2,282</u>	<u>5,680</u>	<u>31,572</u>	<u>25,892</u>	<u>32,645</u>	<u>1,073</u>
01 724 OPEN SPACE MAINTENANCE						
Operating	58,949	61,611	31,966	(29,645)	32,046	80
Direct & Indirect Costs			28,676	28,676	29,729	1,053
TOTAL OPEN SPACE MAINTENANCE	<u>58,949</u>	<u>61,611</u>	<u>60,642</u>	<u>(969)</u>	<u>61,775</u>	<u>1,133</u>
01 730 PUBLIC FACILITIES MAINTENANCE						
Operating	269,763	210,709	77,565	(133,144)	78,718	1,153
Direct & Indirect Costs			53,422	53,422	55,302	1,880
TOTAL PUBLIC FACILITIES MAINTENANCE	<u>269,763</u>	<u>210,709</u>	<u>130,987</u>	<u>(79,722)</u>	<u>134,020</u>	<u>3,033</u>
01 790 CITY HALL BUILDING MAINTENANCE						
Labor	112,067	113,349	116,386	3,037	118,795	2,409
Operating	179,136	415,354	226,501	(188,853)	414,606	188,105
Direct & Indirect Costs	(291,203)	(528,703)	(342,887)	185,816	(533,401)	(190,514)
TOTAL BUILDING MAINTENANCE	<u>(291,203)</u>	<u>(528,703)</u>	<u>(342,887)</u>	<u>185,816</u>	<u>(533,401)</u>	<u>(190,514)</u>

Budget for Fiscal Years 2005 - 2006 and 2006 - 2007

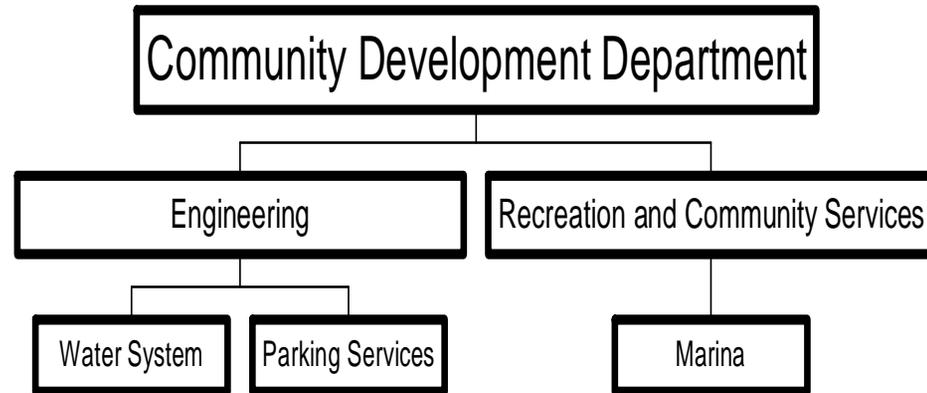
	2003/04	2004/05	2005/06	Increase	2006/07	Increase
	Actual	Projected	Budget	(Decrease)	Budget	(Decrease)
01 791 MAINTENANCE SERVICES						
Labor	1,255,855	1,347,080	1,004,316	(342,764)	1,039,135	34,819
Operating	(1,255,855)	(1,347,080)	(523,478)	823,602	(538,378)	(14,900)
Direct & Indirect Costs			(301,944)	(301,944)	(313,641)	(11,696)
TOTAL MAINTENANCE SERVICES	<u>0</u>	<u></u>	<u>178,894</u>	<u>178,894</u>	<u>187,117</u>	<u>8,223</u>
01 801 COMMUNITY SERVICES ADMIN						
Labor	281,926	323,778	324,780	1,002	339,821	15,040
Operating	78,817	91,388	67,511	(23,877)	71,004	3,493
Direct & Indirect Costs	41,204	31,195	(70,223)	(101,418)	(62,921)	7,302
TOTAL COMMUNITY SERVICES ADMIN	<u>401,946</u>	<u>446,361</u>	<u>322,068</u>	<u>(124,293)</u>	<u>347,903</u>	<u>25,835</u>
01 802 CULTURAL AND ARTS						
Operating	102,532	250,416	106,295	(144,121)	108,735	2,440
Direct & Indirect Costs						
TOTAL CULTURAL AND ARTS	<u>102,532</u>	<u>250,416</u>	<u>106,295</u>	<u>(144,121)</u>	<u>108,735</u>	<u>2,440</u>
01 803 GENERAL RECREATION						
Labor	47,878	45,042	48,655	3,613	48,761	105
Operating	25,364	23,060	26,462	3,402	26,513	51
Direct & Indirect Costs						
TOTAL GENERAL RECREATION	<u>73,241</u>	<u>68,102</u>	<u>75,118</u>	<u>7,016</u>	<u>75,274</u>	<u>156</u>
01 804 MUNICIPAL SWIMMING POOL						
Labor	27,585	37,601	34,019	(3,582)	34,074	55
Operating	65,817	97,139	65,529	(31,610)	66,785	1,257
Direct & Indirect Costs			60,388	60,388	65,233	4,845
TOTAL MUNICIPAL SWIMMING POOL	<u>93,401</u>	<u>134,740</u>	<u>159,936</u>	<u>25,196</u>	<u>166,092</u>	<u>6,156</u>

Budget for Fiscal Years 2005 - 2006 and 2006 - 2007

			2003/04	2004/05	2005/06	Increase	2006/07	Increase
			Actual	Projected	Budget	(Decrease)	Budget	(Decrease)
01	805	AMPHITHEATER						
		Operating	108,978	38,250	8,250	(30,000)	8,250	
		Direct & Indirect Costs						
		TOTAL AMPHITHEATER	108,978	38,250	8,250	(30,000)	8,250	
01	806	DAY CARE						
		Labor	4,407					
		Operating	132,244	136,450	103,108	(33,342)	103,226	118
		Direct & Indirect Costs			8,052	8,052	8,698	646
		TOTAL DAY CARE	136,651	136,450	111,160	(25,290)	111,924	764
01	808	SPORTS PROGRAMS						
		Labor	50,697	29,168	40,540	11,372	40,605	65
		Operating	35,478	42,512	36,159	(6,353)	31,268	(4,891)
		Direct & Indirect Costs						
		TOTAL SPORTS PROGRAMS	86,175	71,680	76,699	5,019	71,873	(4,826)
01	809	SENIOR CITIZEN PROGRAMS						
		Labor	177,632	206,590	217,603	11,013	226,682	9,078
		Operating	43,941	73,692	65,134	(8,558)	67,798	2,664
		Direct & Indirect Costs	24,028	2	17,560	17,558	18,487	927
		TOTAL SENIOR CITIZEN PROGRAMS	245,601	280,284	300,297	20,013	312,967	12,670
01	809.1	ALZHEIMER RESPITE						
		Labor	6,564	8,255	8,391	136	8,405	13
		Operating	609	770	486	(284)	495	9
		TOTAL ALZHEIMER RESPITE	7,173	9,025	8,877	(148)	8,900	23
		TOTAL COMMUNITY DEVELOPMENT	4,458,028	4,890,227	4,207,815	(682,411)	4,358,083	150,267



Enterprise Funds





Enterprise Funds

Water System	The City's Enterprise Funds include the Water System, Marina, and Parking Services. Each is financed and operated in a manner similar to a private business enterprise. The intent is that the costs of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures.																																																												
Water Quality and Availability																																																													
Water Inspection and Security																																																													
Water System Maintenance																																																													
Marina	WATER SYSTEM STAFFING																																																												
Site Improvements and Revitalization																																																													
Lease Management																																																													
Dredging and Breakwater	Authorized Positions																																																												
Parking Services	2003-04																																																												
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Meter Maintenance and Collection	2006-07																																																												
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Authorized Positions	2003-04	2004-05	2005-06	2006-07																																																									
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WATER SYSTEM

The Water System provides a reliable supply of high quality potable water in sufficient quantity to meet the needs of Martinez residents and businesses. The safety of the water and the health of the community is ensured through the use of advanced technology, proper water treatment, water quality analysis, treatment plant maintenance, backflow prevention, and maintenance of the water distribution system.

2003-2005 ACCOMPLISHMENTS

- Met all State and Federal regulations related to water treatment and quality
- Responded promptly to customer concerns regarding leaks, pressure and water quality
- Completed and delivered to all customers the 2003 Annual Water Quality Report
- Completed the replacement of media, and inspected the under-drain systems of the 1968 filters, which more than doubled the water production through each filter between filter washings
- Removed accumulated sludge from the water treatment plant
- Completed the water system vulnerability assessment and emergency response plan
- Worked with Contra Costa Water District to complete the replacement of 600 feet of source water pipeline
- Replaced over 2,000 feet of water main to assure continued service throughout the Martinez Water System
- Initiated preliminary design of Harbor View Reservoir Replacement Project
- Replaced water lines and paved at Boynton and La Salle in 2003-04
- Replaced water/sewer lines and paved Brackman Lane, Pleasant Hill Road East, Valley Drive and surrounding streets in 2004-05
- Replaced Raw Water Line at Martinez Reservoir

2005-2007 OBJECTIVES

- Replace media in the 1947 filters lost through routine washing by Summer 2005
- Redesign the Harborview Reservoir by Fall 2005 and complete construction by Fall 2006 (CIP)
- Upgrade security alarm systems by Winter 2005 (CIP)
- Begin replacement of 15-year-old water treatment plant computer equipment by Fall 2005
- Complete replacement of 1968 filter effluent control valves and flow tubes by Summer 2006 (CIP)
- Start the 2005 update of the Urban Water Management Plan by Summer 2005
- Continue annual replacement of infrastructure water mains at various locations throughout the City (CIP)
- Complete the Water System Master Plan update by September 2005

2005-2007 BUDGET HIGHLIGHTS

- \$200,000 increase in Supplies – Raw Water in FY 2005-06; \$267,500 increase in FY 2006-07

MARINA

The Martinez Marina complex includes such recreational activities as boating and walking along the trails throughout Waterfront Park. Revenues include lease payments, sales and property taxes, and a State loan for capital improvement projects. The Marina is managed by an outside operator. There are no positions funded by the Marina Fund.

2003-2005 ACCOMPLISHMENTS

- Obtained \$1.6M in grants from the Coastal Conservancy and the Department of Boating and Waterways for Ferry Plaza and Boat Launch Ramp projects and completed both projects in Spring 2005
- Issued RFP for long-term operator lease
- Completed Marina dredging in December 2004

2005-2007 OBJECTIVES

- Select and enter into long-term agreement with new Marina operator by August 2005
- Finalize BCDC permit for removal of old pier
- Identify funding sources and begin Marina Dredging project in October 2006 (CIP)
- Construct a shelter at the Marina for the future ferry dock

2005-2007 BUDGET HIGHLIGHTS

- \$54,000 reduction in Marina Administration Professional/Technical Services each year
- \$9,000 reduction in Marina Operations Professional/Technical Services each year
- \$14,000 increase in Utilities each year

PARKING SERVICES

Parking Services revenue is generated from citations and parking meters. Revenue is expected to grow due to the installation of new parking meters in FY 2004-05.

2003-2005 ACCOMPLISHMENTS

- Completed installation of state-of-the-art Downtown parking meters to prevent theft and vandalism
- Completed Parking Study which identified need for new Meter Technician position and improved parking meters

2005-2007 OBJECTIVES

- Initiate feasibility study for new Downtown parking structure on existing surface lots
- Complete parking lot pay station trial program

2005-2007 BUDGET HIGHLIGHTS

- \$20,000 reduction in Professional/Technical Services each year
- \$46,700 increase for Parking Meter Technician position in FY 2005-06; \$55,700 increase in FY 2006-07
- \$45,000 increase in Utilities in FY 2005-06

Budget for Fiscal Years 2005-06 and 2006-07

ENTERPRISE FUNDS - SUMMARY

Fund #	Fund Balance at 6/30/05	2005/06			Fund Balance at 6/30/06	2006/07			Fund Balance at 6/30/07
		Budget Revenues 05/06	Budget Appropriations 05/06	Transfers In(Out) 05/06		Budget Revenues 06/07	Budget Appropriations 06/07	Transfers In(Out) 06/07	
71 Water System	\$ 6,420,548	\$ 9,568,025	\$ 7,984,849	\$ (3,914,959)	\$ 4,088,765	\$ 9,580,225	\$ 8,185,633	\$ (3,753,293)	\$ 1,730,064
72 Water Capital Projects	0	0	2,900,000	2,900,000	0	0	2,750,000	2,750,000	0
47 Water Debt Service Fund	0	0	900,144	900,144	0	0	892,661	892,661	(0)
Total Water System	6,420,548	9,568,025	11,784,993	(114,815)	4,088,765	9,580,225	11,828,294	(110,632)	1,730,064
73 Marina	\$ (3,463,163)	\$ 163,319	\$ 157,228	\$ 0	\$ (3,457,072)	\$ 166,747	\$ 166,191	\$ 0	\$ (3,456,516)
74 Marina CIP	0	0	0	0	0	0	0	0	0
48 Marina Debt Service	0	0	0	0	0	0	0	0	0
Total Marina	(3,463,163)	163,319	157,228	0	(3,457,072)	166,747	166,191	0	(3,456,516)
75 Parking Services	\$ 361,297	\$ 472,700	\$ 470,547	\$ 0	\$ 363,450	\$ 483,800	\$ 480,950	\$ 0	\$ 366,300
76 Parking Services CIP	0	0	0	0	0	0	0	0	0
Total Parking Services	361,297	472,700	470,547	0	363,450	483,800	480,950	0	366,300
Total Enterprise Funds	\$ 3,318,682	\$ 10,204,044	\$ 12,412,767	\$ (114,815)	\$ 995,144	\$ 10,230,772	\$ 12,475,435	\$ (110,632)	\$ (1,360,152)

Budget for Fiscal Years 2005-06 and 2006-07

ENTERPRISE FUNDS - REVENUE

	2003/04	2004/05	2005/06	2006/07
	Actual	Projected	Budget	Budget
Water System (71)				
4600 Charges for Services	\$ 2,595,931	\$ 2,635,000	\$ 3,200,000	\$ 3,200,000
4701 Interest Income	99,220	236,000	125,000	135,000
4750 Rents, Leases & Royalties	25,231	25,000	25,000	25,000
4772 Return Check Charges	495	870	870	870
4773 Delinquent Collection Charge	4,260	8,500	8,500	8,500
4775 Refunds, Rebates & Reimbursements	6,538	20	100	100
4921 Zone 1 Water Sales	4,501,471	2,044,970	2,305,000	2,305,000
4921 Zone 2 Water Sales	894,164	2,959,825	2,960,000	2,960,000
4921 Zone 3 Water Sales	43,819	269,075	180,000	180,000
4921 Zone 4 Water Sales	22,817	107,630	134,000	134,000
4923 Penalty Charges	48,149	55,000	55,000	55,000
4924 Backflow Charges	42,071	16,250	127,000	127,000
4925 Account Establishment Fee	11,484	13,850	13,850	13,850
4931 Development Connection Charge	34,100	110,000	110,000	110,000
4932 Service Line Fee	93,850	22,800	22,800	25,000
4933 Meter Installation Fee	1,505	15,000	10,000	10,000
4934 Other Charges	720	905	905	905
4936 Hydrant Meter Charge	6,406			
4938 Water Fire Service Charge	92,422		290,000	290,000
4939 Water Trip Charge	1,570			
4950 Backflow Device Set-up	533			
40xx Transfers In Other	137,843	91,728		
4001 Transfer In From General Fund	18,000	18,000	20,635	20,635
Total Water System	\$ 8,682,598	\$ 8,630,423	\$ 9,588,660	\$ 9,600,860

Budget for Fiscal Years 2005-06 and 2006-07

	2003/04	2004/05	2005/06	2006/07
	Actual	Projected	Budget	Budget
Marina Operations (73)				
4112 Personal Property Tax	13,048	9,734	4,389	4,608
4200 Sales & Use Tax	13,544	6,334	6,566	6,775
4701 Interest Income	4,699	11,000	5,000	5,000
4750 Rents, Leases & Royalties	50,720	49,000	49,000	52,000
4775 Refunds, Rebates & Reimbursements	4,583	0		
4962 Launch Ramp	0	15,000	15,000	15,000
4964 Marina Management	68,524	100,000	75,000	75,000
4966 Railroad Lease	8,364	26,400	8,364	8,364
Total Marina Operations	\$ 163,481	\$ 217,468	\$ 163,319	\$ 166,747
Marina Capital Projects (74)				
4001 Transfers In	91,855	(3,594)		
4031 State Grant-DBAW	50,556	804,443		
4520 State Grant-Coastal Conservancy		706,994		
Total Marina Capital Projects	\$ 142,411	\$ 1,507,843	\$ 0	\$ 0
Parking Services (75)				
4111 Real Property Tax	\$ 35,717	\$ 40,000	\$ 42,000	\$ 44,100
4701 Interest Income	16,105	45,900	20,000	25,000
4775 Refunds, Rebates & Reimbursements		700	700	700
4971 Parking Meters	157,967	230,000	390,000	392,000
4972 Parking Permits	11,178	27,000	20,000	22,000
Total Parking Services	\$ 220,967	\$ 343,600	\$ 472,700	\$ 483,800
TOTAL REVENUE ENTERPRISE FUNDS	\$ 9,209,458	\$ 10,699,334	\$ 10,224,679	\$ 10,251,407

Budget for Fiscal Years 2005-06 and 2006-07

SCHEDULE OF INTERFUND TRANSFERS
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To Fund	From Fund	Purpose	Budgeted Transfer In/(Out) 2004/05	Budgeted Transfer In/(Out) 2005/06	Budgeted Transfer In/(Out) 2006/07
Transfers In					
Water System	General Fund	Funding of Lifeline for water	18,000	20,635	20,635
	Sub-Total Transfer In		\$ 18,000	\$ 20,635	\$ 20,635
Transfers Out					
General Fund Reserve	Water System	Retiree Benefits		(135,450)	(131,267)
Debt Service	Water System	Fund Debt Service	(960,516)	(900,144)	(892,661)
Capital Projects	Water System	Corporation Yard Consolidation	(600,000)	(600,000)	
Capital Projects	Water System	Water System Master Plan	(215,000)		
Capital Projects	Water System	Water System Security Upgrade	(50,000)		
Capital Projects	Water System	Water Rate Study	(11,688)		
Capital Projects	Water System	Water Meter Replacement Project		(500,000)	(500,000)
Capital Projects	Water System	Harborview Reservoir Replacement	(500,000)	(1,500,000)	(1,000,000)
Capital Projects	Water System	Hillside Reservoir Fence	(30,000)		
Capital Projects	Water System	Hillside Reservoir Drainage	(50,000)		
Capital Projects	Water System	Hillside Reservoir Pump Station	(75,000)		
Capital Projects	Water System	Cathodic Protection System Review		(50,000)	
Capital Projects	Water System	Water Main Replacement Project		(250,000)	(250,000)
Capital Projects	Water System	Filter Control Replacement	(91,728)		(500,000)
Capital Projects	Water System	SCADA System			(500,000)
	Sub-Total Transfer Out		\$ (2,583,932)	\$ (3,935,594)	\$ (3,773,928)
	TOTAL INTERFUND TRANSFERS		\$ (2,565,932)	\$ (3,914,959)	\$ (3,753,293)

Budget for Fiscal Years 2005-06 and 2006-07

ENTERPRISE FUNDS - EXPENDITURES

			<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<i>Increase</i>	<u>2006/07</u>	<i>Increase</i>
			<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<i>(Decrease)</i>	<u>Budget</u>	<i>(Decrease)</i>
<i>Water System</i>								
71	910	WATER ADMINISTRATION						
		Labor	107,620	114,603	133,713	19,110	136,093	2,380
		Operating	2,376,527	1,302,933	641,272	(661,661)	665,079	23,807
		Direct & Indirect Costs	790,022	823,751	825,082	1,331	862,351	37,268
		TOTAL WATER ADMINISTRATION	<u>3,274,169</u>	<u>2,241,287</u>	<u>1,600,067</u>	<u>(641,220)</u>	<u>1,663,523</u>	<u>63,456</u>
71	911	WATER TREATMENT						
		Labor	773,492	808,074	857,049	48,975	876,430	19,380
		Operating	3,522,730	3,605,479	3,752,951	147,472	3,835,930	82,979
		Capital		49,671	37,000	(12,671)	37,000	
		Direct & Indirect Costs						
		TOTAL WATER TREATMENT	<u>4,296,223</u>	<u>4,463,224</u>	<u>4,647,000</u>	<u>183,776</u>	<u>4,749,359</u>	<u>102,359</u>
71	912	WATER DISTRIBUTION						
		Labor	253,608	256,922	658,253	401,331	673,777	15,524
		Operating	1,123,834	1,159,110	1,013,757	(145,353)	1,029,988	16,231
		Capital						
		Direct & Indirect Costs			65,771	65,771	68,985	3,214
		TOTAL WATER DISTRIBUTION	<u>1,377,442</u>	<u>1,416,032</u>	<u>1,737,781</u>	<u>321,749</u>	<u>1,772,750</u>	<u>34,969</u>
		TOTAL WATER SYSTEM OPERATIONS	8,947,834	8,120,543	7,984,849	(135,694)	8,185,633	200,784
71	900	TRANSFERS OUT						
		Transfer to General Fund			135,450	135,450	131,267	(4,183)
		TOTAL TRANSFERS OUT			<u>135,450</u>	<u>135,450</u>	<u>131,267</u>	<u>(4,183)</u>
		TOTAL WATER SYSTEM FUND	8,947,834	8,120,543	8,120,299	(244)	8,316,900	196,601

Budget for Fiscal Years 2005-06 and 2006-07

		<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>Increase</u>	<u>2006/07</u>	<u>Increase</u>
		<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>	<u>(Decrease)</u>
Capital Projects-Water System							
72	C7001 WATER MAIN REPLACEMENT						
	C7007 Design	45,504	14,553	45,000	30,447	45,000	
	Construction	395,175	574,415	190,000	(384,415)	190,000	
	Construction Management	426	30,585	15,000	(15,585)	15,000	
	TOTAL WATER MAIN REPLACEMENT	<u>441,105</u>	<u>619,553</u>	<u>250,000</u>	<u>(369,553)</u>	<u>250,000</u>	
72	C7002 WATER METER REPLACEMENT						
	Design	880	4,120		(4,120)		
	Construction		490,000	495,000	5,000	495,000	
	Construction Management		5,000	5,000		5,000	
	TOTAL WATER METER REPLACEMENT	<u>880</u>	<u>499,120</u>	<u>500,000</u>	<u>880</u>	<u>500,000</u>	
72	C7003 FILTER CONTROL REPLACEMENT						
	Design	20,491				50,000	50,000
	Construction	105,747	11,750		(11,750)	430,000	430,000
	Construction Management	8,597				20,000	20,000
	TOTAL FILTER CONTROL REPLACEMENT	<u>134,835</u>	<u>11,750</u>		<u>(11,750)</u>	<u>500,000</u>	<u>500,000</u>
72	C7004 RAW WATER LINE						
	Design	47,073					
	Construction	401,031	65,901		(65,901)		
	Construction Management	936	2,452		(2,452)		
	TOTAL RAW WATER LINE	<u>449,040</u>	<u>68,353</u>		<u>(68,353)</u>		
72	C7005 WATER SYSTEM SECURITY						
	Design	1,732	3,392		(3,392)		
	Construction		103,286		(103,286)		
	Construction Management						
	TOTAL WATER SYSTEM SECURITY	<u>1,732</u>	<u>106,678</u>		<u>(106,678)</u>		

Budget for Fiscal Years 2005-06 and 2006-07

	<u>2003/04</u> <u>Actual</u>	<u>2004/05</u> <u>Projected</u>	<u>2005/06</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2006/07</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
72 C7006 RATE STUDY						
Design	11,688					
Construction						
Construction Management						
TOTAL RATE STUDY	<u>11,688</u>					
72 C7008 HARBORVIEW RESERVOIR REPLACEMENT						
Design		500,000		(500,000)		
Construction			1,400,000	1,400,000	925,000	(475,000)
Construction Management			100,000	100,000	75,000	(25,000)
TOTAL HILLSIDE RESERVOIR REPLACE.		<u>500,000</u>	<u>1,500,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>(500,000)</u>
72 C7009 HILLSIDE RESERVOIR FENCE INSTALL						
Design		2,500		(2,500)		
Construction		25,000		(25,000)		
Construction Management		2,500		(2,500)		
TOTAL HILLSIDE RESERVOIR		<u>30,000</u>		<u>(30,000)</u>		
72 C7010 HILLSIDE RESERVOIR DRAINAGE						
Design		5,000		(5,000)		
Construction		42,500		(42,500)		
Construction Management		2,500		(2,500)		
TOTAL HILLSIDE DRAINAGE		<u>50,000</u>		<u>(50,000)</u>		
72 C7011 HILLSIDE RESERVOIR PUMP STATION						
Design		15,000		(15,000)		
Construction		50,000		(50,000)		
Construction Management		10,000		(10,000)		
TOTAL HILLSIDE PUMP STATION		<u>75,000</u>		<u>(75,000)</u>		

Budget for Fiscal Years 2005-06 and 2006-07

	<u>2003/04</u> <u>Actual</u>	<u>2004/05</u> <u>Projected</u>	<u>2005/06</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2006/07</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
72 C7012 WATER SYSTEM MASTER PLAN						
Design		25,000		(25,000)		
Construction		190,000		(190,000)		
Construction Management						
TOTAL MASTER PLAN		<u>215,000</u>		<u>(215,000)</u>		
72 C7013 CORP YARD CONSOLIDATION						
Design		600,000	600,000			(600,000)
Construction						
Construction Management						
TOTAL CORPYARD CONSOLIDATION		<u>600,000</u>	<u>600,000</u>			<u>(600,000)</u>
72 C7014 CATHODIC PROTECTION SYSTEM REVIEW						
Design			50,000	50,000		(50,000)
Construction						
Construction Management						
TOTAL CATHODIC PROTECTION SYS			<u>50,000</u>	<u>50,000</u>		<u>(50,000)</u>
72 C7015 SCADA SYSTEM						
Design					50,000	50,000
Construction					430,000	430,000
Construction Management					20,000	20,000
TOTAL SCADA SYSTEM					<u>500,000</u>	<u>500,000</u>
TOTAL CAPITAL PROJECTS	<u>1,039,280</u>	<u>2,775,454</u>	<u>2,900,000</u>	<u>124,546</u>	<u>2,750,000</u>	<u>(150,000)</u>

Budget for Fiscal Years 2005-06 and 2006-07

			<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<i>Increase</i>	<u>2006/07</u>	<i>Increase</i>
			<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<i>(Decrease)</i>	<u>Budget</u>	<i>(Decrease)</i>
<i>Debt Service-Water System</i>								
71	441	DEBT S: 1999 COP FUND						
		Operating	458,317	445,836	437,724	(8,112)	436,241	(1,483)
		TOTAL DEBT SERVICE	<u>458,317</u>	<u>445,836</u>	<u>437,724</u>	<u>(8,112)</u>	<u>436,241</u>	<u>(1,483)</u>
71	441	DEBT S: 2003 COP FUND						
		Operating	547,568	514,680	462,420	(52,260)	456,420	(6,000)
		TOTAL DEBT SERVICE	<u>547,568</u>	<u>514,680</u>	<u>462,420</u>	<u>(52,260)</u>	<u>456,420</u>	<u>(6,000)</u>
		TOTAL DEBT SERVICE	1,005,884	960,516	900,144	(60,372)	892,661	(7,483)
		TOTAL WATER SYSTEM	<u>10,992,998</u>	<u>11,856,513</u>	<u>11,920,443</u>	<u>63,930</u>	<u>11,959,561</u>	<u>39,118</u>

Budget for Fiscal Years 2005-06 and 2006-07

		<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>Increase</u>	<u>2006/07</u>	<u>Increase</u>
		<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>	<u>(Decrease)</u>
<i>Marina</i>							
73	920	MARINA ADMINISTRATION					
		Labor					
		64,217	87,247	69,278	(17,969)	76,115	6,837
		159,889					
		46,538	46,538	30,335	(16,203)	32,706	2,372
		<u>270,644</u>	<u>133,785</u>	<u>99,613</u>	<u>(34,172)</u>	<u>108,821</u>	<u>9,208</u>
		TOTAL MARINA ADMINISTRATION					
73	921	MARINA OPERATIONS					
		Labor					
		50,027	51,442	57,615	6,173	57,370	(245)
			500		(500)		
		<u>50,027</u>	<u>51,942</u>	<u>57,615</u>	<u>5,673</u>	<u>57,370</u>	<u>(245)</u>
		TOTAL MARINA OPERATIONS					
		<u>320,671</u>	<u>185,727</u>	<u>157,228</u>	<u>(28,499)</u>	<u>166,191</u>	<u>8,963</u>
		TOTAL MARINA SERVICES					

Budget for Fiscal Years 2005-06 and 2006-07

	<u>2003/04</u> <u>Actual</u>	<u>2004/05</u> <u>Projected</u>	<u>2005/06</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2006/07</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
<i>Capital Projects-Marina</i>						
74 C8001 CIP-SHORELINE/LAUNCH RAMP						
Design	59,225	97,880		(97,880)		
Construction	59,395	1,400,598		(1,400,598)		
Construction Management	170	31,058		(31,058)		
TOTAL SHORELINE/LAUNCH RAMP	<u>118,790</u>	<u>1,529,536</u>		<u>(1,529,536)</u>		
74 C8002 CIP-MARINA DREDGING						
Design	10,575	11,834		(11,834)		
Construction	440,107					
Construction Management	10,016					
TOTAL MARINA DREDGING	<u>460,698</u>	<u>11,834</u>		<u>(11,834)</u>		
74 C8003 CIP-UNDERGROUND TANK REMOVAL						
Design						
Construction	45,322					
Construction Management						
TOTAL UNDERGROUND TANK	<u>45,322</u>					
TOTAL CAPITAL PROJECTS	<u>624,810</u>	<u>1,541,370</u>		<u>(1,541,370)</u>		

Budget for Fiscal Years 2005-06 and 2006-07

	<u>2003/04</u> <u>Actual</u>	<u>2004/05</u> <u>Projected</u>	<u>2005/06</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2006/07</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
 <i>Debt Service-Marina</i>						
73 863 MARINA DEBT SERVICE						
Operating	<u>104,181</u>	<u>78,594</u>	<u> </u>	<u>(78,594)</u>	<u> </u>	<u> </u>
TOTAL MARINA DEBT SERVICE	<u>104,181</u>	<u>78,594</u>	<u> </u>	<u>(78,594)</u>	<u> </u>	<u> </u>
TOTAL MARINA SERVICES FUND	<u>1,049,662</u>	<u>1,805,691</u>	<u>157,228</u>	<u>(1,648,463)</u>	<u>166,191</u>	<u>8,963</u>

Budget for Fiscal Years 2005-06 and 2006-07

		<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>Increase</u>	<u>2006/07</u>	<u>Increase</u>
		<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>	<u>(Decrease)</u>
<i>Parking Services</i>							
75	930	PARKING SERVICES					
				46,737	46,737	55,726	8,989
				175,845	(70,182)	178,616	2,771
		456,041	246,027	13,000	10,000	5,000	(8,000)
				234,965	45,883	241,608	6,643
		88,668	189,082	234,965	45,883	241,608	6,643
		<u>544,709</u>	<u>438,109</u>	<u>470,547</u>	<u>32,438</u>	<u>480,950</u>	<u>10,404</u>
 <i>Capital Projects-Parking Services</i>							
76	C8501	CIP-PARKING METERS					
		60	425,000		(425,000)		
			23,940		(23,940)		
			1,000		(1,000)		
		<u>60</u>	<u>449,940</u>		<u>(449,940)</u>		
		<u>544,769</u>	<u>888,049</u>	<u>470,547</u>	<u>(417,502)</u>	<u>480,950</u>	<u>10,404</u>

Budget for Fiscal Years 2005-06 and 2006-07

SPECIAL REVENUE FUNDS - SUMMARY

Fund #	Fund Balance at 6/30/05	2005/06			Fund Balance at 6/30/06	2006/07			Fund Balance at 6/30/07
		Budget Revenues 05/06	Budget Appropriations 05/06	Projection Transfers In(Out) 05/06		Budget Revenues 06/07	Budget Appropriations 06/07	Projection Transfers In(Out) 06/07	
20 COPS Grants	\$ 65,774	\$ 291,164	\$ 256,938		\$ 100,000	\$ 0	\$ 100,000		\$ (0)
21 NPDES	8,715	540,000	468,881	(50,000)	29,834	540,000	477,391	(50,000)	42,443
22 Transportation	438,308	486,000	182,947	(713,825)	27,536	486,000 #	184,001	(187,494)	142,041
23 Gas Tax	372,014	709,200	483,677	(200,000)	397,537	724,500	495,638	(200,000)	426,399
Sub-totals	\$ 884,811	\$ 2,026,364	\$ 1,392,443	\$ (963,825)	\$ 554,907	\$ 1,750,500	\$ 1,257,030	\$ (437,494)	\$ 610,882
<u>Assessment Districts</u>									
33 Lightening & Landscape	205,994	122,831	94,983		233,842	122,831	95,973		260,700
Sub-totals	\$ 205,994	\$ 122,831	\$ 94,983	\$ 0	\$ 233,842	\$ 122,831	\$ 95,973	\$ 0	\$ 260,700
<u>Mitigation/Impact Fees</u>									
34 Traffic	\$ 366,719	\$ 32,000	\$ 0		\$ 398,719	\$ 32,000	\$ 0		\$ 430,719
34 Park In Lieu	314,760	38,000			352,760	38,000			390,760
34 Child Care	100,407	10,000			110,407	10,000			120,407
34 Zone 5 Drainage	99,768	36,000			135,768	36,000			171,768
34 Cultural & Arts	20,972	8,000			28,972	8,000			36,972
34 Police Facilities	2,119	0			2,119	0			2,119
34 Park & Recreation	16,993	0	0		16,993	0	0		16,993
Sub-totals	\$ 921,738	\$ 124,000	\$ 0	\$ 0	\$ 1,045,738	\$ 124,000	\$ 0	\$ 0	\$ 1,169,738
Total Special Revenue Funds	\$ 2,012,543	\$ 2,273,195	\$ 1,487,426	\$ (963,825)	\$ 1,834,487	\$ 1,997,331	\$ 1,353,003	\$ (437,494)	\$ 2,041,320

Budget for Fiscal Years 2005-06 and 2006-07

SPECIAL REVENUE FUNDS - REVENUE

		2003/04	2004/05	2005/06	2006/07
		Actual	Projected	Budget	Budget
Police Grants (20)					
4001	Transfer In	\$ 34,312	\$ -	\$ -	\$ -
4521	State Grants	78,656			
4521.2	State Grant-911 Emergency		23,163		
4521.3	SLESF	100,000	100,000	100,000	
4531	Federal Grants	92,976			
4531.3	Federal Grant-COPS In School		40,000	35,000	
4521.1	Federal Grant-OTS Seatbelt Campaign		14,282	14,923	
4531.4	Federal Grant-OTS Impaired Driver		118,909	141,241	
4701	Interest Income	2,515			
	Total Police Grants	\$ 308,459	\$ 296,354	\$ 291,164	\$ 0
NPDES (21)					
4031	Transfers In	73,714	29,752	0	0
4701	Interest Income	57	5,000		
4850	NPDES Assessment	475,753	534,000	540,000	540,000
	Total NPDES	\$ 549,524	\$ 568,752	\$ 540,000	\$ 540,000
Transportation (22)					
4031	Transfers In	\$ 572,869	\$ 123,028	\$ -	\$ -
4860	State Grants	80,547			
4535	Federal Grants		50,629		
4811	Local Measure C	451,650	443,945	486,000	486,000
	Total Transportation	\$ 1,105,066	\$ 617,602	\$ 486,000	\$ 486,000

Budget for Fiscal Years 2005-06 and 2006-07

		2003/04	2004/05	2005/06	2006/07
		Actual	Projected	Budget	Budget
Gas Tax (23)					
4000	Transfer In	\$ 79,791	\$ -	\$ -	\$ -
4813.5	2105 Gas Tax	250,539	225,500	230,000	240,000
4813.6	2106 Gas Tax	168,181	151,000	152,000	155,000
4813.7	2107 Gas Tax	334,345	296,500	312,700	315,000
4813.8	2107.5 Gas Tax	12,000		6,000	6,000
4701	Interest Income	7,111	15,000	8,500	8,500
	Total Gas Tax	\$ 851,967	\$ 688,000	\$ 709,200	\$ 724,500
Lighting & Landscape (33)					
4001	Transfers In	\$ 56,959	\$ 6,150	\$ -	\$ -
4701	Interest	2,976	3,506	3,505	3,505
4775	Refunds, Rebates & Reimbursements	9,670	5,500		
4890	Local Assesment	117,081	117,482	119,326	119,326
	Total Lightening & Landscape	\$ 186,686	\$ 132,638	\$ 122,831	\$ 122,831
Traffic Mitigation Fees (34)					
4701	Interest Income	\$ -	\$ 19,000	\$ -	\$ -
4820.1	Traffic Mitigation Fees	32,477	180,000	32,000	32,000
	Total Traffic Mitigation Fees	\$ 32,477	\$ 199,000	\$ 32,000	\$ 32,000
Park In-Lieu Fees (34)					
4701	Interest Income	\$ -	\$ 8,300	\$ -	\$ -
4820.1	Park In-Lieu Fees	38,265	100,000	38,000	38,000
	Total Park In-Lieu Fees	\$ 38,265	\$ 108,300	\$ 38,000	\$ 38,000
Child Care Fees (34)					
4701	Interest Income	\$ -	\$ 4,500	\$ -	\$ -
4820.1	Child Care Impact Fees	9,894	65,000	10,000	10,000
	Total Child Care Impact Fees	\$ 9,894	\$ 69,500	\$ 10,000	\$ 10,000

Budget for Fiscal Years 2005-06 and 2006-07

	2003/04	2004/05	2005/06	2006/07
	Actual	Projected	Budget	Budget
Drainage Fees (34)				
4701	\$ -	\$ 3,500	\$ -	\$ -
4820.1	36,000	10,000	36,000	36,000
	\$ 36,000	\$ 13,500	\$ 36,000	\$ 36,000
Cultural Facilities (34)				
4701	\$ -	\$ 1,000	\$ -	\$ -
4802		\$ 75,000		
4820.1	8,604		8,000	8,000
	\$ 8,604	\$ 76,000	\$ 8,000	\$ 8,000
Police Facilities (34)				
4701	\$ -	\$ 500	\$ -	\$ -
4820.1	533			
	\$ 533	\$ 500	\$ -	\$ -
Park & Recreation Fees (34)				
4701	\$ -	\$ 200	\$ -	\$ -
4820.1	7,777			
	\$ 7,777	\$ 200	\$ -	\$ -
	\$ 3,135,252	\$ 2,770,346	\$ 2,273,195	\$ 1,997,331

Budget for Fiscal Years 2005-06 and 2006-07

SPECIAL REVENUE FUNDS - EXPENDITURES

			<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>Increase</u>	<u>2006/07</u>	<u>Increase</u>
			<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>	<u>(Decrease)</u>
<i>COPS Grants</i>								
20	615	FEDERAL COPS MORE GRANT						
		Labor						
		Operating	55,000	23,433		(23,433)		
		Direct & Indirect Costs						
		TOTAL FEDERAL COPS MORE GRANT	<u>55,000</u>	<u>23,433</u>		<u>(23,433)</u>		
20	621	FEDERAL LLEBG 2001 GRANT						
		Labor						
		Operating	1,297					
		Direct & Indirect Costs						
		TOTAL FEDERAL LLEBG 2001 GRANT	<u>1,297</u>					
20	625	FEDERAL BLOCK GRANT #BX2860-LLEBG 2002						
		Labor						
		Operating	2,885					
		Direct & Indirect Costs						
		TOTAL FEDERAL BLOCK GRANT	<u>2,885</u>					
20	630	COPS IN SCHOOL GRANT						
		Labor						
		Operating	50,000	40,000	35,000	(5,000)		5,000
		Direct & Indirect Costs						
		TOTAL COPS IN SCHOOL GRANT	<u>50,000</u>	<u>40,000</u>	<u>35,000</u>	<u>(5,000)</u>		<u>5,000</u>

Budget for Fiscal Years 2005-06 and 2006-07

	<u>2003/04</u> <u>Actual</u>	<u>2004/05</u> <u>Projected</u>	<u>2005/06</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2006/07</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
20 635 FEDERAL BLOCK GRANT #2003-LBBX0762						
Labor						
Operating	6,415	4,181		(4,181)		
TOTAL FEDERAL BLOCK GRANT	<u>6,415</u>	<u>4,181</u>		<u>(4,181)</u>		
20 639 OTS-IMPAIRED DRIVER GRANT						
Labor		48,486	48,486			(48,486)
Operating		70,423	92,756	22,334		(92,756)
Direct & Indirect Costs						
TOTAL OTS-IMPAIRED DRIVER GRANT		<u>118,908</u>	<u>141,242</u>	<u>22,334</u>		<u>(141,242)</u>
20 618 STATE COPS IN SCHOOL GRANT						
Labor						
Operating	22,000	21,972	19,489	(2,483)		(19,489)
Direct & Indirect Costs						
TOTAL STATE COPS IN SCHOOL	<u>22,000</u>	<u>21,972</u>	<u>19,489</u>	<u>(2,483)</u>		<u>(19,489)</u>
20 622 STATE TECHNOLOGY GRANTS						
Labor						
Operating	142					
Direct & Indirect Costs						
TOTAL STATE TECHNOLOGY GRANTS	<u>142</u>					
20 627 STATE CLEEP GRANT						
Labor						
Operating	21,444					
Capital						
Direct & Indirect Costs						
TOTAL STATE CLEEP GRANT	<u>21,444</u>					

Budget for Fiscal Years 2005-06 and 2006-07

	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>Increase</u>	<u>2006/07</u>	<u>Increase</u>
	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>	<u>(Decrease)</u>
20 637 STATE OTS-SEATBELT CAMPAIGN GRANT						
Labor	17,447	14,282	14,923	641		(14,923)
Operating						
Direct & Indirect Costs						
TOTAL OTS SEATBELT GRANT	<u>17,447</u>	<u>14,282</u>	<u>14,923</u>	<u>641</u>		<u>(14,923)</u>
20 624 SUPPLEMENTAL LAW ENFORCEMENT (SLESF)						
626 Labor						
636 Operating	31,230	133,952	46,284	(87,668)	100,000	53,716
Capital	98,824					
Direct & Indirect Costs						
TOTAL SUPPLEMENTAL LAW ENF.	<u>130,054</u>	<u>133,952</u>	<u>46,284</u>	<u>(87,668)</u>	<u>100,000</u>	<u>53,716</u>
20 631 911 EQUIPMENT GRANTS						
633 Labor						
634 Operating	68,446	23,163		(23,163)		
638 Direct & Indirect Costs						
TOTAL 911 EQUIPMENT GRANTS	<u>68,446</u>	<u>23,163</u>		<u>(23,163)</u>		
20 632 HOMELAND SECURITY GRANT						
Labor						
Operating	10,211					
Direct & Indirect Costs						
TOTAL HOMELAND SECURITY GRANT	<u>10,211</u>					
TOTAL COPS GRANT FUND	<u>385,340</u>	<u>379,891</u>	<u>256,938</u>	<u>(122,953)</u>	<u>100,000</u>	<u>(116,938)</u>

Budget for Fiscal Years 2005-06 and 2006-07

		<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<i>Increase</i>	<u>2006/07</u>	<i>Increase</i>
		<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<i>(Decrease)</i>	<u>Budget</u>	<i>(Decrease)</i>
<i>NPDES</i>							
21	754 MUNICIPAL MAINTENANCE						
	Labor			73,996	73,996	74,950	954
	Operating	283,630	363,345	155,520	(207,825)	158,838	3,318
	Direct & Indirect Costs						
	TOTAL MUNICIPAL MAINTENANCE	<u>283,630</u>	<u>363,345</u>	<u>229,516</u>	<u>(133,829)</u>	<u>233,788</u>	<u>4,273</u>
21	757 AGENCY ADMINISTRATION						
	Operating	201,292	248,626	119,263	(129,363)	119,379	116
	Direct & Indirect Costs	51,027	53,073	120,103	67,030	124,224	4,121
	TOTAL AGENCY ADMINISTRATION	<u>252,319</u>	<u>301,699</u>	<u>239,365</u>	<u>(62,334)</u>	<u>243,603</u>	<u>4,237</u>
	TOTAL NPDES	535,949	665,044	468,881	(196,163)	477,391	8,510
21	900 TRANSFERS OUT						
	Transfer to Capital Projects	200,000	50,000	50,000		50,000	
	TOTAL TRANSFERS OUT	<u>200,000</u>	<u>50,000</u>	<u>50,000</u>		<u>50,000</u>	
	TOTAL NPDES FUND	<u>735,949</u>	<u>715,044</u>	<u>518,881</u>	<u>(196,163)</u>	<u>527,391</u>	<u>8,510</u>

Budget for Fiscal Years 2005-06 and 2006-07

		<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<i>Increase</i>	<u>2006/07</u>	<i>Increase</i>
		<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<i>(Decrease)</i>	<u>Budget</u>	<i>(Decrease)</i>
<i>Transportation</i>							
22	760 TRANSPORTATION						
	Labor	78,828	29,008	24,958	<i>(4,050)</i>	25,034	76
	Operating	23,709	189,100	157,989	<i>(31,111)</i>	158,967	978
	Capital						
	Direct & Indirect Costs		63,858		<i>(63,858)</i>		
	TOTAL TRANSPORTATION	<u>102,537</u>	<u>281,966</u>	<u>182,947</u>	<u><i>(99,019)</i></u>	<u>184,001</u>	<u>1,054</u>
22	900 TRANSFERS OUT						
	Transfer to Capital Projects	953,371	24,536	713,825	<i>689,289</i>	187,494	<i>(526,331)</i>
	TOTAL TRANSFERS OUT	<u>953,371</u>	<u>24,536</u>	<u>713,825</u>	<u><i>689,289</i></u>	<u>187,494</u>	<u><i>(526,331)</i></u>
	TOTAL TRANSPORTATION FUND	<u>1,055,908</u>	<u>306,502</u>	<u>896,772</u>	<u><i>590,270</i></u>	<u>371,495</u>	<u><i>(525,277)</i></u>

Budget for Fiscal Years 2005-2006 and 2006-2007

		<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<i>Increase</i>	<u>2006/07</u>	<i>Increase</i>
<i>Gas Tax</i>		<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<i>(Decrease)</i>	<u>Budget</u>	<i>(Decrease)</i>
23	771 STREET MAINTENANCE						
	Operating	246,843	379,695	406,319	26,624	416,463	10,144
	Capital						
	Direct & Indirect Costs						
	TOTAL STREET MAINTENANCE	<u>246,843</u>	<u>379,695</u>	<u>406,319</u>	<u>26,624</u>	<u>416,463</u>	<u>10,144</u>
23	772 ARTERIAL MAINTENANCE						
	Operating	142,922	138,222	77,358	(60,864)	79,175	1,817
	Capital						
	Direct & Indirect Costs						
	TOTAL ARTERIAL MAINTENANCE	<u>142,922</u>	<u>138,222</u>	<u>77,358</u>	<u>(60,864)</u>	<u>79,175</u>	<u>1,817</u>
	TOTAL GAS TAX OPERATIONS	389,765	517,917	483,677	(34,240)	495,638	11,961
23	900 TRANSFERS OUT						
	Transfer to Capital Projects	864,045	236,213	200,000	(36,213)	200,000	
	TOTAL TRANSFERS OUT	<u>864,045</u>	<u>236,213</u>	<u>200,000</u>	<u>(36,213)</u>	<u>200,000</u>	
	TOTAL GAS TAX FUND	<u>\$1,253,810</u>	<u>\$754,130</u>	<u>\$683,677</u>	<u>(\$70,453)</u>	<u>\$695,638</u>	<u>\$11,961</u>

Budget for Fiscal Years 2005-06 and 2006-07

		<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>Increase</u>	<u>2006/07</u>	<u>Increase</u>
		<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>	<u>(Decrease)</u>
<i>Lighting & Landscape</i>							
33	910 VILLAGE OAKS						
	Operating	3,647	3,780	4,779	999	4,794	15
	Direct & Indirect Costs	781	300	300		300	
	TOTAL VILLAGE OAKS	<u>4,428</u>	<u>4,080</u>	<u>5,079</u>	<u>999</u>	<u>5,094</u>	<u>15</u>
33	911 MUIR STATION						
	Operating	8,479	7,445	9,377	1,932	9,477	100
	Direct & Indirect Costs	781	300	300		300	
	TOTAL MUIR STATION	<u>9,259</u>	<u>7,745</u>	<u>9,677</u>	<u>1,932</u>	<u>9,777</u>	<u>100</u>
33	912 CREEKSIDE						
	Operating	4,179	8,265	10,908	2,643	10,923	15
	Direct & Indirect Costs	781	1,000	1,000		1,000	
	TOTAL CREEKSIDE	<u>4,960</u>	<u>9,265</u>	<u>11,908</u>	<u>2,643</u>	<u>11,923</u>	<u>15</u>
33	913 BRITTANY HILLS						
	Operating	57,138	67,884	27,174	(40,710)	27,749	575
	Direct & Indirect Costs	1,633	1,800	1,800		1,800	
	TOTAL BRITTANY HILLS	<u>58,772</u>	<u>69,684</u>	<u>28,974</u>	<u>(40,710)</u>	<u>29,549</u>	<u>575</u>

Budget for Fiscal Years 2005-06 and 2006-07

	<u>2003/04</u> <u>Actual</u>	<u>2004/05</u> <u>Projected</u>	<u>2005/06</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2006/07</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
33 914 VISTA OAKS						
Operating	14,307	11,205	15,891	4,686	16,081	190
Direct & Indirect Costs	781	300	300		300	
TOTAL VISTA OAKS	<u>15,088</u>	<u>11,505</u>	<u>16,191</u>	<u>4,686</u>	<u>16,381</u>	<u>190</u>
33 915 COSTCO CENTER						
Operating	6,897	6,610	6,816	206	6,886	70
Direct & Indirect Costs	781	300	300		300	
TOTAL COSTCO CENTER	<u>7,678</u>	<u>6,910</u>	<u>7,116</u>	<u>206</u>	<u>7,186</u>	<u>70</u>
33 916 TERRA VISTA						
Operating	1,708	14,626	5,199	(9,427)	5,224	25
Direct & Indirect Costs	781	1,000	1,000		1,000	
TOTAL TERRA VISTA	<u>2,489</u>	<u>15,626</u>	<u>6,199</u>	<u>(9,427)</u>	<u>6,224</u>	<u>25</u>
33 917 2002-03 LL						
Operating	1,168	12,589	8,839	(3,750)	8,839	
Direct & Indirect Costs	781	1,000	1,000		1,000	
TOTAL 2002-03 LL	<u>1,949</u>	<u>13,589</u>	<u>9,839</u>	<u>(3,750)</u>	<u>9,839</u>	
TOTAL LIGHTING & LANDSCAPING	<u>104,624</u>	<u>138,404</u>	<u>94,983</u>	<u>(43,421)</u>	<u>95,973</u>	<u>990</u>

Budget for Fiscal Years 2005-06 and 2006-07

INTERNAL SERVICE FUNDS - SUMMARY

Fund #	Fund Balance at 6/30/05	2005/06		Fund Balance at 6/30/06	2006/07		Fund Balance at 6/30/07
		Budget Revenues 05/06	Budget Appropriations 05/06		Budget Revenues 06/07	Budget Appropriations 06/07	
81 Equipment Replacement Fund	\$ 1,375,857	\$ 966,667	\$ 929,690	\$ 1,412,833	\$ 966,667	\$ 945,977	\$ 1,433,524
82 Information Systems	322,868	356,675	356,675	322,868	391,677	391,677	322,868
Total Internal Service Funds	<u>\$ 1,698,725</u>	<u>\$ 1,323,342</u>	<u>\$ 1,286,366</u>	<u>\$ 1,735,701</u>	<u>\$ 1,358,344</u>	<u>\$ 1,337,654</u>	<u>\$ 1,756,392</u>

Budget for Fiscal Years 2005-06 and 2006-07

INTERNAL SERVICE FUNDS - REVENUE

	2003/04 Actual	2004/05 Projected	2005/06 Budget	2006/07 Budget
Equipment Replacement (81)				
4701 Interest	\$ 23,907	\$ 0	\$ 0	\$ 0
4755 Rental Charges-City	436,199	1,004,863	966,667	966,667
4760 Sale of Personal Property	21,378	0	0	0
4803 Other Grants				
Total Equipment Replacement	\$ 481,484	\$ 1,004,863	\$ 966,667	\$ 966,667
Informations Systems (82)				
4701 Interest	\$ 7,344	\$ 0	\$ 0	\$ 0
4755 Rental Charges-City	261,583	318,513	356,675	391,677
Total Information Systems	\$ 268,927	\$ 318,513	\$ 356,675	\$ 391,677
TOTAL REVENUE INTERNAL SERVICE FUNDS	\$ 750,411	\$ 1,323,376	\$ 1,323,342	\$ 1,358,344

Budget for Fiscal Years 2005-06 and 2006-07

INTERNAL SERVICE FUNDS - EXPENDITURES

	<u>2003/04</u> <u>Actual</u>	<u>2004/05</u> <u>Projected</u>	<u>2005/06</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>2006/07</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>
<i>Internal Service Funds</i>						
81 920 EQUIPMENT REPLACEMENT FUND						
Labor	177,526	208,159	201,589	(6,570)	205,681	4,093
Operating	612,494	824,718	501,680	(323,038)	502,353	673
Capital	121,776	431,235	208,000	(223,235)	219,000	11,000
Direct & Indirect Costs	148,221	146,136	18,421	(127,715)	18,942	521
TOTAL EQUIPMENT REPLACEMENT	<u>1,060,017</u>	<u>1,610,248</u>	<u>929,690</u>	<u>(680,558)</u>	<u>945,977</u>	<u>16,286</u>
82 921 INFORMATION SYSTEMS						
Labor	97,687	107,715	115,934	8,219	118,352	2,418
Operating	189,300	321,810	176,359	(145,451)	204,156	27,797
Capital		55,000		(55,000)		
Direct & Indirect Costs	1,551	3,172	64,382	61,210	69,170	4,787
TOTAL INFORMATION SYSTEMS	<u>288,538</u>	<u>487,697</u>	<u>356,675</u>	<u>(131,022)</u>	<u>391,677</u>	<u>35,002</u>
TOTAL INTERNAL SERVICE FUNDS	<u>1,348,555</u>	<u>2,097,945</u>	<u>1,286,366</u>	<u>(811,579)</u>	<u>1,337,654</u>	<u>51,288</u>

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

The Capital Improvement Program (CIP) budget is for expenditures on capital projects such as major street or park improvements, building construction, and major facility maintenance. The City prepares a 5-year Capital Improvement Program that identifies capital improvement projects based on need and availability of funding. The CIP is reviewed and updated annually by the City Council. Two years of these projected expenditures have been incorporated into this budget. Enterprise Fund capital improvements are reflected in the Enterprise Funds section. Program funding is provided through grant and Measure “C” funds, gasoline tax, NPDES, and General Fund reserves.

2003-2005 ACCOMPLISHMENTS:

- Selected design consultant for Corporation Yard Consolidation Plan
- Completed Project Study Report for Alhambra Avenue Improvements - Highway 4 to MacAlvey Drive
- Updated the Pavement Management Report
- Completed over \$1.2 million of pavement and slurry seal repair projects in 2004 and 2005
- Completed Bay Trail Phase I from Berrellesa Street to Ferry Street
- Completed portion of Bay Trail Phase II from Carquinez Scenic Drive to Union Pacific Railroad tracks
- Completed the Downtown Curb Ramp Project
- Obtained \$600,000 Federal grant for Alhambra Avenue Paving from John Muir to Blue Ridge
- Completed plans and specifications for Kiwanis Building upgrades
- Completed the Alhambra Creek Restoration Project, Phase I near the Adult School
- Completed beautification projects including Monument entry signs, median landscaping and downtown brick sidewalk
- Constructed bike lanes on Morello Avenue from Pacheco to Gilrix

2005-07 OBJECTIVES

- Complete annual paving, slurry and cape seal projects including Muir Road and Morello Avenue as part of the Annual Pavement Management Project.
- Complete the Joe Dimaggio Drive Landscaping Project by November 2006. This project consists of installing landscaping across the railroad tracks from the old train depot.
- Begin construction of Corporation Yard Consolidation Project by July 2006. This project involves relocating the Corporation Yard to the Water Treatment Plant.
- Begin construction of the Measure C Alhambra Avenue Improvement Project by June 2006. This project consists of improvements from Highway 4 south to MacAlvey Drive and includes a sidewalk from Forest Hills to John Swett Elementary School; a new coordinated traffic signal system; extra turn lanes at Alhambra Valley Road; sound walls to control traffic noise; and various landscaping enhancements.

CAPITAL IMPROVEMENT PROGRAM 2005-07 OBJECTIVES (CONTINUED)

- Replace Hidden Lakes Bridges by November 2005. This project consists of replacing two pedestrian bridges at the Hidden Lakes Open Space in conjunction with Central Contra Costa Sanitary District (CCCSD).
- Construct Bay Trail Phase II link along Union Pacific RR by June 2007. This project involves constructing a pedestrian/bicycle trail along the south side of the railroad to Berrellesa Street, then north to the existing East Bay Regional Park District staging area.
- Construct Kiwanis Building upgrades by December 2005. The upgrades to the City-owned building at 750 Allen Street include ADA compliance modifications and re-roofing that will enable the City to continue contracting for child care services at that location.
- Complete the 9/11 Memorial. This project is for the construction of a memorial at the train station to the victims of the September 11, 2001 attack on the World Trade Center in New York.
- Construct Hidden Valley Park playground equipment improvements by December 2005.
- Form underground utility district for Marina Vista. This project consists of undergrounding several blocks of the overhead utility lines in the downtown area.
- Begin design of Marina Vista Phase II by July 2006. This project will improve Marina Vista from Shell Avenue to I-680, with bike lanes, sidewalks, medians, and pavement rehabilitation. Timing is dependent upon the California Department of Transportation (Caltrans) contract for completion of the Martinez-Benicia Bridge.

Budget for Fiscal Years 2005-06 and 2006-07

CAPITAL IMPROVEMENT PROGRAM - SUMMARY
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	2005/06			2006/07		
	Budget	Budget	Transfers	Budget	Budget	Transfers
	Revenues	Appropriations	In(Out)	Revenues	Appropriations	In(Out)
	05/06	05/06	05/06	06/07	06/07	06/07
<u>Drainage</u>						
Annual Storm Drain Project	0	50,000	50,000	0	50,000	50,000
Sub-total Drainage	0	50,000	50,000	0	50,000	50,000
 <u>Marina</u>						
Ferry Shelter	216,410	250,235	33,825	0	0	
Sub-total Marina	216,410	250,235	33,825	0	0	0
 <u>Public Buildings</u>						
Kiwanis Building Upgrade	41,250	41,250		0	0	
911 Monument	0	15,000	15,000	0	0	
Sub-total Public Buildings	41,250	56,250	15,000	0	0	0
 <u>Streets</u>						
Annual Pavement Mgt.		350,000	350,000		305,000	305,000
Alhambra Avenue Improvements	1,000,000	1,000,000		4,599,500	4,599,500	
Downtown Utility Underground	190,000	190,000		190,000	190,000	
Marina Vista Phase II		600,000	600,000		187,494	187,494
Alhambra Avenue Paving	600,000	680,000	80,000	0	0	0
Sub-total Streets	1,790,000	2,820,000	1,030,000	4,789,500	5,281,994	492,494
 Total Special Revenue Funds	 <u>\$ 2,047,660</u>	 <u>\$ 3,176,485</u>	 <u>\$ 1,128,825</u>	 <u>\$ 4,789,500</u>	 <u>\$ 5,331,994</u>	 <u>\$ 542,494</u>

Budget for Fiscal Years 2005-06 and 2006-07

CAPITAL IMPROVEMENT PROGRAM - REVENUE
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	<u>2003/04</u> <u>Actual</u>	<u>2004/05</u> <u>Projected</u>	<u>2005/06</u> <u>Budget</u>	<u>2006/07</u> <u>Budget</u>
C2001 Bay Trail I				
Transfers In-Local C Coastal Conservatory	\$ 525,568	\$ 24,536		
Transfer In-Traffic Mitigation	<u>121,000</u>			
Total	<u>\$ 646,568</u>	<u>\$ 24,536</u>	<u>\$ -</u>	<u>\$ -</u>
C2002 Bay Trail II				
Measure C Funds	\$ -	\$ 300,000		
Transfer In-Local C				
State Grant-ABAG	<u>15,641</u>	<u>271,000</u>		
Total	<u>\$ 15,641</u>	<u>\$ 571,000</u>	<u>\$ -</u>	<u>\$ -</u>
C2003 Morello Bike Lane				
Transfers In-Local C	\$ 90,000			
State Grant-TFCA		<u>175,000</u>		
Total	<u>\$ 90,000</u>	<u>\$ 175,000</u>	<u>\$ -</u>	<u>\$ -</u>
C2004 Reliez Valley/Tavan Estate Trail				
TDA		<u>46,000</u>		
Total	<u>\$ -</u>	<u>\$ 46,000</u>	<u>\$ -</u>	<u>\$ -</u>
C3001 2005 Storm Drain Project				
Transfers In-NPDES	<u>\$ 150,000</u>			
Total	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Budget for Fiscal Years 2005-06 and 2006-07

	2003/04	2004/05	2005/06	2006/07
	Actual	Projected	Budget	Budget
C3002 Alhambra Creek Channel Maint.				
Transfers In-NPDES		50,000		
Total	\$ -	\$ 50,000	\$ -	\$ -
C3003 Annual Storm Drain				
Transfers In-NPDES			50,000	50,000
Total	\$ -	\$ -	\$ 50,000	\$ 50,000
C6001 Dimaggio Landscape				
Measure C	\$ -	\$ 175,000		\$ -
Transfer In-Local C	34,609			
State Grant-SHA		\$ 19,247		
Federal Grant-TEA		134,456		
Total	\$ 34,609	\$ 328,703	\$ -	\$ -
C6003 Ferry Shelter				
Transfer In-Local C	\$ 28,675		\$ 33,825	\$ -
Federal Grant-ISTEA		21,325	216,410	
Total	\$ 28,675	\$ 21,325	\$ 250,235	\$ -
C5001 Hidden Valley/Hidden Lakes Park				
Transfers In			\$ -	\$ -
Transfer In-Park Dedication Fees	30			
Total	\$ 30	\$ -	\$ -	\$ -
C5002 Waterfront Road Park				
Transfers In-General Fund	\$ 182,425			
Total	\$ 182,425	\$ -	\$ -	\$ -

Budget for Fiscal Years 2005-06 and 2006-07

	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>Budget</u>
C5003 Hidden Lakes Open Space Bridge				
Transfers In-Park Mitigation Fees	\$ 25,000	\$ 100,000		
CCCCSD		\$ 210,000		
TFCA (SEP)		\$ 40,000		
TDA		90,000		
Total	<u>\$ 25,000</u>	<u>\$ 440,000</u>	<u>\$ -</u>	<u>\$ -</u>
C5008 Open Space Slide Repairs				
Transfers In-General Fund		\$ 100,000		
Total	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>
C4001 Kiwanis Building Upgrade				
Transfer In-Child Care Mitig. Fees	\$ 250,000			
CDBG			41,250	
Total	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 41,250</u>	<u>\$ -</u>
C4004 911 Monument				
Transfers In-General Fund		\$ 5,000	\$ 15,000	
Contributions & Donations		10,000		
Total	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ -</u>
C1021 Paving Projects				
Transfers In-General Fund	\$ 400,000	\$ 250,000		
Transfers In-Gas Tax	\$ 700,000	\$ 200,000		
Transfer In-Traffic Mitigation Fees	\$ 43,750			
Refunds, Rebates & Reimb.				
Total	<u>\$ 1,143,750</u>	<u>\$ 450,000</u>	<u>\$ -</u>	<u>\$ -</u>
C1012 Annual Pavement Mgt Project				
Transfers In-General Fund			\$ 150,000	\$ 105,000
Transfers In-Gas Tax			200,000	200,000
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ 305,000</u>

Budget for Fiscal Years 2005-06 and 2006-07

	2003/04	2004/05	2005/06	2006/07
	Actual	Projected	Budget	Budget
C1003 Beautification				
Transfer In-General Fund	100,000			
Total	\$ 100,000	\$ -	\$ 0	\$ 0
C1005 Alhambra Avenue Improvements				
Measure C	106,614	346,386	1,000,000	4,599,500
Total	\$ 106,614	\$ 346,386	\$ 1,000,000	\$ 4,599,500
C1025 Downtown Utility Underground				
Rule 20A		930,000	190,000	190,000
Total	\$ -	\$ 930,000	\$ 190,000	\$ 190,000
C1026 Marina Vista Phase II				
Transfer In-Transportation			\$ 600,000	\$ 187,494
Total	\$ -	\$ -	\$ 600,000	\$ 187,494
C1006 Vine Hill Safety				
Transfers In-Gas Tax	\$ 2,219	\$ 14,781		
Federal Grant-HES		55,209		
Total	\$ 2,219	\$ 69,990	\$ 0	\$ 0
C1007 Green Street Bridge Rail				
Transfers In-Gas Tax	\$ 4,265	\$ 1,432		
Federal Grant-HBRR		48,692		
Total	\$ 4,265	\$ 50,124	\$ 0	\$ 0
C1008 Ward Street Bridge Rail				
Transfers In-Gas Tax	\$ 4,624			
Federal Grant-HBRR		31,384		
Total	\$ 4,624	\$ 31,384	\$ 0	\$ 0

Budget for Fiscal Years 2005-06 and 2006-07

	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>Budget</u>
C1009 Donegal Place Stabilization				
Transfers In-Gas Tax	59,636			
Total	\$ 59,636	\$ -	\$ -	\$ -
C1010 Handicap Access Program				
Transfers In-Gas Tax		\$ 20,000		
Federal Grant-CDBG		37,500		
Total	\$ -	\$ 57,500	\$ -	\$ -
C1027 Alhambra Avenue Paving				
Transfer In-Local C			\$ 80,000	
TEA-21			600,000	
Total	\$ -	\$ -	\$ 680,000	\$ -
TOTAL SPECIAL REVENUE	\$ 2,844,056	\$ 3,706,948	\$ 3,176,485	\$ 5,331,994

Budget for Fiscal Years 2005-06 and 2006-07

CAPITAL IMPROVEMENT - EXPENDITURES

		<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
		<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>Budget</u>
<i>Capital Improvement Program</i>					
31	C2001	BAY TRAIL I			
		Design	23,916	26,188	
		Construction		573,000	
		Construction Management	1,819	46,180	
		TOTAL BAY TRAIL I	<u>25,735</u>	<u>645,368</u>	
31	C2002	BAY TRAIL II			
		Design	79,499	50,374	
		Construction	14,500	333,455	
		Construction Management	308	73,536	
		TOTAL BAY TRAIL II	<u>94,307</u>	<u>457,365</u>	
31	C2003	MORELLO BIKE LANE PROJECT			
		Design	34,138	5,862	
		Construction		200,000	
		Construction Management		25,000	
		TOTAL MORELLO BIKE LANE	<u>34,138</u>	<u>230,862</u>	
31	C2004	RELIEZ VALLEY/TAVAN ESTATE TRAIL			
		Design		46,000	
		Construction Management			
		TOTAL RELIEZ VALLEY/TAVAN		<u>46,000</u>	

Budget for Fiscal Years 2005-06 and 2006-07

			2003/04	2004/05	2005/06	2006/07
			Actual	Projected	Budget	Budget
31	C3001	2005 STORM DRAIN PROJECT				
		Design	129	29,871		
		Construction		105,000		
		Construction Management		15,000		
		TOTAL ANNUAL STORM DRAIN	<u>129</u>	<u>149,871</u>		
31	C3002	ALHAMBRA CREEK CHANNEL MAINTENANCE				
		Design		10,000		
		Construction	27,782	57,218		
		Construction Management		5,000		
		TOTAL ALHAMBRA CREEK CHANNEL	<u>27,782</u>	<u>72,218</u>		
31	C3003	ANNUAL STORM DRAIN PROJECT				
		Design			10,000	10,000
		Construction			35,000	35,000
		Construction Management			5,000	5,000
		TOTAL ANNUAL STORM DRAIN			<u>50,000</u>	<u>50,000</u>
31	C6001	DIMAGGIO LANDSCAPE				
		Design	41,519	7,931		
		Construction		283,862		
		Construction Management	13,024	16,976		
		TOTAL DIMAGGIO LANDSCAPE	<u>54,543</u>	<u>308,769</u>		
31	C6003	FERRY SHELTER				
		Design		50,000	25,235	
		Construction			200,000	
		Construction Management			25,000	
		TOTAL FERRY SHELTER		<u>50,000</u>	<u>250,235</u>	

Budget for Fiscal Years 2005-06 and 2006-07

			2003/04	2004/05	2005/06	2006/07
			Actual	Projected	Budget	Budget
31	C5001	HIDDEN VALLEY/HIDDEN LAKES PARK				
		Design	62	101,938		
		Construction				
		Construction Management				
		TOTAL HIDDEN VALLEY/LAKES PARK	<u>62</u>	<u>101,938</u>		
31	C5002	WATERFRONT ROAD PARK SITE				
		Design	13,175	21,825		
		Construction		129,945		
		Construction Management		20,000		
		TOTAL WATERFRONT RD PARK SITE	<u>13,175</u>	<u>171,770</u>		
31	C5003	HIDDEN LAKES OPEN SPACE BRIDGE				
		Design	31	59,969		
		Construction		360,000		
		Construction Management		45,000		
		TOTAL HIDDEN LAKES OPEN SPACE	<u>31</u>	<u>464,969</u>		
31	C5008	OPEN SPACE SLIDE REPAIRS				
		Design		25,000		
		Construction		60,000		
		Construction Management		15,000		
		TOTAL OPEN SPACE SLIDE REPAIRS		<u>100,000</u>		
31	C4001	KIWANIS BUILDING UPGRADE				
		Design		35,000		
		Construction	11,050	188,950	41,250	
		Construction Management		15,000		
		TOTAL KIWANIS BUILDING UPGRADE	<u>11,050</u>	<u>238,950</u>	<u>41,250</u>	

Budget for Fiscal Years 2005-06 and 2006-07

			2003/04	2004/05	2005/06	2006/07
			Actual	Projected	Budget	Budget
31	C4004	911 MONUMENT				
		Design				
		Construction		15,000	15,000	
		Construction Management				
		TOTAL 911 MONUMENT		15,000	15,000	
31	C1024	PAVING PROJECTS				
		Design	64,756	129,438		
		Construction	521,335	1,094,762		
		Construction Management	4,702	47,741		
		TOTAL PAVING PROJECTS	590,793	1,271,941		
31	C1012	ANNUAL PAVEMENT MGT PROJECT				
		Design			20,000	20,000
		Construction			320,000	280,000
		Construction Management			10,000	5,000
		TOTAL PAVEMENT MGT PROJECT			350,000	305,000
31	C1003	BEAUTIFICATION				
		Design	1,236	17,406		
		Construction	93,353	32,270		
		Construction Management		12,000		
		TOTAL BEAUTIFICATION	94,589	61,676		
31	C1005	ALHAMBRA AVENUE IMPROVEMENTS				
		Design	164,603	288,397		
		Construction			1,000,000	4,599,500
		Construction Management				
		TOTAL ALHAMBRA IMPROVEMENTS	164,603	288,397	1,000,000	4,599,500

Budget for Fiscal Years 2005-06 and 2006-07

			2003/04	2004/05	2005/06	2006/07
			Actual	Projected	Budget	Budget
31	C1025	DOWNTOWN UTILITY UNDERGROUND				
		Design				
		Construction		930,000	190,000	190,000
		Construction Management				
		TOTAL DOWNTOWN UTILITY UNDERGRD		<u>930,000</u>	<u>190,000</u>	<u>190,000</u>
31	C1006	VINE HILL SAFETY				
		Design		8,010		
		Construction		52,436		
		Construction Management		5,000		
		TOTAL VINE HILL SAFETY		<u>65,446</u>		
31	C1007	GREEN STREET BRIDGE RAIL				
		Design		11,768		
		Construction		38,621		
		Construction Management		4,000		
		TOTAL GREEN STREET BRIDGE RAIL		<u>54,389</u>		
31	C1008	WARD STREET BRIDGE RAIL				
		Design		7,427		
		Construction		25,581		
		Construction Management		3,000		
		TOTAL WARD STREET BRIDGE RAIL		<u>36,008</u>		
31	C1026	MARINA VISTA PHASE II				
		Design			53,000	
		Construction			520,000	187,494
		Construction Management			27,000	
		TOTAL MARINA VISTA PHASE II			<u>600,000</u>	<u>187,494</u>

Budget for Fiscal Years 2005-06 and 2006-07

		2003/04	2004/05	2005/06	2006/07
		Actual	Projected	Budget	Budget
31	C1009	DONEGAL PLACE STABILIZATION			
		4,641	2,143		
			46,352		
			6,500		
		<u>4,641</u>	<u>54,995</u>		
31	C1010	HANDICAP ACCESS PROGRAM			
			7,500		
			45,000		
			5,000		
			<u>57,500</u>		
31	C1027	ALHAMBRA AVENUE PAVING			
				40,000	
				600,000	
				40,000	
				<u>680,000</u>	
		<u>1,115,579</u>	<u>5,873,432</u>	<u>3,176,485</u>	<u>5,331,994</u>

RESOLUTION NO. 051-05

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARTINEZ
APPROVING A BUDGET AND AUTHORIZING EXPENDITURES FOR
FISCAL YEARS 2005-2006 AND 2006-2007**

WHEREAS, the City Council has conducted a public session concerning the Proposed Budget for July 1, 2005 through June 30, 2007, at which time any and all members of the public had an opportunity to comment on said budget; and

WHEREAS, the City Council has reviewed the City Manager's Proposed Budget for the 2005-2006 and 2006-2007 fiscal years; and

WHEREAS, the City Council desires to adopt said budget for the 2005-2006 and 2006-2007 fiscal years;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Martinez as follows:

1. The Budget, which is on file at the office of the Administrative Services Director and incorporated herein by this reference, is hereby adopted. The budget is attached to this resolution.
2. Recognizing that actual revenues and appropriations may vary from the estimates set forth in the budget, the Council wishes to authorize the budget with the understanding that it may require revisions as set forth in paragraph 3 below.
3. The City Manager is authorized to revise the budget so long as the total revisions in any single budget year do not exceed 5% of the budget as set forth in the attached budget, and provided that sufficient revenues are available to offset such revisions.
4. All revenues subsequently received by City funds in excess of amounts appropriated by this resolution for fiscal years 2005-2006 and 2006-2007 are hereby appropriated to their respective reserve fund balances.
5. The City Manager is authorized to act on behalf of the City and to make expenditures and incur liabilities against all funds of the City as provided for in contracts that have been authorized by the City Council. The Council's authorization of such contracts shall automatically constitute an appropriation of the necessary amount.

6. The City Manager of his/her designee is authorized to make appropriation transfers from one account to another within a department and is also authorized to make appropriation transfers between funds, provided that total appropriations do not exceed the limitations set forth by this resolution.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 15th day of June, 2005, by the following vote:

AYES: Councilmembers DeLaney, Kennedy, Ross, Vice Mayor Wainwright, and Mayor Schroder

NOES: None

ABSENT: None

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

APPROPRIATION LIMIT

Proposition 4, commonly known as the Gann Initiative was approved by the California electorate in November, 1979, establishing Article XIII B of the State Constitution. Fundamentally, the purpose of the constitutional provisions and the implementing legislation is to restrict the growth of tax-funded programs and services by limiting the appropriations of proceeds of taxes to the 1978-79 base year limit, adjusted annually for changes in the population and inflation.

Proceed of taxes include (1) all tax revenues, (2) proceeds from licenses and user fees to the extent that such fees exceed costs of providing services, (3) interest earnings from investment of tax revenues and (4) discretionary state subventions. All other revenues, i.e. federal funds, enterprise fund revenues, and user fees which do not exceed the cost of providing services are excluded from the limit.

The State Appropriation Limit since was modified by two subsequent initiatives: Proposition 98 in 1988 and Proposition 111 in 1990. Proposition 98 established the return of tax revenues in excess of the limit, with limited exceptions, be returned to the taxpayers within two years by refund or reduction in tax rates unless extensions of the limit are approved by majority popular vote. Proposition 111 allowed new adjustment formulas for the required appropriation limit, that are more responsive to local growth issues. Beginning with the 1990-91 Appropriation limit, cities may choose using the lesser of the California Per Capita Income or U.S. CPI to measure inflation; the growth in the California Per Capita Personal Income or the growth in the non-residential assessed valuation due to new construction within the city. Additionally, instead of using only the population growth of the city, each city may choose to use the population growth within the county. These changes in population and inflation are both annual elections. The proposition also now requires an annual review of the limit calculations, i.e. reviewed by the independent auditor in conjunction with the annual financial audit.

The Appropriation Limit for 2005-06 was calculated at \$121,095,970 for the City of Martinez. This amount was calculated by taking last year's limitation and adjusting it by the California Per Capita Personal Income change of 5.26% and the County population change of 1.18%. The City of Martinez's budgeted tax revenues subject to the Limit are \$13,871,540 or 11.45% of the Appropriations Limit. Therefore the City's tax revenues fall substantially below the appropriation limit.

The resolution to adopt the appropriation limit of \$121,095,970 was adopted via Resolution 04-05, on May 18, 2005.

RESOLUTION NO. 040-05

**RESOLUTION ADOPTING THE 2005-06 PROPOSITION 4
APPROPRIATIONS LIMITATION**

WHEREAS, there has been submitted to this meeting of the City Council of the City of Martinez a recommendation for the 2005-06 Appropriations Limitation pursuant to Government Code Section 7910, et.seq. and,

WHEREAS, the computations necessary to determine said limit have also been submitted along with the recommended amount of \$121,095,970 utilizing the county population growth and the growth in personal income as the adjustment factors.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Martinez that 2005-06 Appropriations Limitation is set at the amount of \$121,095,970.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on May 18, 2005 by the following vote:

AYES: Councilmembers DeLaney, Kennedy, Ross, Vice Mayor Wainwright and Mayor Schroder

NOES: None

ABSENT: None

RICHARD C. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

CITY OF MARTINEZ INVESTMENT POLICY

I. Statement of Purpose

It shall be the investment policy of the City of Martinez that all funds not required for immediate budgeted expenditures be invested in compliance with this statement as well as applicable Federal and State legislation. The Investment Policy follows the provisions of California Government Code 53601 governing investments.

Safeguards will be set into place to ensure that adequate reserves are established and maintained to provide that cash in sufficient amounts will be available for those immediate expenditures as authorized by the City's budget. Funds so maintained will be deposited in a manner best serving the City.

It will be further recognized that the City has a responsibility to ensure the security of its assets and always maintain a level of quality so that the public at large will have the highest confidence that its best interests are being served.

The purpose of this document is to identify various policies and procedures that enhance opportunities for a systematic investment process. The initial step toward a prudent investment policy is to organize and formalize investment related activities. Related activities that comprise good cash management include accurate cash projection, the expeditious collection of revenue, the control of disbursements, cost effective banking relations, and a short-term borrowing program, which coordinates working capital requirements and investment opportunity. In concert with these requirements are the many facets of an appropriate and secure short-term investment program.

II. Scope

It is intended that this policy cover all short-term operating funds and investment activities under the direct authority of the City. These funds are described in the most current annual financial report and include:

- General Fund
- Capital Projects Fund
- Special Revenue Fund
- Enterprise Fund
- Internal Service Funds
- Fiduciary Funds

This investment policy applies to all transactions involving the financial assets and related activities of the foregoing funds.

III. Objectives

- A. Safety: Safety of principal is the foremost objective of the City, followed by liquidity and yield. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they be from securities default or erosion of market value.

Investment decisions should not incur unreasonable investment risks in order to obtain current investment income.

- B. Liquidity: The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated. This need for investment liquidity may be tempered to the extent that the City is able to issue short-term notes to meet its operating requirements. Emphasis will be on marketable securities with low sensitivity to market risk.

- C. Yield: The investment portfolio shall be designed to attain a market average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and State and local laws, ordinances or resolutions that restrict the placement of short term funds.

- D. The investment portfolio shall be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institution.

- E. The City shall adhere to the guidance provided by the "prudent person rule," which obligates a fiduciary to ensure that:

"...Investment shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment considering the probable safety of their capital as well as the probable income to be derived." (Also see Section VI.)

- F. All participants in the investment process shall act reasonably as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public scrutiny and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. Nevertheless, in a diversified portfolio, it must be recognized that occasional measured losses are inevitable, and must be considered within the context of the overall portfolio investment return, provided that adequate diversification has been implemented.

- G. Investments are to be made that will bear in mind the responsibility of city government to its citizens. Investments that encourage the betterment of the human condition will be sought. Alternative investments that enhance the quality of life will be given full consideration. Investments that serve to only enrich a few to the detriment of the people will be strictly avoided.

- H. No investment is to be made in a company that receives revenues from the production or manufacturer or sale of tobacco products. No investment is to be made in an investment pool such as LAIF, County Treasury, CAMP, etc. that receives more than 15% of gross revenues from the production or manufacture or sale of tobacco products.

IV. Delegation of Authority

Section 53636 of the Government Code of the State of California provides that money on deposit is deemed to be in the treasury of the City.

Although the responsibility for conducting the City's investment program resides with the Treasurer, the day-to-day investment function is hereby delegated to the Administrative Services Director.

V. Investment Instruments

- A. United States Treasury notes, bonds, bills, or certificates of indebtedness or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- B. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- C. Shares of beneficial interest issued by diversified management companies, that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services or (2) retain an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds with assets under management in excess of \$500,000,000.

The purchase price of shares shall not exceed 20 percent of the investment portfolio of the City.

- D. The State of California Local Agency Investment Fund. The LAIF portfolio should be reviewed periodically.

VI. Prudence

The standard of prudence to be used by investment officers shall be the "prudent person rule," and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence will be relieved of personal liability for an individual security credit risk or market price changes, provided that deviations from expectations are reported on a timely fashion, and appropriate action is taken to control adverse developments. (Also see Section III.E.)

Certified by:

City Treasurer

Amended: May 2005

CITY OF MARTINEZ
FIXED ASSETS CAPITALIZATION AND INVENTORY CONTROL POLICY

The Fixed Asset Capitalization and Inventory Control Policy has two major objectives:

1. **Accounting and Financial Reporting:** to accurately account for and report fixed assets in financial reports issued to external reporting agencies, granting agencies and the public.
2. **Safeguarding of City Assets:** to meet the City's fiduciary responsibility to establish systems and procedures to protect its fixed assets from loss or theft.

This policy provides specific guidelines to determine which fixed assets are subject to separate accounting, reporting and safeguarding.

The Finance Division of the Administrative Services Department is responsible for, and has established, systems and procedures through which both objectives are met. These systems and procedures are used to identify, process, control, track and report City fixed assets.

Capitalization Policy (Accounting and Financial Reporting)

In general, all fixed assets, including land, buildings, machinery and equipment, with an original cost of \$5,000 or more, is subject to accounting and reporting (capitalization). All costs associated with the purchase or construction should be considered, including ancillary costs such as freight and transportation charges, site preparation, professional fees, and legal claims directly attributable to asset acquisition. Specific capitalization requirements are described below.

- The capitalization threshold is applied to individual units of fixed assets. For example, ten desks purchased through a single purchase order, each costing \$1,000, will not qualify for capitalization even though the total (\$10,000) exceeds the threshold of \$5,000.

- For purposes of capitalization, the threshold will generally not be applied to components of fixed assets. For example, a keyboard, monitor and central processing unit, purchased as components of a computer system, will not be evaluated individually against the capitalization threshold. The entire computer system will be treated as a single fixed asset.
- Repairs to existing fixed assets will generally not be subject to capitalization unless it extends the useful life of the asset. In this case, it represents an improvement and is subject to the requirements described below.
- Improvements to existing fixed assets will be presumed (by definition) to extend the useful life of the related fixed asset and, therefore, will be subject to capitalization only if the cost of the improvement meets the \$5,000 threshold. In theory, an improvement to a fixed asset that had an original cost of less than \$5,000, but now exceeds the threshold as a result of the improvement, should be combined as a single asset at the total cost (original cost plus the cost of the improvement) and capitalized.
- Capital projects will be capitalized as “construction in progress” until completed. Costs to be capitalized include direct costs, such as labor and materials, as well as ancillary costs and any construction period interest costs as required by authoritative pronouncements from GASB.

Inventory Control (Safeguarding of City Assets)

Department heads are ultimately responsible for safeguarding their department’s fixed assets from theft or loss. The Finance Division is responsible for establishing and maintaining systems and procedures that enable departments and program managers to properly safeguard their assets.

In general, inventory control is applied only to movable fixed assets, such as machinery and equipment, and not to land, buildings, or other immovable fixed assets. Fixed assets subject to inventory control will be accounted for and controlled through the same systems and procedures used to account and control fixed assets subject to capitalization.

Fixed assets will be subject to inventory control if they meet at least one of the following criteria:

- Original cost of the fixed asset is equal to or greater than \$5,000.

- Any asset less than \$5,000 as requested by a department. This may include certain machinery and equipment that, due to their portability, value outside of the office, or character, are susceptible to theft or loss. It may also include any asset that has been requested by a department to be controlled in order to satisfy an internal (operational) or external requirement. For example, MIS may wish to track all computer hardware in order to establish replacement and upgrade schedules.
- Any asset that is required to be controlled and separately reported pursuant to grant conditions or other externally imposed requirements. For example, a grant program that has funded the acquisition of a fixed asset may impose requirements that the fixed asset be tracked and identified as a grant-funded asset.

CAPITAL FINANCING AND DEBT MANAGEMENT POLICY

The Capital Financing and Debt Management Policy sets the parameters for issuing debt and provides guidance in the timing and structuring of long-term debt commitments. The City will consider the issuance of long-term obligations under the following conditions:

A. Capital Financing

1. The City will use debt financing only for one-time capital improvement projects and unusual equipment purchases, and only under the following circumstances:
 - a) When the project is included in the City's five-year capital improvement program.
 - b) When the project is not included in the City's five-year capital improvement program, but it is an emerging critical need whose timing was not anticipated in the five-year capital improvement program, or it is a project mandated immediately by State or Federal requirements.
 - c) When the project's useful life, or the projected service life of the equipment, will be equal to or exceed the term of the financing.
 - d) When there are designated revenues or specific resources sufficient to service the debt, whether from project revenues, other specified and reserved resources, or infrastructure cost-sharing revenues.
2. Debt financing (other than tax and revenue anticipation notes) is not considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The issuance of short-term instruments such as revenue, tax or bond anticipation notes is excluded from this limitation. (See Investment Policy)
3. Capital improvements will be financed primarily through user fees, service charges, assessments, special taxes or developer agreements when benefits can be specifically attributed to users of the facility. Accordingly,

development impact fees should be created and implemented to ensure new development pays its fair share of the cost of constructing necessary community facilities.

4. Transportation impact fees are a major funding source in financing transportation system improvements. However, revenues from these fees are subject to significant fluctuation based on the rate of new development. Accordingly, the following guidelines will be followed in designing and building projects funded with transportation impact fees:
 - a) The availability of transportation impact fees in funding a specific project will be analyzed on a case-by-case basis as plans and specifications or contract awards are submitted for Council approval.
 - b) If adequate funds are not available at that time, the Council will make one of two determinations:
 - 1) Defer the project until funds are available.
 - 2) If the project is determined to be a priority, advance funds from the General Fund, which will be reimbursed as soon as funds become available. Repayment of General Fund advances will be the first use of transportation impact fee funds when they become available.
5. The City Council will establish the priority of projects in developing the City's five-year capital improvement program. The following criteria will be used to evaluate pay-as-you-go versus long-term debt financing in funding capital improvements:
 - a) Factors that favor pay-as-you-go:
 - 1) Current revenues and adequate fund balances are available.

- 2) Project phasing is feasible.
- 3) Debt levels would adversely affect the City's credit rating.
- 4) Market conditions are unstable or present difficulties in marketing.

b) Factors that favor long-term financing:

- 1) Revenues available for debt service are considered sufficient and reliable so that long-term financing can be marketed with an appropriate credit rating.
- 2) The project that is being considered will not adversely affect the City's credit rating,
- 3) Market conditions present favorable interest rates and demand for municipal financing.
- 4) A project is mandated by state or federal requirements, and current revenue and fund balances are insufficient to pay project costs.
- 5) A project is immediately required to meet or relieve capacity needs and current resources are insufficient or unavailable.
- 6) The life of the project or asset financed is five years or longer.

B. Debt Management

1. The City will not obligate the General Fund to secure long-term financings except when marketability can be significantly enhanced.
2. An internal feasibility analysis will be prepared for each long-term financing which analyzes the impact on current and future budgets for debt service and operations. This analysis will also address the reliability of revenues to support debt service.
3. The City will generally conduct financings on a competitive basis. However, negotiated financings may be used due to market volatility or the use of an unusual or complex financing or security structure.
4. The City will seek an investment grade rating (Baa/BBB or greater) on any direct debt and will seek credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability and cost-effectiveness.
5. The City will monitor all forms of debt annually coincident with the City's Financial Plan preparation and review process and report concerns and remedies, if needed, to the Council.
6. The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations and secondary market continuing disclosure requirements.
7. The City will maintain good, ongoing communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus (Official Statement).
8. The City will follow all State and Federal regulations and requirements regarding bond provisions, issuance, taxation and disclosure.

9. The adoption of resolutions of intent will be considered whenever bond issuance is contemplated to increase the flexibility related to funding costs of the project (e.g., project development costs, architectural costs, studies, etc.)
10. The City will seek to maintain its current bond rating and will ordinarily not consider long-term debt that, through its issuance, would cause the City's bond rating to be lowered.
11. Interfund borrowing will be considered to finance high priority needs on a case-by-case basis, only when planned expenditures in the fund making the loan would not be affected. Interfund borrowing may be used when it would reduce costs of interest, debt issuance, and/or administration.
12. The term of the debt will not exceed the legal life of the asset or thirty years, whichever is less.
13. Bond proceeds will be invested in accordance with the provisions of the bond indenture. Funds set aside for debt service will only be used for that purpose.
14. In choosing the appropriate long-term debt instrument, cost, economic equity, political acceptability, and flexibility will be considered. Refunding will be considered to reduce interest costs or principal outstanding, or to eliminate restrictive debt covenants. Pooled financings with other government agencies will be considered, as appropriate.
15. 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. Financial, counsel, and other professional services will be contracted through competitive processes.

C. Debt Capacity

1. **General Purpose Debt Capacity.** The City will carefully monitor its levels of general-purpose debt. Because our general purpose debt capacity is limited, it is important that we only use general purpose debt financing for high-priority projects where we cannot reasonably use other financing methods for two key reasons:
 - a) Funds borrowed for a project today are not available to fund other projects tomorrow.
 - b) Funds committed for debt repayment today are not available to fund operations in the future.
2. The following will be considered in evaluating appropriate debt levels:
 - a) General Fund supported annual debt service payments will not exceed 7% of total budgeted expenditures and transfers out.
 - b) The General Fund may be used to provide back-up liquidity to improve the viability of a self-supported debt issue (i.e., *not* land-based financings), 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:
 - 1) Volatility of the revenue source identified for repayment of the debt.
 - 2) The likelihood the General Fund would 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 minimal, self-supported debt service for debt that relies on the General Fund as a back-up guarantor will not exceed 7% of general fund budgeted expenditures and transfers out. Further, direct debt will not exceed 2% of assessed valuation; and no more than 60% of capital improvement outlays will be funded from long-term financings.

3. **Enterprise Fund Debt Capacity.** The City will set enterprise fund rates at levels needed to fully cover debt service requirements as well as operations, maintenance, administration and capital improvement costs. The ability to afford new debt for enterprise operations will be evaluated as an integral part of the City's rate review and rate setting process.

D. Independent Disclosure Counsel

1. The following criteria will be used on a case-by-case basis in determining whether the City should retain the services of an independent disclosure counsel in conjunction with specific project financings:
 - a) The City will generally not retain the services of an independent disclosure counsel when all of the following circumstances are present:
 - b) The revenue source for repayment is under the management or control of the City, such as general obligation bonds, revenue bonds, lease-revenue bonds or certificates of participation.
2. The bonds will be rated or insured.
 - a) The City will consider retaining the services of an independent disclosure counsel when one or more of following circumstances are present:
 - b) The financing will be negotiated, and the underwriter has not separately engaged an underwriter's counsel for disclosure purposes.
 - c) The revenue source for repayment is not under the management or control of the City, such as land-based assessment districts, tax allocation bonds or conduit financings.
 - d) The bonds will not be rated or insured.

- 1) The City's financial advisor, bond counsel or underwriter recommends that the City retain an independent disclosure counsel based on the circumstances of the financing.

E. Land-Based Financings

1. **Public Purpose.** There will be a clearly articulated public purpose in forming an assessment or special tax district in financing public infrastructure improvements. This should include a finding by the Council as to why this form of financing is preferred over other funding options such as impact fees, reimbursement agreements or direct developer responsibility for the improvements.
2. **Active Role.** Although land-based financings may be a limited obligation of the City, the City will play an active role in managing the district. This means that the City will select and retain the financing team, including the financial advisor, bond counsel, trustee, appraiser, disclosure counsel, assessment engineer and underwriter. Any costs incurred by the City in retaining these services will generally be the responsibility of the property owners or developer, and will be advanced via a deposit when an application is filed; or will be paid on a contingency fee basis from the proceeds of the bonds.
3. **Credit Quality.** When a developer requests a district, the City will carefully evaluate the applicant's financial plan and ability to carry the project, including the payment of assessments and special taxes during build out. This may include detailed background, credit and lender checks, and the preparation of independent appraisal reports and market absorption studies. For districts where one property owner accounts for more than 25% of the annual debt service obligation, a letter of credit further securing the financing may be required.
4. **Reserve Fund.** A reserve fund should be established in the lesser amount of; the maximum annual debt service; 125% of the annual average debt service; or 10% of the bond proceeds.
5. **Value-to-Debt Ratios.** The minimum value-to-debt ratio should generally be 4:1. This means the value of the property in the district, with the public improvements, should be at least four times the amount of the

assessment or special tax debt. In special circumstances, after conferring and receiving the concurrence of the City's financial advisor and bond counsel that a lower value-to-debt ratio is financially prudent under the circumstances, the City may consider allowing a value-to-debt ratio of 3:1. The Council should make special findings in this case.

6. **Capitalized Interest During Construction.** Decisions to capitalize interest will be made on case-by-case basis, with the intent that if allowed, it should improve the credit quality of the bonds and reduce borrowing costs, benefiting both current and future property owners.
7. **Maximum Burden.** Annual assessments (or special taxes in the case of Mello-Roos or similar districts) should generally not exceed 1% of the sales price of the property; and total property taxes, special assessments and special tax payments collected on the tax roll should generally not exceed 2%
8. **Benefit Apportionment.** Assessments and special taxes will be apportioned according to a formula that is clear, understandable, equitable and reasonably related to the benefit received by – or burden attributed to – each parcel with respect to its financed improvement. Any annual escalation factor should generally not exceed 2%.
9. **Special Tax District Administration.** In the case of Mello-Roos or similar special tax districts, the total maximum annual tax should not exceed 110% of annual debt service. The Rate and method of apportionment should include a back-up tax in the event of significant changes from the initial development plan, and should include procedures for prepayments.
10. **Foreclosure Covenants.** In managing administrative costs, the City will establish minimum delinquency amounts per owner, and for the district as a whole, on a case-by-case basis before initiating foreclosure proceedings.

11. **Disclosure to Bondholders.** In general, each property owner who accounts for more than 15% of the annual debt service or bonded indebtedness must provide ongoing disclosure information annually as described under SEC Rule 15 C(2) 12.
12. **Disclosure to Prospective Purchasers.** Full disclosure regarding outstanding balances and annual payments should be made by the seller to prospective buyers at the time that the buyer bids on the property. It should not be deferred to after the buyer has made the decision to purchase. When appropriate, applicants or property owners may be required to provide the City with a disclosure plan.

F. Conduit Financings

1. The City will consider requests for conduit financing on a case-by-case basis using the following criteria:
 - a) The City's financial advisor will review the terms of the financing, and render an opinion that there will be no liability to the City in issuing the bonds on behalf of the applicant.
 - b) There is clearly articulated public purpose in providing the conduit financing.
 - c) The applicant is capable of achieving this public purpose.
2. This means that the review of requests for conduit financing will generally be a two-step process:
 - a) First asking the Council if they are interested in considering the request, and establishing the ground rules for evaluating it.
 - b) And then returning with the results of this evaluation, and recommending approval of appropriate financing documents if warranted.

This two-step approach ensures that the issues are clear for both the City and applicant, and that key policy questions are answered.

3. The work scope necessary to address these issues will vary from request to request, and will have to be determined on a case-by-case basis. Additionally, the City should generally be fully reimbursed for its costs in evaluating the request; however, this should also be determined on a case-by-case basis.

G. Glossary

There are many different types of long-term debt instruments available. Depending on the specific circumstances, the City will consider using the following types of financing instruments:

1. **Assessment Bonds/Special Tax Bonds** - Bonds are issued to develop facilities and basic infrastructure for the benefit of properties within the assessment district. Assessments are levied on properties benefited by the project. Voter approval is not required. Instead, a majority vote of the property owners with a majority of assessments is needed to authorize the issue. The issuer's recourse for non-payment is foreclosure. This type of bond is normally not rated. The bonds may be issued under the provisions of the 1911, 1915 or Mello-Roos Bond Act, whichever is most appropriate.
2. **Bond Anticipation Notes** - Notes are issued to provide temporary financing, to be repaid by long-term financing. The bridge financing has a maximum maturity of three years.
3. **Certificates of Participation** - The City enters into a lease or installment agreement with another party (a lessor, such as a joint powers authority) to lease an asset over a defined period of time at a prearranged annual payment. Voter approval is generally not required. Lease payments are made primarily from general fund revenues. Current law requires the lessee to make lease payments only if the facility has beneficial use. The legislative body has to appropriate annual debt service payments. For the security of the bondholders, a reserve fund is normally established and held by a trustee until all bonds are paid. Interest during project construction must be capitalized. An "asset transfer" structure, whereby an existing facility is used as security to finance

construction or acquisition of another project, may be used for flexibility.

4. **Conduit Financing** – A financing in which the proceeds of the issue are loaned to a non-governmental borrower who can then apply the proceeds for Project Financing or (if permitted by federal law for qualified 501 ©(3) Bond) for working capital purposes. The issuance of the securities are by a governmental unit to finance a project to be used primarily by a third party, usually a corporation engaged in private enterprise. The security of this type of issue is the credit of the private user rather than the governmental issuer.

Usually such securities do not constitute a general obligations of the issuer because the corporate obligor is liable for the generating pledge revenues. Industrial development bonds are a common type of conduit financings.

5. **General Obligation Bonds** - Bonds backed by the full faith and credit of the City. The taxing power may be an unlimited ad valorem tax or a limited tax, usually on real estate and personal property. A special rate is incorporated in the property tax bill annually to pay for debt service. A two-thirds voter approval is required for authorization. Because it is secured by an unlimited tax levy, this structure has strong marketability and lower interest costs.
6. **Marks-Roos Bonds** - Bonds are issued by a joint powers authority to buy other bond issues. By pooling bond issues, marketability can be improved and administration costs are reduced.
7. **Master Lease Agreements** - The City enters into a lease agreement with a provider to lease equipment or facilities whose useful life is too short to finance with long-term debt. Various pieces and types of real and personal property from different vendors over a period of time can be acquired under one master lease agreement. Interest can be fixed or tied to an index. Financing costs are normally minimal, but the interest cost may be higher than with other instruments.
8. **Revenue Bonds** - Bonds are secured by revenues generated by the facility that is financed, or by dedicated user

fees. Voter approval may or may not be required. Planning is more complex because costs and revenues affect each other. Credit enhancement (e.g., insurance or letter of credit) may be needed because of the limited source of debt service payment.

9. **Vendor-Financed Leases** - A vendor of equipment acts as the lessor and investor, and holds the lease for its full term or may assign the lease. The motivating factor to the vendor is usually to encourage future sales of its product.

CITY OF MARTINEZ BENEFITS BY REPRESENTED UNIT

Rep Unit	Medical Insurance	Dental Insurance	LT Disability	Life Insurance	PERS Retirement	Retirement Medical	Deferred Comp
Public Employees' Union Local One	City pays 100% of Premium for Kaiser for employee and dependents (includes prepaid drug plan and optical); employees must pay difference in costs if they choose plan other than Kaiser.	City pays 100% of premium which provides basic benefit of \$2,500 annually. This is an 80/20 co-payment plan with no annual deductible.	City pays premium at a rate of 66.7% of employee's salary up to maximum benefit of \$2,500/month. This insurance has a 60-day elimination period.	City pays the monthly premium costs for a policy which provides 2 times the employee's annual gross salary up to maximum of \$200,000.	City contributes 7% toward employee's portion of the PERS contribution.	Benefits shall be paid on a percentage basis against the cost of the Kaiser health coverage based upon the number of years of service with the City.	City makes the ICMA Deferred Compensation Plan available to all employees.
Police Officers' Association	City pays 100% of January 1, 2004 Premium for Kaiser for employee and dependents (includes prepaid drug plan and optical); employees pay 15% of annual increase in 2005 and 20% of any subsequent annual increases thereafter on a cumulative basis. Employees must pay difference in costs if they choose plan other than Kaiser.	City pays 100% of premium which provides basic benefit of \$2,500 annually. This is an 80/20 co-payment plan with no annual deductible.	City pays premium at a rate of 66.7% of employee's salary up to maximum benefit of \$5,000/month. This insurance has a 30-day elimination period.	City pays the monthly premium costs for a policy which provides 2 times the employee's annual gross salary up to maximum of \$125,000 and 100% of premiums for health and dental benefits to widow or widower and minor dependents of officers killed in the line of duty.	City contributes 9% toward employee's portion of the PERS contribution.	City pays 100% of January 1, 2004 Premium for Kaiser for employee and dependents (includes prepaid drug plan and optical); employees pay 15% of annual increase in 2005 and 20% of any subsequent annual increases thereafter on a cumulative basis. Employees must pay difference in costs if they choose plan other than Kaiser.	City will contribute \$65 per month per employee into the ICMA Deferred Compensation Plan.
Police Non-Sworn Employees' Assn.	City pays 100% of Premium for Kaiser for employee and dependents (includes prepaid drug plan and optical); employees must pay difference in costs if they choose plan other than Kaiser.	City pays 100% of premium which provides basic benefit of \$2,500 annually. This is an 80/20 co-payment plan with no annual deductible.	City pays premium at a rate of 66.7% of employee's salary up to maximum benefit of \$2,500/month. This insurance has a 30-day elimination period.	City pays the monthly premium costs for a policy which provides 2 times the employee's annual gross salary and 100% of premiums for health and dental benefits to widow or widower and minor dependents of officers killed in the line of duty.	City contributes 7% toward employee's portion of the PERS contribution.	Benefits shall be paid on a percentage basis against the cost of the Kaiser health coverage based upon the number of years of service with the City.	City will contribute \$65 per month per employee into the ICMA Deferred Compensation Plan.

GUIDE TO FUNDS BY NUMBER

<u>GOVERNMENTAL FUNDS</u>		The funds through which most governmental functions typically are financed.
<i>General Fund</i>		Accounts for all financial resources except those required to be accounted for in another fund.
01	General Fund	The general fund is used for all general revenues of the City not specifically levied or collected for other City funds and related expenditures.
<i>Special Revenue Funds</i>		Account for the proceeds of specific revenue sources (other than those for major capital projects) that are restricted legally to expenditure for specific purpose.
20	Public Safety Grants Fund	To account for the revenues received from the federal government and State of California to be used specifically for public safety equipment and personnel.
21	NPDES Stormwater Fund	To account for the revenues and expenditures from assessments levied on all real property in the City in compliance with the provisions of the National Pollutant Discharge Elimination System for prevention of stormwater and flood related damage.
22	Transportation Fund	To account for the local funds as well as funds received from the State of California, Contra Costa County, Amtrak and other outside agencies for the construction of the Intermodal facility and similar projects related to transportation and traffic.
23	Gas Tax Fund	To account for the funds received from the State of California under code 2105, 2106, and 2107 to be used for street and highway related projects.
33	Lighting and Landscaping Fund	To account for the installation, maintenance and improvement of subdivision landscape and lighting within the special districts. Monies are collected through an annual levy on the property owners within each district.
34	Mitigation/Impact Fee Fund	To account for revenue received through the collection of mitigation/impact fees.
<i>Capital Projects Funds</i>		Account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).
31	Capital Improvements Fund	To account for the funds spent and revenue received for various capital projects within the city.
<i>Debt Service Funds</i>		Account for the accumulation of resources for, and the retirement of, general long-term debt principal and interest.
41	City Hall COP	On December 1, 1992 the City issued Certificates of Participation (COPs) in the amount of \$3,010,000. COP proceeds were used to finance the rehabilitation and expansion of the Martinez City Hall.
<u>PROPRIETARY FUNDS</u>		The funds used to account for a government's business-type activities (activities supported in least part by fees or charges).
<i>Enterprise Funds</i>		Account for activities for which a fee is charged to external users for goods and services.
71	Water System Fund	To account for the funds received from customers receiving water service provided by the City and the related expenditures for administration; system improvements, maintenance and repairs; debt service for issues related to the provision of water to customers.
72	Water System Capital Improvements Fund	
73	Marina System Fund	To account for the operations of the municipal marina.
74	Marina System Capital	
75	Parking Services Fund	To account for the activities related to the various parking lots in the downtown area and Martinez Museum site, including parking meters and shuttle services.
76	Parking Services Capital	
<i>Internal Services Funds</i>		Account for the financing of goods and services provided by one fund, department, or agency to other funds, departments or agencies of the financial reporting entity, or to governments, on a cost-reimbursement basis.
81	Equipment Replacement Fund	To account for the accumulation of funds for equipment replacement and the subsequent replacement and maintenance of equipment under City control.
82	Information System Fund	To account for the services rendered to all City departments for management of the City's hardware and software needs.

BUDGET GLOSSARY

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

Account – A subdivision within a fund for the purpose of classifying transactions.

Accounting System – The total set of records and procedures that are used to record, classify, and report information on an entity's financial status and operations.

Account Number – Numeric identification of the account.

Accrual Basis of Accounting – The method of accounting that recognizes transactions on the basis of when they are incurred or committed, rather than when they are made or received.

Accrued – Term to describe balances that have increased or accumulated over a period of time, as with a budget, fund, or benefit.

Activity – A function or a group of related functions for which the budgetary unit is responsible; for Martinez's budgeting purposes, an activity is the same as a program.

Adopted Budget – Revenues and appropriations approved by the City Council in June for the next fiscal year.

Agency – The term for the highest organizational level, in most cases a City, department, or independent board.

Agency Funds – Funds that are used to account for assets held by the City on behalf of individuals, private organizations, other governments, and/or other funds.

Allocation – A distribution of funds or an expenditure limit established for an organizational unit.

Appropriation – An authorization made by the City Council that permits the City to incur obligations and to expend resources. An appropriation is limited in the amount and the period of time in which it may be expended.

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

Appropriation Resolution – The official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

Assessed Valuation – An official value established for real estate or other property as a basis for levying property taxes.

Assets – Government-owned property that has monetary value.

Audit – A financial audit is a review of the accounting system and financial information to determine how government funds were spent and whether expenditures were in compliance with the legislative body’s (City Council’s) appropriations.

Authorized Positions – Those ongoing positions approved in the final budget of the preceding year.

Balance Available – The amount of money available for appropriation or encumbrance. It is the excess of cash and near-cash assets of a fund over its liabilities and reserves, commonly called surplus available for appropriation. It is also the unobligated balance of an appropriation that may be encumbered for the purposes of the specific appropriation.

Balance Sheet – A financial statement listing a fund or organization’s total assets, liabilities, and equity on a specific date.

Bond – A written promise from a local government to repay a sum of money on a specific date at a specified interest rate. Bonds are most frequently used to finance capital improvement projects such as buildings, streets, and bridges.

Budget – A financial plan for a specific period of time (fiscal year) that matches all planned revenue and expenditures with various municipal services.

Budget Amendment – A legal procedure utilized to revise a budget appropriation. City Staff has the prerogative to adjust expenditures within or between departmental budgets. The City Manager is authorized to revise the budget so long as the total revisions in any single budget year do not exceed 5% of the budget, and provided that sufficient revenues are available to offset such revisions. Council approval is required for additional appropriation from fund balances or new revenue sources.

Budget Calendar – The schedule of key dates which City departments follow in the preparation, revision, adoption, and administration of the budget.

Budget Detail – A support document to the published budget that details the line item expenditures.

Budget Document – The financial plan report, reviewed and adopted by the City Council.

Budget Message – The opening section of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from previous fiscal years, and presents recommendations made by the City Manager.

Budget Year – Is the fiscal year for which the budget is being considered; i.e. the fiscal year following the current year.

Budgetary Unit – An organizational component budgeted separately, usually a department or division.

Capital Improvement – Any project or physical public improvement that results in a permanent addition to the City's fixed assets, or a revitalization/improvement that extends a fixed asset's useful life or increases its usefulness or capacity. A capital improvement has an estimated service life of at least eight years and a value of at least \$25,000.

Capital Improvement Program (CIP) – A plan for capital expenditures to provide for the acquisition, expansion, or rehabilitation of an element of the City's physical property to be incurred over a fixed period of several future years.

Capital Outlay – Expenditures relating to the purchase of equipment, land, or other fixed assets.

Carryover or Carry Forward – The process of carrying a budgeted and encumbered item from the current fiscal year to the next fiscal year.

Cash Basis or Cash Method – An accounting method that recognizes income and deductions when money is received or paid. The modified-accrual method is the preferred method for government organizations.

Certificate of Participation (COP) – Obligations of a public entity based on a lease or installment sale agreement.

Comprehensive Annual Financial Report (CAFR) – An official annual financial report of a government.

Consumer Price Index (CPI) – Also known as the Cost-of-Living Index, it is a measure of change as determined by a monthly survey of the U.S. Bureau of Labor Statistics. Many pension and employment contracts are tied to changes in consumer prices as protection against inflation and reduced purchasing power. Among the CPI components are the costs of housing, food, transportation, and electricity.

Contingency – An appropriation of funds to cover unforeseen events that occur during the fiscal year, such as flood emergencies, Federal mandates, shortfalls in revenue, and similar events.

Contingency Fund – Amount reserved for a possible loss.

Cost Accounting – The continuous process of analyzing, classifying, recording, and summarizing cost data within the confines and controls of a formal cost accounting system and reporting them to users on a regular basis.

Cost Allocation Plan – The documentation identifying, accumulating, and distributing allowable costs under grants and contracts together with the allocation method used.

Cost Approach – Method of appraising property based on adding the reproduction cost of improvements, less depreciation, to the market value of the site.

Cost Basis – Original price of an asset, used in determining depreciation and capital gains or losses.

Cost of Living Allowance (COLA) – Adjustment of wages designed to offset changes in the cost of living, usually as measured by the consumer price index.

Cost Recovery – The establishment of user fees which are intended to cover the cost of providing services.

Debt Service – The City’s obligation to pay the principal and interest of all bonds and other debt instruments according to a predetermined payment schedule.

Debt Service Fund – A governmental fund used to account for the accumulation of resources for, and payment of, general obligation bond principal and interest from governmental resources, and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

Deficit – (1) Insufficiency in the account or number, whether as the result of defaults and misappropriations, mistakes, or shrinkage in value. (2) Excess of the government’s spending over its revenues.

Department – A major administrative segment of the City, which indicates overall management responsibility for an operation or a group of related operations within a functional area. An example is the Community Development Department within the General Fund.

Depreciation – The process of allocating the cost of a capital asset to the periods during which the asset is used.

Designated Fund Balance – A portion of unreserved fund balance designed by City policy for a specific future use.

Direct Cost – Costs changed easily by management decisions such as advertising, repairs and maintenance, and research and development; also called managed costs.

Direct Labor – Cost of personnel that can be identified in the product or service, such as the salary of the person who provides the direct service.

Division – A unit of organization that reports to a department.

Encumbrance – Obligations in the form of purchase orders, contracts, or salary commitments which are chargeable to an appropriation and for which part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Enterprise Fund – A proprietary fund used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the legislative body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The rate schedule for these services are established to ensure that revenues are adequate to meet all necessary expenditures.

Equity – The difference between fund assets and fund liabilities.

Expenditure – Utilization of fund resources. Expenditures include operating expenses, debt service, and capital outlays. Expenditures reduce the remaining budget authorization (appropriation) available.

Expenditure Category – A basis of distinguishing types of expenditures. The major expenditure categories used by the City of Martinez are Labor, Operating, Capital, and Direct and Indirect Costs.

Fee – The amount charged by the City to provide a specific service, tied directly to the cost to the City of providing that service.

Fiduciary Funds – Also referred to as Trust and Agency Funds. These funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Fiscal Year – A twelve-month time period signifying the beginning and ending period for recording financial transactions. The City of Martinez has specified July 1 through June 30 as its fiscal year.

Fixed Assets – Assets of significant value that have a useful life of several years such as land, buildings, machinery, equipment, and furniture.

Fixed Asset Management – Tagging and preparing asset ledgers for plant, facilities, and equipment; recording changes in asset status; and conducting periodic inventories of assets.

Fringe Benefit – Compensation that an employer contributes to its employees such as retirement, life/health insurance, or training supplements. Fringe benefits can be either mandatory, such as PERS contributions, or voluntary, such as health insurance benefits.

Full-time Equivalent (FTE) – Positions or fractions thereof based on full-time definition of forty hours of work per week.

Function – An activity or a group of related activities for which the budgetary unit is responsible; in Martinez, a function is the same as the program.

Fund – A separate accounting entity with a self-balancing set of accounts to record all financial transactions (revenues and expenditures) for specific activities or government functions. Funds are classified into three categories: governmental, proprietary, and fiduciary. Commonly used funds in governmental accounting are: General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, Internal Service Funds, Agency Funds, and Special Assessment Funds.

Fund Balance – The net effect of assets less liabilities at any given point in time.

General Fund – A fund used to account for the major operating revenues and expenditures of the City, excluding those financial resources that are required to be accounted for in another fund category. General Fund revenues are derived primarily from property and other taxes.

General Long Term Debt – All debt that has not matured except that of proprietary funds. Provides a way for governments to list all the long-term general obligation debt they have in an “off balance sheet” manner such that the debt has no negative effect on the fund balances of the governmental funds. If sufficient assets are not available to cover the debt, it is covered by the full faith and credit of the government in the form of the amount provided.

Goals – Broad mission statements which serve as guiding principles of the City Council.

Governmental Funds – These include general, special revenue, capital project, and debt service. They measure how government is doing in the short term and often in comparison to the budget.

Grant – Contributions or gifts of cash or other assets from another governmental entity to be used or expended for a specific purpose, activity, or facility. An example is the Community Development Block Grant awarded by the Federal Government.

Indirect Cost – A cost not directly associated with a specific item or service that is allocated across a number of budget areas. Electricity and building insurance are examples of indirect costs. Also referred to as Overhead.

Infrastructure – Refers to the major physical components of a jurisdiction including the streets, bridges, reservoirs, and sewers, all of which are generally immovable. Infrastructure is differentiated from fixed assets which include property and equipment such as buildings, vehicles, and machinery.

Internal Service Fund – A fund used to account for services provided by one department to other departments on a cost-reimbursement basis.

Liability – Debt or other legal obligations arising out of past transactions which must be liquidated, renewed, or refunded at some future date. Encumbrances are not considered to be liabilities.

Lighting and Landscaping Funds – Funds to account for the installation, maintenance, and improvement of subdivision landscape and lighting within the special districts. Monies are collected through an annual levy on the property owners within each district.

Modified Accrual Basis or Method – A basis of accounting in which expenditures are accrued but revenues are accounted for on a cash basis. This accounting technique is a combination of accrual and cash accounting since expenditures are immediately incurred as a liability when they are committed, while revenues are not recorded until they are actually received or are “measurable” and available for expenditure.

NPDES – National Pollutant Discharge Elimination System. This program controls water pollution by regulating point sources that discharge pollutants into waters of the United States. Point sources are discrete conveyances such as pipes or man-made ditches.

Nondepartmental – The department designation assigned to budgets that provide for performance of work or purchase of goods that cross or transcend departmental lines.

Objectives – Specific plans, programs, or activities that departments and their divisions intend to accomplish in the upcoming fiscal year.

Operating Budget – A financial plan for the provision of direct service and support functions that provide basic governmental services. The operating budget contains appropriations for such expenditures as salaries and benefits, services, supplies, capital outlays, and debt service/other. It does not include Capital Improvement Program expenditures.

Ordinance – A law passed by the legislative authority (City Council) of a local jurisdiction.

Organization – Organized structure of roles and responsibilities functioning to accomplish predetermined objectives.

Organization Chart – A chart showing the interrelationships of positions within an organization in terms of authority and responsibilities.

Overhead – Indirect expenses of running an organization not directly associated with a particular item or service. Also referred to as Indirect Cost.

PERS – Public Employees Retirement System, a mandatory fringe benefit for City employees.

Program – An organized, self-contained set of related work activities within a department or division which are directed toward common objectives and represent a well-defined expenditure of City resources.

Program Budget – A budget which allocates money to the functions or activities of a government rather than to specific items of cost or to specific departments.

Proprietary Fund – A fund used to account for operations that are financed and operated in a manner similar to business enterprises. Such a fund is established as a self-supporting operation with revenues derived primarily from fees, charges, or contracts for services.

Recognized – The time at which an item is officially recorded and measurable, as with a financial transaction.

Reserve – An account used to designate a portion of the fund balance for a specific future use and is therefore not available for general appropriation.

Resolution – A legal order by a government entity.

Revenues – Funds received from various sources and treated as income to the City to be used to finance expenditures. Revenues include such items as taxes, fees, user charges, grants, fines, forfeits, and interest income.

Section – A unit or organization which reports to a division.

Special Assessment – A tax or levy customarily imposed against only those specific parcels of real estate that will benefit from a proposed public improvement, as opposed to a general tax on the entire community. Because the proposed improvement will enhance the value of the affected homes, only those affected owners must pay this special lien. Common examples of special assessments are water, lighting and landscaping, sidewalk and sewer assessments, or other special improvements such as parks and recreational facilities.

Unreserved Fund Balance – In a governmental or expendable trust fund, the balance of net financial resources that are available for appropriation.

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

LIST OF ACRONYMS

ABAG - Association of **B**ay **A**rea **G**overnments

CAFR - The **C**omprehensive **A**nnual **F**inancial **R**eport is prepared in conformity with Generally Accepted Account Principals (GAAP) as set forth by the Governmental Accounting Standards Boards (GASB).

CCC - **C**ontra **C**osta **C**ounty

CCCMRMIA - **C**ontra **C**osta **C**ounty **M**unicipal **R**isk **M**anagement **I**nsurance **A**uthority

CCCSD – **C**entral **C**ontra **C**osta **S**anitary **D**istrict

CCTA - **C**ontra **C**osta **T**ransportation **A**uthority

CCWD - **C**ontra **C**osta **W**ater **D**istrict

CDBG - The **C**ommunity **D**evelopment **B**lock **G**rant program is funded by the Department of Housing and Urban Development of the Federal Government.

CIP - **C**apital **I**mprovements **P**rogram outlining the infrastructure needs for the City of Martinez.

COP - **C**ertificate of **P**articipation - **O**bligations of a public entity based on a lease or installment sale agreement.

CPI - **C**onsumer **P**rice **I**ndex

CSMFO - **C**alifornia **S**ociety of **M**unicipal **F**inance **O**fficers. The purpose of this organization is to promote professional administration of municipal finance and to strive for the attainment of professional status of all those responsible for the conduct of the activities of the field.

DBAW – **D**epartment of **B**oating and **W**aterways

ERAF - **E**ducational **R**evue **A**ugmentation **F**und is a state mandated property tax shift to schools.

GAAP - **G**enerally **A**ccepted **A**ccounting **P**inciples

GASB – **G**overnmental **A**ccounting **S**tandards **B**oard

GFOA - **G**overnment **F**inance **O**fficers **A**ssociation is a non-profit professional association serving 9,500 government finance professionals throughout North America. Over 11,000 governments participate actively in the associations' activities.

HES – **H**azard **E**limination **S**ystem

ISTEA – **I**ntermodal **S**urface **T**ransportation **E**fficiency **A**ct. This fund was created to administer those monies the City has secured for various street and traffic signal projects from the Federal government.

LAIF - **L**ocal **A**gency **I**nterfund **F**und. State pool of municipal funds.

LLD - **L**andscape and **L**ighting **D**istrict

NPDES - **N**ational **P**ollutant **D**ischarge **E**limination **S**ystem

O & M – The ongoing **O**peration & **M**aintenance cost associated with a capital facility that will impact the City of Martinez on an ongoing and annual basis.

POST - **P**eace **O**fficer **S**tandards and **T**raining **A**ct regulates law enforcement standards.

TEA – **T**ransportation **E**quity **A**ct

TFCA – **T**ransportation **F**unds for **C**lean **A**ir

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