

# City of Concord, California

Fiscal Year 2008-2009



## Adopted Operating Budget (Volume I)

### CITY COUNCIL

William D. Shinn, Mayor  
Helen M. Allen, Vice Mayor  
Guy S. Bjerke  
Laura M. Hoffmeister  
Mark A. Peterson

### Prepared by

Edward R. James, Interim City Manager



## **On the Cover**

Clockwise from top left: Concord unfolds at the foot of Mt. Diablo; art work located at heavily used off-ramp; the Concord Senior Center hosts hundreds of visitors every day; Concord's Centennial Clock located in Todos Santos Plaza; Salvio Pacheco Square has recently undergone a renovation; Mateo's Dream, a park specifically designed as a space where children who cannot walk, hear or see can play alongside those who can.

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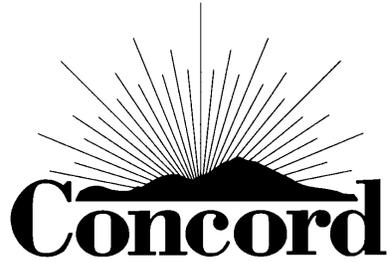
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Volume II presents the performance measurements and details of this budget on the task level.



**Mayor**

HONORABLE WILLIAM D. SHINN

**Vice Mayor**

HELEN M. ALLEN

**City Council Members**

GUY S. BJERKE

LAURA M. HOFFMEISTER

MARK A. PETERSON

**City Clerk**

MARY RAE LEHMAN

**City Treasurer**

THOMAS J. WENTLING

**Interim City Manager**

Edward R. James

Joan Carrico.....Director of Community and Recreation  
Peter Dragovich ..... Director of City Management  
James Forsberg .....Director of Planning & Economic Development  
Qamar Khan..... Director of Public Works  
Craig Labadie.....City Attorney  
Margaret Lefebvre.....Director of Finance  
David Livingston.....Chief of Police  
William J. Mertens.....Interim Director of Human Resources  
Alex Pascual ..... Director of Building, Engineering & Neighborhood Services  
Ron Puccinelli .....Director of Information Technology  
Katherine V. Winer..... Interim Assistant City Manager  
Michael Wright .....Concord Community Reuse Project Director

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## **Mission Statement for the Organization**

**Adopted January 31, 1996**

Our mission is to join with our community to make Concord a city of the highest quality. We do this by providing responsive, cost-effective, and innovative local government services.

### **Our Vision for the Future**

- We will be a customer based, performance driven, results oriented organization, focused on finding the answer, solving the problem, and achieving positive outcomes.
- We will partner with the Concord community to maximize resources, deliver high quality services, and be recognized as setting the standard for excellence.
- We will be trustworthy guardians of the public's resources.
- We will make Concord a premier business location.
- We will collaborate to provide "seamless" services that benefit both our external and internal customers, streamlining our work processes and removing barriers wherever they arise.
- We will accept the challenge of change and be committed to continually enhancing the safety, environment, quality of life, and economic vitality of our community.
- We will constantly look for new and better ways to deliver services. We will seek to be innovative, take reasonable risks, learn from our mistakes and always strive for excellence.
- We will welcome diversity in our community and our work place.
- We will conduct our work in an atmosphere of trust, respect and courtesy with open doors and open communication for our customers and each other.
- We will provide ethical, dynamic and effective leadership, establish clear direction and priorities, and model the mission and values in support of our common Vision.
- We will be accountable for our performance and our organization's success, and be recognized for our achievements.



## Organizational Values

**Integrity and Trust** - We say what we mean and mean what we say. We honor our word and keep our commitments. We are worthy of the public's and each other's trust.

**Commitment to Service** - We put our customers first. We respond to our internal customers and treat them with the same courtesy and respect as our external customers. We facilitate, enable, and problem-solve.

**Partnerships** - We place a high value on building partnerships with members of our community to assure we understand their needs and continue to deliver the services they desire in the most effective manner possible.

**Innovation and Continuous Improvement** - We strive for excellence in the quality and productivity of our work. We create a work environment in which we look for new solutions and experiment with innovative ways to do things - even if they don't always work the first time. We recognize the need to be dynamic in meeting the community's changing needs. Each and every employee is given the opportunity to develop and grow.

**Performance Accountability** - We set measurable performance goals which support the priorities of the City and our individual work groups. We are given the necessary authority, training and resources to enable us to achieve these goals. Performance reviews are conducted in a timely and effective manner. Employee advancement and other incentives are based on performance. We are proud of the professionalism, competency and dedication that exist throughout the organization.

**Long Range Planning** - We conduct long range strategic and financial planning to maximize service delivery and build the economic stability of the City. We practice sound fiscal management to protect the public's resources.

**Team Work** - We respect each other as individuals, and we take the time and effort to show it. Although certain positions have more decision-making authority, we treat all members of the organization with the same consideration for their ideas and concerns. We really listen to, and give each other honest feedback. We recognize partnerships among work groups and employees as essential to effectively maximizing resources and delivering high quality services.

**Individual Worth and Diversity** - We recognize and appreciate the uniqueness of each individual. We value the contribution made and the synergy created by different experiences and perspectives. We are committed to treating each and every person within the organization and the larger community with respect and dignity.



## **Corporate Goals**

**Adopted June 23, 1998**

- Goal 1 Continue to make Concord a desirable place to live, work, and raise a family.
- Goal 2 Be responsive to the needs of Concord citizens, maintain a high level of customer satisfaction, and provide quality public information and outreach.
- Goal 3 Promote and improve Concord as a premier location for existing, expanding, and new businesses.
- Goal 4 Ensure a balanced budget for a ten-year planning period with adequate replacement funds for buildings and equipment.
- Goal 5 Preserve and enhance the livability of Concord's residential neighborhoods with opportunities for a broad range of housing options.
- Goal 6 Offer an array of recreation, leisure, and cultural events and programs to meet the needs of citizens of all ages, with an emphasis on the well-being of youth.
- Goal 7 Maintain a safe and efficient traffic circulation system.
- Goal 8 Have Concord be among the safest cities of comparable size in California and have citizens feel safe in their homes, places of work, and throughout the City.
- Goal 9 Maintain City parks, recreation facilities, streets, buildings, and other infrastructure to meet high standards of condition and appearance.
- Goal 10 Guide Concord's development according to the General Plan and manage physical resources based on sound environmental principles.



*The Civic Center is a complex of three buildings where the majority of city services are provided. In the center is the Council Chamber.*



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# ***MEMORANDUM***

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April 8, 2008

**TO:** Mayor Shinn and Members of the City Council

**FROM:** Edward R. James, Interim City Manager

**SUBJECT: Budget Message for Fiscal Year 2008-2009 and Ten-Year Financial Plan  
For Fiscal Year 2008-2009 through Fiscal Year 2017-2018**

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## **Introduction**

This message presents the proposed budget for Fiscal Year (FY) 2008-09 and the Ten-Year Financial Plan for FY 2008-09 through FY 2017-18 for each of the City of Concord's major funds. The City continues to be financially stable and able to meet all current fiscal obligations. Given a predicted short term decline in revenues and known future obligations, improvements in services provided to the community are aimed at efficiencies and effectiveness rather than growth of services. The resources, including reserves, we have estimated to be available in the Ten-Year Plan are committed to supporting existing service levels.

The Bay Area economy is transforming from one considered to be stable to one pressured by recent changes in the financial and real estate markets and the increasing costs for energy. Credit standards have tightened primarily due to significant losses experienced by financial institutions holding subprime mortgages and securities backed by these mortgages. Tighter credit and excess housing inventories have negatively impacted the real estate market. In Contra Costa County, median home prices have declined more than 20% from the peak experienced in early 2007. Consensus appears to be that the housing market is still correcting and further price declines may be likely. Add to this the increasing cost for energy, particularly oil where the cost for a barrel has recently exceeded \$100 per barrel. With the cost for a gallon of gas approaching \$4 a gallon, the Bay Area economy is having difficulty deciding if this is a transitory phenomenon caused by speculative or political forces or if higher prices are here to stay due to limited refining capacity and a growing worldwide demand for oil. Generally, the housing slump and higher energy prices have reduced the amount of money available for other items, some of which provide revenues to the City. These fiscal challenges place even greater importance on the City's reliance on Performance Based Budgeting and Ten-Year Financial Planning, so decisions can be made along the way to prepare proactively to address issues before they become of crisis dimensions or create service disruption.

Lower than originally projected revenues and higher than previously projected labor costs have caused the City to look for ways to generate new revenues and to reduce the costs of providing

existing services. Each City department has analyzed the services provided and have contributed where possible additional revenues or made cost reductions. The budget proposal recommends the reduction, through attrition, of 6 positions in FY 2008-09 and an additional 4 positions over the remainder of the 10-Year Plan (Attachment 1). The annual contribution to reducing the budget gap begins at \$.8 million and grows to \$1.3 million. Additionally, the budget proposal includes ongoing cost reductions or revenue enhancements contributing approximately \$1.4 million to reducing the budget gap. Unfortunately Staff's efforts are not enough to eliminate the budget gap completely. The budget gap projected for FY 2008-09 is approximately \$1.8 million and another \$1.0 million through FY 2010-11. Funds from the Economic Contingency Reserve are proposed to fill this budget gap on a temporary basis. Beginning in FY 2011-12, projected revenues are estimated to be high enough to eliminate the budget gap and to replenish the Economic Contingency Reserve. The proposed 10-Year Plan anticipates that the required reserve balances can be restored by FY 2013-14.

Fortunately, the City has positioned itself to deal with this challenge by past Council actions implementing and funding several financial reserves. This budget proposal includes a recommendation to eliminate the budget gap by using Economic Contingency reserve funds. The funds set aside in this reserve are intended to supplement General Fund revenues in the event of a severe economic downturn that significantly reduces estimated operating revenues. The current economic climate and its associated reduction in operating revenues is the primary reason for the \$1.8 million budget gap.

Unlike many other agencies in California, employee layoffs will not be required for Concord to deal with the current fiscal crisis. This is because the City, as part of its long term financial planning, is continually evaluating the appropriate size of the City organization necessary to maintain and when possible enhance existing services. In FY 1994-95 the City had 508 full-time employees serving a population of 113,934, or 4.5 employees per 1,000 residents. In FY 2008-09, I am proposing 499 full-time employees serving an estimated population of 130,000 or 3.8 employees per 1,000 residents. This is remarkable when one considers the additional and enhanced services the organization is providing the community today as compared to fourteen years ago. As a result, this budget recommends the controlled reduction in City staff through attrition, where as positions become open, they are not filled if existing services can continue to be provided efficiently.

Implementation of innovations in the way business is done continues. The proposed budget includes the way services provided by the Planning & Economic Development Department's Housing Program will be provided. The City has partnered with the County in the administration of its various housing programs and has been able to reduce City staff accordingly. An in-house study of the City's vehicle fleet has determined that existing services can be cost effectively maintained with 11 fewer vehicles. My review of all vacancies throughout the City to determine whether they should be filled or whether there is some other cost effective alternative that could be implemented continues. We are actively seeking to attract new businesses, and to retain and expand existing businesses to add to the local economic base. With existing and future anticipated resources fully committed, new programs or project proposals are analyzed in depth

to ensure the on-going operation can be sustained within existing or reassigned resources. There is more to be done to increase revenues and/or decrease expenditures to reduce the current budget gap and to prevent future budgetary gaps, but the Ten-Year Projection for the General Fund (Attachment No. 2) provides a balanced plan.

Our major budget challenges:

1. The State's fiscal condition.
2. Threat of unfriendly legislative and/or regulatory actions sponsored by the State or Federal governments.
3. Health plan benefit costs continuing to rise at rates that outpace inflation.
4. Increases in shared City costs for County provided services to Concord residents.
5. With our current employee base, maintaining existing quality service levels for a growing and changing community.

### **Discussion**

The report is organized in the following major sections:

- A. Budget Challenges
  1. The State's Fiscal Condition
  2. Threat of "Unfriendly" Legislative or Regulatory Actions
  3. Health Plan Premium Increases
  4. Increasing Costs of County Services
  5. Serving a Growing and Changing Community with Quality Services
- B. Strategies Addressing Budget Challenges
- C. Economic Overview
- D. General Fund
  1. Revenue Assumptions
  2. Expenditure Assumptions
- E. Other Major Funds Budget Discussion
  1. Post Retirement Healthcare Benefits Fund (OPEB)
  2. Financial Planning for Transportation Improvements
  3. Storm Water
  4. Downtown Landscape Maintenance District
  5. Pine Hollow Landscape Maintenance District
  6. Landscape and Lighting Maintenance District
  7. Citywide Street Lighting Assessment District
  8. Sewer Enterprise
  9. Golf Course Enterprise
  10. Pavilion
  11. Redevelopment Agency
  12. Concord Community Reuse Plan
- F. Reserve Funds
- G. Budget and Fiscal Policies

**A. Budget Challenges**

**1. The State's Fiscal Condition**

The State's fiscal condition has deteriorated from last year. In his presentation of the FY 2008-09 State Budget on January 10, 2008, the Governor declared a fiscal emergency and has, among other measures, proposed a 10 percent across the board budget cut to eliminate the budget shortfall. The Governor anticipates the budget shortfall to be \$3.3 billion in FY 2007-08 and \$14.5 billion in FY2008-09 before his proposed corrective measures. The Legislative Analyst's Office (LAO) projects the state's budget shortfall to be \$16 billion for FY 2008-09 prior to any corrective measures. The primary reasons for the shortfall are lower revenue projections due to continuing problems in the housing market and high energy prices which are holding revenue growth down. If the proposed corrective measures are successful, the State's reserves in FY 2008-09 will be reduced from \$3.5 billion to \$2.8 billion or 20%.

However, the reasonableness of the Governor's proposed budget is dependent on achieving projected revenues. The LAO considers the State's projected revenues to be overly aggressive due to lower projected corporate, personal income, and sales and use taxes. The LAO projects the State's reserve to drop to \$1.1 billion. Revenue volatility continues to be responsible for the State's current structural deficit, and helps create uncertainties for local governments.

**2. Threat of "Unfriendly" Legislative or Regulatory Actions**

Over the last several years the State and Federal governments through legislative and regulatory actions have adversely impacted the fiscal integrity and authority of local governments. Unfortunately, these threats will continue into the foreseeable future. The California Legislature's approval of AB 2987 in 2006 has changed local government's franchise authority related to cable and telecommunications services. As a result, the City has fewer tools with which to regulate services such as AT&T's Project Lightspeed and reduced authority to collect income from commercial ventures gaining access to use of the City's Rights of Way.

California Redevelopment Law may be impacted by two acts that have qualified for the June 2008 ballot. The California Property Owners and Farmland Protection Act, among other things, will eliminate the use of eminent domain for redevelopment purposes, rent control and renter protections, gut land-use planning, hurt the environment, and threaten water supply and development projects. Also on the June ballot is the Homeowners Protection Act. The Homeowners Protection Act would prohibit the use of eminent domain to acquire a single-family, owner-occupied home and transfer the property to a private party. It would still allow government to acquire property for traditional public works such as schools or roads. Passage of either one of these two propositions will greatly impact California Redevelopment Law.

A final example of legislation adverse to the City's interest is proposed implementation of new storm water requirements that are pending before the San Francisco Regional Water Quality

Control Board. These requirements will generate additional financial and operational burdens that will impact services such as street cleaning and impose onerous conditions on public and private development. The fiscal implications of this issue will be explained in more detail under the summary of the storm water program's Ten-Year Plan. It is critical that the City remain vigilant in the area of legislative advocacy.

### **3. Health Plan Premium Increases**

Along with all other employers providing health plan benefits, we continue to experience double digit increases in health plan premium costs. Since Concord joined the California Public Employees' Retirement System (CalPERS) Health Program in 1998, the City's premiums for health care have tripled. The projected health premium increase for FY 2008-09 is 8.1%. The regionalized pricing of health plan premiums adopted by CalPERS has not resulted in any reduction to premiums in the northern California region. While current Memoranda of Understanding (MOUs) provide for coverage through CalPERS Health, staff continues to research other alternatives in advance of future labor negotiations.

In an effort to control budget impacts of rapidly rising costs of health care benefits, current MOUs, negotiated in 2002 with Local One and the Concord Association of Professional Employees (CAPE), included provisions for some cost-sharing formulas for health care premiums. The cost-sharing formulas have been in effect since 2004, and continue through the remaining contract terms to July 2009. Additionally, Police Management and Police Officer Association MOUs recently added cost sharing provisions. Association members will contribute to medical coverage increases in excess of 5% up to a contractual cap. The cap escalates each year of the four year agreements ending in July 2011.

### **4. Increasing Shared Costs of County Services**

As of FY 2006-07, the counties within the State of California, Contra Costa County included, have changed the rationale of the calculation of the cost recovery pertaining to the Property Tax Administration Fee. The change predicated on the "triple-flip" adjustment to Sales and Use Tax and the replacement of Motor Vehicle in-Lieu taxes with ERAF property tax. This change increased the City's fee by about \$157,000 or 136%, to over \$272,000 in FY 2007-08, but has cost the County a minimal amount to enact. The City does not agree with the allocation of the costs and has protested the action to the County Board of Supervisors at a Public Hearing on April 8, 2008. This basis for this protest has been twofold. First, state law, in Revenue and Taxation Code (RTC) Section 97.75, limits the cost recovery to the costs actually incurred to facilitate the change. Secondly, the State Controller's Office has concurred with City interpretation of the RTC Section and further commented that while cost recovery is appropriate, the calculation should be made using the affected factors rather than using a "one-size fits all" approach.

In February 2008, the City received notice of an increase of \$65,000 or 13% over last year in the cost of the City's contract with the County Animal Services Department for animal control

services. This increase adds \$601,000 to City costs over the Ten-Year Plan. This amount brings the annual cost to the City for animal control services to \$587,951 for FY 2008-09. The Animal Control Services Director has provided an explanation that the increases are necessary to reflect the operating costs of the new shelter and programs to meet the needs of residents. The County is the only provider of such services.

Additionally in February 2008, the City received a request to provide certain building replacement and maintenance services in exchange for a reduction in the costs to the City to maintain the library's current hours of operations. The County has estimated the actual costs of providing the building replacement and maintenance services to be \$77,500 in FY 2006-07. The transfer is intended to be cost neutral but does require a restructuring that would lower the City's buy-up costs for additional hours at the library that would be used to increase the Public Works budget in order to provide the building and replacement services. The budget assumes that the City will agree to the County's proposal. Agreement implies that the City assumes the cost escalation risks of providing the services in exchange for maintaining the existing operational hours of the library and possible enhancement of library services provided by the County. Once again, this transaction should be cost neutral.

## **5. Serving a Growing and Changing Community**

The broader challenge remains for the City to consider taking actions to increase the resources needed to serve Concord's growing and changing community. The proposals made for changes in the FY 2008-09 Budget and Ten-Year Plan are all within existing available resources. There is no provision for expansion of services or new programs without additional resources. All projected resources, including reserves, are devoted to maintaining and continuing existing services with a workforce that will be reduced where feasible through attrition. With the necessity to prefund OPEB obligation, any discretionary General Fund resources received become more constrained. A creative approach to gaining additional resources through grants has proven successful in our Capital Improvement Program, but usually does not apply to on-going operating services. New authority for additional resources through assessments via a Proposition 218 ballot is being contemplated in 2013 for the Storm Water Program operated by the City. If successful, these additional resources would be restricted to the purposes of these specific programs and funds. If the City wants to grow its services more broadly to meet community needs, new unrestricted resources will be required.

### **B. Strategies Addressing Budget Challenges**

The Strategic Plan for Continuing Financial Health of the Organization and Provision of Quality Services to the Community adopted by the Council in March, 2003 serve as guiding principles for development of strategies to meet resource challenges and for implementation of efficiencies. The Council's Management Performance Policy document (Attachment 3), along with the Council's Budget and Fiscal Policy document (Attachment 4) assisted in the development of these principles. The principles are:

- City Manager will present a budget (capital and operating) that is balanced over the Ten-Year planning period for all funds.
- Use the Ten-Year Financial Plan as the basis for making long-range financial planning decisions.
- Include resources required to maintain and operate all capital improvements commencing the year the project is completed and continuing through the balance of the Ten-Year Financial Plan.
- Maintain essential services and existing facilities.
- Fund all equipment and facilities, maintenance and replacement throughout the ten year planning period.
- Continue to utilize the Performance Based Budget and outcome management in order to maximize efficiency and effectiveness.
- Minimize impacts on services to the public.
- Minimize impacts to employees.
- Foster thriving and diverse residential and business communities.

The proposed budget and Ten-Year plan includes Staff's contributions to help alleviate resource challenges engendered by recent changes in the local economy and recent negotiated changes in the costs of labor. Staff was directed to consider the above principles when developing their proposed budget modifications. Attachment 1 presents a summary of Staff's recommended attrition reductions totaling \$.8 million and growing to \$1.3 million over the 10 year planning period. In addition the Ten-Year plan includes ongoing cost reductions or revenue enhancements contributing approximately \$1.4 million to reduce the budget gap. Below is an explanation of the proposed adjustments:

- **City Management** - It is proposed to eliminate the Director of City Management position. The duties of the position will be transferred to the Assistant City Manager and the addition of approximately \$50,000 annually to the consultant/contractor services budget to handle franchise management activities. The net overall operating budget reduction is approximately \$196,000.
- **Human Resources** - It is proposed to eliminate a management position. The duties of the position will be absorbed by existing staff. The operating budget reduction is approximately \$196,000.
- **Building, Engineering & Neighborhood Services** - The department is proposing an overall reduction of 4.5 positions due to their prediction of a reduced workload over the next four years. Two construction inspectors and two building inspector positions are proposed for attrition as incumbents retire or positions open for other reasons. The .5 administrative clerk position represents the sharing of the elimination of one position with the Planning program of the Planning & Economic Development department. This is possible because the Building and the Planning programs are located in the same building. The plan also includes the upgrade of a presently vacant Senior Civil Engineer position to City Engineer. The planned staff reduction will not affect service delivery

because of the reduced workload anticipated in the Ten-Year Construction Improvement Program (CIP). The net overall operating budget reduction is approximately \$545,000.

- **Planning & Economic Development** - The department is proposing to eliminate 1.5 positions due to their prediction of a reduced workload. One assistant planner is proposed for attrition as incumbents retire or a position opens for other reasons. The .5 administrative clerk position represents the sharing of the elimination of one position with the Building program of the Building, Engineering & Neighborhood Services department. This is possible because the Building and the Planning programs are located in the same building. The overall operating budget reduction is approximately \$181,000.
- **Police Department** - The department is proposing to eliminate one administrative clerk position as an incumbent retires or a position opens for other reasons. The responsibilities of the eliminated position will be assigned to other staff. In addition to the attrition, the plan also calls for the addition of two contract community service officer positions whose long-term status will be based on the ability of the positions to sustain a projected increase in parking enforcement revenues. The net overall increase to the operating budget is \$75,000. However, this increase has been more than offset by substantially increased parking enforcement revenues.

In an effort to respond to complaints from Concord merchants and disabled persons who feel parking enforcement should be expanded, the Police Department is moving forward with a plan to expand parking enforcement services. Currently Police Interns (part-time, limited service employees) conduct all parking enforcement functions. Enforcement is sporadic and subject to the Interns' availability. The new enforcement program would add two full-time contract employees to focus solely on parking enforcement during their assigned shifts. These enforcement officers will emphasize enforcement in the commercial areas including the Downtown. This will address merchants' complaints that limited time parking stalls are not being regularly enforced. Likewise, the parking officers will also give greater attention to enforcing handicapped violations (private and public parking areas). Handicapped persons and handicapped advocates have requested greater enforcement from Concord Police due to the high rate of handicapped violations throughout the City.

Police Department staff believes that added equipment and personnel costs will be fully covered through enforcement revenue. As such, based on conservative citation issuance rates, the expanded parking enforcement program should generate an additional increase of \$125,000 General Fund revenue over and above the program costs in each fiscal year.

The departments are also proposing several reductions to operating expenditures or additions to revenues. Included in the Ten-Year plan are \$1.4 million in proposed expenditure reductions and additional revenues.

Staff's efforts were not enough to completely eliminate the budget gap. In order to balance the budget, it is proposed that reserves be used. The proposed budget and Ten-Year plan requests the use of Economic Contingency Reserve funds. At the proposed revenue and expenditure

levels, it is anticipated that reserve funds will be required to balance the budget for the three year period FY 2008-09 - FY 2010-11. Beginning in FY 2011-12 contributions restoring the reserve to the level required by the City's budget and fiscal policies are projected to begin. The proposed Ten-Year Plan anticipates that the required reserve balances can be restored by FY 2013-14.

### **C. Economic Overview**

The national economy is in a state of transition from an economy that has been expanding for the last six years to an economy that may be on the brink of recession. Continuing problems in the financial markets engendered by subprime mortgages and securities backed by these mortgages, the real estate market resetting as excessive housing inventories are worked off and the increasing cost of energy are the primary culprits causing the transition. Federal policy in response to these economic pressures indicates that a recession is possible. In February of this year an economic stimulus package containing tax rebates and investment incentives was adopted. The hope is to keep consumer spending up as consumers are responsible for over two thirds of the economic indicator, "Gross Domestic Product." Additionally, and more alarmingly, the Federal Reserve Bank in an effort to promote well-functioning financial markets which are essential for economic growth, has been providing the liquidity, i.e. loans, to keep certain investment banks from failing and to make more credit available for business and individuals. The Federal government efforts to bring the economy under control and its own budget under control may affect local programs such as the Community Development Block Grant (CDBG) funding which could be further curtailed.

The State economy is experiencing the same economic pressures as the national economy. A fiscal emergency has been declared by the Governor. In response to lower than anticipated corporate, personal income and sales and use taxes the Governor, among other measures, has proposed a 10 percent across the board budget cut to help eliminate the anticipated budget shortfall. The State, without directly confronting the OPEB issue, continues to believe it can eliminate budget structural deficits by FY2012-13. The Legislative's Analyst Office (LAO) is not as optimistic as they continue to consider the State's revenue projections to be somewhat aggressive. However, on the bright side, the LAO does anticipate the State's economy to continue growing due to anticipated growth in the high-tech and related professional services industries, the information related industries, international trade, and the nonresidential construction industry. It is also evident that the State has not learned any lessons from the past several years of budgetary woes and still does not understand the concept of structural balance – that ongoing operational expenditures should be paid for by ongoing operational revenues.

Proposition 1A, passed by the voters in 2004, continues to help "normalize" the States financial relations with the local governments, though there is always the potential of further raids on local resources. Redevelopment funds remain especially vulnerable. In light of the State's current budgetary problems, the Governor has suspended payments to local agencies of the Gas Tax subvention through the end of the fiscal year. As a result, the State is temporarily withholding five months of payments totaling about \$1 million from the City. It will be repaid within one

month of the passage of the State's FY 2008-09 budget, but in the meantime, as projects move forward, interest income and cash flow are adversely affected.

The Bay Area is experiencing fallout as the housing market establishes a new equilibrium. In Contra Costa County, median home prices have declined 20% from the peak experienced in 2007. As with the national and state economies the Bay Area is suffering from increasing energy prices and the pressure exerted on consumer purchases generating sales tax revenues. Due to the significant amount of high-tech and related professional services industries and information related industries located in the Bay Area there is cautious optimism that the local economy will continue to grow if somewhat modestly. For the City of Concord, revenue projections were developed using a cautious optimism reflecting very conservative growth estimates for FY 2008-09 and the Ten-Year planning period.

**D. General Fund**

**1. Revenue Assumptions**

**Sales Tax**

Sales tax (\$30.05 million estimated for FY 2008-09) makes up 40% of General Fund revenue. This is, by far, the largest single source of revenue in the General Fund. The budget for FY 2007-08 anticipated \$30.5 million in sales tax revenues, though current year estimates indicate about \$1 million less will be received. In order to reflect recently experienced lower levels of sales tax collections the projected amount is based on a decrease of 1.5% from the revenue estimated for the FY 2007-08 budget. A 3.5% growth rate is used in all other years of the Ten-Year Plan except FY 2010-11. In FY 2010-11, a 6.3% growth rate reflecting a rebound in the area economy as the housing market stabilizes and consumers become acclimated to the higher costs of energy is anticipated. Sales tax growth at 3.5% represents a conservative estimation of what will be generated over the time period given the overall history of this revenue source.

**Property Tax**

The assessed valuation of property in the City of Concord in FY 2007-08 has continued to climb based upon interest rates that were still favorable and a stable real estate market. The property tax revenue generated by this growth is an important resource for the provision of City services. Over the years the increase has far exceeded the rate of inflation:

FY 2003-04	8.0%
FY 2004-05	7.1%
FY 2005-06	9.9%
FY 2006-07	6.4%
FY 2007-08	6.5%

The FY 2007-08 budget anticipated property tax revenue of \$22.5 million. Current year estimates increase this number slightly. To reflect the recently experienced slight increase, property taxes are projected to be \$23.6 million in FY 2008-09 based upon updated projections of the property tax received in FY 2007-08. Growth in property taxes continues to be projected at 5% throughout the Ten-Year Plan. This estimate includes a factor for the flattening of the residential real estate market. Recent changes in the local housing markets where the median prices for homes have decreased 20% needs to be monitored carefully to ascertain if future projections need to employ a more conservative growth estimate for property taxes.

### **Business License Tax**

Business License tax revenue is estimated to be \$3.3 million in FY 2008-09. This projection incorporates a change in the actual amount estimated to be received in FY 2007-08. In order to reflect recently experienced lower levels of Business License tax collections the projected amount is based on a decrease of 3.5% from the revenue estimated for the FY 2007-08 budget. A 3.0% growth rate is used in all other years of the Ten-Year Plan except FY 2010-11. In FY 2010-11, a 6.5% growth rate reflecting an upswing in the area economy as the housing market stabilizes and consumers become acclimated to the higher costs of energy is anticipated. Business License tax growth at 3.0% represents a conservative estimation of what will be generated over the time period given the overall history of this revenue source.

### **Transient Occupancy Tax**

The budget for FY 2007-08 anticipated the receipt of \$1.66 million from Transient Occupancy Tax (commonly referred to as the “hotel” tax as it is charged to guests staying in the hotels and motels). Increases in hotel rates and audit activity have resulted in the collection of additional taxes increasing the estimated amount to be collected to \$2.17 million in FY 2008-09. Hotel tax revenues are reflecting the changing economy and cultural patterns of business and pleasure travel. As long as the number of available rooms in the hotels within the City remains static, the increase in the Transient Occupancy Tax after this year’s adjustment will remain largely inflationary and is therefore projected at 3% per year throughout the Ten-Year Plan.

### **Transfers from Other Funds**

Transfers are made from the other funds (e.g., Enterprise Funds, Redevelopment, etc.) under a Cost Allocation Plan to pay for the support provided by General Fund departments to their operations. The cost allocation plan allows for the payment of City Management, City Council, City Attorney, Finance and Human Resources costs, separately from the charges which are paid directly to the Internal Service Funds for Information Technology, Fleet, Insurance and Building Maintenance and Replacement. In FY 2008-09, \$4.5 million is budgeted for transfer to repay the General Fund for services provided.

## **Fees and Charges**

Fees and charges are reviewed each year to ensure the City is recouping the cost of doing business. The Finance Department will continue to work with each department in FY 2008-09 to ensure that fees are calculated appropriately and that the costs for providing the services for which fees and charges are appropriate are identified. Services by policy that the Council has determined to be supported by the General Fund will continue to receive support. In the meantime, under separate cover in the Fees and Charges Resolution, an increase in fees will be proposed which will generally reflect the Consumer Price Index (CPI). Where the charge is based upon “per-hour” costs basis, the fee or charge will include the full cost of that hour.

### **2. Expenditure Assumptions**

All known labor agreement Memorandum of Understanding (MOU) adjustments are included in the preliminary appropriations, for the remaining terms of each respective MOU. For time periods not covered by current MOUs, wage adjustments have been estimated using a 3% CPI inflator. For the attrition positions which are still staffed, the assumption is that the position salary and benefit charges are not going to continue throughout the Ten-Year Plan. However, the City is continuing such full-time employees until the position is voluntarily vacated or a vacancy becomes available for them in an equivalent position. I review all vacancies, including those not designated in the attrition plan, and may decide to hold other positions vacant, or postpone filling them.

CPI inflators of 2 – 3%, for non-labor operating expenses have been included in the Ten-Year Plan projections for planning purposes unless a specific change is known. Assumptions for medical benefits and post-retirement medical benefits (OPEB) have been made in accordance with the actuarial projection done in 2006. All additional operating costs expected due to the addition or construction of new capital projects have been included in the Ten-Year Plan.

Service fees charged by internal service funds have been adjusted to reflect current services received and/or equipment provided. Adjustment includes assignment of fees at the program level and reflects the redistribution of services fees that may have been previously assigned only at the fund or department level. The internal service fees charged to users are sufficient to meet known needs for the FY 2008-09 budget and the remainder of the Ten-Year planning period.

## **E. Other Major Funds Budget Discussion**

### **1. Post Retirement Healthcare Benefits (OPEB)**

The impact of the rising cost of health benefits affects both the State’s fiscal standing as well as that of many other communities along with Concord, which provide paid health coverage as a retiree and current employee benefit. The provision of this benefit to future retirees establishes the further requirement under the new Governmental Accounting Standards Board (GASB)

Statement No. 45 to report these future costs and the progress made toward funding these costs in financial statements beginning in FY 2007-08.

Last year the Council adopted Staff's recommendation to resolve the unfunded OPEB liability. Staff recommended that an irrevocable trust be established and that previously set-aside funds be used as "seed money" to minimize future unfunded liability. The OPEB Plan assumes that the unfunded liability will be amortized over a twenty-five year period and that the trust will achieve a 7.75% return, as guidance from PERS indicates, on its investment. Attachment No. 5 has been provided to show how the unfunded liability or the net OPEB obligation is completely amortized by the end of the twenty-five year amortization period.

Also, as directed by Council, in early 2008 a task force consisting of the employees from all City departments and consultants with financial and legal OPEB expertise was formed. The task force has been charged with looking for new and creative ways in a collaborative process to provide a health benefit to retirees in the future without absorbing an inordinate amount of the City's resources and thereby reducing the City's ability to serve the public. Establishing the task force recognized the fact that this issue is one that requires all of our collective creativity to resolve and a commitment to an "interest and fact based" approach to resolution. In March 2008, the task force received the special training recommended to facilitate communications among the various "interest and fact based" participants in their efforts to come up with solutions which meet all stakeholder needs.

Additionally, in March 2008, the Council adopted a resolution authorizing the City Manager to invest funds to pay for the City's OPEB obligation with the California Employer's Retirement Benefit Trust Program (CERBT) developed by California Public Employee Retirement System (PERS). The CERBT provides public agencies a trust mechanism which meets both Internal Revenue Service criteria for tax exempt status and GASB 45 criteria for irrevocability requirements. The CERBT has been established for the investment of funds, not for the determination of each agency's individual benefit. Given the ability of PERS to provide astute investment management, the overall cost to the City will be less than what it would likely be if the City were to manage its own investments for this program.

A phased-in approach to pay both for the unfunded liability (the "catch-up") and for the ongoing year-to-year cost has been established to meet the obligation. By using a phased-in approach, the City is acknowledging that the full unfunded liability will not be mitigated in the short-term. As a result the fund will show a negative fund balance for a period of years. With concerted effort, this deficit will be reduced with the benefit being funded as it is earned in a manner similar to that method by which the employee pensions are funded. The 25-year plan proposed for the fund reflects sufficient cash flow to pay the health premiums of retirees for which the City is already committed. The deficit is attributed to the future benefits for which the cash payment is not yet due.

## 2. Financial Planning for Transportation Improvements

Due to the many challenges facing local jurisdictions to fund transportation improvement projects in the Bay Area, City Staff has requested MTC, through TRANSPAC and CCTA, to include key transportation improvement projects in Concord as part of the funding priorities for the upcoming 2009 Regional Transportation Plan (RTP) update, also known as *Transportation 2035*. This is part of a long-term financial planning to place the City in a position to potentially receive funds for key Capital Improvement Program (CIP) projects (see list below) under the State Transportation Improvement Program (STIP) between the years 2014 and 2023. The latest projections by MTC indicate that Contra Costa County could receive approximately \$180 million in STIP funds during this 10-year period for new transportation projects, although the bulk of these funds could be subject to MTC's discretion for use outside the County.

City CIP Project	Estimated Total Cost	STIP Funds Requested (2014-2023 period)
SR 242/Clayton Road On- and Off-Ramps	\$31.0 M	\$26.5 M
Waterworld Parkway Bridge	\$12.5 M	\$ 3.4 M
SR 4/Willow Pass Road Interchange Improvements	\$32.8 M	\$10.0 M
<b>TOTAL</b>	<b>\$76.3 M</b>	<b>\$39.9 M</b>

These projects will play an important role in facilitating traffic flow in and out of the City of Concord during the peak periods, particularly with the future implementation of the Reuse Project. This STIP funding request is designed to supplement current funding sources available for the improvements, including Measure J funds (1/2 cent sales tax for County transportation projects) and Off-site Street Improvement Program (OSIP) fees, as well as future developer fees that could be assessed on the Reuse Project.

In addition, the City has requested MTC to include on its "Vision" list of 2009 RTP projects a future project to reconstruct the SR 4/Port Chicago Highway interchange to provide adequate access in the area with the addition of the Reuse Project. By incorporating this improvement into the RTP, this project may become eligible in the future to receive outside funding to supplement traffic mitigation fees paid by developers on the Reuse Project.

## 3. Storm Water Special Revenue Fund

The Stormwater Special Revenue Fund pays for implementing stormwater pollution prevention and monitoring programs required by Concord's National Pollutant Discharge Elimination System (NPDES) permit. The San Francisco Bay Regional Water Quality Control Board (Regional Board) issued Concord's first 5-year permit in 1994 under the Federal Clean Water Act. The City's Clean Water Program is designed to meet mandated performance standards in five areas: New Development/Construction Controls, Public Education/Industrial Outreach, Municipal Maintenance (street sweeping, storm drain maintenance, and creek maintenance),

Business Inspections, and Illicit Discharge Control. On July 21, 1999 the Regional Board issued a second 5-year NPDES permit to Concord and twenty other co-permittees in Contra Costa County. That permit, which increased the number of performance standards that Concord must comply with from 80 to 257, has been administratively extended while the Regional Board works on a joint Municipal Regional Permit (MRP) for all of the Bay Area Clean Water Programs.

In March 2008, the Regional Board held a public hearing on the proposed MRP. Representatives from 77 cities and the counties of Alameda, Contra Costa, San Mateo, and Santa Clara attended the hearing and a large number of them provided testimony during the public comment period. Thirty-six of the speakers were from Contra Costa County, including two City Council members and staff. Board members were clearly impressed by each of the speakers explaining why the proposed permit conditions were overly prescriptive, unnecessary, and expensive. Speakers pointed out that the greatly expanded provisions of this proposed new permit would amount to an expensive unfunded mandate from the State. In response to the many written comments and testimony received, the Regional Board's staff was directed to reconvene with the stakeholders and to try to reach some level of consensus on significant region-wide issues prior to the next hearing on the MRP.

If the MRP is imposed as currently written, Concord's costs for operation and maintenance would increase by an estimated \$690,000 per year. The City's capital improvement projects and private development projects would also be negatively impacted by the new permit, as it would cost more to make those projects comply with the new MRP requirements. The new requirements would increase inspections, street sweeping, drainage system maintenance, water monitoring and testing, litter reduction, and much, much more.

The biggest challenge to the Clean Water Program is funding. Program revenue is currently capped at \$35 (Concord's present rate) per equivalent runoff unit (ERU) - each single-family residence represents one equivalent unit. The assessment can be increased only by a two-thirds majority of registered property owners voting on a Proposition 218 ballot. However, a Clean Water Program-funded survey in 2007 showed that less than 25% of Contra Costa residents would support an initiative to raise those fees. Without additional Stormwater Program revenue, and if the MRP is implemented as currently written, the Program's 10-Year Plan is projected to go negative in FY 2010-2011. Attachment 7 reflects alternative plans, one with the current program revenue structure and a second reflecting the impact of a \$19 per ERU increase in FY 2012-13.

#### **4. Downtown Landscape Maintenance District**

The Downtown Maintenance District provides all landscape services for the Central Concord area, including Todos Santos Plaza and the median islands on Willow Pass Road (between East Street and Contra Costa Boulevard), Concord Avenue and Market Street. City employees provide all maintenance services charged to the District.

A successful Proposition 218 election was conducted in FY 2006-07 to increase the annual assessments beginning in FY 2007-08, including an automatic inflation factor to ensure the long-term solvency of the District. Prior to the election, the District was projected to go negative in FY 2009-10. Increased assessments now generate over a \$100,000 in additional revenue. The District is still supported by General Fund monies for City provided administrative support and general services. Attachment No. 8 is the new 10-Year Plan for the Downtown District, which now shows a balanced plan throughout the 10 years.

#### **5. Pine Hollow Landscape Maintenance District**

The Pine Hollow Landscape Maintenance District provides all landscape services for the area bordering Pine Hollow Road east of Ygnacio Valley Road. All of the landscape services charged to the Pine Hollow District are provided through a maintenance contract managed by the Public Works Department. Council awarded a contract in 2006 with the option for two additional years. A new contract was awarded this March accepting the third year option. Establishing a multi-year contract and prudent contract management has improved the District's financial outlook over last year. The proposed 10-Year Plan (see Attachment No. 9) shows that the District is balanced through FY 2017-18.

#### **6. Landscape and Lighting Maintenance District No. 3**

Landscape and Lighting Maintenance District No. 3 is comprised of four Benefit Zones, Kirkwood, Ygnacio Woods, Balhan Terrace and Valley Terrace, all residential neighborhoods in the Clayton Valley District of the City. With the exception of Ygnacio Woods, landscape services charged to District No. 3 are provided through a contract managed by the Public Works Department. Council awarded this landscape contract in 2006 with the option for two additional years. A new contract was awarded this March accepting the third year option. City employees provide landscape services for Ygnacio Woods.

Staff has combined these districts into a single 10-Year Plan (see Attachment 10) because they were formed by the same City Council action on June 25, 1979. Staff has also developed 10-Year Plans showing the assessments and expenditures for each of the Benefit Zones within District No. 3. This ensures individual review and financial management of the expenses and assessments for each area.

This will be the fourth year of automatic CPI inflation increases for the Ygnacio Woods assessments following the successful Propositions 218 election in FY 2004-05. Ygnacio Woods has gone from a projected negative balance to a balanced 10-Year Plan. A small Capital Reserve Fund was established last year for the Kirkwood Landscape Maintenance District to address infrastructure support and unexpected expenditures. Kirkwood continues to show a balanced plan. All of the 10-Year Plans for District No. 3 are balanced through FY 2017-18. Staff will continue to monitor each zone to insure their financial stability.

## **7. Citywide Street Lighting Assessment District**

The Citywide Street Light Assessment District provides street lighting services including electrical costs, street light repair and replacement, capital improvements, and Assessment District proceedings. The District includes all parcels of land within the incorporated limits of the City of Concord that benefit from existing or newly installed streetlights.

This is the third year of City ownership and maintenance of the streetlight system. The initial purchase from PG&E required a loan from the Traffic Management Fund of \$477,000. The District will pay the loan back over a six-year period commencing in FY 2011-12. There has been a slight increase in revenue due to the creation of additional parcels by new development. Combined with continued fine tuning of maintenance and contract services, and prudent financial management the District's fund balance has increased over last year.

The District supports the cost of a Public Works Traffic Signal Technician to perform maintenance on the system. Outages reported to the street light hotline are repaired within 48 hours. Beginning this year outages may also be reported online through the City's web page. Quarterly night surveys and repairs are performed every 3 months along the major arterials in order to achieve the highest level of service. All maintenance and personnel costs are included in the 10-Year Financial Plan. Attachment No. 11 is the proposed 10-Year Financial Plan for the Citywide Street Light Assessment District which remains balanced throughout the planning period.

## **8. Sewer Enterprise Fund**

This fund pays for the operation and maintenance of the City's Sewage Pump Station and sewage collection system maintenance. It also pays Central Contra Costa Sanitary District (CCCSD) for the cost of treating the City's sewage and for part of the capital costs associated with improving CCCSD's sewage treatment plant. Attachment No. 12 represents the 20-Year Financial Plan proposed for the Sewer Fund.

Based on the results of a study of the capacity and condition of the City's concrete trunk sewer mains, a phased program to replace or rehabilitate a significant number of these mains was previously approved by Council. The total program was originally estimated to cost \$48 million. However, by competing different trenchless technologies against each other, the work is projected to cost about half that amount. Phase I of the Sewer Rehab project work, completed in 2006, included the rehabilitation of more than 10 miles of deteriorated concrete trunk sewer mains at a cost of approximately \$12 million. The gravity-flow project (Phase II) will cost approximately \$12 million. Phase II is currently in progress and is described more fully below.

This past year a \$20,650,750 contract (by CCCSD) was awarded to Mountain Cascade, Inc., for the City of Concord's joint project with CCCSD to construct a gravity-feed connection between Concord's Sewage Pump Station and a new 96" diameter A-line Relief Interceptor sewer main CCCSD will construct under Meridian Park Boulevard from Buchanan Fields Golf Course to Galaxy

Way. The City obtained a \$12.5 million bond to finance Concord's portion of this joint project. Construction began on this project in February 2008 and is expected to take one year to complete. Once this project is complete, Concord's Sewage Pump Station can be taken out of service, which will save an estimated \$300,000 per year.

Periodic sewer service rate increases are included in the Sewer Enterprise 20-Year Plan, and are necessary to finance the bond payments for these major projects as well as increased operating costs, and projected increases in CCCSD's capital program. Concord's AA bond rating for the joint project, which was reflective of the high degree of professionalism that Standard & Poors attributed to the City's management of the Sewer Enterprise, resulted in very favorable interest rates for that bond. This has helped defray increased operations costs, leaving the Sewer Financial Plan stable for the next 20 years. Staff will continue to diligently review the sewer program to initiate efficiencies in service and cost reductions in operations to limit any projected increases in later years. Future projected rate increases are shown on the attached 20-Year Plan.

Staff continues to work with CCCSD to ensure that the City's Sewer Enterprise budget is not impacted by unforeseen expenditures incurred in CCCSD's capital programs (Concord pays for a percentage of their treatment plant capital improvements). CCCSD has been cooperative in providing budget information and including staff comments in their budget process.

## **9. Golf Course Enterprise Fund**

The Golf Course Enterprise Fund pays for the operation and maintenance of the City-owned Diablo Creek Golf Course, which includes the Legends and Heroes Restaurant, pro shop, driving range and the 160-acre, 18-hole golf course facility. Concessionaires for the restaurant and pro shop pay the majority of the operational costs associated with the clubhouse building and return a percentage of their gross income to the City as their monthly rent. A major capital improvement was completed in 1999, which included expansion of the parking lot, entryway landscaping, new irrigation system, golf cart paths, reconstruction of several greens, new bathrooms and other pertinent work. These improvements are being financed through bonds. Attachment No.13 represents the proposed Ten-Year Financial Plan. The plan projects increases for green fees, driving range, and power cart rental income of approximately 5% - 10% every other year beginning in FY 2009-10. In recognition of the currently "soft" market demand for golf within Northern California, rounds are significantly reduced from the previously projected 70,000 to 57,000 annually throughout the Ten-Year Plan. This condition reflects a trend that has affected golf courses within the region and throughout the United States. Since 1997, several new daily fee public golf courses have opened up within Diablo Creek's market area. As a result, the demand for golf has fallen to the current level.

The continued downward trend in the number of rounds prompted staff to propose strategies in FY 2005-06 to significantly reduce costs. In recognition of the fact that the City operation of the golf course maintenance program was the single largest expense associated with the golf course, a study evaluating the feasibility of contracting for maintenance services was conducted. As a result of this study, the City Council approved an agreement with Valley Crest Golf Course

Maintenance in November 2005 and contract maintenance began in January 2006. The updated Ten-Year Plan includes revised maintenance costs that reflect the impact of engaging Valley Crest.

The implementation of contract maintenance improved the expenditure side of the Golf Course Enterprise Fund. However, the reduction in rounds described above continues to impact revenue projections and impact the bottom line. As a result, the golf course continues to fall short of meeting its entire fair share of the allocated costs of City provided administrative and general services which include services such as finance, risk management, and legal support. The inability of the golf course to meet its allocated cost obligations will continue to impact the General Fund. In addition, some capital projects such as the replacement of greens are being delayed until conditions improve. Some areas of deferred capital improvement could no longer be delayed. In FY 2007-08, the clubhouse roof was replaced and a new pump station was installed which services the irrigation system. The soft golf market is also impacting Diablo Creek's business partners. Income generated from the Head Golf Professional and food/beverage concession has been revised downward to reflect the current market.

Staff will continue to manage and analyze the golf course operations with the goal of making the operations self-sufficient. In January 2008, staff attended the first of a three year curriculum from the National Institute of Golf Course Management. Staff is sharing information on best practices received at this management school with the head golf professional, food and beverage concessionaire and golf course maintenance contractor.

## **10. Pavilion**

In 2006, Bill Graham Presents (BGP) became a division of Live Nation, Inc. (LNI), eliminating its past association with Clear Channel Entertainment. On April 11, 2006, the City Council approved an amendment to the Pavilion Management Agreement that renewed LNI's operation for two more years following expiration of the first term on December 31, 2006. The amendment also revised the financial terms of the Management Agreement by reducing LNI's obligation to cover 100% of the Pavilion's Annual Debt Service payment. These changes occurred in response to LNI's initial proposal submitted in September 2006 to exercise the first extension term. Following the disappointing 2004 season that resulted in a \$979,000 loss and the continued volatility of the live entertainment industry for the near future, LNI originally proposed to guarantee only \$1 million of the Pavilion's approximate \$1,750,000 annual debt service on bonds that funded expansion of the facility. In November 2005, the City Council approved an agreement with Tonic Entertainment that assisted staff in negotiating significantly better terms. This strategy worked as LNI provided a new offer in March 2006 to guarantee payment of \$1,400,000 of the annual debt and proposed modification of the first extension term from five years to two years. The Council approved the amendment based on the \$400,000 increase for the guarantee on the bond payment, and LNI's continued commitment to provide community events at the Pavilion.

Under the amended agreement, the City General Fund Ten-Year Plan includes approximately \$375,000 in FY 2008-09. The strategy to offset this estimated cost is by utilizing reallocated funds available through one-time adjustments. Beginning in FY 2009-10, the Ten-Year Plan assumes a continued annual obligation of approximately, \$375,000. This estimate assumes that the financial outlook for the entertainment industry does not improve over recent results. The impact and duration of the Pavilion annual debt service obligation further constrains the City's ability to expand other programs and services in order to maintain the operation of an existing City facility.

The implementation of the two year agreement for the renewal supported LNI's commitment to increase the minimum annual payment to \$1,400,000. However, the shorter term will require the City to be prepared for a challenging negotiation with LNI for extending the term of the agreement when it expires on December 31, 2008 or soliciting new proposals should negotiations fail. In order to facilitate this process, the City Council approved a second agreement with Tonic Entertainment on January 9, 2007. This agreement engages Tonic to support the City's negotiation with LNI prior to the end of the current renewal term, provide detailed review of the Pavilion operation in 2008, and act as the City's representative in the entertainment industry. Staff believes the most critical task that Tonic will perform as part of this engagement is a report that analyzes the condition of the national and regional entertainment industry and provides advice regarding the future use of the Pavilion and other community entertainment assets. Understanding the national and regional entertainment market will enable the City Council and staff to develop a realistic view of the Pavilion's future chances for economic and artistic success as a performing arts facility. Given this realistic view, the City Council and staff will be able to better evaluate all potential options associated with the Pavilion.

## **11. Redevelopment Agency**

In FY 2008-09, the Concord Redevelopment Agency (Agency) budget reflects the Agency's continued efforts to address adverse conditions in the project area due to the slumping economy while continuing its emphasis on downtown revitalization, economic development, and affordable housing.

In FY 2008-09, the Agency will continue to focus on a combination of long-range planning, infrastructure investment, and project development. The Agency will update its Strategic Plan to review strategic redevelopment opportunities in the project area and will participate in an update of the City of Concord's Zoning Ordinance and General Plan Housing Element. In the downtown, the Agency will continue work on redevelopment projects that expand residential, employment, retail, and dining opportunities in the City Center and will invest in capital improvements to update streetscape, lighting, and undergrounding. The Agency will continue to develop an Urban Design Plan and Design Guidelines for Monument Boulevard and provide matching funding for pedestrian and streetscape improvements. The Agency will continue to be actively involved in reuse planning for the Concord Naval Weapons Station and investigate adopting a new Redevelopment Area in the Naval Weapons Station. It will also continue funding Economic Development programs that enhance business performance in Concord,

develop new jobs, expand business operations, and build important relationships with the local business community.

The FY 2008-09 budget includes allocations to the following key projects to fulfill its objectives.

- \$100,000 for strategic plan update.
- \$600,000 for downtown streetscape and lighting.
- \$200,000 for design and construction of an entryway and wayfinder program.
- \$3 million for Strategic Plan implementation.
- \$750,000 for Naval Weapons Station planning.
- \$75,000 for zoning ordinance update.

A number of these projects are multi-year in nature and receive funding in future years of the Ten-Year Plan (Attachment 14).

The Economic Development and Housing Divisions have been combined into a new Economic Development and Housing Division under one Division Manager. This change incorporates the City Council approval for outsourcing of the City's Affordable Single Family and Mobile Home Housing Rehabilitation Loan and Grant Programs to Contra Costa County. Additionally, the Housing Program's Multifamily Property Maintenance Monitoring Program is now under the Neighborhood Preservation Code Enforcement Program. As a result of the above reorganization, the Housing program will be staffed by three positions, which is a reduction of four positions. This staffing reduction is in addition to the ten positions listed in the attrition plan. By having one manager overseeing both Redevelopment and Housing programs, additional efficiencies will be achieved on a project-by-project basis.

The Agency's FY 2008-09 Ten-Year Plan begins with a fund balance of \$23.7 million. The Agency's fund balance increased by \$17.3 million due to the sale of its Home Depot Ground Lease in April 2007. The fund balance increase essentially capitalized the Agency income stream from the Home Depot ground rent. The fund balance will be used to compensate for the loss of the ground lease funding source. Gross tax increment is projected to be \$15.9 million. Deducting pass-through payments, tax increment rebates, and the low and moderate income housing transfer, net tax increment is projected to be \$11.6 million. The Agency's funding for low and moderate income housing equals 20 percent of gross tax increment, or \$3.1 million. Other sources of revenue include interest, ground lease payments, loan repayments, and rents. Accounting for all sources, there is \$12.7 million in revenue available for operations, debt service and capital projects.

The Agency's major expenses are operating costs including contingency of \$3.8 million, debt service of \$7.9 million and \$6.0 million in capital projects and other financing. The Agency's operating budget primarily consists of salaries, consultant and contract services, fixed charges, and support for City provided administrative & general services.

The Agency's Ten-Year Plan is balanced. On an ongoing basis, Agency revenues exceed operating costs. Agency reserves are reduced by capital improvement allocations that vary on an annual basis. In FY 2008-09 total uses of funds exceed sources of funds by \$5.0 million, reducing the fund balance at the end of the year to \$18.7 million.

## **12. Concord Community Reuse Plan**

As FY 2008-09 gets underway, the Local Reuse Authority's (LRA) significant work of moving towards a preferred alternative plan for the civilian reuse of the closed Concord Naval Weapons Station (CNWS) will continue. Last October the Community Advisory Committee (CAC) recommended seven alternative concepts to the Concord City Council, acting as the LRA.

The City Council voted to send the seven proposed alternative concepts for the reuse plan forward for inclusion in a programmatic Environmental Impact Report (EIR). The draft EIR was published in April 2008 and a preferred alternative reuse plan is expected to be recommended to the LRA in January 2009. A final EIR will be prepared in the first quarter of 2009 based on the preferred alternative. The LRA will also prepare and submit to HUD a Homeless Accommodation Plan in conjunction with the reuse plan in January 2009.

Funding for this significant effort is addressed in the proposed budget as a project continued from FY2007-08 (Project No. 2011) in the Capital Improvement Program. Eventual civilian uses on the property would be served through City operating departments as is done with the rest of the City. One of the adopted guiding principles of the Concord Community Reuse Project (CCRP) is that the civilian use of the former military property will sustain itself financially with the cost to provide City and other public services in the newly developed area being paid for by the revenue the area generates.

The ongoing project continues to provide for the Reuse Project Office focused on preparing the Reuse Plan and supporting the project through to conveyance of the property for civilian uses. The major reuse planning and environmental work will be performed under consulting contracts. The costs of the project office and planning work are anticipated to be reimbursed primarily by the Department of Defense Office of Economic Adjustment (OEA), through grants it provides. Redevelopment Agency funds are allocated to the project as supplemental funding for the required OEA match, and for environmental work not funded by OEA. Coordinating and supporting work performed by existing employees in other departments is being coded and tracked to this project. Staff will seek reimbursement of any City expenditures advanced for this effort which are not covered in grant funding in future agreements related to the disposition and/or development of the property.

With uses not yet specified or timelines not yet definitive for the beginning of civilian reuse, the costs of future service delivery to this new area are not estimated or included in the proposed operating costs of the City's FY 2008-09 through FY 2017-18 Ten-Year Financial Plan. Study and preparation of eventual service plans and identification of new funding sources for City and other public services to be delivered to the area will be a product of the Reuse Plan.

**F. Reserve Funds**

To sustain City functions and to enable effective decision making in the face of significant and unanticipated negative fiscal challenges, the City formally established by policy the following four reserve funds in 2003, which are maintained according to the Council's Budget and Fiscal Policy:

- Benefits Reserve – Funds are set aside to support unplanned costs and obligations of existing employment benefits. The balance as of July 1, 2008, is estimated at \$854,000.
- Economic Contingency Reserve – Funds are set aside to supplement General Fund revenues in the event of a severe economic downturn that depletes or significantly reduces estimated operating revenues. The balance as of July 1, 2008, is estimated at \$11.5 million. The Ten-Year Plan assumes that this reserve will provide the funds necessary to balance the budget during from FY 2008-09 - FY 2010-11. Over this time period \$2.8 million will be transferred to the General Fund to support operations. Beginning in FY 2011-12 the General Fund will begin restoring the borrowed funds and contribute additional funds to return reserve balances to the level required by the Council's Budget and Fiscal policy. \$6.2 million will set aside in this reserve over the seven years beginning FY 2011-12.
- Unforecasted Reserve – Funds are set aside to provide or continue services if external funding sources, such as the State, Federal, or grant opportunities, do not materialize or are lost to offset future unfunded mandates. The balance as of July 1, 2008, is estimated at \$2.9 million.
- Capital/Maintenance Reserve – Funds are set aside for facility failures or unexpected, unplanned major capital and maintenance projects. The balance as of July 1, 2008, is estimated at \$2.6 million

Full funding is achieved when the reserve funds in aggregate comprise 20% of the General Fund operating budget. As the General Fund will need reserves to balance the budget for three years beginning in FY 2008-09 the reserve ratio will drop to approximately 18%. It is anticipated that the General Fund can return the borrowed reserve funds beginning in FY 2011-12 and return the reserves to the required 20% level by FY 2013-14.

**G. Budget and Fiscal Policies**

In 1998, the City Council originally adopted Policy and Procedure No. 129, "Budget and Fiscal Policies." This policy (Attachment No. 4) formally stated the objectives of the City Council in its budgetary and financial management of the City. It is a powerful document which is the keystone in guiding the budget decisions necessary to maintain the long-term stability of the City of Concord. The policy includes the following components:

- 10-Year Financial Planning – With the adoption each year of a balanced budget and 10-Year forward looking Financial Plan, the City Council acknowledges the need to look beyond the short-term effect of a decision to ensure that the result is beneficial to the City in the long term.
- Performance-Based Budgeting (PBB) – Performance-Based Budgeting measures the results of the work done by City staff to make sure that it is not only efficient, cost effective and adequately funded, but that the results are tangible, necessary and support the Mission, Vision, and Values of the organization.
- Capital Improvement Program (CIP) – The CIP provides that all projects undergo the same financial scrutiny that the 10-Year Financial Plans provide to the operations of the City. The goal is to ensure that all costs are taken into account and that resources are used in the most effective manner possible. The CIP integrates with the 10-Year Plans both in terms of project funding and in terms of recognizing the long-term operational and maintenance costs and effects.
- Internal Service Funds – In order to ensure that the services provided by the City to support City functions are properly and timely funded, the City Council has committed to including these costs in all aspects of operations in the 10-year Financial Plans.
- Enterprise Funds – 10-Year and 20-Year Financial Plans are developed for Enterprise Funds to ensure that all costs are accounted for and included in rates, that long-term projects are planned and that service is provided to the public without disruption or significant variances in fees.
- Investment Policies/Financial Practices – The City manages its financial investments in a prudent manner, in accordance with its annually updated Investment Policy, ensuring that the funds remain safe, sufficiently liquid to meet the City’s cash flow needs and with a maximum yield available within these stated parameters. In addition, the City maintains a strong accounting and financial management system in which the internal controls provide assurance that the annual audit will not be compromised.
- Review and Adopt a Performance Based Budget – The City Council will follow a public process to approve in a formal manner the budget and 10-Year Financial Plan on an annual basis.
- Reserve Funds – The City Council has formally adopted a policy in which both a 10% operating contingency and a 20% reserve of General Fund expenditures are in place throughout the 10-Year Financial Plan. The Reserves are further described above in Section F.

With the adoption of the FY 2008-09 Annual Budget and 10-Year Financial Plan, the City Council will be asked to reaffirm these concepts and policies to ensure the City’s continued financial health, especially in light of the current economic condition of the country.

Given the condition of the national, state and regional economies, the Budget and 10-Year Financial Plan presented for FY 2008-09 requires the use of funds from the Economic Contingency Reserve Fund for three years. In FY 2009-10 the overall reserve balance is projected to dip below the 20% target to approximately 18%. Given the cyclic nature of the economy, though, the budget and 10-Year Financial Plan anticipates that the 20% goal will be

re-achieved in FY 2013-14. The Reserves and the Reserve Policy were developed precisely because these economic conditions occur periodically. Because of the Reserves, the City can weather the situation without severely impacting the services provided to the citizens of Concord. We will continue to be vigilant in protecting the resources of the City to ensure long-term fiscal health. Our customers deserve no less.

### **Conclusion**

The Budget Team of Finance Director Peggy Lefebvre, Budget Officer Ron Buck, Interim Assistant City Manager Kay Winer deserve recognition for the many hours we've sat in review with individual departments, as well as the professional skill the Budget Team has demonstrated and the contributions they have made in preparation of this budget. The City is fortunate to have such a dedicated team, and I heartily express my appreciation for their work and expertise. The proposed General Fund FY 2008-09 Budget and Ten-Year Plan are balanced, and that is an excellent achievement given our ever more constrained resources. It is an achievement few cities and other governmental agencies can claim.

When the City Council made the decision to establish and fund the reserves, it provided the resources necessary to maintain financial stability during periods of economic instability. The reserves provide the time necessary to calmly react to what at the moment appears to be an untenable financial situation. Our long-range financial planning is an invaluable tool as we conduct the ongoing assessments of our operation and the soundness of the future of all our funding sources in our efforts to sustain quality service delivery. We have been able to maintain services while decreasing the number of employees per 1,000 residents 16%, from 4.5 in FY 1994-95 to 3.8 in FY 2008-09. Unlike many agencies, the City Council has already made progress in funding our OPEB obligation, because we saw it coming in the Ten-Year Financial Plan. The long-range financial plan for Diablo Creek Golf Course laid out the need for changes in operation. There are other areas of the City's operation that may need to change just as significantly. I very much appreciate that the City Council, faced with these difficult decisions, has placed the long-term financial health of the City ahead of shorter-term considerations, and recognized the broader improvement to be gained for the community.

City employees through their commitment to the City's Mission Vision and Values recognize and participate in an organization where innovation is part of doing business. Reassessment and innovation must continue to be focused on providing quality services through our adopted system of Community Oriented Government. Those principles recognize all City services as essential to the quality of life in Concord. We've continued to grow the workforce smaller along with a budget that is thinner. We are at the point where further reductions in staff providing services to a growing and changing community cannot be accomplished without affecting service levels. We need to be even more creative and willing to change our ways of doing business in order to meet this challenge, so that we can continue to enhance the quality of life for our residents.

**“Our mission is to join with our community to make Concord  
a city of the highest quality. We do this by providing  
responsive, cost effective, and innovative  
local government services.”**

  
Edward R. James  
Interim City Manager

Attachments:

- No. 1 - Proposed Attrition Plan
- No. 2 - Proposed General Fund 10-Year Financial Plan and Reserves
- No. 3 - Management Performance Policy
- No. 4 - Budget and Fiscal Policies
- No. 5 - Other Post Employment Benefits (OPEB) - Twenty-five Year Projection
- No. 6 - Street Maintenance Program
- No. 7 - Storm Water Fund - Ten Year Projection (with and without Proposed Fee Increase in FY 2012-13)
- No. 8 - Downtown Landscape Maintenance District - Ten Year Projection
- No. 9 - Pine Hollow Landscape Maintenance District - Ten Year Projection
- No. 10 - Landscape Maintenance District No.3 - Ten Year Projection
- No. 11 - Street Lighting Maintenance District - Ten Year Projection
- No. 12 - Sewer Enterprise – Twenty Year Projection
- No. 13 - Golf Course – Ten Year Projection
- No. 14 - Redevelopment Agency- Ten Year Projection

**City of Concord  
Attrition Plan  
Proposed Position Reductions - City Wide - Budget Years 2009 - 2018**

Department	FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		FY 2014		Total	
	Count	Dollars	Count	Dollars	Count	Dollars	Count	Dollars	Count	Dollars	Count	Dollars	Count	Dollars
City Management														
Director of City Mgmt.	1	245,882 (1)											1	\$ 245,882
City Attorney														
Human Resources														
Management Position	1	195,613 (2)											1	\$ 195,613
Information Technology														
Finance														
Community & Recreation Services														
Public Works														
Pump Station Oper.			1	103,290									1	\$ 103,290
Building, Engineering & Neighborhood Services														
Const. Inspector	1	113,644 (5)			1	124,791							2	\$ 238,435
Building Inspector			1	127,353									1	\$ 127,353
Building Inspector							1	137,048					1	\$ 137,048
Admin. Clerk III	0.5	42,125 (4)											0.5	\$ 42,125
Planning & Economic Development														
Admin. Clerk III	0.5	42,125 (4)											0.5	\$ 42,125
Assistant Planner	1	139,032 (3)											1	\$ 139,032
Police Services														
Admin. Clerk II	1	75,536 (2)											1	\$ 75,536
<b>Total</b>	<b>6</b>	<b>\$ 853,957</b>	<b>2</b>	<b>\$ 230,643</b>	<b>1</b>	<b>\$ 124,791</b>	<b>1</b>	<b>\$ 137,048</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>10</b>	<b>\$ 1,346,439</b>

- (1) Assumes overfill for 33% of fiscal year.
- (2) Assumes overfill for 0% of fiscal year.
- (3) Assumes overfill for 100% of fiscal year.
- (4) A clerical position will be shared by Building, Engineering & Neighborhood Services and Planning & Economic Development. Assumes overfill 50% of fiscal year.
- (5) Assumes overfill for 50% of fiscal year.

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ATTACHMENT NO. 1

**City of Concord  
General Fund  
Ten Year Projection  
For the Year Ending June 30, 2009**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Fund Balance 7/01	\$ 7,794,346	\$ 7,479,953	\$ 7,600,117	\$ 7,939,756	\$ 8,661,804	\$ 9,014,440	\$ 9,246,947	\$ 9,650,784	\$ 10,014,382	\$ 10,358,719
Add:										
Revenues	\$ 78,537,776	\$ 81,268,234	\$ 85,506,667	\$ 88,785,907	\$ 92,186,076	\$ 95,509,772	\$ 98,812,399	\$ 102,743,368	\$ 106,551,887	\$ 110,534,552
Less:										
Operating Expenditures	\$ 79,208,916	\$ 80,804,678	\$ 84,155,418	\$ 86,435,221	\$ 89,914,478	\$ 92,380,149	\$ 96,587,819	\$ 100,375,636	\$ 103,892,273	\$ 108,071,595
Revenue Over(Under)										
Expenditures	\$ (671,140)	\$ 463,556	\$ 1,351,249	\$ 2,350,686	\$ 2,271,598	\$ 3,129,623	\$ 2,224,580	\$ 2,367,732	\$ 2,659,614	\$ 2,462,957
Contingency Reserve	\$ 7,479,953	\$ 7,600,117	\$ 7,939,756	\$ 8,161,804	\$ 8,514,440	\$ 8,746,947	\$ 9,150,784	\$ 9,514,382	\$ 9,858,719	\$ 10,255,052
Less:										
Capital Improvement Projects (CIP)	\$ 1,467,509	\$ 1,221,773	\$ 1,122,408	\$ 1,139,702	\$ 1,162,287	\$ 1,189,359	\$ 1,210,525	\$ 1,235,395	\$ 1,258,371	\$ 1,284,217
Other Financing Sources:										
Intra-fund Transfers In	\$ 1,824,256	\$ 878,381	\$ 110,798	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intra-fund Transfers Out	-	-	-	488,936	756,675	1,707,757	610,218	768,739	1,056,906	782,407
Total Intra-fund Transfers	\$ 1,824,256	\$ 878,381	\$ 110,798	\$ (488,936)	\$ (756,675)	\$ (1,707,757)	\$ (610,218)	\$ (768,739)	\$ (1,056,906)	\$ (782,407)
Fund Balance Net of Contingency Reserve & Intra-fund Transfers	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000

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**City of Concord  
General Fund Reserve Funds  
Ten Year Projection  
For the Year Ending June 30, 2009**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
<b><u>Benefits Reserve</u></b>										
Fund Balance 7/01	\$ 854,583	\$ 888,766	\$ 933,205	\$ 979,865	\$ 1,028,858	\$ 1,080,301	\$ 1,134,316	\$ 1,191,032	\$ 1,250,583	\$ 1,313,113
Interest Earnings	\$ 34,183	\$ 44,438	\$ 46,660	\$ 48,993	\$ 51,443	\$ 54,015	\$ 56,716	\$ 59,552	\$ 62,529	\$ 65,656
Fund Transfers										
Inter-Fund Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Intra-Fund Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance 6/30	<u>\$ 888,766</u>	<u>\$ 933,205</u>	<u>\$ 979,865</u>	<u>\$ 1,028,858</u>	<u>\$ 1,080,301</u>	<u>\$ 1,134,316</u>	<u>\$ 1,191,032</u>	<u>\$ 1,250,583</u>	<u>\$ 1,313,113</u>	<u>\$ 1,378,768</u>

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	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
<b><u>Economic Contingency</u></b>										
Fund Balance 7/01	\$ 11,512,802	\$ 9,688,546	\$ 8,810,165	\$ 8,699,367	\$ 9,188,303	\$ 9,944,978	\$ 11,652,735	\$ 12,262,953	\$ 13,031,692	\$ 14,088,598
Interest Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intra-Fund Transfers										
Transfers In	\$ -	\$ -	\$ -	\$ 488,936	\$ 756,675	\$ 1,707,757	\$ 610,218	\$ 768,739	\$ 1,056,906	\$ 782,407
Transfers Out	1,824,256	878,381	110,798	-	-	-	-	-	-	-
Total Intra-Fund Transfers	<u>\$ (1,824,256)</u>	<u>\$ (878,381)</u>	<u>\$ (110,798)</u>	<u>\$ 488,936</u>	<u>\$ 756,675</u>	<u>\$ 1,707,757</u>	<u>\$ 610,218</u>	<u>\$ 768,739</u>	<u>\$ 1,056,906</u>	<u>\$ 782,407</u>
Fund Balance 6/30	<u>\$ 9,688,546</u>	<u>\$ 8,810,165</u>	<u>\$ 8,699,367</u>	<u>\$ 9,188,303</u>	<u>\$ 9,944,978</u>	<u>\$ 11,652,735</u>	<u>\$ 12,262,953</u>	<u>\$ 13,031,692</u>	<u>\$ 14,088,598</u>	<u>\$ 14,871,005</u>

**City of Concord  
General Fund Reserve Funds  
Ten Year Projection  
For the Year Ending June 30, 2009**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
<b><u>Unforcasted Reserve</u></b>										
Fund Balance 7/01	\$ 2,901,043	\$ 2,901,043	\$ 2,901,043	\$ 2,901,043	\$ 2,901,043	\$ 2,901,043	\$ 2,901,043	\$ 2,901,043	\$ 2,901,043	\$ 2,901,043
Interest Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intra-Fund Transfers										
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Intra-Fund Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance 6/30	\$ 2,901,043	\$ 2,901,043	\$ 2,901,043	\$ 2,901,043	\$ 2,901,043	\$ 2,901,043	\$ 2,901,043	\$ 2,901,043	\$ 2,901,043	\$ 2,901,043

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	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
<b><u>Maintenance &amp; Capital</u></b>										
Fund Balance 7/01	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000
Interest Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intra-Fund Transfers										
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Intra-Fund Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance 6/30	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000



## CITY OF CONCORD

Number:	163
Authority:	Council
Effective:	Motion
Revised:	10-24-00
Reviewed:	
Initiating Dept.:	2004 CM

## MANAGEMENT PERFORMANCE POLICY

### 1. PURPOSE

To guide City decisions toward developing sustainable program improvements and to ensure that basic City services are delivered in an effective and efficient manner.

### 2. POLICIES

The City has developed a set of core operating concepts toward which it will manage its various programs in delivering services to the community. These various concepts are outlined in the *Guide to Management Achieving Performance (MAP)* and include:

- 2.1 Maintenance of our Mission, Vision and Values statement (Section 3, Chapter 1)
- 2.2 Tracking progress toward meeting the adopted Corporate Goals (Section 3, Chapter 2)
- 2.3 Adherence to the General Plan and its provisions (Section 3, Chapter 3)
- 2.4 Commitment to Long-Range Strategic Planning (Section 3, Chapter 6)
- 2.5 Adherence to previously adopted Budget and Fiscal Policies, including 10-Year Financial Planning and Performance Based Budgeting (Section 3, Chapter 7)
- 2.6 Maintenance of a Performance Management Process for management personnel that links performance to compensation (Section 3, Chapter 5a)
- 2.7 Continuation of an organizational training program available to all employees that directly supports the Mission, Vision and Values established by the organization (Section 3, Chapter 5b)
- 2.8 Commitment to the development of a Community Oriented Government by managing programs according to all of these principles (Section 3, Chapter 5c)



## CITY OF CONCORD

Number:	129
Authority:	Council
Effective:	Motion
Revised:	6/23/98
Reviewed:	6/27/06
Initiating Dept.:	2006 CM

## BUDGET AND FISCAL POLICIES

### 1. PURPOSE

To guide City budget decisions toward maintaining long-term financial stability, to ensure that basic City services are delivered, and to protect past and future investments in the City's infrastructure and facilities.

### 2. ADOPTION AND REVIEW

A set of policies were originally adopted in 1995 with the initiation of long-term financial planning for the City. The policies set a course to achieve financial stability. With implementation of the original policies, financial stability for the City has been attained and this document revised to establish a more comprehensive approach to budget and fiscal policies to ensure that the City maintains its financial stability long into the future. Each year at the time the City budget is considered, the City Council shall review the Budget and Fiscal Policies and conduct a review of the proposed budget for consistency with these Budget and Fiscal Policies.

### 3. POLICIES

#### 3.1 10-Year Financial Planning

- 3.11 City Manager will present a budget (Capital and Operating) that is balanced over the 10-year planning period for all funds.
- 3.12 Utilize the 10-Year Plan as the basis for making long-range financial planning decisions.
- 3.13 Maintain contingency reserves equal to 10% of designated operating expenses for the General Fund and the Enterprise funds.
- 3.14 Maintain a capital and operational fund to address unforecasted needs.
- 3.15 Develop and maintain a revenue monitoring and forecasting system to assist in trend analysis and revenue forecasting for the 10-year planning period.
- 3.16 Document all assumptions for revenue and expenditure forecasts each year.
- 3.17 Establish a financial plan for the Redevelopment Agency that ensures a positive cash balance at the end of the life of the Agency.
- 3.18 Seek reimbursement for State and Federal mandated programs and projects.
- 3.19 Conduct periodic audits for sales tax (point-of-sale), franchises and concessions, and transient occupancy tax (TOT).
- 3.110 Carefully review and discourage grants that may expand or add services without a reliable replacement revenue after the grant period ends.

- 3.111 Maintain an aggressive collection system for all accounts receivable.
- 3.112 Be alert to potential development of new revenue sources.
- 3.2 Performance-Based Budgeting (PBB)
  - 3.21 Establish the PBB as the City Council's service delivery policy document.
  - 3.22 Establish a PBB that measures service levels, efficiency and effectiveness.
  - 3.23 Follow the principles of outcome management in utilizing the PBB.
  - 3.24 Ensure all costs (direct and indirect) are charged against each program budget.
  - 3.25 Measure work efficiency and effectiveness to ensure an optimal allocation of human and fiscal resources to budget approved services and programs.
  - 3.26 Ensure all operating programs have measurable performance objectives which identify the service and level of service, and the resources required to accomplish the objectives.
  - 3.27 Complete year-end reports and audits to measure the work accomplished against what was planned at the beginning of the fiscal year and evaluate future service levels.
- 3.3 Capital Improvement Program (CIP)
  - 3.31 Develop a 10-year plan for CIP.
  - 3.32 Seek grants for needed capital projects which can offset use of other City funds, which can then be utilized for other needed projects.
  - 3.33 Maintain capital improvements to the level required to adequately protect the City's capital investment and to minimize future maintenance and replacement costs.
  - 3.34 Include resources required to maintain and operate new capital improvements commencing the year the project is completed and continuing through the balance of the 10-Year Plan.
  - 3.35 Ensure capital budgets contain all costs to complete the project (design, right-of-way, construction, inspection, contract management, contingency).
  - 3.36 Ensure all proposed projects in the 10-Year Plan have a viable source of funding for both construction and maintenance.
  - 3.37 Fund projects proposed for Enterprise programs by revenues derived from user fees.
  - 3.37 Encourage pay-as-you-go financing of capital improvements where feasible.
- 3.4 Internal Service Funds
  - 3.41 Maintain Internal Service Funds for Workers' Compensation, Risk Management, Storm Water, Fleet Maintenance and Replacement, Technology Maintenance and Replacement (including all computer/software and communications equipment), Building Maintenance and Replacement, and Miscellaneous/Office Equipment Maintenance and Replacement.
  - 3.42 Maintain a 10-year financial plan for all Internal Service Funds.
  - 3.43 Include cost of operation, maintenance and replacement in the 10-year financial plans.

- 3.44 All costs (operation, maintenance and replacement) associated with each Internal Service Fund will be charged to the appropriate user department.
- 3.45 Maintain equipment and facilities to the level required to adequately protect the City's investment and to minimize future maintenance and replacement costs.
- 3.5 Enterprise Funds
  - 3.51 Maintain a 10-year financial plan for all Enterprise Funds.
  - 3.52 All costs associated with providing administrative support (finance, personnel, legal, etc.) shall be charged to the appropriate Enterprise Fund.
  - 3.53 Periodically review market driven enterprise operations for partnerships, sponsorships and other mutually beneficial business development opportunities.
  - 3.54 The cost of each enterprise shall be completely offset by user charges and fees derived from the enterprise activity. Costs shall include operating, maintenance, capital, debt service, contingency and administrative costs.
  - 3.55 Periodically review and adjust user fees in order to avoid large one-time fee increases. For Golf the review should include the market established for similar services.
  - 3.56 Periodically review concession agreements, lease agreements and all other revenue generating agreements in order to determine if the City is receiving a return that reflects the market for similar agreements.
- 3.6 Investment Policies/Financial Practices
  - 3.61 Maintain an Investment Policy consistent with established regulations and guidelines. Said policy is to be reviewed each year by the City Council.
  - 3.62 The Investment Policy shall address safety, liquidity and yield.
  - 3.63 Limit use of debt to minimize future commitment of the fiscal resources of the City and its taxpayers.
  - 3.64 Debt payment should not exceed the anticipated useful life of an improvement, and in no case should it exceed 30 years.
  - 3.65 Maintain accounting systems and financial management practices in accordance with generally accepted accounting principles, so as to result in an unqualified opinion from the City's independent auditor.
- 3.7 Review and Adopt a Performance Based Budget
  - 3.71 The budget will be adopted as shown in the operating and Performance Based Budget document annually.
  - 3.72 Full review of revenue assumptions and preparation of the Capital Improvement Program and Ten-Year Plans on all funds will be done annually.
  - 3.73 The City Council will hold public hearings and formally approve a budget for the City annually.

## 3.8 Reserve Funds

- 3.81 An aggregate reserve, in addition to the 10% operating contingency, will be established and maintained at a level not less than equal to 20% of the General Fund total operating budget. The reserve shall be determined to be fully funded when 20% of the General Fund operating budget can be maintained as the reserve projected balance at the end of each fiscal year and funded within the approved General Fund Ten-Year Plan.
- 3.82 Reserve funds will have four subaccounts: the Economic Contingency Reserve, the Unforecasted Reserve, the Capital/Maintenance Reserve, and the Benefits Reserve.
- 3.83 Reserve funds will be built and replenished as necessary to maintain full funding of the minimum reserve through regular annual contributions at least equal to 4% of the General Fund operating budget. The City Council will annually review and approve the distribution of reserve contributions among the four subaccounts as part of the budget process.
- 3.84 The City Council may act to override the individual purposes of some or all of the four subaccount reserves in the face of a major economic crisis of calamitous dimensions and draw on reserves to maintain the City's fiscal stability. In such a case the Council will take formal action determining that multiple adverse factors exist that warrant this exceptional use of one or more of the subaccount reserve funds.
- 3.85 The Economic Contingency Reserve is to be made available by Council appropriation to meet unanticipated needs caused by State or Federal redirection of City resources, general economic downturns, or reductions in operating revenues.
- 3.86 The Unforecasted Reserve is to be made available by Council appropriation to continue services if State, Federal or other grant funding sources are lost, and to offset the costs of unanticipated, unfunded governmental mandates.
- 3.87 The Capital/Maintenance Reserve is to be made available by Council appropriation to meet unanticipated, unscheduled and or unprogrammed capital and maintenance needs of City infrastructure and facilities. This reserve is intended to be used for major capital repair where facility failure, unexpected hazards, or destruction of City property has occurred and where repair or replacement is not planned within the established capital, operations or internal replacement funds. The threshold for work meeting this intent will be the same dollar amount as the threshold set for inclusion of projects in the City Capital Improvement Program.
- In exceptional circumstances and where adequate funding sources are not available, the City Council may consider appropriation of Capital/Maintenance Reserve funds for a new capital improvement. When making such an appropriation, the City Council will first determine that the maintenance and operating costs of the new project can be fully supported in the Ten-Year Plan in accordance with Policy 3.33.
- 3.88 The Benefits Reserve Fund is available to support unplanned costs and obligations of existing employment benefits. The Benefits Reserve is not intended for use to enhance benefits negotiated through the collective bargaining process that require City Council approval.

**City of Concord**  
**Post Retirement Healthcare (OPEB) Obligation**  
**Twenty Five Year Projection (7.75% Discount Rate/25 Year Amortization)**  
**For the Year Ending June 30, 2009**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Fund Balance 7/01	\$ 18,178,298	\$ 18,576,508	\$ 18,710,993	\$ 19,493,061	\$ 20,337,075	\$ 21,214,524	\$ 22,173,832	\$ 23,219,090	\$ 24,295,174	\$ 25,395,866
Add Revenues:										
Interest	\$ 1,371,118	\$ 1,390,990	\$ 1,425,181	\$ 1,485,841	\$ 1,550,060	\$ 1,618,579	\$ 1,693,358	\$ 1,772,494	\$ 1,853,697	\$ 1,947,275
Service Fees	1,576,005	1,646,926	2,598,767	2,973,653	3,368,692	3,784,757	4,222,755	4,683,625	5,168,348	5,677,939
Total Revenue	\$ 2,947,123	\$ 3,037,916	\$ 4,023,948	\$ 4,459,494	\$ 4,918,752	\$ 5,403,336	\$ 5,916,113	\$ 6,456,119	\$ 7,022,045	\$ 7,625,214
Less Appropriations:										
Benefit Payments	\$ 2,538,000	\$ 2,891,000	\$ 3,228,000	\$ 3,600,000	\$ 4,024,000	\$ 4,425,000	\$ 4,850,000	\$ 5,357,000	\$ 5,896,000	\$ 6,190,800
Administrative Costs	10,913	12,431	13,880	15,480	17,303	19,028	20,855	23,035	25,353	26,620
Total Appropriations	\$ 2,548,913	\$ 2,903,431	\$ 3,241,880	\$ 3,615,480	\$ 4,041,303	\$ 4,444,028	\$ 4,870,855	\$ 5,380,035	\$ 5,921,353	\$ 6,217,420
Revenue Over (Under) Appropriations	\$ 398,210	\$ 134,485	\$ 782,068	\$ 844,014	\$ 877,449	\$ 959,308	\$ 1,045,258	\$ 1,076,084	\$ 1,100,692	\$ 1,407,794
Net OPEB Obligation	\$ 7,601,022	\$ 11,338,899	\$ 15,038,077	\$ 18,573,071	\$ 21,898,115	\$ 25,042,629	\$ 27,989,229	\$ 30,662,726	\$ 33,038,138	\$ 35,366,892
Other Funding Sources										
General Fund Transfer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance Adjusted for Net OPEB Obligation	\$ 10,975,486	\$ 7,372,094	\$ 4,454,984	\$ 1,764,004	\$ (683,591)	\$ (2,868,797)	\$ (4,770,139)	\$ (6,367,552)	\$ (7,642,272)	\$ (8,563,232)

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**City of Concord**  
**Post Retirement Healthcare (OPEB) Obligation**  
**Twenty Five Year Projection (7.75% Discount Rate/25 Year Amortization)**  
**For the Year Ending June 30, 2009**

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
Fund Balance 7/01	\$ 26,803,660	\$ 28,585,237	\$ 30,787,328	\$ 33,461,130	\$ 36,662,687	\$ 40,459,831	\$ 44,920,532	\$ 48,652,739	\$ 50,908,154	\$ 53,125,993
Add Revenues:										
Interest	\$ 2,066,252	\$ 2,214,861	\$ 2,396,754	\$ 2,615,931	\$ 2,877,013	\$ 3,185,068	\$ 3,490,700	\$ 3,714,065	\$ 3,880,937	\$ 4,044,761
Service Fees	6,243,616	6,841,936	7,474,489	8,142,939	8,855,310	9,607,571	8,990,042	7,727,312	7,982,162	8,256,454
Total Revenue	\$ 8,309,868	\$ 9,056,797	\$ 9,871,243	\$ 10,758,870	\$ 11,732,323	\$ 12,792,639	\$ 12,480,742	\$ 11,441,377	\$ 11,863,099	\$ 12,301,215
Less Appropriations:										
Benefit Payments	\$ 6,500,340	\$ 6,825,357	\$ 7,166,625	\$ 7,524,956	\$ 7,901,204	\$ 8,296,264	\$ 8,711,077	\$ 9,146,631	\$ 9,603,963	\$ 10,084,161
Administrative Costs	27,951	29,349	30,816	32,357	33,975	35,674	37,458	39,331	41,297	43,362
Total Appropriations	\$ 6,528,291	\$ 6,854,706	\$ 7,197,441	\$ 7,557,313	\$ 7,935,179	\$ 8,331,938	\$ 8,748,535	\$ 9,185,962	\$ 9,645,260	\$ 10,127,523
Revenue Over (Under) Appropriations	\$ 1,781,577	\$ 2,202,091	\$ 2,673,802	\$ 3,201,557	\$ 3,797,144	\$ 4,460,701	\$ 3,732,207	\$ 2,255,415	\$ 2,217,839	\$ 2,173,692
Net OPEB Obligation	\$ 37,684,291	\$ 39,985,294	\$ 42,264,451	\$ 44,515,880	\$ 46,733,234	\$ 48,909,678	\$ 51,037,854	\$ 53,109,849	\$ 55,117,164	\$ 57,050,676
Other Funding Sources										
General Fund Transfer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance Adjusted for Net OPEB Obligation	\$ (9,099,054)	\$ (9,197,966)	\$ (8,803,321)	\$ (7,853,193)	\$ (6,273,403)	\$ (3,989,146)	\$ (2,385,115)	\$ (2,201,695)	\$ (1,991,171)	\$ (1,750,991)

XIX

**City of Concord**  
**Post Retirement Healthcare (OPEB) Obligation**  
**Twenty Five Year Projection (7.75% Discount Rate/25 Year Amortization)**  
**For the Year Ending June 30, 2009**

	<u>2028-29</u>	<u>2029-30</u>	<u>2030-31</u>	<u>2031-32</u>	<u>2032-33</u>
Fund Balance 7/01	\$ 55,299,685	\$ 57,422,209	\$ 59,486,071	\$ 61,483,285	\$ 63,405,338
Add Revenues:					
Interest	\$ 4,205,029	\$ 4,361,199	\$ 4,512,696	\$ 4,658,902	\$ 4,799,162
Service Fees	8,551,394	8,868,256	9,208,391	9,573,218	9,964,241
Total Revenue	<u>\$ 12,756,423</u>	<u>\$ 13,229,455</u>	<u>\$ 13,721,087</u>	<u>\$ 14,232,120</u>	<u>\$ 14,763,403</u>
Less Appropriations:					
Benefit Payments	\$ 10,588,369	\$ 11,117,787	\$ 11,673,676	\$ 12,257,360	\$ 12,870,228
Administrative Costs	45,530	47,806	50,197	52,707	55,342
Total Appropriations	<u>\$ 10,633,899</u>	<u>\$ 11,165,593</u>	<u>\$ 11,723,873</u>	<u>\$ 12,310,067</u>	<u>\$ 12,925,570</u>
Revenue Over (Under) Appropriations	\$ 2,122,524	\$ 2,063,862	\$ 1,997,214	\$ 1,922,053	\$ 1,837,833
Net OPEB Obligation	\$ 58,900,599	\$ 60,656,444	\$ 62,306,977	\$ 63,840,173	\$ 65,243,171
Other Funding Sources					
General Fund Transfer	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance Adjusted for Net OPEB Obligation	<u>\$ (1,478,390)</u>	<u>\$ (1,170,373)</u>	<u>\$ (823,692)</u>	<u>\$ (434,835)</u>	<u>\$ -</u>

AIX

**City Of Concord  
Street Maintenance Program  
Ten Year Projection  
For the Year Ending June 30, 2009**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Fund Balance 7/01	\$ 293,486	\$ 293,486	\$ 293,486	\$ 293,486	\$ 293,486	\$ 293,486	\$ 293,486	\$ 293,486	\$ 293,486	\$ 293,486
Revenue	\$ 3,480,876	\$ 3,626,974	\$ 3,706,404	\$ 3,800,031	\$ 3,933,211	\$ 4,047,457	\$ 4,168,406	\$ 4,293,450	\$ 4,415,690	\$ 4,541,634
Less Appropriations:										
Transportation Operating	\$ 29,041	\$ 29,912	\$ 30,810	\$ 31,734	\$ 32,686	\$ 33,667	\$ 34,677	\$ 35,717	\$ 36,790	\$ 37,895
Surface Seal	1,256,474	1,327,876	1,352,360	1,387,452	1,455,947	1,496,078	1,537,279	1,580,348	1,618,452	1,657,888
Match Pave	1,009,745	1,040,478	1,072,506	1,104,508	1,137,688	1,171,799	1,207,124	1,243,519	1,280,988	1,319,618
Drainage Sealing	323,211	335,406	349,749	359,219	369,960	380,733	392,690	405,047	417,689	430,869
Miscellaneous Street Maint.	640,655	661,757	657,132	666,289	677,627	697,500	719,201	741,271	763,885	786,634
Curb, Gutters and Sidewalks	221,750	231,545	243,847	250,829	259,303	267,680	277,435	287,548	297,886	308,730
	<u>\$ 3,480,876</u>	<u>\$ 3,626,974</u>	<u>\$ 3,706,404</u>	<u>\$ 3,800,031</u>	<u>\$ 3,933,211</u>	<u>\$ 4,047,457</u>	<u>\$ 4,168,406</u>	<u>\$ 4,293,450</u>	<u>\$ 4,415,690</u>	<u>\$ 4,541,634</u>
Excess (Deficiency)	-	-	-	-	-	-	-	-	-	-
Contingency	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Fund Balance 6/30	<u>\$ 93,486</u>									

**City of Concord  
Special Revenue Fund  
Storm Water Fund Ten Year Projection  
Includes National Pollutant Discharge Elimination System (NPDES) Requirement & Additional Revenues  
For the Year Ending June 30, 2009**

	Fee Inc \$19									
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Fund Balance - 7/01	\$ 2,134,586	\$ 2,016,756	\$ 1,843,565	\$ 1,586,056	\$ 1,256,347	\$ 1,272,287	\$ 1,291,085	\$ 1,308,411	\$ 1,324,047	\$ 1,338,321
Add Revenues:										
Taxes - Parcel Fees	\$ 1,953,330	\$ 1,955,330	\$ 1,957,330	\$ 1,959,330	\$ 3,038,330	\$ 3,129,480	\$ 3,223,364	\$ 3,320,065	\$ 3,419,667	\$ 3,522,257
Other Revenue	\$ 600,000	\$ 618,000	\$ 636,540	\$ 655,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Money & Property	65,460	79,081	68,124	53,336	61,674	62,521	63,402	64,206	64,936	65,608
Total Revenues	<u>\$ 2,618,790</u>	<u>\$ 2,652,411</u>	<u>\$ 2,661,994</u>	<u>\$ 2,668,302</u>	<u>\$ 3,100,004</u>	<u>\$ 3,192,001</u>	<u>\$ 3,286,766</u>	<u>\$ 3,384,271</u>	<u>\$ 3,484,603</u>	<u>\$ 3,587,865</u>
Less Appropriations:										
Operations	\$ 1,077,536	\$ 1,107,632	\$ 1,133,925	\$ 1,160,520	\$ 1,189,176	\$ 1,220,294	\$ 1,253,333	\$ 1,287,238	\$ 1,321,962	\$ 1,357,751
NPDES Requirement	690,780	711,503	732,848	754,833	777,478	800,802	824,826	849,571	875,058	901,310
Drainage System	477,659	496,652	519,877	534,583	551,780	568,915	588,358	608,485	629,066	650,583
Street Cleaning	490,645	509,815	532,853	548,075	565,630	583,192	602,923	623,341	644,243	664,949
Total Appropriations	<u>\$ 2,736,620</u>	<u>\$ 2,825,602</u>	<u>\$ 2,919,503</u>	<u>\$ 2,998,011</u>	<u>\$ 3,084,064</u>	<u>\$ 3,173,203</u>	<u>\$ 3,269,440</u>	<u>\$ 3,368,635</u>	<u>\$ 3,470,329</u>	<u>\$ 3,574,593</u>
Excess (Deficiency) of Revenue										
Over (Under) Expenditures	\$ (117,830)	\$ (173,191)	\$ (257,509)	\$ (329,709)	\$ 15,940	\$ 18,798	\$ 17,326	\$ 15,636	\$ 14,274	\$ 13,272
Less Reserves of 10 Percent	\$ 273,662	\$ 282,560	\$ 291,950	\$ 299,801	\$ 308,406	\$ 317,320	\$ 326,944	\$ 336,864	\$ 347,033	\$ 357,459
Less Capital Projects:										
Drainage Improvement	-	-	-	-	-	-	-	-	-	-
CCCWP Requirements	-	-	-	-	-	-	-	-	-	-
Total Capital Projects	-	-	-	-	-	-	-	-	-	-
Fund Balance 6/30	<u>\$ 1,743,094</u>	<u>\$ 1,561,005</u>	<u>\$ 1,294,106</u>	<u>\$ 956,546</u>	<u>\$ 963,881</u>	<u>\$ 973,765</u>	<u>\$ 981,467</u>	<u>\$ 987,184</u>	<u>\$ 991,288</u>	<u>\$ 994,134</u>

III X

**City of Concord  
Special Revenue Fund  
Storm Water Fund Ten Year Projection  
Includes National Pollutant Discharge Elimination System (NPDES) Requirement & No Additional Revenue  
For the Year Ending June 30, 2009**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Fund Balance - 7/01	\$ 2,134,586	\$ 1,416,756	\$ 595,565	\$ (360,884)	\$(1,399,565)	\$(2,522,299)	\$(3,732,172)	\$(5,036,282)	\$(6,437,587)	\$(7,938,586)
Add Revenues:										
Taxes - Parcel Fees	\$ 1,953,330	\$ 1,955,330	\$ 1,957,330	\$ 1,959,330	\$ 1,961,330	\$ 1,963,330	\$ 1,965,330	\$ 1,967,330	\$ 1,969,330	\$ 1,971,330
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Money & Property	65,460	49,081	5,724	-	-	-	-	-	-	-
Total Revenues	\$ 2,018,790	\$ 2,004,411	\$ 1,963,054	\$ 1,959,330	\$ 1,961,330	\$ 1,963,330	\$ 1,965,330	\$ 1,967,330	\$ 1,969,330	\$ 1,971,330
Less Appropriations:										
Operations	\$ 1,077,536	\$ 1,107,632	\$ 1,133,925	\$ 1,160,520	\$ 1,189,176	\$ 1,220,294	\$ 1,253,333	\$ 1,287,238	\$ 1,321,962	\$ 1,357,751
NPDES Requirement	690,780	711,503	732,848	754,833	777,478	800,802	824,826	849,571	875,058	901,310
Drainage System	477,659	496,652	519,877	534,583	551,780	568,915	588,358	608,485	629,066	650,583
Street Cleaning	490,645	509,815	532,853	548,075	565,630	583,192	602,923	623,341	644,243	664,949
Total Appropriations	\$ 2,736,620	\$ 2,825,602	\$ 2,919,503	\$ 2,998,011	\$ 3,084,064	\$ 3,173,203	\$ 3,269,440	\$ 3,368,635	\$ 3,470,329	\$ 3,574,593
Excess (Deficiency) of Revenue										
Over (Under) Expenditures	\$ (717,830)	\$ (821,191)	\$ (956,449)	\$(1,038,681)	\$(1,122,734)	\$(1,209,873)	\$(1,304,110)	\$(1,401,305)	\$(1,500,999)	\$(1,603,263)
Less Reserves of 10 Percent	\$ 273,662	\$ 282,560	\$ 291,950	\$ 299,801	\$ 308,406	\$ 317,320	\$ 326,944	\$ 336,864	\$ 347,033	\$ 357,459
Less Capital Projects:										
Drainage Improvement	-	-	-	-	-	-	-	-	-	-
CCCWP Requirements	-	-	-	-	-	-	-	-	-	-
Total Capital Projects	-	-	-	-	-	-	-	-	-	-
Fund Balance 6/30	\$ 1,143,094	\$ 313,005	\$ (652,834)	\$(1,699,366)	\$(2,830,705)	\$(4,049,492)	\$(5,363,226)	\$(6,774,451)	\$(8,285,619)	\$(9,899,308)

XIV:  
iii:

**City of Concord  
Special Revenue Fund  
Downtown Landscape Maintenance District  
Ten Year Projection  
For the Year Ending June 30, 2009**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Fund Balance 7/01	\$ 421,060	\$ 419,097	\$ 417,360	\$ 410,395	\$ 402,746	\$ 393,689	\$ 383,318	\$ 370,948	\$ 356,400	\$ 339,016
Add Revenues:										
Taxes	\$ 316,188	\$ 325,674	\$ 335,444	\$ 345,507	\$ 355,872	\$ 366,548	\$ 377,544	\$ 388,870	\$ 400,536	\$ 412,552
Other Revenues	203,394	209,495	215,780	222,254	228,921	235,789	242,863	250,149	257,654	265,385
Use of Money & Property	16,474	20,401	20,189	19,833	19,425	18,951	18,397	17,740	16,961	16,066
Total Revenue	<u>\$ 536,056</u>	<u>\$ 555,570</u>	<u>\$ 571,413</u>	<u>\$ 587,594</u>	<u>\$ 604,218</u>	<u>\$ 621,288</u>	<u>\$ 638,804</u>	<u>\$ 656,759</u>	<u>\$ 675,151</u>	<u>\$ 694,003</u>
Less Appropriations:										
Landscape Maintenance	\$ 262,668	\$ 273,768	\$ 286,405	\$ 294,586	\$ 303,675	\$ 312,848	\$ 322,879	\$ 333,246	\$ 344,414	\$ 354,937
Gas & Electricity	6,365	6,556	6,753	6,956	7,165	7,380	7,601	7,829	8,064	8,306
Water & Miscellaneous	33,645	34,654	35,694	36,765	37,868	39,004	40,174	41,379	42,620	43,899
XIX City Provided Admin. & General Services	203,394	209,495	215,780	222,254	228,921	235,789	242,863	250,149	257,654	265,385
Assessment Engineering	6,500	6,630	6,763	6,898	7,036	7,177	7,321	7,467	7,616	7,768
County Collection Fees	728	743	758	773	788	804	820	836	853	837
Postage & Mailing	557	574	591	609	627	646	665	685	706	727
Consultant/Contract Services	5,000	5,150	5,305	5,464	5,628	5,797	5,971	6,150	6,335	6,525
Other Fixed Charges	19,162	19,737	20,329	20,938	21,567	22,214	22,880	23,566	24,273	24,954
Total Expenditures	<u>\$ 538,019</u>	<u>\$ 557,307</u>	<u>\$ 578,378</u>	<u>\$ 595,243</u>	<u>\$ 613,275</u>	<u>\$ 631,659</u>	<u>\$ 651,174</u>	<u>\$ 671,307</u>	<u>\$ 692,535</u>	<u>\$ 713,338</u>
Revenues Over (Under)										
Appropriations	\$ (1,963)	\$ (1,737)	\$ (6,965)	\$ (7,649)	\$ (9,057)	\$ (10,371)	\$ (12,370)	\$ (14,548)	\$ (17,384)	\$ (19,335)
Contingency Reserve	\$ 33,463	\$ 34,781	\$ 36,260	\$ 37,299	\$ 38,435	\$ 39,587	\$ 40,831	\$ 42,116	\$ 43,488	\$ 44,795
Fund Balance 6/30	<u>\$ 385,634</u>	<u>\$ 382,579</u>	<u>\$ 374,135</u>	<u>\$ 365,447</u>	<u>\$ 355,254</u>	<u>\$ 343,731</u>	<u>\$ 330,117</u>	<u>\$ 314,284</u>	<u>\$ 295,528</u>	<u>\$ 274,886</u>

**City of Concord  
Special Revenue Fund  
Pine Hollow Landscape Maintenance District  
Ten Year Projections  
For the Year Ending June 30, 2009**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Fund Balance 7/01	\$ 175,643	\$ 174,178	\$ 174,299	\$ 173,343	\$ 170,469	\$ 166,292	\$ 160,709	\$ 153,610	\$ 144,877	\$ 134,386
Add Revenues:										
Taxes	\$ 61,677	\$ 61,677	\$ 61,677	\$ 61,677	\$ 61,677	\$ 61,677	\$ 61,677	\$ 61,677	\$ 61,677	\$ 61,677
Use of Money & Property	10,827	13,815	14,175	13,730	13,938	14,079	14,150	14,144	14,055	13,877
Total Revenue	<u>\$ 72,504</u>	<u>\$ 75,492</u>	<u>\$ 75,852</u>	<u>\$ 75,407</u>	<u>\$ 75,615</u>	<u>\$ 75,756</u>	<u>\$ 75,827</u>	<u>\$ 75,821</u>	<u>\$ 75,732</u>	<u>\$ 75,554</u>
Less Appropriations:										
Landscape Contract	\$ 20,156	\$ 20,559	\$ 20,970	\$ 21,389	\$ 21,817	\$ 22,253	\$ 22,698	\$ 23,152	\$ 23,615	\$ 24,087
Landscape Extra Work	10,000	10,200	10,404	10,612	10,824	11,040	11,261	11,486	11,716	11,950
Contract Administration	1,354	1,381	1,409	1,437	1,466	1,495	1,525	1,556	1,587	1,619
Gas & Electricity	926	954	983	1,012	1,042	1,073	1,105	1,138	1,172	1,207
Capital Replacement Reserve	15,575	15,575	15,575	15,575	15,575	15,575	15,575	15,575	15,575	15,575
Water & Miscellaneous	22,075	22,737	23,419	24,122	24,846	25,591	26,359	27,150	27,965	28,804
Assessment Engineering	3,000	3,060	3,121	3,183	3,247	3,312	3,378	3,446	3,515	3,585
Printing, Publishing & Mailing	467	481	495	510	525	541	557	574	591	609
County Collection Fees	416	424	432	441	450	459	468	477	487	497
Total Expenditures	<u>\$ 73,969</u>	<u>\$ 75,371</u>	<u>\$ 76,808</u>	<u>\$ 78,281</u>	<u>\$ 79,792</u>	<u>\$ 81,339</u>	<u>\$ 82,926</u>	<u>\$ 84,554</u>	<u>\$ 86,223</u>	<u>\$ 87,933</u>
Revenues Over (Under)										
Appropriations	\$ (1,465)	\$ 121	\$ (956)	\$ (2,874)	\$ (4,177)	\$ (5,583)	\$ (7,099)	\$ (8,733)	\$ (10,491)	\$ (12,379)
Contingency Reserve	\$ 7,397	\$ 7,537	\$ 7,681	\$ 7,828	\$ 7,979	\$ 8,134	\$ 8,293	\$ 8,455	\$ 8,622	\$ 8,793
Fund Balance 6/30	<u>\$ 166,781</u>	<u>\$ 166,762</u>	<u>\$ 165,662</u>	<u>\$ 162,641</u>	<u>\$ 158,313</u>	<u>\$ 152,575</u>	<u>\$ 145,317</u>	<u>\$ 136,422</u>	<u>\$ 125,764</u>	<u>\$ 113,214</u>

**City of Concord  
Special Revenue Fund  
Landscape & Lighting Maintenance District No. 3  
Ten Year Projection  
For the Year Ending June 30, 2009**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Fund Balance 7/01	\$ 211,164	\$ 224,795	\$ 239,660	\$ 253,644	\$ 266,706	\$ 278,757	\$ 289,702	\$ 299,442	\$ 307,870	\$ 314,871
Add Revenues:										
Taxes	\$ 75,258	\$ 75,499	\$ 75,748	\$ 76,004	\$ 76,268	\$ 76,540	\$ 76,820	\$ 77,108	\$ 77,405	\$ 77,711
Other Revenues	618	637	656	676	696	717	739	761	784	808
Use of Money & Property	8,536	11,313	12,016	12,675	13,287	13,847	14,351	14,794	15,170	15,473
Total Revenue	\$ 84,412	\$ 87,449	\$ 88,420	\$ 89,355	\$ 90,251	\$ 91,104	\$ 91,910	\$ 92,663	\$ 93,359	\$ 93,992
Less Appropriations:										
Landscape Contract	\$ 22,385	\$ 22,905	\$ 23,438	\$ 23,938	\$ 24,450	\$ 24,972	\$ 25,506	\$ 26,051	\$ 26,609	\$ 27,179
Landscape Extra Work	3,412	3,480	3,549	3,620	3,692	3,766	3,842	3,919	3,997	4,077
Landscape Supplies	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195	1,219	1,243
Water	33,608	34,616	35,655	36,725	37,827	38,962	40,131	41,335	42,575	43,853
Gas & Electricity	2,039	2,101	2,164	2,229	2,295	2,365	2,436	2,510	2,586	2,664
Capital Replacement Reserve	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Assessment Engineering	3,004	3,065	3,127	3,190	3,254	3,319	3,385	3,452	3,522	3,593
Printing, Publishing & Mailing	1,126	1,159	1,193	1,228	1,264	1,301	1,340	1,380	1,421	1,463
County Collection Fees	549	560	572	584	596	608	620	633	646	659
Other Fixed Charges	618	637	656	675	696	717	738	760	783	805
Total Expenditures	\$ 70,781	\$ 72,584	\$ 74,436	\$ 76,293	\$ 78,200	\$ 80,159	\$ 82,170	\$ 84,235	\$ 86,358	\$ 88,536
Revenues Over (Under)										
Appropriations	\$ 13,631	\$ 14,865	\$ 13,984	\$ 13,062	\$ 12,051	\$ 10,945	\$ 9,740	\$ 8,428	\$ 7,001	\$ 5,456
Contingency Reserve	\$ 7,078	\$ 7,258	\$ 7,444	\$ 7,629	\$ 7,820	\$ 8,016	\$ 8,217	\$ 8,424	\$ 8,636	\$ 8,854
Fund Balance 6/30	\$ 217,717	\$ 232,402	\$ 246,200	\$ 259,077	\$ 270,937	\$ 281,686	\$ 291,225	\$ 299,446	\$ 306,235	\$ 311,473

**City of Concord  
Special Revenue Fund  
Street Lighting Maintenance District  
Ten Year Projection  
For the Year Ending June 30, 2009**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Fund Balance 7/01	\$ 927,105	\$ 1,075,925	\$ 1,210,736	\$ 1,317,995	\$ 1,295,194	\$ 1,243,599	\$ 1,161,115	\$ 1,044,047	\$ 889,584	\$ 694,906
Add Revenues:										
Taxes	\$ 1,050,853	\$ 1,050,853	\$ 1,050,853	\$ 1,050,853	\$ 1,050,853	\$ 1,050,853	\$ 1,050,853	\$ 1,050,853	\$ 1,050,853	\$ 1,050,853
Use of Money & Property	39,275	55,772	61,676	63,736	61,922	58,652	53,784	47,162	38,646	30,079
Total Revenue	<u>\$ 1,090,128</u>	<u>\$ 1,106,625</u>	<u>\$ 1,112,529</u>	<u>\$ 1,114,589</u>	<u>\$ 1,112,775</u>	<u>\$ 1,109,505</u>	<u>\$ 1,104,637</u>	<u>\$ 1,098,015</u>	<u>\$ 1,089,499</u>	<u>\$ 1,080,932</u>
Less Appropriations:										
Street Lighting (Electricity)	\$ 600,000	\$ 618,000	\$ 636,540	\$ 655,636	\$ 675,305	\$ 695,564	\$ 716,431	\$ 737,924	\$ 760,062	\$ 782,864
Street Lighting (Consult./Contract)	29,000	29,870	30,766	31,689	32,640	33,619	34,628	35,667	36,737	37,839
≡ Street Lighting (Personnel)	211,083	220,491	232,560	239,089	247,146	255,075	264,408	274,088	283,961	294,359
Street Lighting (Supplies)	30,000	30,600	31,212	31,836	32,473	33,122	33,784	34,460	35,149	35,852
Assessment Engineering	16,500	16,830	17,167	17,510	17,860	18,217	18,581	18,953	19,332	19,719
County Collection Fees	33,293	33,959	34,638	35,331	36,038	36,759	37,494	38,244	39,009	39,789
Other Fixed Charges	21,432	22,064	22,387	22,949	23,533	24,233	24,954	25,692	26,452	27,095
Loan Repayment w/Interest	-	-	-	103,350	99,375	95,400	91,425	87,450	83,475	-
Total Expenditures	<u>\$ 941,308</u>	<u>\$ 971,814</u>	<u>\$ 1,005,270</u>	<u>\$ 1,137,390</u>	<u>\$ 1,164,370</u>	<u>\$ 1,191,989</u>	<u>\$ 1,221,705</u>	<u>\$ 1,252,478</u>	<u>\$ 1,284,177</u>	<u>\$ 1,237,517</u>
Revenues Over (Under)	\$ 148,820	\$ 134,811	\$ 107,259	\$ (22,801)	\$ (51,595)	\$ (82,484)	\$ (117,068)	\$ (154,463)	\$ (194,678)	\$ (156,585)
Contingency Reserve	<u>\$ 94,131</u>	<u>\$ 97,181</u>	<u>\$ 100,527</u>	<u>\$ 103,404</u>	<u>\$ 106,500</u>	<u>\$ 109,659</u>	<u>\$ 113,028</u>	<u>\$ 116,503</u>	<u>\$ 120,070</u>	<u>\$ 123,752</u>
Fund Balance 6/30	<u>\$ 981,794</u>	<u>\$ 1,113,555</u>	<u>\$ 1,217,468</u>	<u>\$ 1,191,790</u>	<u>\$ 1,137,099</u>	<u>\$ 1,051,456</u>	<u>\$ 931,019</u>	<u>\$ 773,081</u>	<u>\$ 574,836</u>	<u>\$ 414,569</u>

**Sewer Enterprise  
Twenty Year Projection  
for the Year Ending June 30, 2009**

Page 1 of 2

		Fee Inc \$36		Fee Inc \$30				Fee Inc \$36		Fee Inc \$36
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Fund Balance 7/01	\$ 10,613,771	\$ 8,387,615	\$ 7,415,056	\$ 3,106,901	\$ 5,006,678	\$ 6,653,775	\$ 7,709,457	\$ 8,085,973	\$ 9,615,449	\$ 6,560,122
Add Revenues:										
Sewer Service Fees	\$ 17,050,503	\$ 19,124,604	\$ 19,162,853	\$ 20,901,179	\$ 20,942,981	\$ 20,984,867	\$ 21,026,837	\$ 23,108,891	\$ 23,155,109	\$ 25,241,419
Sewer Connection Fees	500,000	500,000	700,000	900,000	900,000	900,000	927,000	954,810	983,454	1,012,958
Interest	326,805	309,856	256,633	197,892	284,401	350,323	385,254	431,742	394,526	342,665
Loan Repayment	-	-	-	-	-	-	100,000	100,000	100,000	100,000
Total Revenues	<u>\$ 17,877,308</u>	<u>\$ 19,934,460</u>	<u>\$ 20,119,486</u>	<u>\$ 21,999,071</u>	<u>\$ 22,127,382</u>	<u>\$ 22,235,190</u>	<u>\$ 22,439,091</u>	<u>\$ 24,595,443</u>	<u>\$ 24,633,089</u>	<u>\$ 26,697,042</u>
Less Expenditures:										
Maintenance & Operations	\$ 3,527,677	\$ 3,379,123	\$ 3,472,473	\$ 3,550,827	\$ 3,638,634	\$ 3,731,552	\$ 3,838,072	\$ 3,925,367	\$ 4,022,272	\$ 4,127,595
Animal Control Notes Payable	-	-	-	-	-	-	-	-	-	-
Household Hazardous Waste	482,972	497,461	512,385	527,757	543,589	559,897	576,694	593,995	605,875	617,993
Rehab Bond Payment-Priority 1	832,650	834,655	835,126	834,186	836,775	833,069	833,188	836,920	834,406	835,860
Bond Paymnt-Gravity Connection										
In Lieu of Pumping To CCCSD	848,114	849,156	850,352	846,777	847,806	848,704	848,543	847,769	847,472	851,601
Payment to CCCSD:										
Operations	9,667,000	10,074,000	10,584,000	11,062,000	11,642,000	12,184,000	12,841,000	13,457,000	14,155,000	14,821,000
Total Appropriations	<u>\$ 15,358,413</u>	<u>\$ 15,634,395</u>	<u>\$ 16,254,336</u>	<u>\$ 16,821,547</u>	<u>\$ 17,508,804</u>	<u>\$ 18,157,222</u>	<u>\$ 18,937,497</u>	<u>\$ 19,661,051</u>	<u>\$ 20,465,025</u>	<u>\$ 21,254,049</u>
Net Income(Loss)	\$ 2,518,895	\$ 4,300,065	\$ 3,865,150	\$ 5,177,524	\$ 4,618,578	\$ 4,077,968	\$ 3,501,594	\$ 4,934,392	\$ 4,168,064	\$ 5,442,993
10% Contingency Reserves	\$ 1,319,468	\$ 1,345,312	\$ 1,405,647	\$ 1,461,283	\$ 1,528,063	\$ 1,591,555	\$ 1,667,907	\$ 1,738,237	\$ 1,817,727	\$ 1,894,860
Reserve for Capital Projects:										
City Projects	\$ 296,051	\$ 272,624	\$ 326,305	\$ 258,747	\$ 284,481	\$ 299,286	\$ 308,078	\$ 333,916	\$ 443,391	\$ 413,966
Capital Facility Contingency	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
CCCSD Capital Projects	4,249,000	4,800,000	7,647,000	2,819,000	2,487,000	2,523,000	2,617,000	2,871,000	6,580,000	3,900,000
Total Capital Projects	<u>\$ 4,745,051</u>	<u>\$ 5,272,624</u>	<u>\$ 8,173,305</u>	<u>\$ 3,277,747</u>	<u>\$ 2,971,481</u>	<u>\$ 3,022,286</u>	<u>\$ 3,125,078</u>	<u>\$ 3,404,916</u>	<u>\$ 7,223,391</u>	<u>\$ 4,513,966</u>
Fund Balance 6/30	<u>\$ 7,068,147</u>	<u>\$ 6,069,744</u>	<u>\$ 1,701,254</u>	<u>\$ 3,545,395</u>	<u>\$ 5,125,712</u>	<u>\$ 6,117,902</u>	<u>\$ 6,418,066</u>	<u>\$ 7,877,212</u>	<u>\$ 4,742,395</u>	<u>\$ 5,594,289</u>

III

**Sewer Enterprise  
Twenty Year Projection  
for the Year Ending June 30, 2009**

Page 2 of 2

		Fee Inc \$30								
	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
Fund Balance 7/01	\$ 7,489,149	\$ 7,532,280	\$ 8,432,121	\$ 8,307,294	\$ 8,854,796	\$ 8,928,182	\$ 9,609,500	\$ 9,005,602	\$ 8,860,699	\$ 7,402,231
Add Revenues:										
Sewer Service Fees	\$25,291,902	\$27,042,486	\$27,096,571	\$28,850,764	\$28,908,466	\$30,666,283	\$30,727,616	\$32,489,071	\$32,554,049	\$34,319,157
Sewer Connection Fees	1,043,347	1,074,647	1,106,886	1,140,093	1,174,296	1,209,525	1,245,811	1,283,185	1,321,681	1,361,331
Interest	366,376	389,376	408,278	418,588	433,731	452,139	454,027	435,763	396,657	348,169
Loan Repayment	100,000	50,000	-	-	-	-	-	-	-	-
Total Revenues	<u>\$26,801,625</u>	<u>\$28,556,509</u>	<u>\$28,611,735</u>	<u>\$30,409,445</u>	<u>\$30,516,493</u>	<u>\$32,327,947</u>	<u>\$32,427,454</u>	<u>\$34,208,019</u>	<u>\$34,272,387</u>	<u>\$36,028,657</u>
Less Expenditures:										
Maintenance & Operations	\$ 4,251,423	\$ 4,378,966	\$ 4,510,335	\$ 4,645,645	\$ 4,785,014	\$ 4,928,564	\$ 5,076,421	\$ 5,228,714	\$ 5,385,575	\$ 5,547,142
Household Hazardous Waste	630,353	642,960	655,819	668,935	682,314	695,960	709,879	724,077	738,559	753,330
Rehab Bond Payment-Priority 1	836,119	834,873	837,352	838,761	838,666	837,332	839,903	840,501	839,754	836,763
Bond Paymnt-Gravity Connection										
In Lieu of Pumping To CCCSD	849,985	851,649	852,518	852,592	851,347	848,743	850,022	850,245	849,410	851,719
Payment to CCCSD:										
Operations	<u>15,547,229</u>	<u>16,309,043</u>	<u>17,108,186</u>	<u>17,946,487</u>	<u>18,825,865</u>	<u>19,748,332</u>	<u>20,716,000</u>	<u>21,731,084</u>	<u>22,795,907</u>	<u>23,912,906</u>
Total Appropriations	<u>\$22,115,109</u>	<u>\$23,017,491</u>	<u>\$23,964,210</u>	<u>\$24,952,420</u>	<u>\$25,983,206</u>	<u>\$27,058,931</u>	<u>\$28,192,225</u>	<u>\$29,374,621</u>	<u>\$30,609,205</u>	<u>\$31,901,860</u>
NET INCOME(LOSS)	\$ 4,686,516	\$ 5,539,018	\$ 4,647,525	\$ 5,457,025	\$ 4,533,287	\$ 5,269,016	\$ 4,235,229	\$ 4,833,398	\$ 3,663,182	\$ 4,126,797
10% Contingency Reserves	\$ 1,979,865	\$ 2,068,801	\$ 2,161,852	\$ 2,259,213	\$ 2,361,088	\$ 2,467,690	\$ 2,579,242	\$ 2,695,980	\$ 2,818,148	\$ 2,946,005
Reserve for Capital Projects:										
City Projects	\$ 426,385	\$ 439,177	\$ 452,352	\$ 465,923	\$ 479,901	\$ 494,298	\$ 509,127	\$ 524,401	\$ 540,133	\$ 556,337
Capital Facility Contingency	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
CCCSD Capital Projects	<u>4,017,000</u>	<u>4,000,000</u>	<u>4,120,000</u>	<u>4,243,600</u>	<u>3,780,000</u>	<u>3,893,400</u>	<u>4,130,000</u>	<u>4,253,900</u>	<u>4,381,517</u>	<u>3,900,000</u>
Total Capital Projects	<u>\$ 4,643,385</u>	<u>\$ 4,639,177</u>	<u>\$ 4,772,352</u>	<u>\$ 4,909,523</u>	<u>\$ 4,459,901</u>	<u>\$ 4,587,698</u>	<u>\$ 4,839,127</u>	<u>\$ 4,978,301</u>	<u>\$ 5,121,650</u>	<u>\$ 4,656,337</u>
Fund Balance 6/30	<u>\$ 5,552,415</u>	<u>\$ 6,363,320</u>	<u>\$ 6,145,442</u>	<u>\$ 6,595,583</u>	<u>\$ 6,567,094</u>	<u>\$ 7,141,810</u>	<u>\$ 6,426,360</u>	<u>\$ 6,164,719</u>	<u>\$ 4,584,083</u>	<u>\$ 3,926,686</u>

VI

**City of Concord  
Golf Course  
Ten Year Projection  
For the Year Ending June 30, 2009**

	<u>2008-09</u>	Fee Inc. <u>2009-10</u>	<u>2010-11</u>	Fee Inc. <u>2011-12</u>	<u>2012-13</u>	Fee Inc. <u>2013-14</u>	<u>2014-15</u>	Fee Inc. <u>2015-16</u>	<u>2016-17</u>	Fee Inc. <u>2017-18</u>
Fund Balance 7/01	\$ 198,948	\$ 161,530	\$ 165,664	\$ 166,580	\$ 174,420	\$ 175,524	\$ 183,861	\$ 185,023	\$ 194,345	\$ 195,713
Add Revenues:										
Fees	\$ 1,501,759	\$ 1,576,847	\$ 1,576,847	\$ 1,655,689	\$ 1,655,689	\$ 1,738,473	\$ 1,738,473	\$ 1,825,396	\$ 1,825,396	\$ 1,916,666
Rentals	210,723	218,555	222,733	231,001	235,434	244,162	248,865	258,079	263,068	272,796
Merchandise Sales	29,126	30,000	30,900	31,827	32,782	33,765	34,778	35,821	36,896	38,003
Other Revenues	50,000	50,000	243,925	151,520	50,000	50,000	50,000	50,000	50,000	50,000
Interest	6,200	6,416	8,104	8,317	8,535	8,765	8,998	9,254	9,514	9,777
Total Revenues	\$ 1,797,808	\$ 1,881,818	\$ 2,082,509	\$ 2,078,354	\$ 1,982,440	\$ 2,075,165	\$ 2,081,114	\$ 2,178,550	\$ 2,184,874	\$ 2,287,242
Operating Expenditures										
Operations	\$ 1,334,674	\$ 1,368,598	\$ 1,401,006	\$ 1,419,878	\$ 1,471,999	\$ 1,509,115	\$ 1,547,776	\$ 1,587,563	\$ 1,628,484	\$ 1,609,445
General Fund Admin. Svcs.	294,424	300,312	306,318	312,444	318,693	325,067	331,568	338,200	344,964	351,863
General Fund (Subsidy)/Payback	(13,798)	(12,269)	(41,522)	11,874	(35,451)	4,431	(29,117)	17,682	(16,317)	90,128
Debt Service	219,926	221,043	221,866	224,798	226,095	228,215	229,725	225,783	226,375	226,375
Total Expenditures	\$ 1,835,226	\$ 1,877,684	\$ 1,887,668	\$ 1,968,994	\$ 1,981,336	\$ 2,066,828	\$ 2,079,952	\$ 2,169,228	\$ 2,183,506	\$ 2,277,811
Net Income (Loss)	\$ (37,418)	\$ 4,134	\$ 194,841	\$ 109,360	\$ 1,104	\$ 8,337	\$ 1,162	\$ 9,322	\$ 1,368	\$ 9,431
10 % Contingency Reserves	\$ 161,530	\$ 165,664	\$ 166,580	\$ 174,420	\$ 175,524	\$ 183,861	\$ 185,023	\$ 194,345	\$ 195,713	\$ 205,144
Less Capital Expenses:										
Projects	\$ -	\$ -	\$ 193,925	\$ 101,520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Reserve	-	-	-	-	-	-	-	-	-	-
Total Capital Expenses	\$ -	\$ -	\$ 193,925	\$ 101,520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance 6/30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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**City of Concord  
Redevelopment Agency  
Ten Year Projection  
For the Year Ending June 30, 2009**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Fund Balance 7/01	\$ 23,650,401	\$ 19,038,811	\$ 15,379,573	\$ 12,957,334	\$ 10,114,136	\$ 8,391,086	\$ 6,893,776	\$ 5,567,261	\$ 4,437,007	\$ 3,534,287
Add Revenues:										
Gross Tax Increment	\$ 15,913,000	\$ 16,284,000	\$ 16,852,000	\$ 17,437,000	\$ 18,040,000	\$ 18,660,000	\$ 19,299,000	\$ 19,958,000	\$ 20,636,000	\$ 21,334,000
Less: Pass Through Payments	(853,704)	(932,154)	(1,045,827)	(1,163,243)	(1,284,531)	(1,409,823)	(1,558,095)	(1,711,215)	(1,869,356)	(2,032,683)
Tax Increment Rebates	(348,729)	(354,093)	(359,561)	(365,136)	(370,819)	(376,614)	(382,309)	(388,016)	(393,834)	(399,766)
Low & Moderate Income Housing	(3,121,768)	(3,195,968)	(3,309,568)	(3,426,568)	(3,547,168)	(3,671,168)	(3,798,968)	(3,930,768)	(4,066,368)	(4,205,968)
Net Tax Increment	\$ 11,588,799	\$ 11,801,785	\$ 12,137,044	\$ 12,482,053	\$ 12,837,482	\$ 13,202,395	\$ 13,559,628	\$ 13,928,001	\$ 14,306,442	\$ 14,695,583
Use Of Money & Property	\$ 739,937	\$ 679,230	\$ 694,128	\$ 563,602	\$ 451,347	\$ 372,802	\$ 303,928	\$ 244,007	\$ 194,422	\$ 155,780
Home Depot Ground Lease	-	-	-	-	-	-	-	-	-	-
Property Sales	-	-	-	-	-	-	-	-	-	-
Rentals	47,900	49,337	50,817	52,342	53,912	55,529	57,195	58,911	27,305	-
Transfer In (Fry's)	352,046	383,899	417,701	453,558	491,582	531,891	574,608	619,865	667,797	718,550
Other	20,717	20,717	20,717	15,539	-	-	-	-	-	-
Subtotal Other Sources	\$ 1,160,600	\$ 1,133,183	\$ 1,183,363	\$ 1,085,041	\$ 996,841	\$ 960,222	\$ 935,731	\$ 922,783	\$ 889,524	\$ 874,330
Total Revenue	\$ 12,749,399	\$ 12,934,968	\$ 13,320,407	\$ 13,567,094	\$ 13,834,323	\$ 14,162,617	\$ 14,495,359	\$ 14,850,784	\$ 15,195,966	\$ 15,569,913
Less Appropriations:										
Operations	\$ 3,442,854	\$ 3,542,088	\$ 3,653,921	\$ 3,743,207	\$ 3,840,722	\$ 3,939,380	\$ 4,045,798	\$ 4,155,271	\$ 4,267,201	\$ 4,382,573
Debt Service	7,900,319	7,819,686	7,828,279	7,823,770	7,820,904	7,809,440	7,815,822	7,803,111	7,790,964	7,792,205
Total Appropriations	\$ 11,343,173	\$ 11,361,774	\$ 11,482,200	\$ 11,566,977	\$ 11,661,626	\$ 11,748,820	\$ 11,861,620	\$ 11,958,382	\$ 12,058,165	\$ 12,174,778
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,406,226	\$ 1,573,194	\$ 1,838,207	\$ 2,000,117	\$ 2,172,697	\$ 2,413,797	\$ 2,633,739	\$ 2,892,402	\$ 3,137,801	\$ 3,395,135
10% Contingency Reserve	\$ 344,285	\$ 354,209	\$ 365,392	\$ 374,321	\$ 384,072	\$ 393,938	\$ 404,580	\$ 415,527	\$ 426,720	\$ 438,257
Less Capital Projects										
Strategic Plan Projects	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Capital Projects	2,521,940	1,700,398	690,142	1,232,512	242,069	212,056	213,182	224,681	189,458	169,619
Total Capital Expenses	\$ 5,521,940	\$ 4,700,398	\$ 3,690,142	\$ 4,232,512	\$ 3,242,069	\$ 3,212,056	\$ 3,213,182	\$ 3,224,681	\$ 3,189,458	\$ 3,169,619
Other Financing Sources (Uses)										
Transfers Out	\$ (143,830)	\$ (148,135)	\$ (152,603)	\$ (157,245)	\$ (162,096)	\$ (167,160)	\$ (172,464)	\$ (178,110)	\$ (183,266)	\$ (188,573)
Fry's Loan Disbursement	(352,046)	(383,899)	(417,701)	(453,558)	(491,582)	(531,891)	(574,608)	(619,865)	(667,797)	(718,550)
Total Other Financing Sources (Uses)	\$ (495,876)	\$ (532,034)	\$ (570,304)	\$ (610,803)	\$ (653,678)	\$ (699,051)	\$ (747,072)	\$ (797,975)	\$ (851,063)	\$ (907,123)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures Contingency and Other Financing Uses	\$ (4,955,875)	\$ (4,013,447)	\$ (2,787,631)	\$ (3,217,519)	\$ (2,107,122)	\$ (1,891,248)	\$ (1,731,095)	\$ (1,545,781)	\$ (1,329,440)	\$ (1,119,864)
Fund Balance - 6/30	\$ 18,694,526	\$ 15,025,364	\$ 12,591,942	\$ 9,739,815	\$ 8,007,014	\$ 6,499,838	\$ 5,162,681	\$ 4,021,480	\$ 3,107,567	\$ 2,414,423



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Concord  
California**

For the Fiscal Year Beginning

**July 1, 2007**

Handwritten signature of Charles S. Cox in cursive.

President

Handwritten signature of Jeffrey R. Egan in cursive.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Concord, California for its annual budget for the fiscal year beginning July 1, 2007.

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

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

*California Society of  
Municipal Finance Officers*

**Certificate of Award  
For  
*Excellence in Operating Budgeting***

***Fiscal Year 2007-2008***

*The California Society of Municipal Finance Officers (CSMFO) proudly presents this certificate to*

**City of Concord**

*For meeting the criteria established to achieve the Excellence Award in the OPERATING BUDGET CATEGORY.*

***March 6, 2008***



*Bradley Robert*

**Brad Grant  
CSMFO President**

*Cindy Guziak*

**Cindy Guziak, Chair  
Budgeting & Financial Reporting**

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