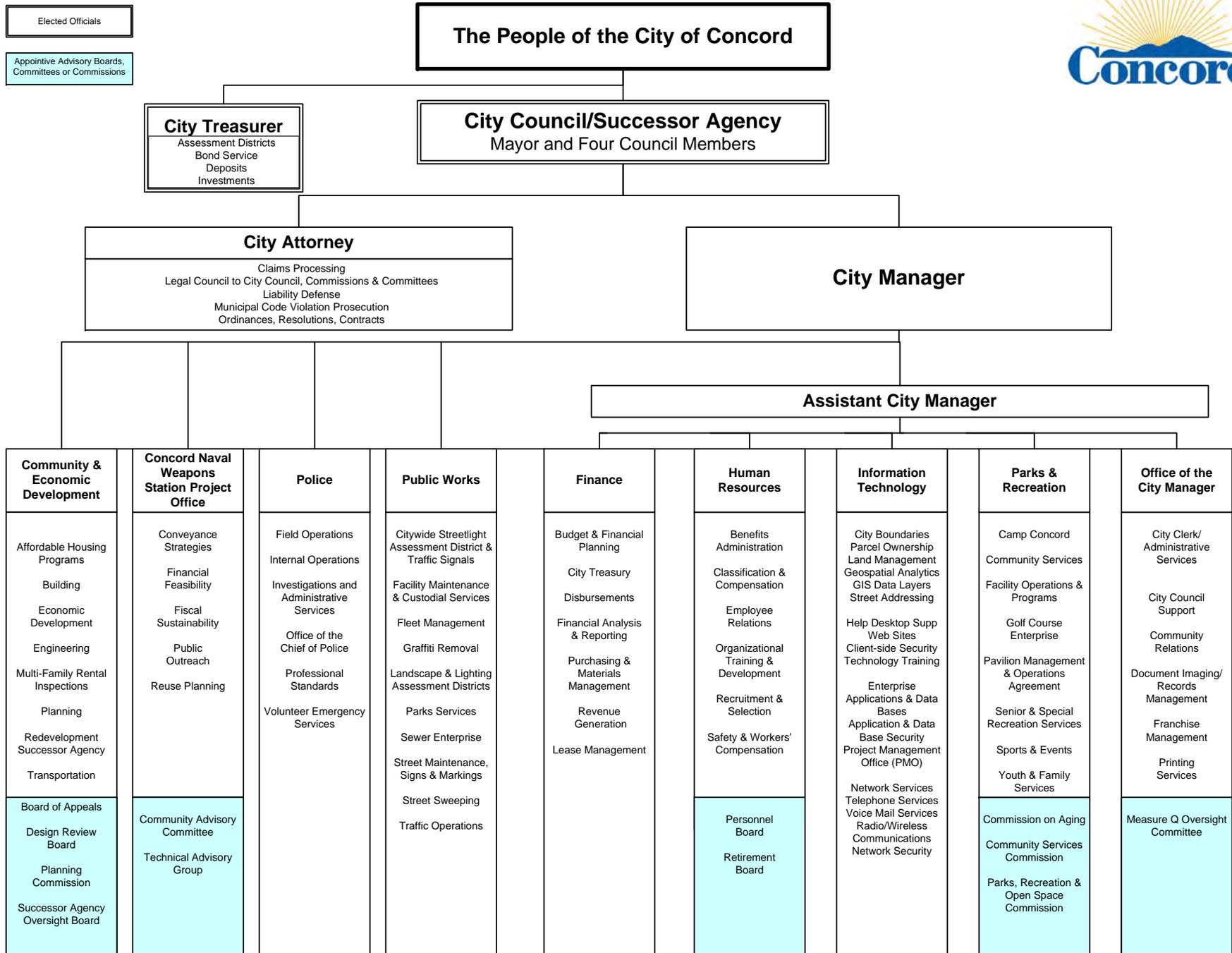




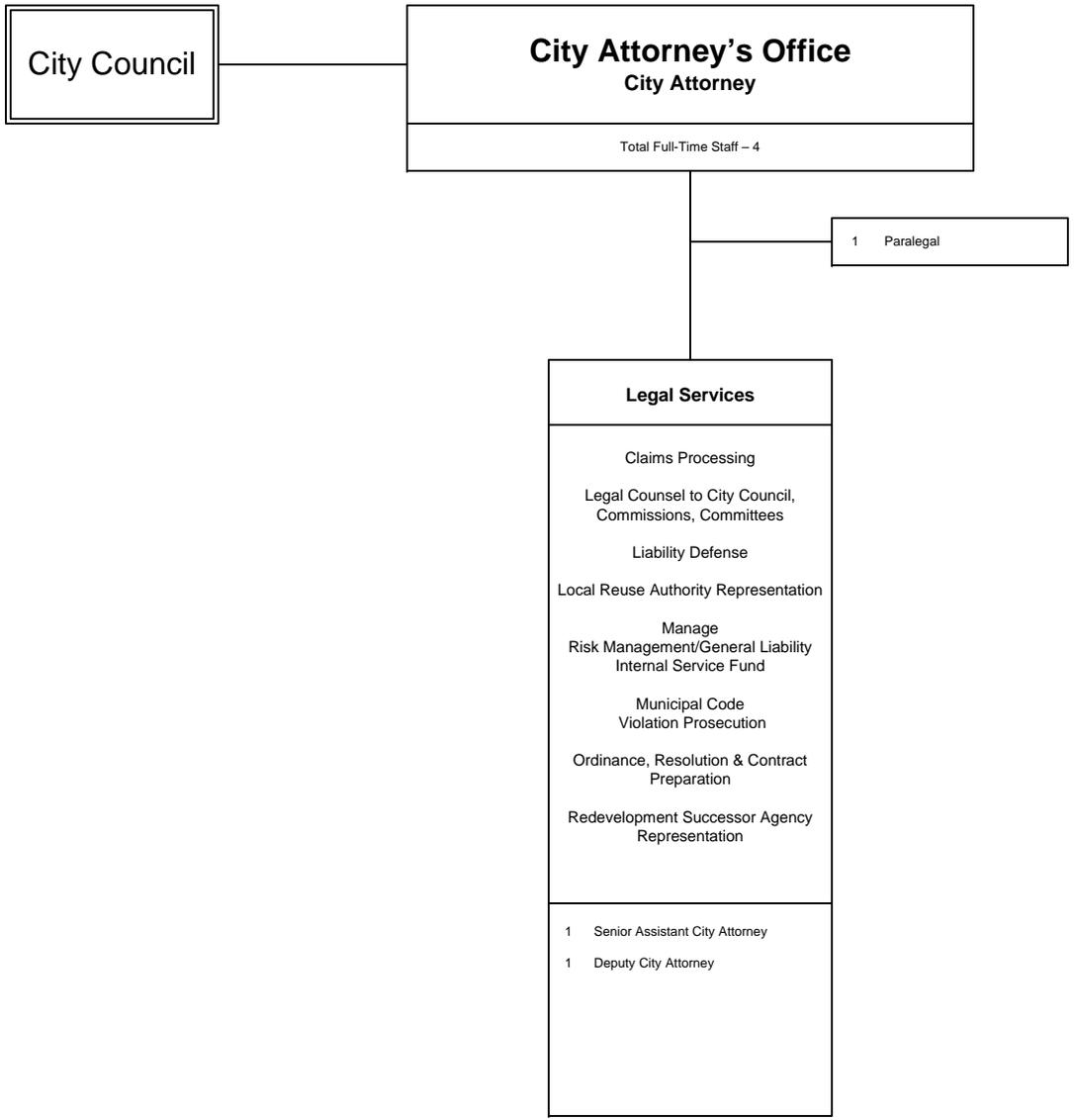
City Organization and Programs

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.

Adopted Budget July 1, 2012

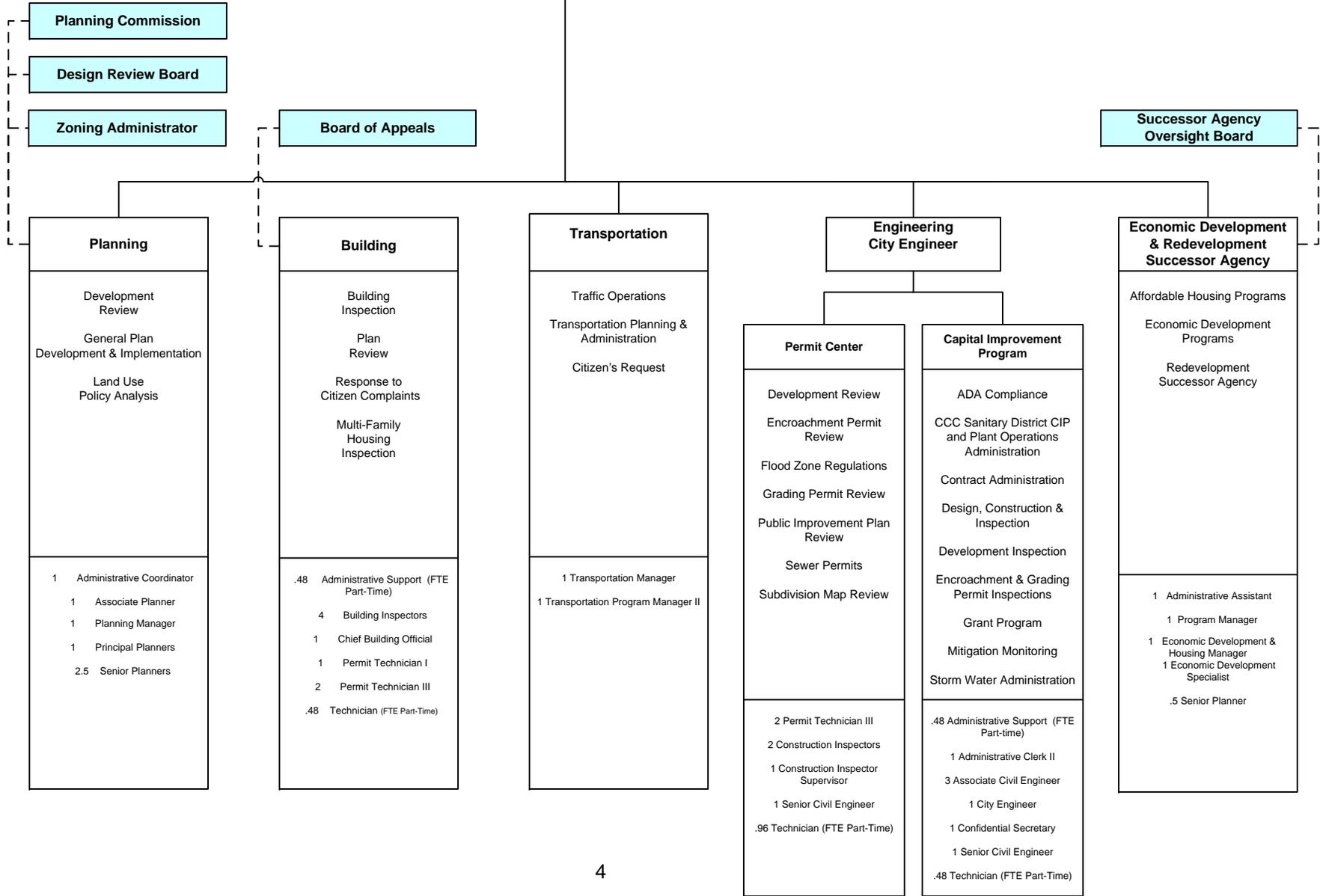


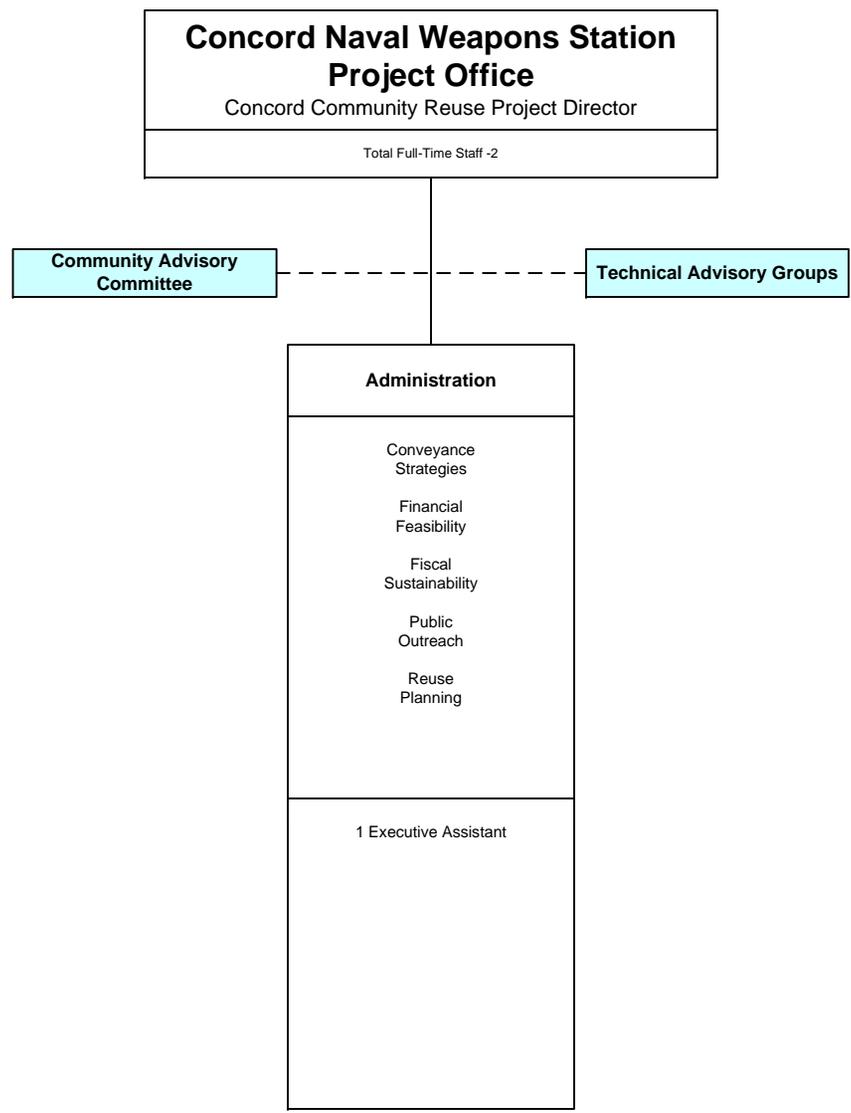
The City of Concord has a City Council/City Manager form of government. Five Council Members and the City Treasurer are elected. The Council appoints the City Manager and the City Attorney. The City Manager appoints the City Clerk and department heads and hires employees to carry out program services. The City Council appoints qualified citizens from the community to serve on advisory boards and commissions.

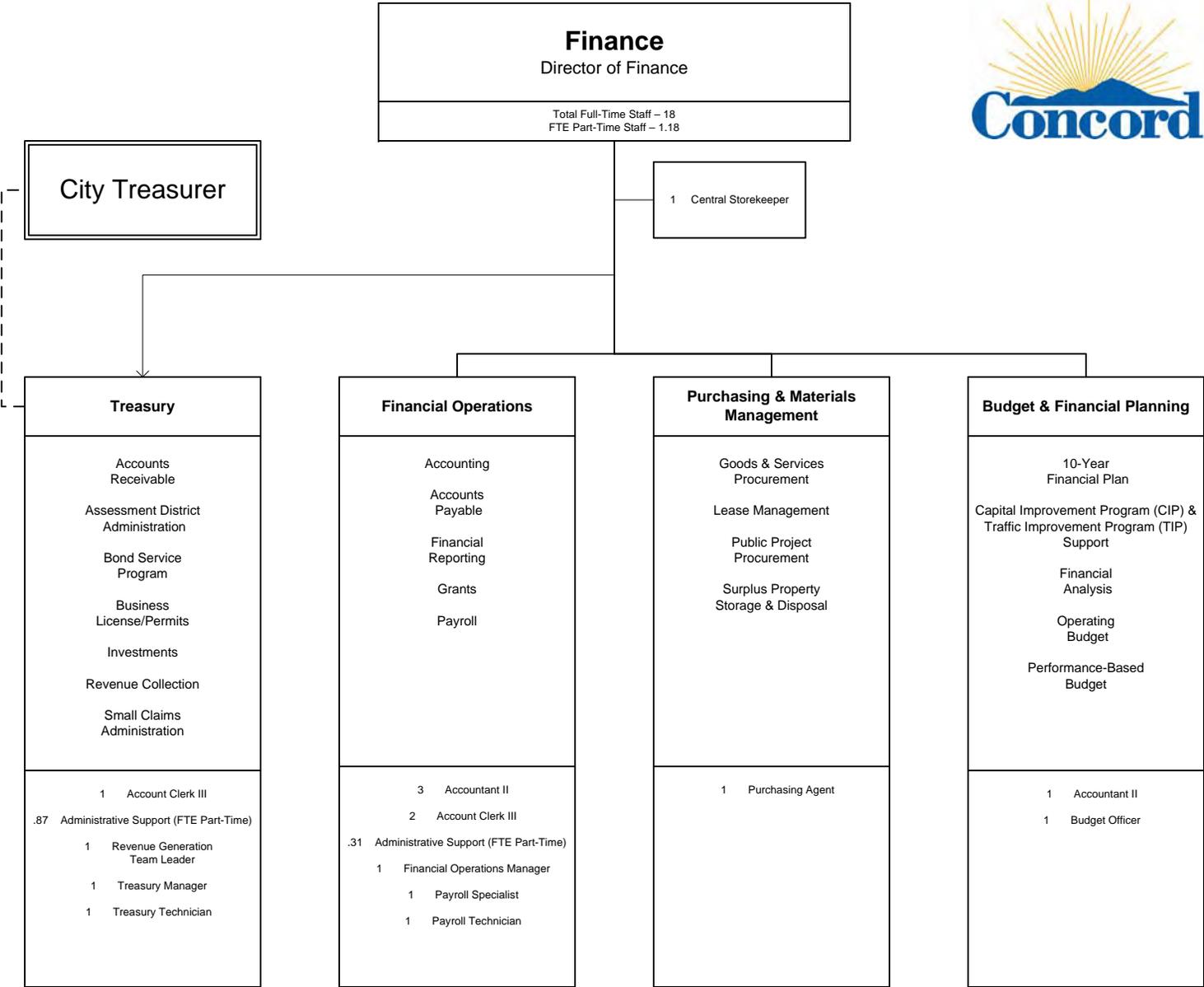


**Community and Economic
Development**
Director of Community and Economic Development

Total Full-Time Staff – 35
FTE Part-Time Staff – 2.88









Human Resources
 Director of Human Resources

Total Full-Time Staff -6
 FTE Part-Time Staff - .69

Personnel Board

Retirement Board

Benefit Administration Worker's Compensation
Administration/Worker's Compensation Internal Service Fund Employee Benefits Manage & Administer CCRS Worker's Compensation
.50 Administrative Support (FTE Part-Time) 1 Human Resource Technician I .19 Professional (FTE Part-Time) 1 Senior Human Resource Analyst

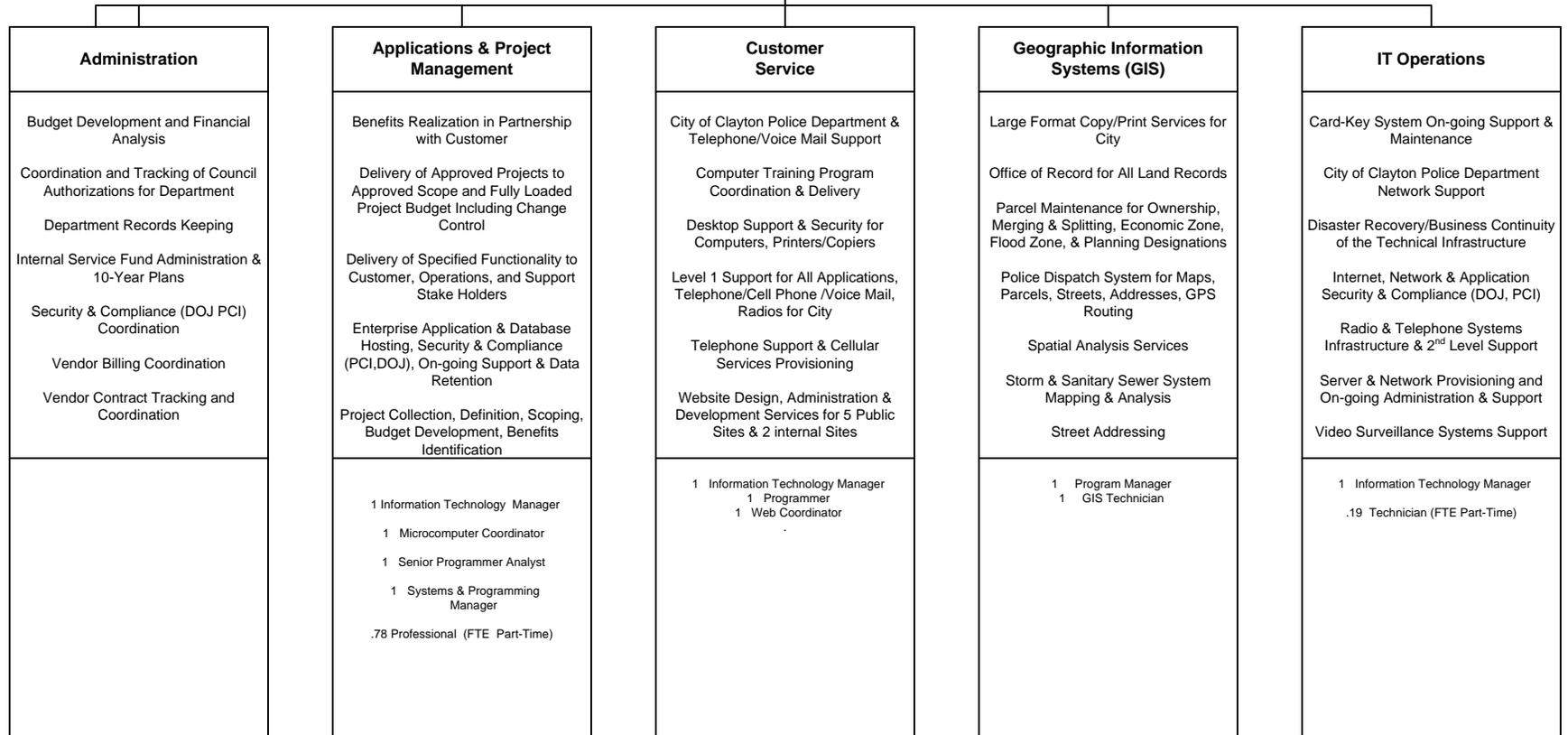
Classification & Compensation Recruitment/Selection
Classification & Compensation New Employee Orientation Organizational Training & Development Recruitment/Selection
1 Human Resource Analyst I 1 Human Resource Technician II 1 Senior Human Resource Analyst

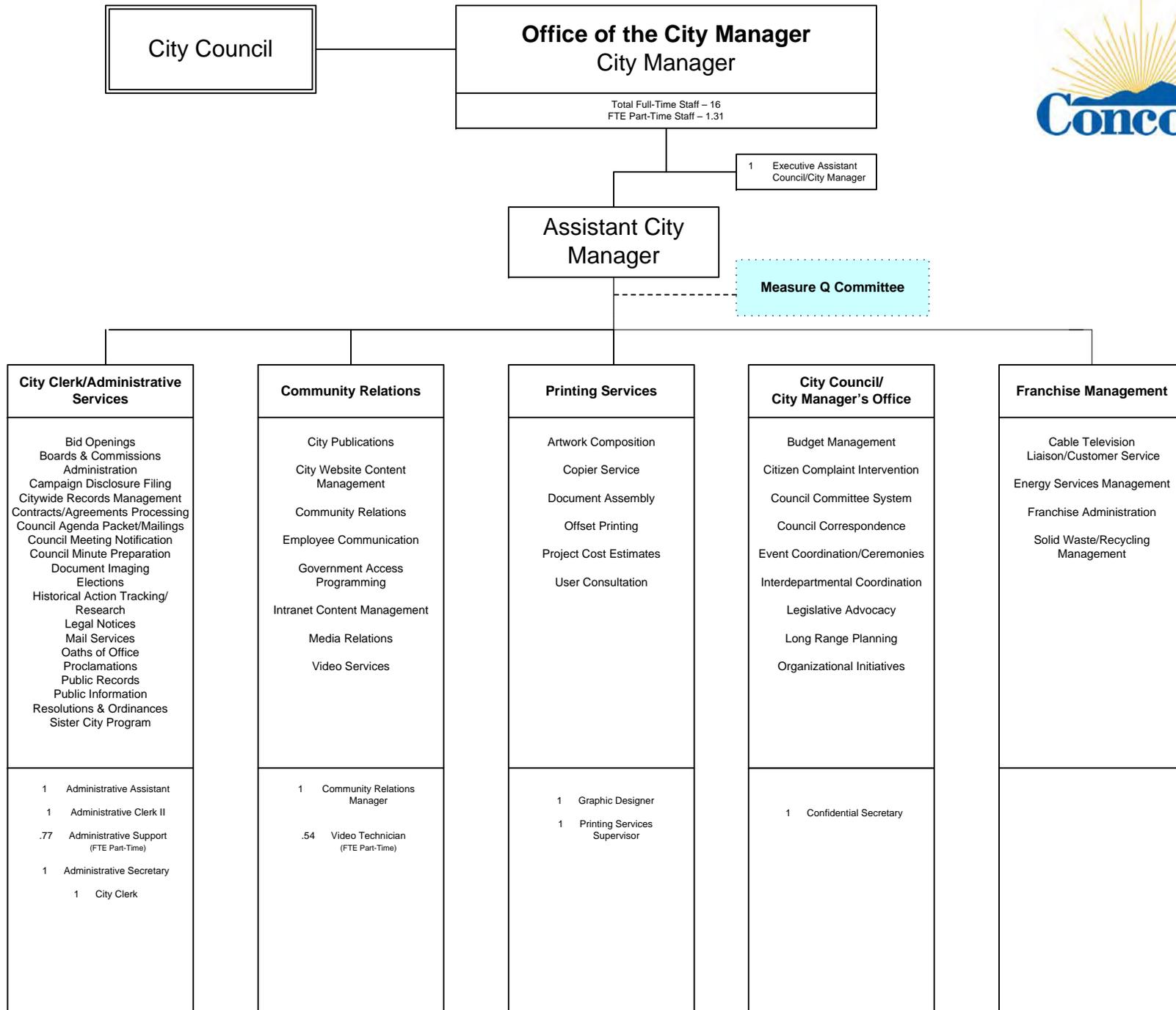
Employee Relations
Employee Relations Labor Relations

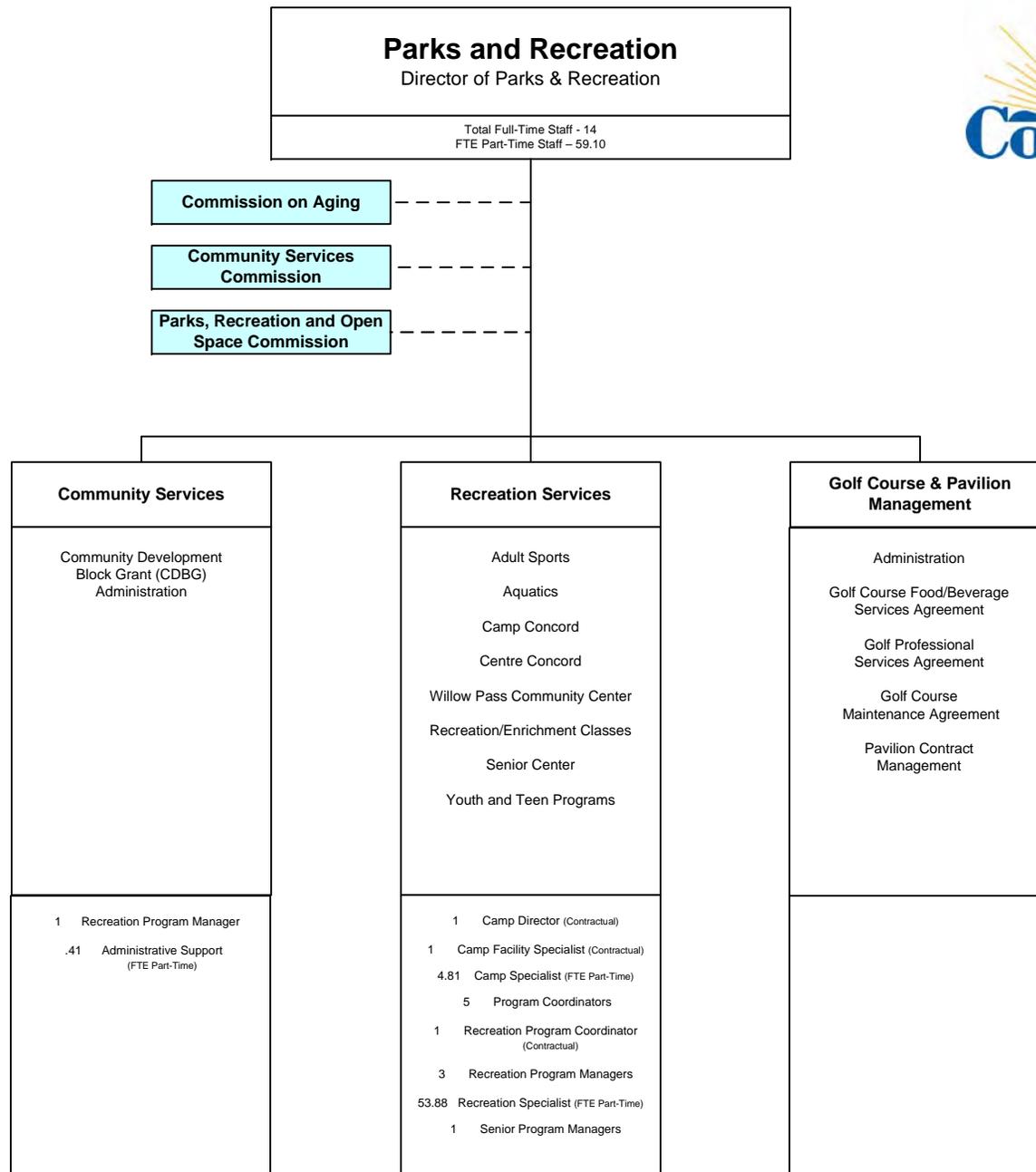


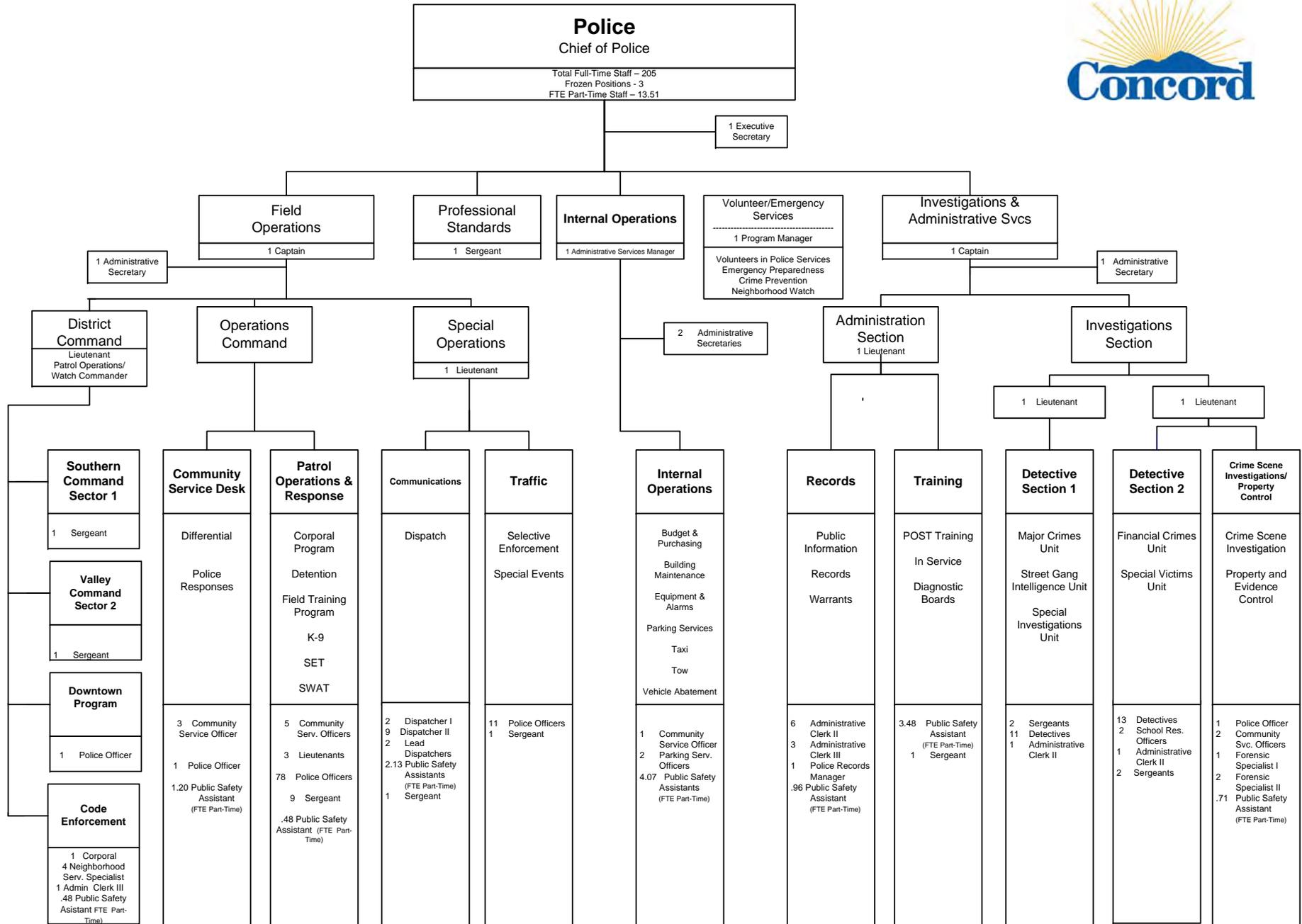
Information Technology
 Director of Information Technology

Total Full-Time Staff - 11
 FTE Part-Time Staff – .97





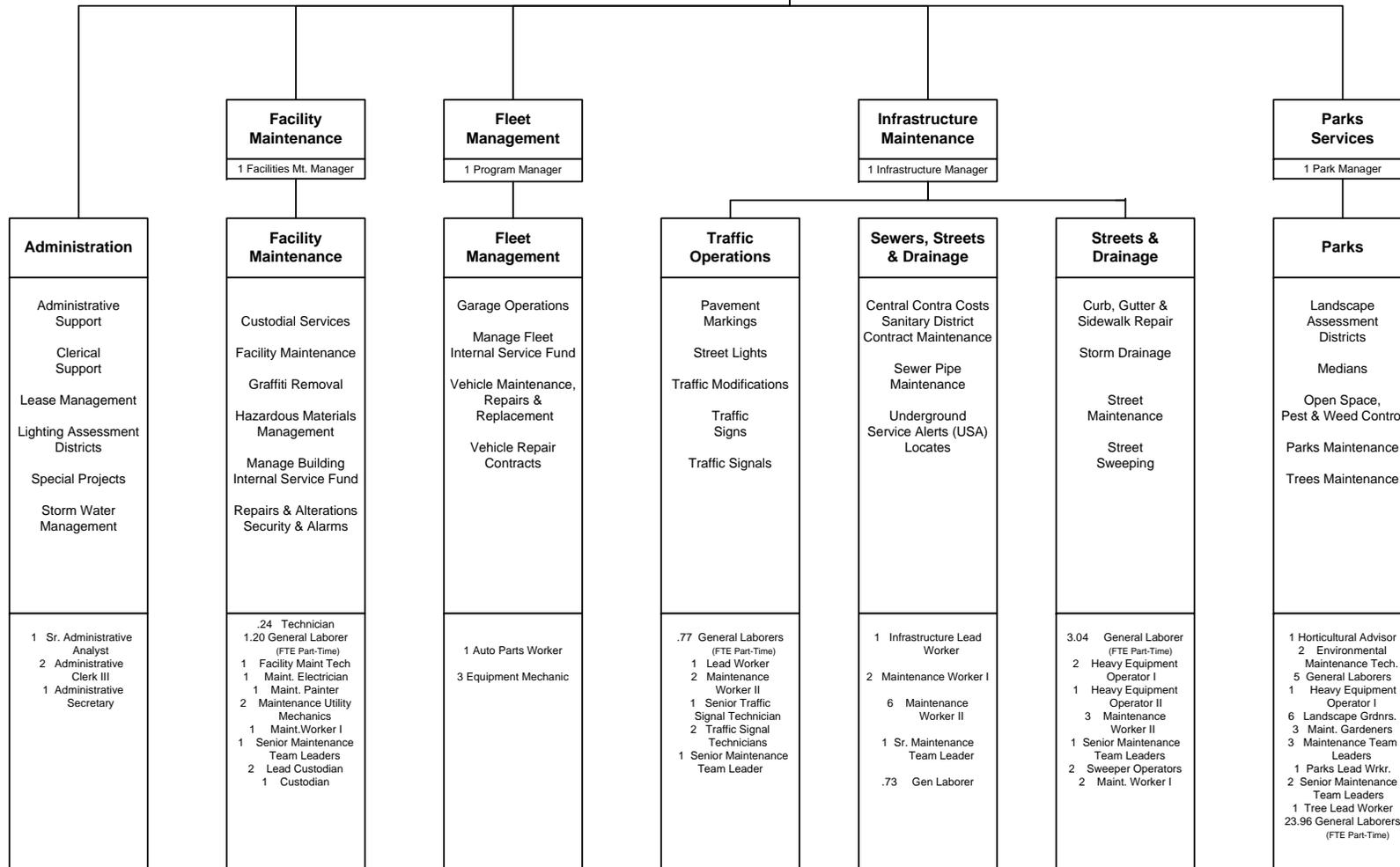






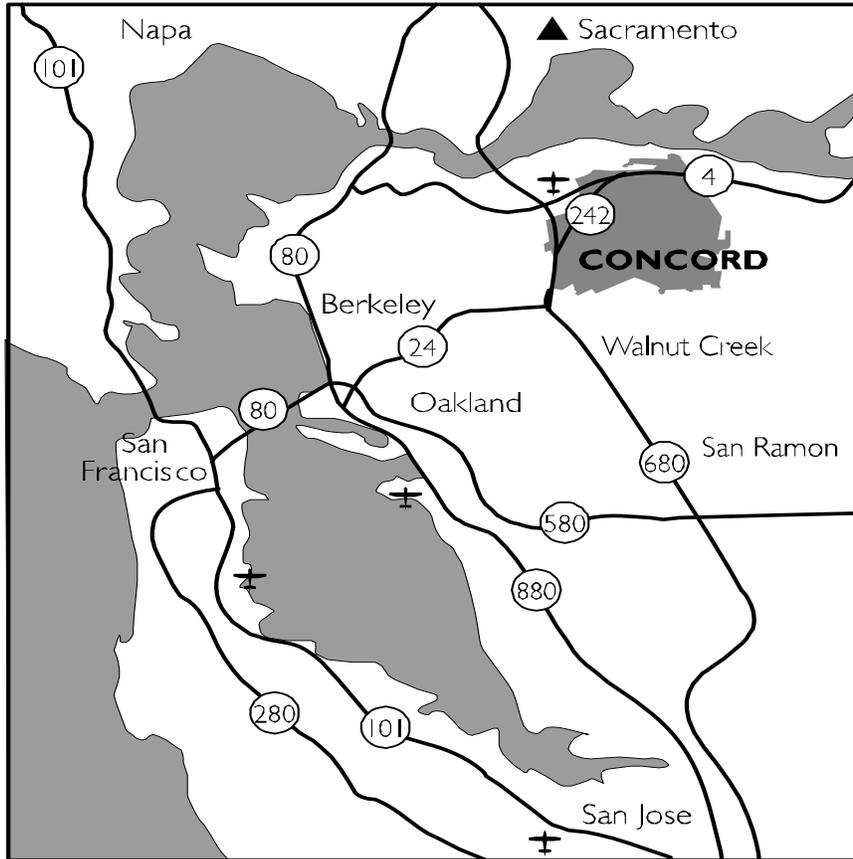
Public Works
 Director of Public Works

Total Full-Time Staff – 76
 (Includes Storm Water and Sewer Enterprise)
 FTE Part-Time Staff – 29.94



**CITY OF CONCORD
COMPARATIVE SUMMARY OF
AUTHORIZED FULL-TIME POSITIONS
FOR THE YEAR ENDING JUNE 30, 2013**

	2009-2010 Budget	2010-2011 Budget	2011-2012 Budget	2012-2013 Budget	Incr. <Decr.> E = D - C
	A	B	C	D	
GENERAL FUND					
City Attorney	4.0	4.0	4.0	4.0	0.0
City Council	6.0	6.0	6.0	6.0	0.0
Community and Economic Development	25.0	23.0	22.0	35.0	13.0
Concord Community Reuse Project	0.0	0.0	2.0	2.0	0.0
Finance	21.0	18.0	18.0	18.0	0.0
Human Resources	8.0	6.0	6.0	6.0	0.0
Information Technology	12.0	11.0	11.0	11.0	0.0
Office of the City Manager	12.0	11.0	10.0	10.0	0.0
Parks and Recreation	17.0	15.0	15.0	14.0	(1.0)
Police	203.0	200.0	200.0	205.0	5.0
Public Works	89.0	82.0	79.0	63.0	(16.0)
Total General Fund	<u>397.0</u>	<u>376.0</u>	<u>373.0</u>	<u>374.0</u>	<u>1.0</u>
ENTERPRISE FUNDS					
Storm Water Management	3.0	3.0	2.0	2.0	0.0
Sewer	8.0	8.0	10.0	11.0	1.0
Total Enterprise Funds	<u>11.0</u>	<u>11.0</u>	<u>12.0</u>	<u>13.0</u>	<u>1.0</u>
GRAND TOTAL CITY AUTHORIZED POSITIONS					
	408.0	387.0	385.0	387.0	2.0
REDEVELOPMENT AGENCY					
	<u>7.0</u>	<u>6.0</u>	<u>6.0</u>	<u>0.0</u>	<u>(6.0)</u>
TOTAL CITY AND REDEVELOPMENT AGENCY					
	<u><u>415.0</u></u>	<u><u>393.0</u></u>	<u><u>391.0</u></u>	<u><u>387.0</u></u>	<u><u>(4.0)</u></u>



Nestled in the foothills of Mt. Diablo, Concord is the largest city in Contra Costa County with approximately 125,864 residents occupying 31.1 square miles. Its central location offers easy access to San Francisco, Oakland, the Silicon Valley, the redwoods of Northern California, the wineries of Napa Valley, the rugged coastline of Monterey, and the astonishing beauty of the the Sierra mountain range. Bay Area Rapid Transit (BART) high-speed trains, local bus services, Amtrak, ferries and international airports provide transportation options for residents, commuters and visitors.

Concord has attracted some of the country's leading financial and commercial businesses. Affordability, accessibility and a proficient workforce contribute to Concord's appeal. Concord's varied housing choices include new homes, apartments, established neighborhoods and townhouses in a broad spectrum of price ranges. Eighteen City parks, a state-of-the-art hospital, a wide variety of restaurants, regional shopping centers, two community centers, a senior center and first-rate weather join the list of Concord's assets.

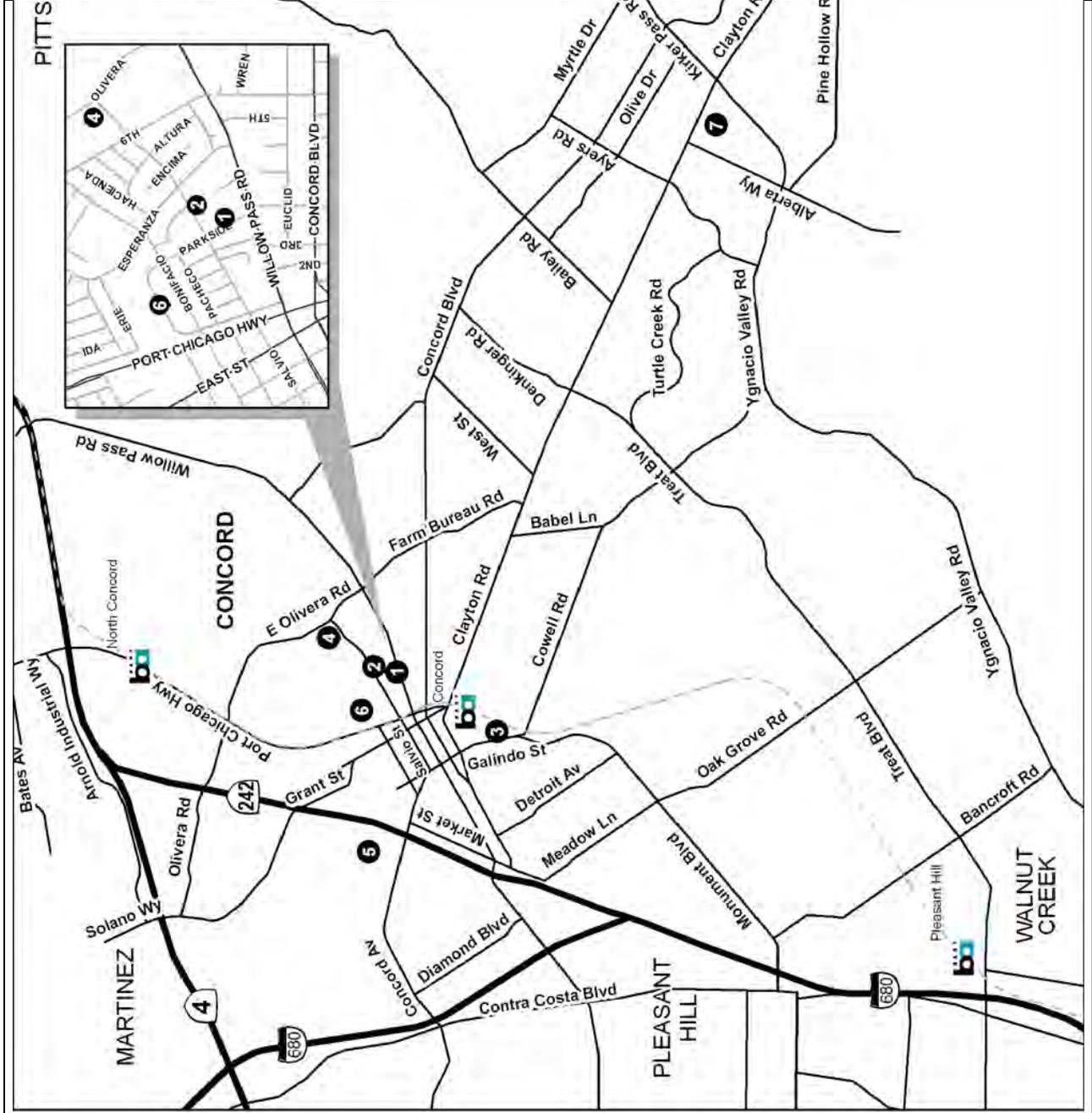
Concord is a General Law City and operates under the Council-Manager form of government. The five members of the City Council are elected at large for four-year staggered terms. The Council selects representatives to serve as Mayor and Vice-Mayor for what has traditionally been a one-year term. Under this system, the Council appoints the City Manager and the City Attorney. The departments that make up the city government include, City Attorney, Community Development, Community & Recreation Services, Finance, Human Resources, Information Technology, Office of the City Manager, Police and Public Works & Engineering.





**Location of City
of Concord Offices**

1. **Civic Center**
1950 Parkside Dr.
(925) 671-3300
2. **Human Resources**
2974 Salvio St.
(925) 671-3308
3. **Police Headquarters**
1350 Galindo St.
(925) 671-3200
4. **Willow Pass Center**
2748 East Olivera Rd
(925) 671-3423
5. **Corporation Yard**
1455 Gasoline Alley
(925) 671-3448
6. **Senior Center**
2727 Parkside Dr.
(925) 671-3320
7. **Centre Concord**
5298 Clayton Rd
(925) 671-3466





An Early History of Concord, California

Once the Town of Todos Santos on the Land Grant of Monte Del Diablo

- A small tribelet of Chupcan (Bay Miwok) Indians were the first known inhabitants of the valley. Dominated by a great mountain to their south, the Chupcan lived along the valley's streams, which flowed north to the wide tule marshes on the edge of the Bay. They shared the valley and the oak-covered hills with tremendous herds of elk, deer and antelope. Salmon filled the streams; grizzly bears roamed foothills.
- In 1772, Spanish explorers, led by Captain Pedro Fages and Father Juan Crespi, became the first Europeans to cross this area. For the next 50 to 60 years, the Spanish would explore, but not settle in our valley.
- In 1828, Don Salvio Pacheco petitioned the Mexican government for lands in the valley and received the "Monte del Diablo" land grant in 1834. The 17,921-acre grant covered our valley from the Walnut Creek channel east to the hills and generally from the Mt. Diablo foothills north to Suisun Bay.
- The name "Monte del Diablo" originally had been used by Spanish soldiers to describe a dense thicket (monte) of willows at the north end of our valley. The soldiers believed the thicket was possessed by evil, devilish Man spirits, hence the name "Monte del Diablo," thicket of the devil.
- Don Salvio's son, Fernando Pacheco, was sent immediately to occupy the grant and begin cattle operations on the Pacheco family's new Rancho that he managed from an adobe still standing in Hillcrest Park. The family joined him in 1846. Don Salvio's grand adobe, which is still located in downtown Concord, became the business, social and cultural center of the region.
- Don Francisco Galindo married Don Salvio's daughter, Maria Dolores Manuela. The Galindo's wood frame home, also on the national register, stands today near the Clayton Road extension and Galindo Street.
- A new town called Pacheco, adjacent to the Rancho, prospered as an industrial and shipping center. Its prosperity, though, was short lived due to fires, flooding and the 1868 earthquake.
- In 1868, Don Salvio Pacheco, his son Fernando, and his son-in-law Francisco Galindo created a new town at the center of their Rancho. They called their new town Todos Santos (All Saints), and, in 1869, offered lots free to the merchants and residents of Pacheco. Bonifacio Street marked its perimeter on the northwest, East Street on the northeast, Contra Costa Street on the southeast, and Galindo Street on the southwest.

- The name Todos Santos would not identify the new town for long. Within months after Todos Santos had been recorded as the official name of the subdivision, Concord was heralded by the Contra Costa Gazette as the actual name of the town. In an article dated April 17, 1869, the paper congratulated the residents of Concord for adopting such a meaningful name for their new village. They highlighted the harmonious spirit and euphony of this fine name. Despite later published reminders and protests by Fernando Pacheco, Concord became the name of our new town.
- By 1879, a population of 300 was reported. It would double by February 1905, when incorporation of the "Town of Concord" was approved by a local eight vote margin.
- It would take 35 years for the population to double again. At the beginning of World War II, small town Concord had an extraordinary high school, a modern hospital, five churches, two railroads, a fine library, a central plaza, two cinemas, a full-service downtown commercial area, tree-lined streets, comfortable homes, and a population of only 1,400. The war years brought exposure; the postwar years began a population boom. By 1948, the population had grown to 6,500.
- Today, the farms, orchards, and the old Rancho are neighborhoods; the classic old downtown has a multistory skyline. Concord has a diverse population approaching 130,000 and is the largest city in Contra Costa County. Confident of its future, Concord is especially proud of its rich history.



**MISCELLANEOUS STATISTICS
FY2012-2013**

Population			
Population	123,206	Date of incorporation	February 9, 1905
Registered voters	56,354	Form of government	Council-City Manager (General Law)
		Area	31.13

Police Protection	
Number of stations	1
Number of sworn personnel	152

Fire Protection	
The City of Concord is part of Contra Costa County Fire Protection District	
Number of stations	5
Number of firefighters	45

Sewer Services	
Sewer system in miles	383
Number of households	50,166
Average daily pumping in gallons	N/A, pump station eliminated

Education	
Number of public schools (Elementary/Jr. High)	21
Number of public schools (High School)	5
Number of Universities/Colleges(California State East Bay,Chapman&Heald)	3
Number of students in public schools	15,819

Culture and Leisure	
Number of theaters	2
Number of performing arts centers	1
Number of libraries	1
Number of City parks	18
Number of art galleries	1
Number of swimming pools/spray parks	2
Golf Course	1

City Employees	
Full-time	387
Part-time (varies seasonally)	105-399

SOURCE: VARIOUS CITY, STATE AND MT. DIABLO UNIFIED SCHOOL DISTRICTS RECORDS



Demographic Characteristics for Concord FY2012-2013

What is the total population of...?

Concord?	123,206
Contra Costa County?	1,065,117
California?	37,510,766

What percentage of the total population in Concord is under 18?

23.8% (29,254)

What is the total number of people age 55 and older?

29,508 people (24.1%)

What is the total number of people age 65 and older?

14,922 people (12.2%)

What is the median age in the City of Concord?

37.96 years

What percentage of the total population is Hispanic or Latino?

30.5% (37,465)

What is the breakdown of males and females for the total population of Concord?

61,166 male (49.9%)/ 61,510 female (50.1%)

What is the total number of...?

Households?	44,314
Families?	29,557
Families with Children?	14,002

What is the average...?

Household size?	2.76
Family size?	3.24

What is the total number of housing units?

47,083

What is the breakdown of owner occupied vs. renter occupied?

Owner 29,182	62.0%
Renter 17,901	38.0%

Sources: 2010 Census and 2011 Nielsen Inc. Site Report.



City of Concord Labor Force

Labor Force Participation

There is above average labor force participation in the Concord trade area.

	1 mile ring	3 mile ring	5 mile ring
Percent of population 16+ Years in Labor Force	68.1%	67.1%	67.2%

Percent of Total Workers by Occupation

Over two-thirds of the Concord trade area labor force is white collar.

White Collar:	1 mile ring	3 mile ring	5 mile ring	Blue Collar:	1 mile ring	3 mile ring	5 mile ring
Managerial/Executive	12.4%	14.8%	15.4%	Craftsmen	19.8%	17.2%	16.7%
Professional	15.5%	17.5%	18.0%	Services	15.4%	15.3%	14.9%
Sales	24.8%	25.3%	25.2%	Other Blue Collar	12.1%	9.9%	9.8%
Percent White Collar	52.7%	57.6%	58.6%	Percent Blue Collar	47.3%	42.4%	41.4%

Education

Over half of Concord's trade area residents have a college education.

	1 mile ring	3 mile ring	5 mile ring
Percent of Population 25+ Years with college education	58.3%	61.4%	62.7%

Tenure

The stability of Concord's trade area labor force is evidenced in high rates of home ownership.

	1 mile ring	3 mile ring	5 mile ring
Percentage of total homes owner-occupied	48.9%	58.4%	62.0%
Percentage of total homes renter-occupied	51.1%	41.6%	38.0%

City of Concord Age Distribution - 2011

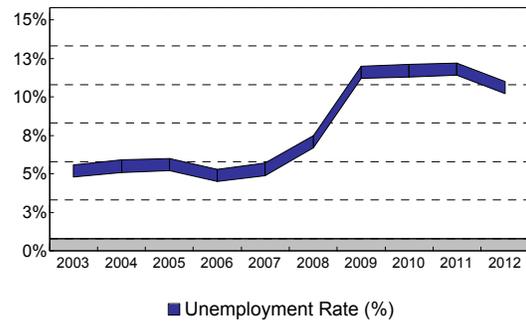
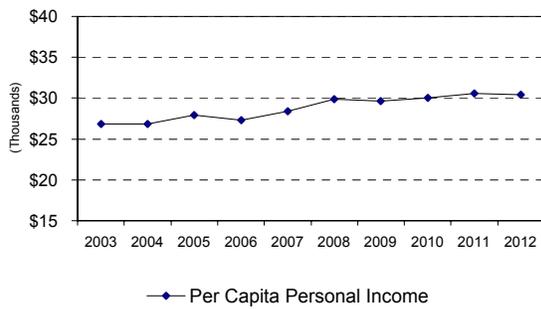
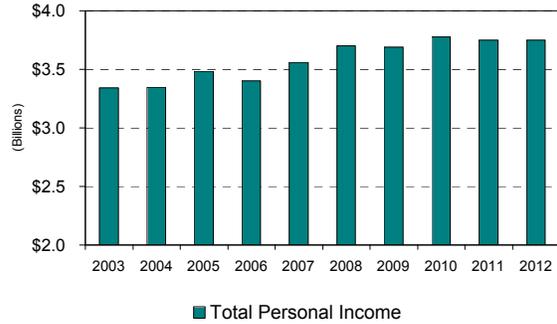
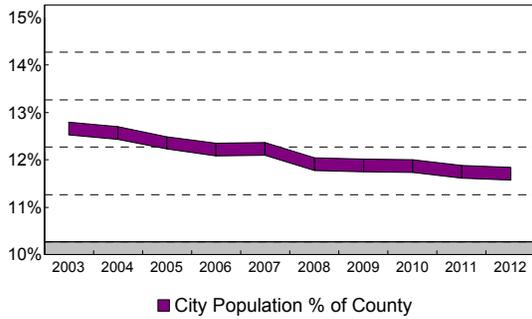
The majority of Concord residents are in the prime employment age between 25 and 54 years.

	Number	Percent
Under 5 Years	7,998	6.40%
6 to 17 Years	21,256	16.97%
18 to 24 years	10,219	8.98%
25 to 34 years	16,328	14.10%
35 to 44 years	18,708	15.20%
45 to 54 years	18,659	14.86%
55 to 64 years	14,586	11.76%
65 years and above	14,922	11.73%
Total Population	122,676	100.00%

*All statistics except for age distribution are based on 1, 3, and 5 mile rings from the intersection of Concord Avenue and Salvio Streets. Age distribution counts residents within the city boundary. Sources: 2010 Census and 2011 Nielsen Inc. Site Report.



**CITY OF CONCORD
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**



Fiscal Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%)	Contra Costa County Population	City Population % of County
2003	124,655	3,343,847,628	26,825	4.8%	994,900	12.53%
2004	124,856	3,349,239,416	26,825	5.1%	1,003,800	12.44%
2005	124,798	3,484,323,723	27,920	5.2%	1,020,898	12.22%
2006	124,436	3,400,903,754	27,331	4.5%	1,029,377	12.09%
2007	125,203	3,559,134,392	28,427	4.9%	1,034,874	12.10%
2008	123,776	3,699,669,661	29,890	6.7%	1,051,674	11.77%
2009	124,599	3,692,159,331	29,632	11.2%	1,060,435	11.75%
2010	125,864	3,778,680,839	30,022	11.3%	1,073,055	11.73%
2011	122,676	3,750,984,044	30,576	11.4%	1,056,064	11.62%
2012	123,206 (E)	3,750,984,044 (E)	30,445 (E)	10.2%	1,065,117	11.57%

Source: California State Department of Finance. 2012 is estimated.



**Jurisdictional Comparison
Fiscal Year 2013**

	City of Concord	City of Walnut Creek	City of Pleasant Hill
<i>Year Incorporated</i>	1905	1914	1961
<i>Form of Government</i>	Council/Manager General Law City	Council/Manager General Law City	Council/Manager General Law City
<i>Physical Area</i>	31.13 square miles	19.5 square miles	8.2 square miles
<i>Population</i>	123,206	65,233	33,440
Full Time Employees	387	332	119
Population per Employee	318	196	281
Sworn Personnel	152	78	43
Population per Sworn Personnel	811	836	778
<i>Ethnic Make-up of Population</i>			
White	59,595	49,577	22,906
Hispanic or Latino (of any race)	39,635	3,914	3,377
Asian and Native Hawaiian and Pacific Islander	14,489	7,828	4,200
Black or African American	4,152	1,305	986
American Indian and Alaska Native	333	130	184
Some Other Race	5,002	2,479	1,787
<i>Registered Voters</i>	56,354	41,242	18,813
<i>Party Affiliation</i>			
Democrat	26,788	18,453	8,760
Republican	14,622	12,932	4,842
Other	14,944	9,857	5,211
<i>Number of Housing Units</i>	47,153	32,939	14,321
<i>Median Household Income</i>	\$63,620	\$78,078	\$83,795
<i>Persons per Household</i>	2.76	2.09	2.41
<i>Financial Comparisons</i>			
Budgeted General Fund Revenues	\$75,107,243	\$60,312,117	\$18,806,290
Budgeted General Fund Expenditures	\$71,053,093	\$62,742,577	\$19,649,796
Expenditures per Capita	\$577	\$962	\$588



Number: 91
Authority: City Manager
Effective: 01-02-73
Revised: 03-22-07
Reviewed: 2007
Initiating Dept.: FI

BUDGET PREPARATION

1. PURPOSE

To establish procedures for the development and computation of budget data, including the formulation and updates of work programs and standards of service for the following fiscal year and ten-year financial plan.

2. GENERAL

The budget adopted by the City Council is the financial plan of the city government of Concord. As such, it is a significant document, and its preparation is one of the most important duties performed by City personnel. Time schedules and deadlines indicated in the budget calendar for submission and review of the various phases of the budget are extremely critical and shall be adhered to by all personnel.

Departmental requests for appropriations must be realistic and based on work programs, analysis of needs, and past experience. Each year a comprehensive review of each department's programs and proposals for enhancements is performed. The approved annual budget is an operating plan that establishes expenditure allocations for each program and projections of expenditure allocations for the next nine years. The City of Concord prepares a ten-year financial plan for all City services.

3. PROCEDURE

The budget process is presented in separate stages to permit specialized analysis in each particular area. Preparers must keep in mind the final product as they prepare each phase, so that all phases, although they are prepared independently, can be coordinated into a final budget.

3.1 Budget Kickoff

3.11 This meeting is held early in November to present the budget calendar, distribute information on preparation for both the Operating and Capital Improvement Projects budgets, and position allocation listings for all currently authorized full-time positions.

3.2 Personnel Services

3.21 The Finance Department will calculate full-time personnel salaries and related benefits in accordance with current memoranda of understanding. Requests for new positions or classification change of a vacant position will be included in the projection if they are approved by the City Manager. Any capital outlay

- 3.22 required in conjunction with a new position must be submitted in accordance with section 3.32 below. Requests to exchange or upgrade filled positions must be done in accordance with the procedure outlined by the Human Resources Department.
- 3.23 Position allocations for full-time employees must be submitted to the Finance Department by mid-November. Position allocations shall be in accordance with the tasks in the Performance Based Budget (PBB) system.
- 3.24 Limited service and overtime requests must be completed and include job classification, hours or dollars requested, and position allocations. These requests are then submitted to the Finance Department by mid-November. Finance will include these requests for salary and benefits in projections of personnel costs for all ten-years in the financial plan. Position allocations shall be in accordance with the tasks in the PBB system.

3.3 Operating Expenditures and Capital Equipment Requests

- 3.31 The Finance Department will provide a report to assist each department in completing this phase of budget preparation. The report will contain last year's projection for this budget year by account unit (or task) and account.

Each department will make necessary changes on an exception basis and notify Finance of changes made. Finance will adjust the next nine years with the appropriate inflation factor. Each department will review and update their performance indicators and tasks in the PBB system prior to their budget meeting.

- 3.32 Requests for capital equipment cost or any equipment impacting internal service funds must be justified on a special "Capital Request" form to be forwarded to the Finance Department by September 15 each year. Budget for capital equipment should be recorded with the correct account code in the "1Z" task, unless the equipment is so specialized as to apply to a single performance task.

3.4 Internal Service Funds

- 3.41 Capital equipment requests which impact any of the internal service funds shall be submitted to the Finance Department with copies to the appropriate fund manager so those requests can be included in the internal service fund manager's proposal to the City Manager. Such requests must be submitted by September 15th of each year.
- 3.42 The internal service fund managers will prepare and submit their proposed ten-year replacement and operation plans to the City Manager no later than October 31st of each year for the following fiscal year budget. Any required changes for service charges will be reflected in departmental budgets and reviewed as part of the budget process.

3.5 Departmental Meetings

- 3.51 Prior to the departmental meetings, the City Manager and the appointed budget review committee will meet to discuss the preliminary ten-year financial forecast. The Finance Director will present and explain assumptions and forecasts for the City's major revenue sources.
- 3.52 Meetings with departments will begin early in January. At this time, the City Manager and the budget review committee will review each department's revenue projections (if applicable), expenditure requests, Performance Based Budgeting (PBB) performance measures (indicators and tasks), service level changes, new program requests and ten-year financial forecasts (if applicable).
- 3.53 Departments will make required changes and schedule a revisit meeting if necessary. Departments will update the section in the PBB system describing services performed during the current year, initiatives for the next fiscal year, and any significant changes proposed before the first of March.

3.6 Budget Presentation

- 3.61 The proposed budget will be presented to the City Council for preliminary review no later than the middle of May. The public is invited to the preliminary review, however, this review is intended to be a formal presentation by the City Manager and Department Heads highlighting accomplishments, proposed program enhancements, and significant changes. In June, the City Council will hold two public hearings at which they will review budgets, budget policies and changes. The budget is scheduled for adoption at the second public hearing council meeting in June.
- 3.62 The proposed budget will be available for public review at three locations: City Clerk's Office, Finance Department, and the public library. The proposed budget will be posted to the City's website. A taped two-hour presentation of the proposed budget will be shown on the City's public access station several times before adoption. The City solicits and welcomes all public comments.



POLICY & PROCEDURE

CITY OF CONCORD

Number:	31
Authority:	Res. 05-76
Effective:	4-02-73
Revised:	10-25-05
Reviewed:	2005
Initiating Dept.:	FI

BUDGET APPROPRIATION TRANSFER CONTROLS

1. PURPOSE

To provide a procedure allowing for efficient and cost effective transfers of budgeted funds between City programs, capital projects and line item accounts.

2. POLICY

The City Council recognizes the benefit of adopting a policy for the processing of budget transfers that not only provides for strong internal financial controls, but also encourages improved accountability and budgetary estimates from Department Heads. An integral part of the process should be increased responsiveness, cost effectiveness and elimination of redundant tasks.

3. BUDGET TRANSFER CATEGORIES

3.1 Department Groups

Budget amounts which are assigned to a specific organizational function consisting of programs related in nature or purpose.

3.11 Examples: Departments covered by this section include such functions as City Management, City Attorney, Human Resources, Finance, Information Technology, Community & Recreation Services, Public Works – Maintenance Services, Public Works-Engineering Services, Planning & Economic Development, Building & Neighborhood Services and Police Services.

3.2 Program Groups

Budget amounts which are assigned to a specific organizational function within a department directed to attaining specific purposes or objectives.

3.21 Examples: Programs covered by this section include such functions as City Council, Recruitment and Selection, Network Systems, Finance Administration, Sports and Events, Traffic Operations, Design, Police Operations, Planning, Housing, etc.

3.3 Projects

Budget amounts assigned to projects approved by the City Council. Projects are classified into two general categories; Capital Projects and Other Projects. Capital Projects are projects related to City infrastructure assets. Other Projects are projects not related to City infrastructure assets.

3.31 Capital Projects consist of Specific Projects and Master Projects.

3.311 Specific Projects are one-time projects. An example is the construction of a new police facility which becomes a City asset.

3.312 Master Projects are related to programs that receive annual funding for a particular purpose, such as street rehabilitation or building maintenance. The programs are implemented through specific projects. The schedule for implementing specific projects is based on the prioritization criteria established by the appropriate department. An example of a Master Project is "Arterial/collector Street Overlay/Pavement Management System". An example of a specific project is "Willow Pass Pavement Rehabilitation.

3.32 Other Projects are not related to infrastructure asset. An example would be the California Symphony production.

3.4 Group Appropriation and Accounts

Budgeted amounts within programs which are categorized by nature or purpose within four groups:

	Personnel Services (Wages & Benefits)	
Materials		and Supplies
Fixed		Expenses
Capital		Outlay

3.41 Examples: Line item accounts addressed in this section include but are not limited to Overtime, Office Supplies, Meetings and Conferences, Small Equipment, etc.

3.5 Appropriations of Money Received for Specific Purposes

Money received for specific purposes requires the establishment of an appropriation and revenue account of equal value. Purposes include a study for a possible or pending improvement or to construct a possible or pending improvement or other designated purposes.

3.51 Example: A developer payment to fund a traffic study.

4. PROCEDURE – LEVEL AND TYPES OF BUDGET TRANSFERS

4.1 General

4.11 All transfers of appropriations are to be processed through the Finance Director for certification as to availability of the budget appropriation, for transfer and account correctness and to ensure that the new use of funds remains consistent with underlying authority.

4.12 Department Heads shall ensure that Performance Based Budgeting (PBB) objectives are maintained on all transfers of appropriations.

4.13 All transfers of appropriations affecting Personnel Services type accounts require the approval of the Human Resources Director.

4.14 The City Manager may add requirements that may abrogate any or all of the authority delegated to Department Heads under this policy.

4.2 Program Group Appropriation Transfers (Accounts)

- 4.21 These transfers are between the groups defined in Paragraph 3.2. In addition to the requirements stated in Section 4.1, the following approvals are required:
- 4.22 City Council approval is not required for program group transfers.
- 4.23 Program group transfers of Personnel services type accounts within the same fund and department require Department Head and City Manager approval.
- 4.24 Program group transfers of Personnel services type accounts between funds within the same department require Department Head and City Manager approval.
- 4.25 Program group transfers of Materials and Supplies type accounts within the same fund and department require Department Head approval.
- 4.26 Program group transfers of Materials and Supplies type accounts between funds within the same department require Department Head and City Manager approval.
- 4.27 Department Heads may approve requests within their department's budget to convert operating line item accounts into project accounts provided no addition is made to the original appropriation approved by the City Council and no changes are made to the funding source or purpose for which the appropriation was originally made.
- 4.28 Department Heads may spend more than is budgeted in a line item account provided the budget for the entire program is not exceeded in total.
- 4.29 Department Heads may substitute the purchase of a capital equipment item for another originally approved during the budget process provided the cost of the substitute item is less than or equal to the amount approved by the City Council. Items greater than that amount require the approval of the City Manager.

4.3 Department Appropriation Transfers

These transfers are between the departments defined in Paragraph 3.1. In addition to the requirements stated in Section 4.1, the following approvals are required:

- 4.31 Department Heads may transfer budget appropriations between departments. The approval of all Department Heads involved in the transfer is required.
- 4.32 Department budget appropriation transfers between departments require the approval of the City Manager.

4.4 Appropriations of Money Received for Specific Purpose

These offsetting budget adjustments are defined in Paragraph 3.5

- 4.41 Offsetting budget appropriation adjustments required as a result of the receipt of money for specific purposes require Department Head approval.
- 4.42 Budget appropriation adjustments greater than the money received for specific purposes require City Manager and City Council approval.

4.5 Project Appropriation Transfers

Paragraph 3.3 describes these transfers.

- 4.51 All Project appropriation transfers require City Manager approval.
- 4.52 Additional appropriations of \$20,000 or more for projects require City Council approval.
- 4.53 Transfer of savings on a project of \$20,000 or more to another project requires City Council approval.
- 4.54 Any unspent funds on a completed Project will be returned to reserves at year-end.

4.6 Special Revenue Appropriation

- 4.61 Budget appropriations based on funds provided by donations, contributions or special grants.
- 4.62 The special revenue appropriation is limited to the exact amount received or to be received.
- 4.63 The City Manager must approve special revenue budget appropriations.
- 4.64 Budget appropriations engendered by grants, donations or contributions require City Council approval.

**CITY OF CONCORD**

Number: 129
 Authority: Council Motion
 Effective: 02/02/2009
 Revised: 02/02/2009
 Reviewed: 2009
 Initiating Dept.: FN

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 a contingency and reserves as a percentage of designated operating expenses for the General Fund and the Enterprise funds.
- 3.14 Maintain a capital and operational reserve to address unforecasted needs.
- 3.15 The aggregate of contingencies and reserves shall be 15 % of designated operating expenses for the General Fund;
- 3.16 The aggregate total shall be reviewed on an annual basis and shall revert to an aggregate 30% when economic conditions improve.
- 3.17 Develop and maintain a revenue monitoring and forecasting system to assist in trend analysis and revenue forecasting for the 10-year planning period.
- 3.18 Document all assumptions for revenue and expenditure forecasts each year.
- 3.19 Establish a financial plan for the Redevelopment Agency that ensures a positive cash balance at the end of the life of the Agency.
- 3.110 Seek reimbursement for State and Federal mandated programs and projects.

- 3.111 Conduct periodic audits for sales tax (point-of-sale), franchises and concessions, and transient occupancy tax (TOT).
 - 3.112 Carefully review and discourage grants that may expand or add services without a reliable replacement revenue after the grant period ends.
 - 3.113 Maintain an aggressive collection system for all accounts receivable.
 - 3.114 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, consisting of operating contingency and reserves, will be established and maintained at a level not less than equal to 15% of the General Fund designated operating expenditures. The contingency and reserve shall be determined to be fully funded when 15% of the General Fund designated operating expenditures 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 As economic conditions warrant the 10% operating contingency and the aggregate 20% reserves will be re-instituted.
- 3.83 Reserve funds will have four subaccounts: the Economic Contingency Reserve, the Unforecasted Reserve, the Capital/Maintenance Reserve, and the Benefits Reserve.
- 3.84 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.
- 3.85 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.
- 3.86 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.
- 3.87 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.
- 3.88 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.

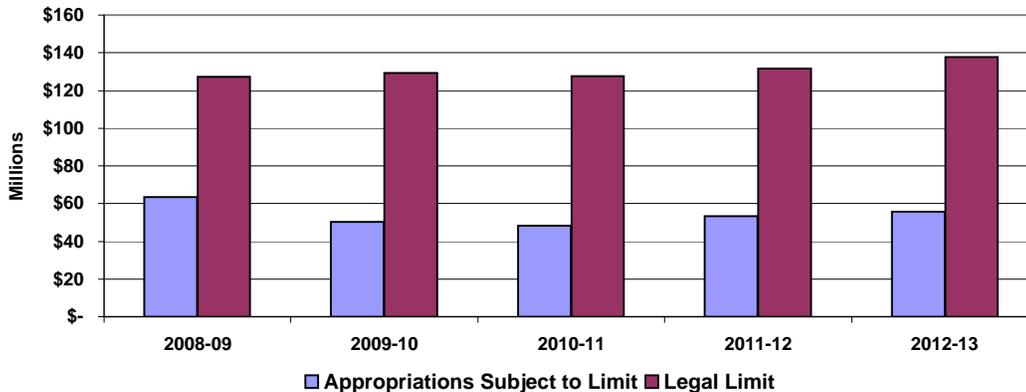
In exceptional circumstances and where adequate funding sources are not available, the City Council may consider appropriation of Capital/Maintenance Reserve funds for a new capital improvement. When making such an appropriation, the City Council will first determine that the maintenance and operating costs of the new project can be fully supported in the Ten-Year Plan in accordance with Policy 3.33.

- 3.89 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.



Article XIII B of the State Constitution, more commonly referred to as the Gann Initiative or Gann Limit, and subsequent implementation legislation requires that the City of Concord limit each fiscal year's appropriations of the proceeds of taxes to the amount of such appropriations in Fiscal Year 1978-79 as adjusted by growth in per California per capita income and the greater of the growth in City or County population. Government Code Section 37200 requires that the appropriation limit and the total appropriations subject to the limitation be published in the annual budget. The City's limitation is calculated every year and it is established by City Council resolution as part of the Annual Operating Budget Process. Resolution No.12-48 was approved on June 26, 2012 establishing the City of Concord's appropriation limit. Below is the calculation.

City of Concord Spending Limit Calculation Fiscal Year 2012-2013		
Appropriations subject to limit		
Fiscal Year 2012-2013 Revenues (all funds)	\$	89,727,509
Less: Non proceeds of tax		(31,322,853)
Less: Exclusions		(2,632,458)
Plus User Fees in excess of costs		-
Total appropriations subject to limit	\$	55,772,198
Appropriation limit		
Fiscal Year 2011-2012 appropriation limit	\$	131,692,207
A = Cost of living adjustment - CPI	1.0377	
(Based on change in California per capita income)		
B = Population adjustment	1.0083	
(Based on Contra Costa County's population growth change)		
Change Factor = (A multiplied by B)	1.04631291	
Increase in appropriation limit		6,099,049
Fiscal Year 2012-2013 appropriation limit	\$	137,791,256
Remaining appropriation capacity (deficit)	\$	82,019,058
Available capacity as a percent of appropriation limit		59.52%



Appropriations subject to the limit in the FY 2012-13 budget total \$55,772,198. This is \$82,019,058 less than the computed limit. Additional appropriations to the budget funded by non-tax sources such as beginning fund balances, grants or service charges are unaffected by the appropriations limit. However, any supplemental appropriations funded through increased tax sources are subject to the appropriations limit and could not exceed the \$ 82,019,058 variance. Any overall actual receipts from tax sources greater than the variance would result in taxes in excess of the appropriations limit and would require refunds of the excess in the next two years or voter approval of an increase in the appropriations limit. A request of voters to authorize an increase in the appropriations limit is not anticipated in the future due to the significant margin between the limit and tax revenue.