

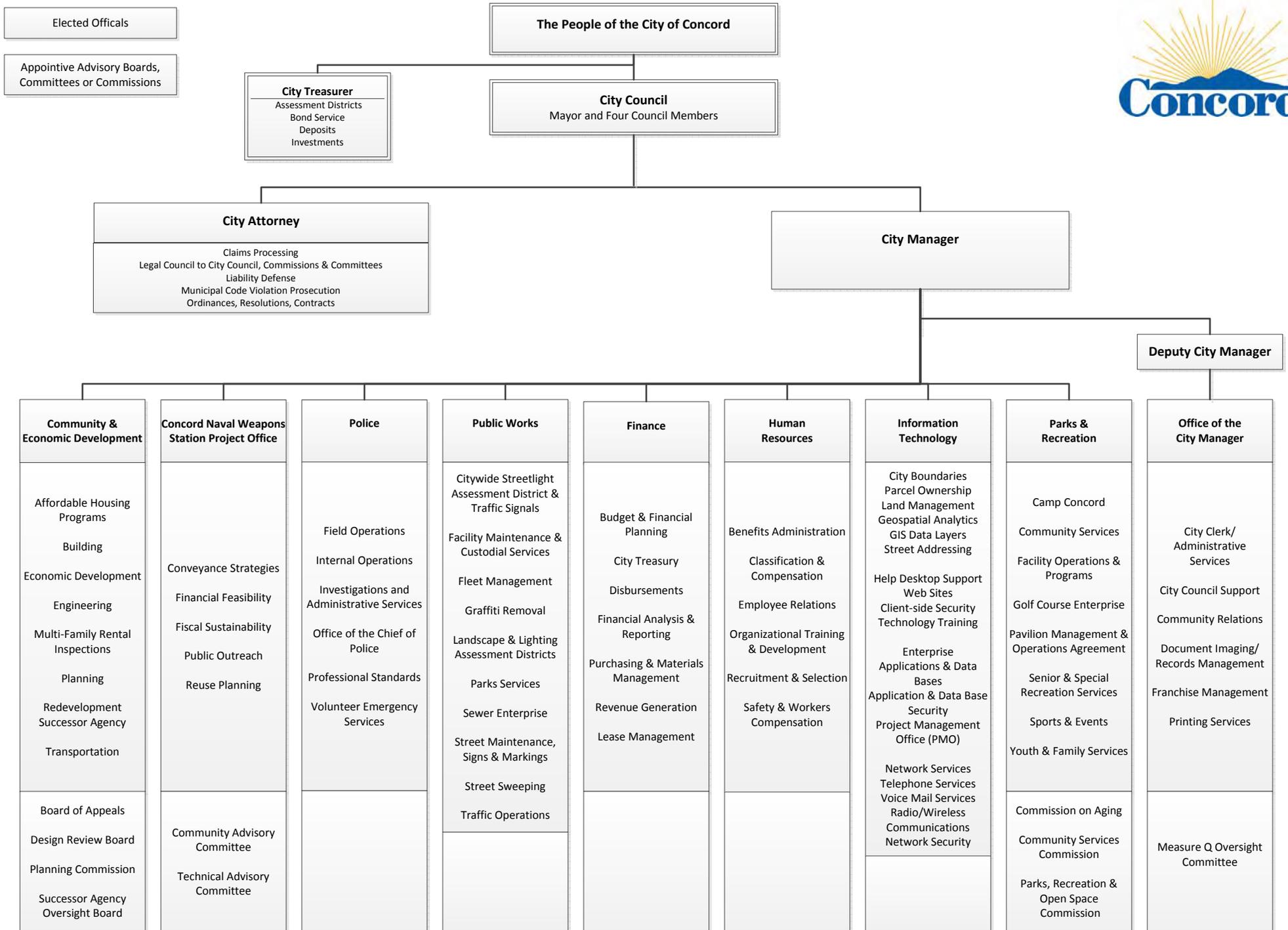
City Organization & Programs

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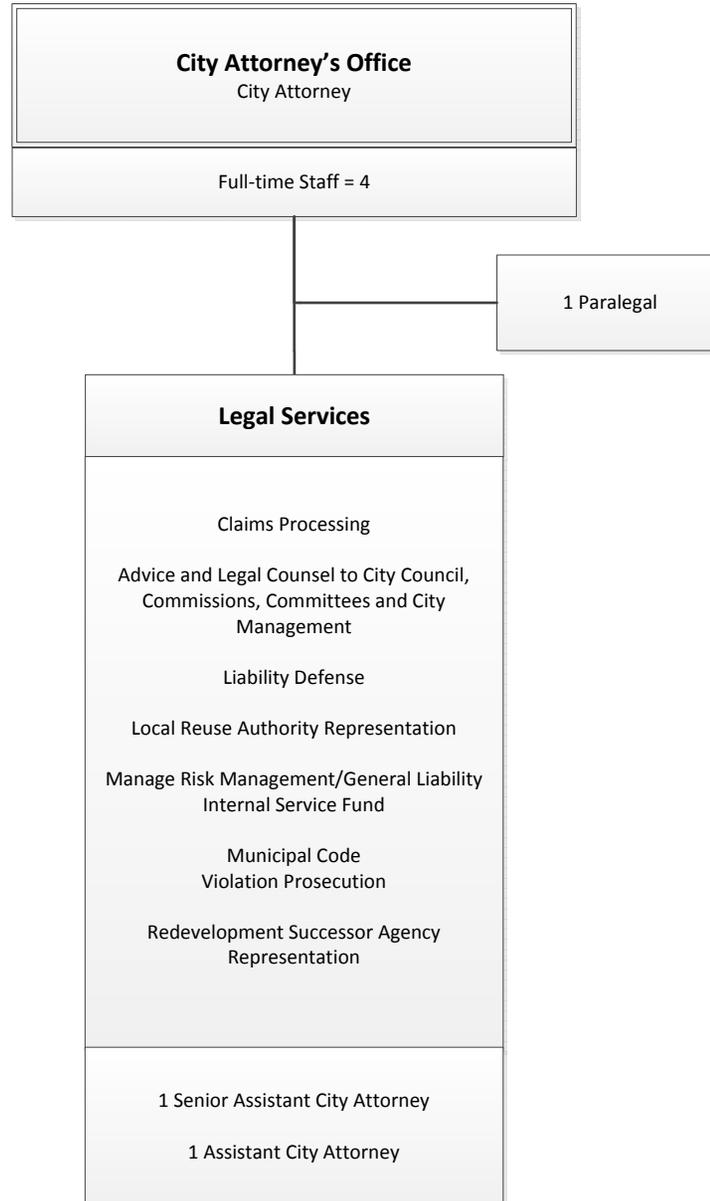


City Organization and Programs

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.



The City of Concord has a City Council/City Manger 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.

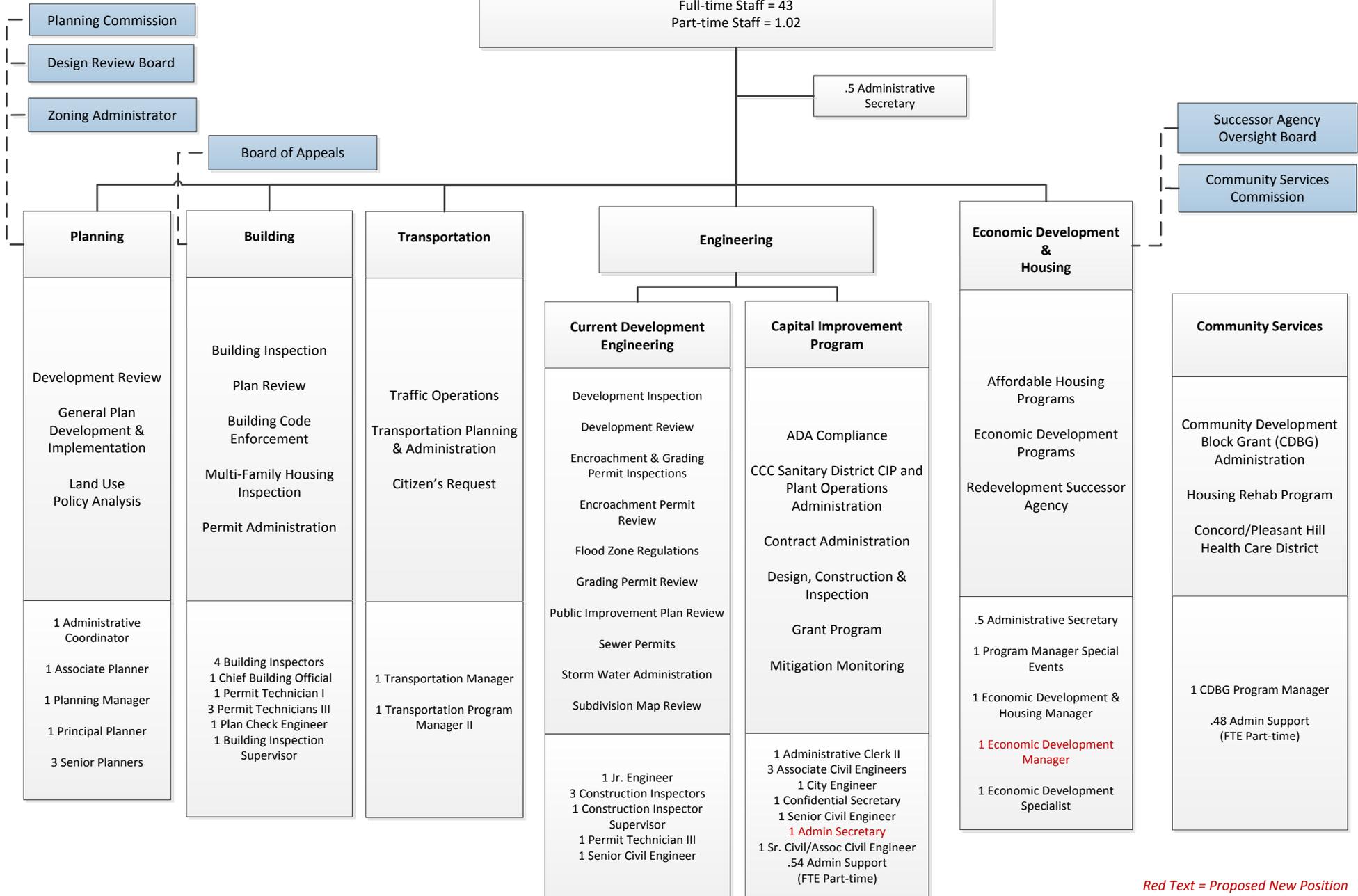




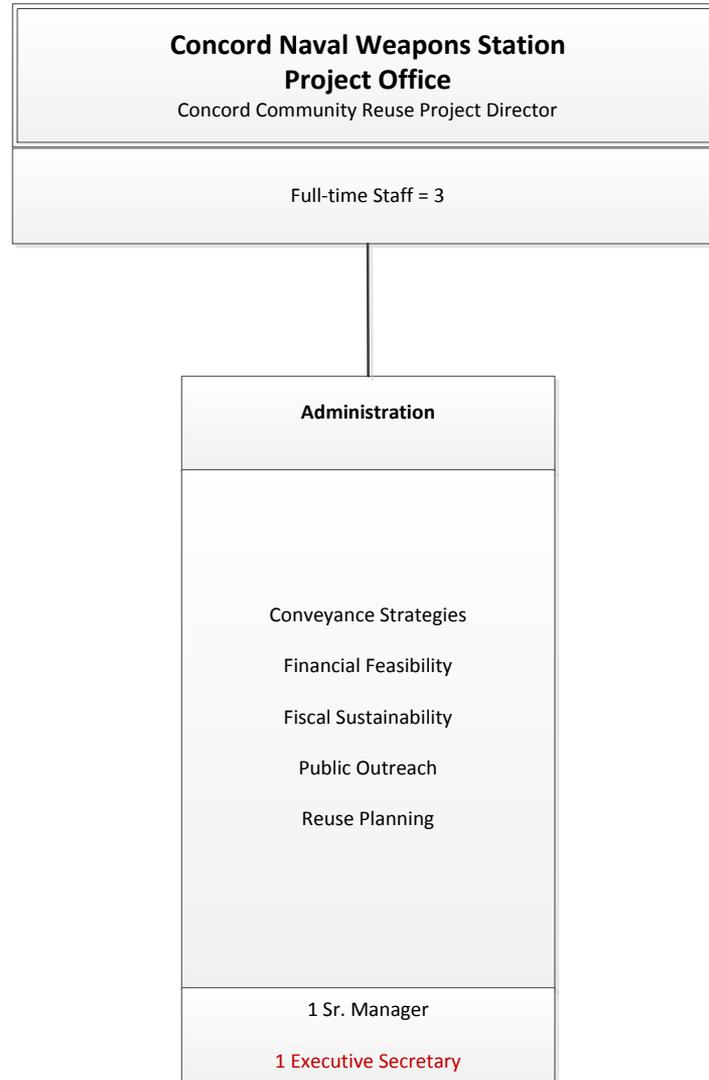
Community and Economic Development
 Director of Community and Economic Development

Full-time Staff = 43
 Part-time Staff = 1.02

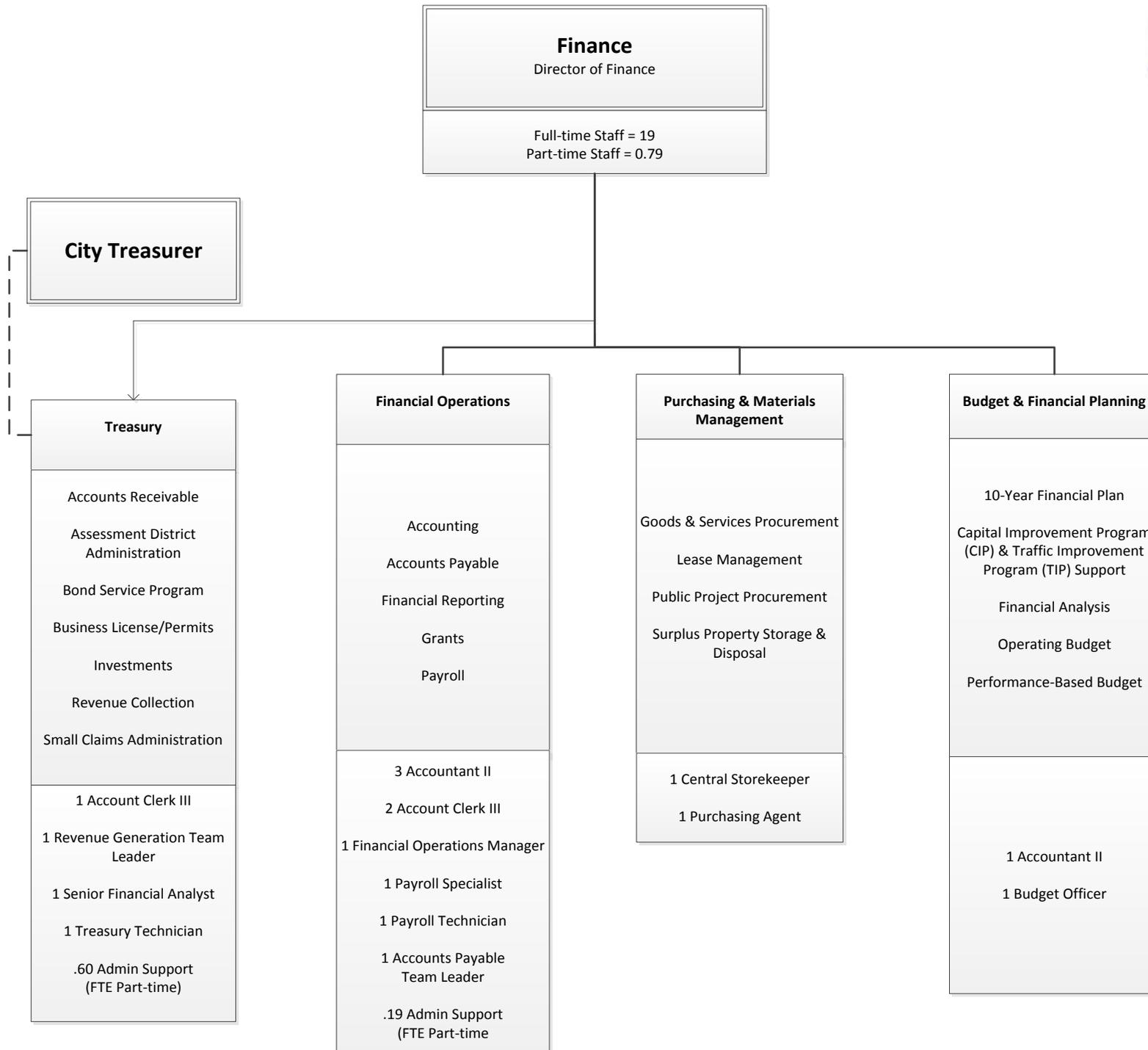
.5 Administrative Secretary

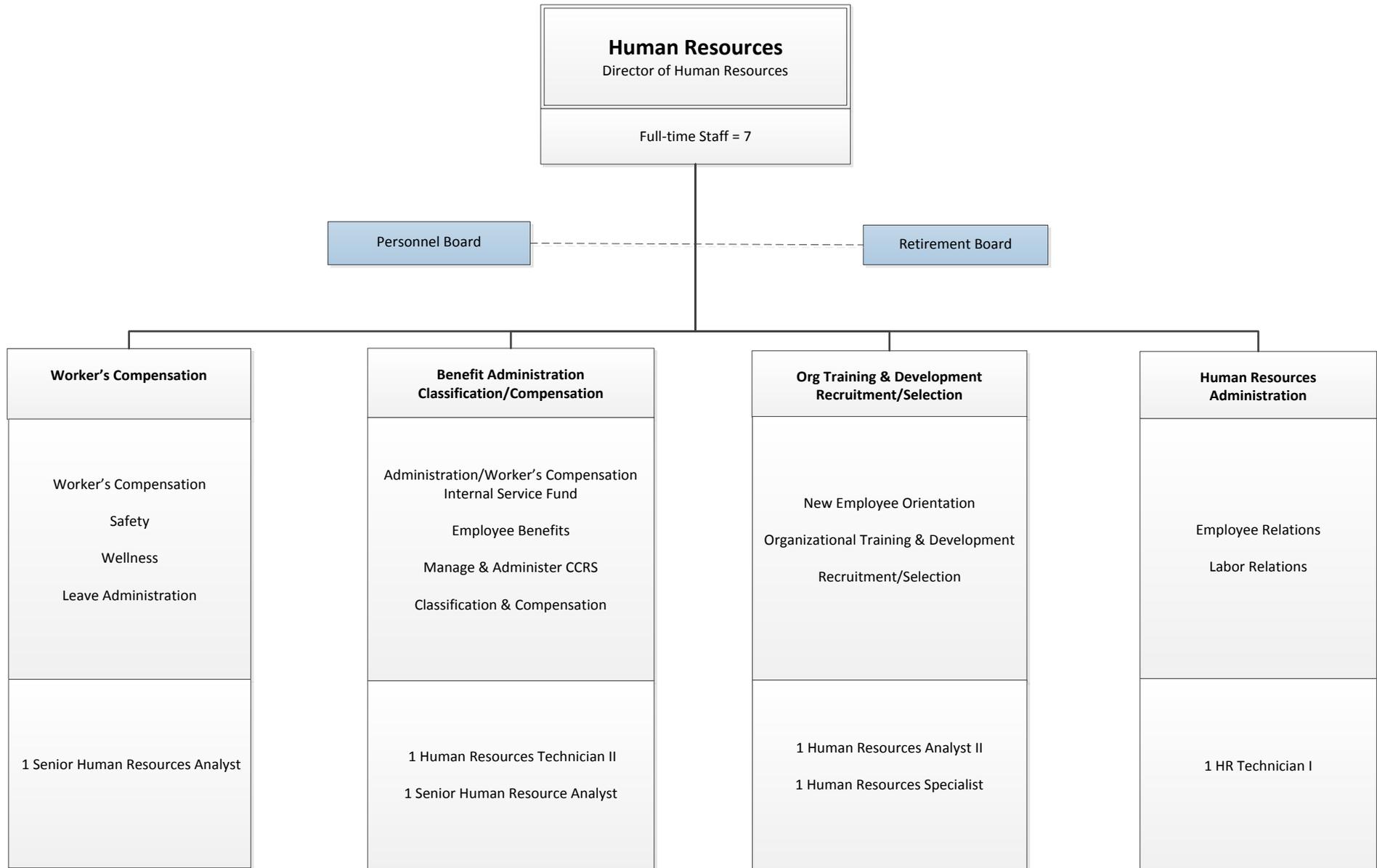


Red Text = Proposed New Position



Red Text = Proposed Conversion from contract Executive Assistant position to permanent Executive Secretary position.







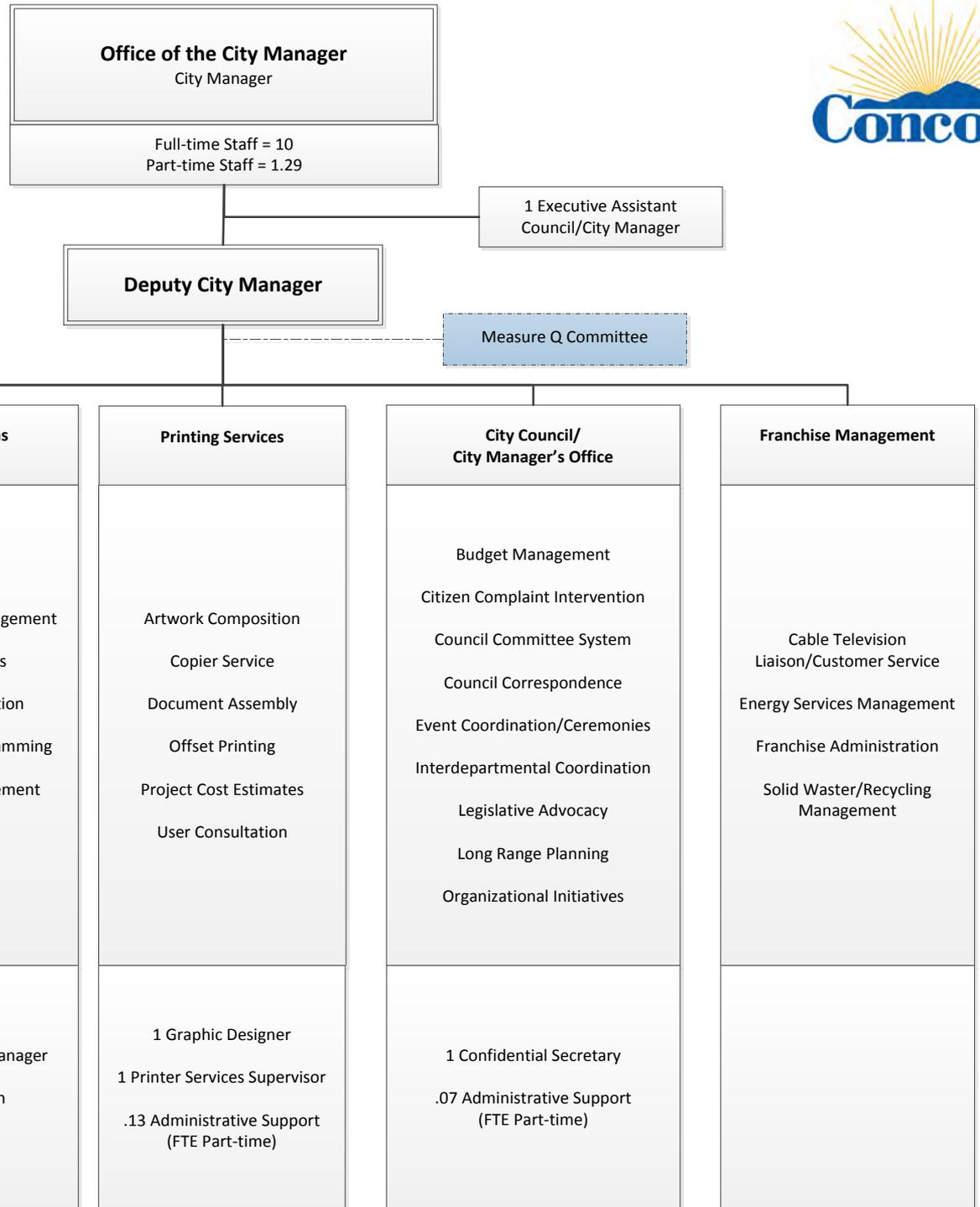
Information Technology

Director of Information Technology

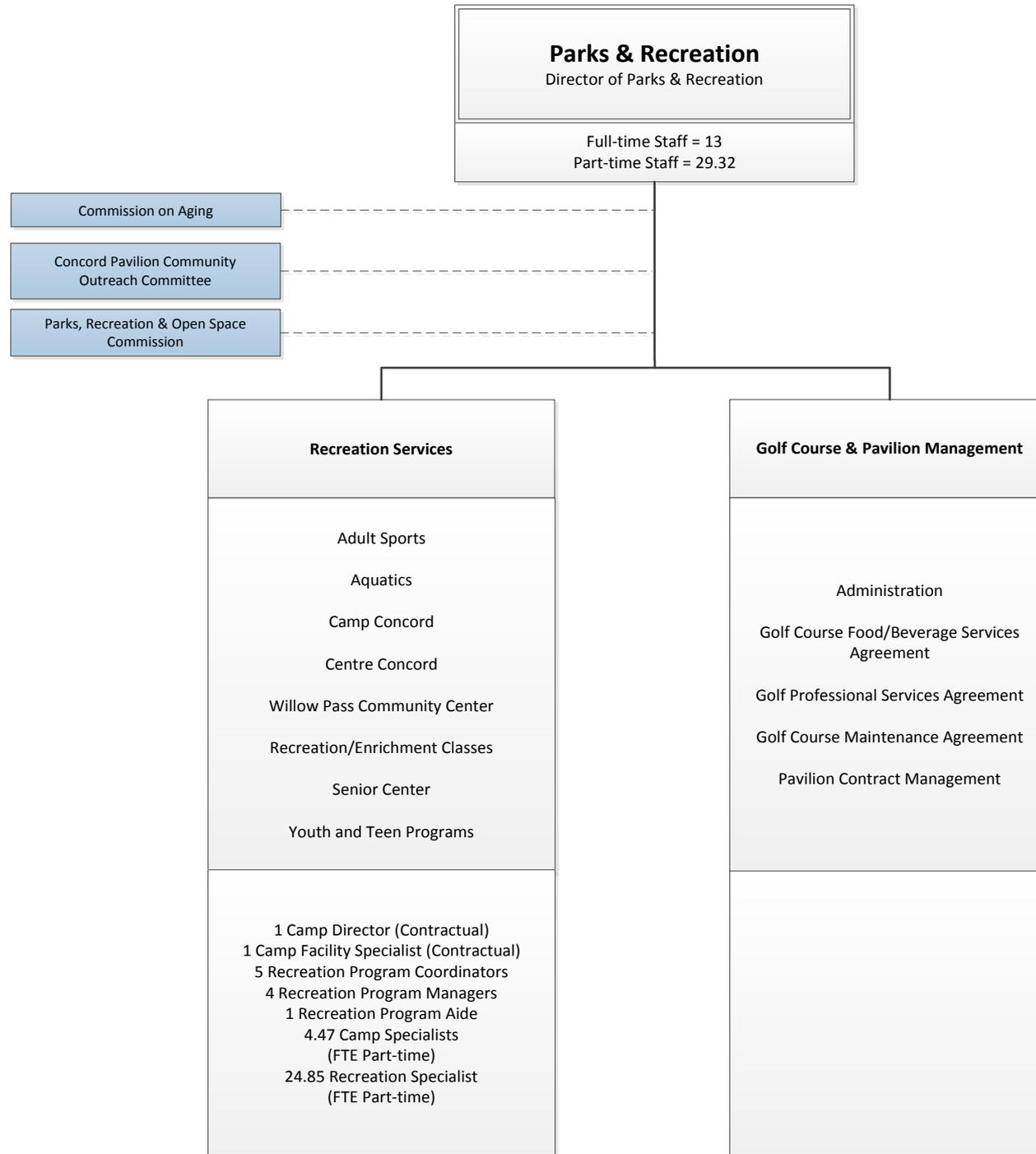
Full-time Staff = 13
Part-time Staff = .93

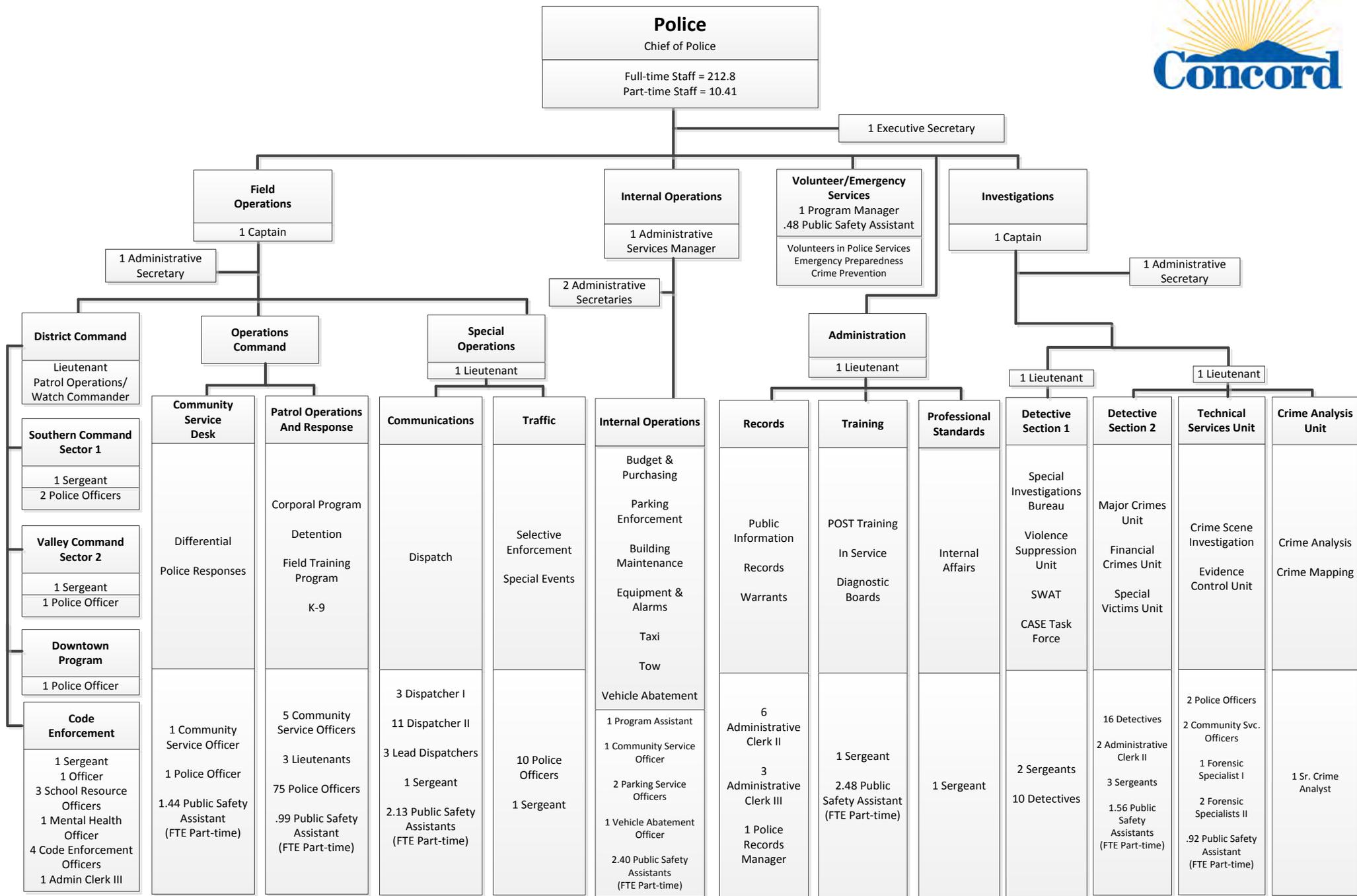


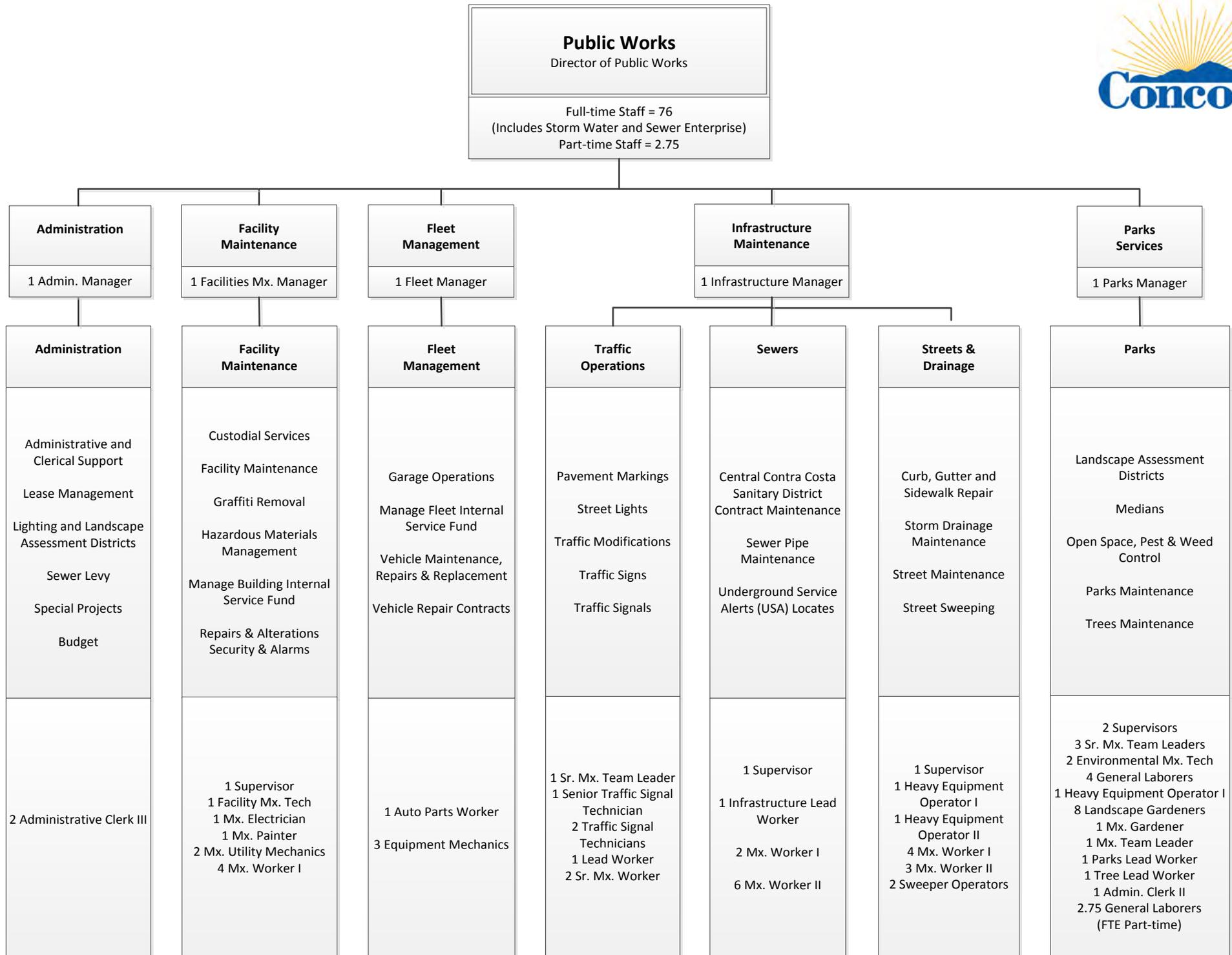
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*Includes City Council (5): Mayor, Vice Mayor, and three Councilmembers

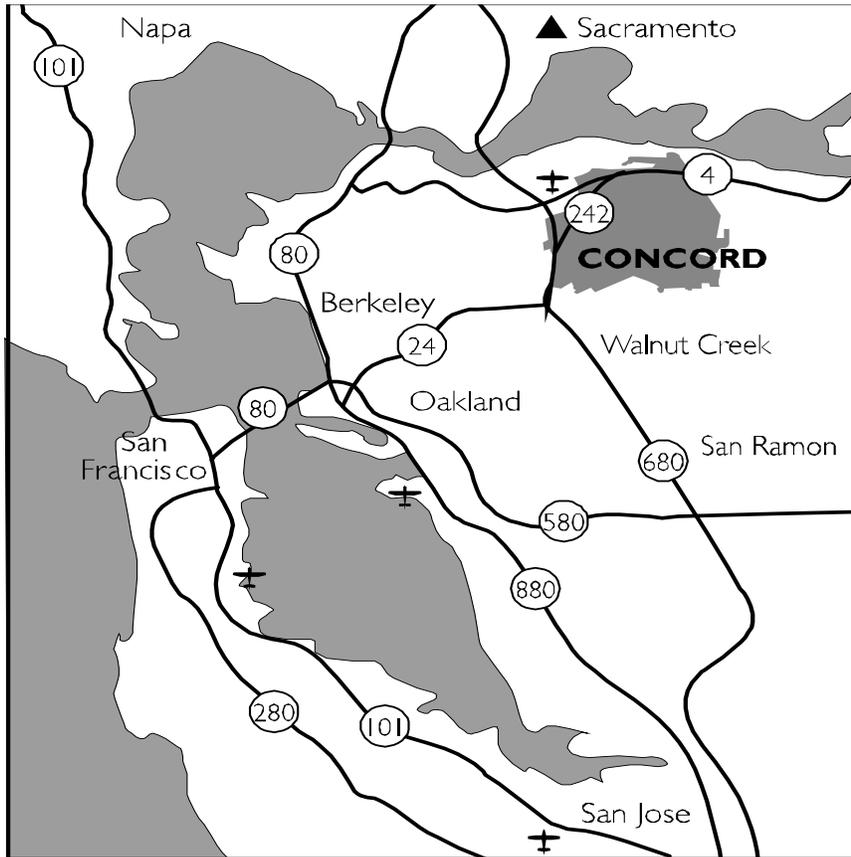






**CITY OF CONCORD
COMPARATIVE SUMMARY OF
AUTHORIZED FULL-TIME POSITIONS
FOR THE YEARS ENDING JUNE 30, 2016 AND 2017**

	<u>2012-2013</u> <u>Budget</u> B	<u>2012-2013</u> <u>Budget</u> C	<u>2014-2015</u> <u>Budget</u> D	<u>2015-2016</u> <u>Budget</u> D	<u>2016-2017</u> <u>Budget</u> D	<u>Incr.</u> <u><Decr.></u> E = D - C
GENERAL CITY						
City Attorney	4.0	4.0	4.0	4.0	4.0	0.0
City Council	6.0	6.0	6.0	6.0	6.0	0.0
Community and Economic Development	29.0	37.0	39.0	43.0	43.0	4.0
Concord Community Reuse Project	2.0	2.0	2.0	3.0	3.0	1.0
Finance	18.0	19.0	19.0	19.0	19.0	0.0
Human Resources	6.0	6.0	7.0	7.0	7.0	0.0
Information Technology	11.0	12.0	12.0	13.0	13.0	1.0
Office of the City Manager	10.0	10.0	11.0	10.0	10.0	(1.0)
Parks and Recreation	14.0	15.0	14.0	13.0	13.0	(1.0)
Police	205.0	205.0	210.8	212.8	212.8	2.0
Public Works	63.0	64.0	64.0	64.0	64.0	0.0
Total General City	368.0	380.0	388.8	394.8	394.8	6.0
ENTERPRISE FUNDS						
Storm Water Management	2.0	2.0	2.0	2.0	2.0	0.0
Sewer	11.0	10.0	10.0	11.0	11.0	1.0
Total Enterprise Funds	13.0	12.0	12.0	13.0	13.0	1.0
GRAND TOTAL CITY AUTHORIZED POSITIONS	381.0	392.0	400.8	407.8	407.8	7.0
SUCCESSOR AGENCY (FORMER REDEVELOPMENT AGENCY)	6.0	0.0	0.0	0.0	0.0	0.0
TOTAL CITY AND SUCCESSOR AGENCY (FORMER REDEVELOPMENT AGENCY)	387.0	392.0	400.8	407.8	407.8	7.0



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.

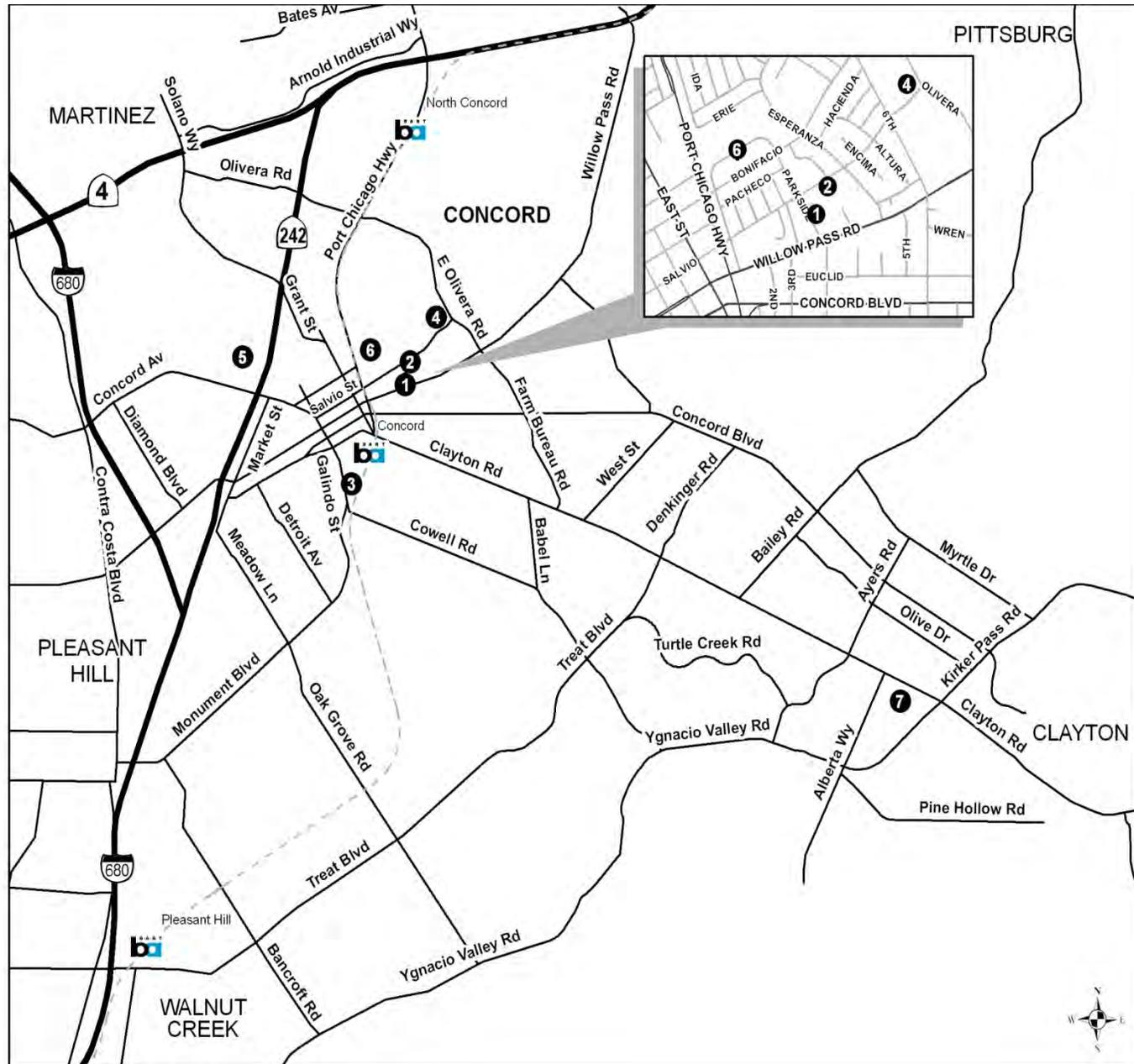
Concord is a General Law City and operates under the Council-Manager form of government. The five members of the City Council are elected at large for four-year staggered terms. The Council selects representatives to serve as Mayor and Vice-Mayor for what has traditionally been a one-year term. Under 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, Finance, Human Resources, Information Technology, Office of the City Manager, Parks & Recreation, 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 know 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
FY2015-2016**

Population			
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Population	126,069	Date of incorporation	February 9, 1905
Registered voters	56,405	Form of government	Council-City Manager (General Law)
		Area	31.13

Police Protection			
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Number of stations	1
Number of sworn personnel	152

Fire Protection			
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The City of Concord is part of Contra Costa County Fire Protection District

Number of stations	3
Number of firefighters	27

Sewer Services			
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Sewer system in miles	389
Number of connections	40,036

Education			
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Number of public schools (Elementary/Jr. High)	21
Number of public schools (High School)	5
Number of Universities/Colleges (CSU East Bay, Chapman & Heald)	3
Number of students in public schools	15,824

Culture and Leisure			
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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			
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Full-time	408
Part-time (varies seasonally)	48-206

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



Demographic Characteristics for Concord FY2015-2016

What is the total population of...?

Concord?	126,609
Contra Costa County?	1,102,871
California?	38,714

What percentage of the total population in Concord is under 20?

25.2% (31,905)

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

29,880 people (23.6%)

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

15,446 people (10.5%)

What is the median age in the City of Concord?

36.4 years

What percentage of the total population is Hispanic or Latino?

34.1% (37,311)

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

63,558 male (50.2%)/ 63,051 female (49.8%)

What is the total number of...?

Households?	44,878
Families?	31,027
Families with Children?	14,483

What is the average...?

Household size?	2.73
Family size?	3.22

What is the total number of housing units?

48,009

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

Owner	27,165	60.5%
Renter	17,713	39.5%

Sources: U.S. Census Bureau, and California Dept. of Finance.



Economic and Social Characteristics for Concord

Employment Status of Concord Residents.

Percent of population 16 years and over in labor force

Concord	68.2%
Contra Costa County	65.6%
California	64.2%

Occupation of Concord Residents

Management, business, science and art occupations	35.8%
Sales and office occupations	24.6%
Service occupations	21.2%
Natural resources, construction, and maintenance occupations	9.8%
Production, transportation, and material moving occupations	8.7%

Industry Employment of Concord Residents

Educational services, and health care and social assistance	19.8%
Professional, scientific, management, and administrative	15.0%
Retail trade	11.7%
Arts, entertainment, and recreation, and accommodation and food services	9.7%
Finance and insurance, and real estate and rental and leasing	9.5%
Construction	8.3%
Manufacturing	6.2%
Other industries	19.8%

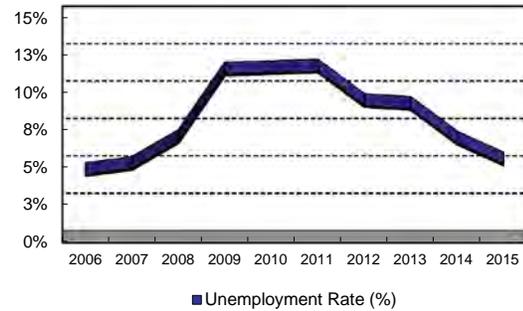
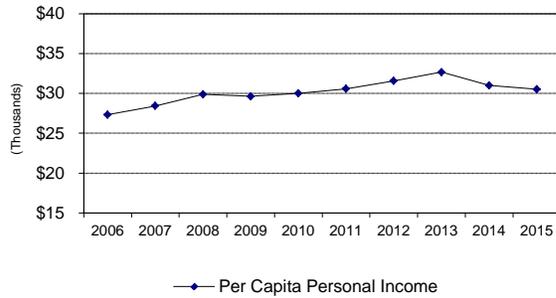
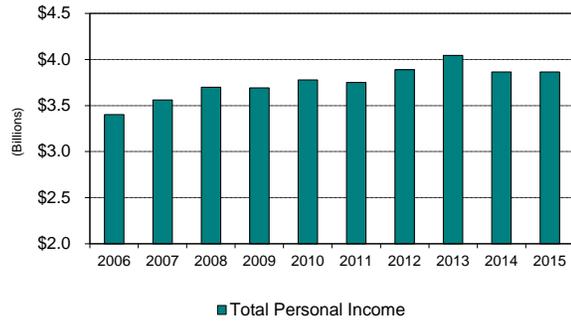
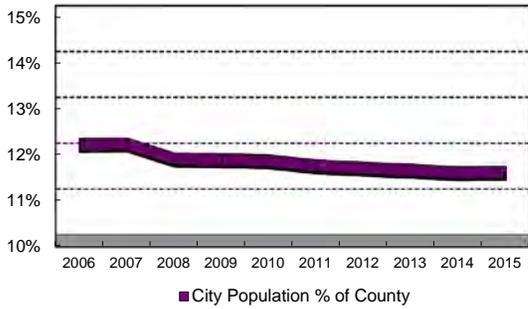
Education of Concord Residents

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

High school graduate	24.1%
Some college	24.7%
Associate's degree	8.3%
Bachelor's degree	21.1%
Graduate or professional degree	9.4%



**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
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	3,889,750,949	31,571	9.1%	1,065,117	11.57%
2013	123,812	4,045,340,987	32,673	8.9%	1,074,702	11.52%
2014	124,656	3,864,336,000	31,000	6.6%	1,087,008	11.47%
2015	126,609	3,864,336,000 E	30,522 E	5.2%	1,102,871	11.48%

Source: California State Department of Finance.



**Jurisdictional Comparison
Fiscal Year 2015**

	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>	126,609	66,868	34,162
Full Time Employees	408	335	119
Population per Employee	310	200	287
Sworn Personnel	152	78	45
Population per Sworn Personnel	833	857	759
<i>Ethnic Make-up of Population</i>			
White	63,051	48,546	34,162
Hispanic or Latino (of any race)	37,350	6,486	22,854
Asian and Native Hawaiian and Pacific Islander	14,560	8,425	4,817
Black or African American	4,811	1,070	4,270
American Indian and Alaska Native	506	201	444
Some Other Race	6,584	2,140	0
<i>Registered Voters</i>	56,405	40,734	18,984
<i>Party Affiliation</i>			
Democrat	26,688	18,258	8,756
Republican	13,548	11,858	4,590
Other	16,169	10,618	5,638
<i>Number of Housing Units</i>	47,155	33,008	14,327
<i>Median Household Income</i>	\$63,228	\$78,078	\$75,636
<i>Persons per Household</i>	2.73	2.12	2.44
<i>Financial Comparisons</i>			
Budgeted General Fund Revenues	\$89,111,556	\$79,481,706	\$21,166,000
Budgeted General Fund Expenditures	\$89,111,556	\$79,346,710	\$23,460,000
Expenditures per Capita	\$704	\$1,187	\$687

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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 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.

- 3.22 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.
- 3.23 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.



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.

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 Forecasting

- 3.11 City Manager will present a budget (Capital and Operating) that is balanced over the 10-year forecasting period for all funds.
- 3.12 Utilize the 10-Year Forecast 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 period.
- 3.18 Document all assumptions for revenue and expenditure forecasts each year.
- 3.19 Seek reimbursement for State and Federal mandated programs and projects.
- 3.110 Conduct periodic audits for sales tax (point-of-sale), franchises and concessions, and transient occupancy tax (TOT).

- 3.111 Carefully review and discourage grants that may expand or add services without a reliable replacement revenue after the grant period ends.
 - 3.112 Maintain an aggressive collection system for all accounts receivable.
 - 3.113 Be alert to potential development of new revenue sources.
- 3.2 Capital Improvement Program (CIP)
- 3.21 Develop a 10-year forecast for CIP.
 - 3.22 Seek grants for needed capital projects which can offset use of other City funds, which can then be utilized for other needed projects.
 - 3.23 Maintain capital improvements to the level required to adequately protect the City's capital investment and to minimize future maintenance and replacement costs.
 - 3.24 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 Forecast.
 - 3.25 Ensure capital budgets contain all costs to complete the project (design, right-of-way, construction, inspection, contract management, contingency).
 - 3.26 Ensure all proposed projects in the 10-Year Forecast have a viable source of funding for both construction and maintenance.
 - 3.27 Fund projects proposed for Enterprise programs by revenues derived from user fees.
 - 3.28 Encourage pay-as-you-go financing of capital improvements where feasible.
- 3.3 Internal Service Funds
- 3.31 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.
 - 3.32 Maintain a 10-year financial forecast for all Internal Service Funds.
 - 3.33 Include cost of operation, maintenance and replacement in the 10-year financial forecasts.
 - 3.34 All costs (operation, maintenance and replacement) associated with each Internal Service Fund will be charged to the appropriate user department.
 - 3.35 Maintain equipment and facilities to the level required to adequately protect the City's investment and to minimize future maintenance and replacement costs.
- 3.4 Enterprise Funds
- 3.41 Maintain a 10-year financial forecast for all Enterprise Funds.
 - 3.42 All costs associated with providing administrative support (finance, personnel, legal, etc.) shall be charged to the appropriate Enterprise Fund.

- 3.43 Periodically review market driven enterprise operations for partnerships, sponsorships and other mutually beneficial business development opportunities.
 - 3.44 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.
 - 3.45 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.
 - 3.46 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.
- 3.5 Investment Policies/Financial Practices
- 3.51 Maintain an Investment Policy consistent with established regulations and guidelines. Said policy is to be reviewed each year by the City Council.
 - 3.52 The Investment Policy shall address safety, liquidity and yield.
 - 3.53 Limit use of debt to minimize future commitment of the fiscal resources of the City and its taxpayers.
 - 3.54 Debt payment should not exceed the anticipated useful life of an improvement, and in no case should it exceed 30 years.
 - 3.55 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.
- 3.6 Review and Adopt a Balanced Budget
- 3.61 The budget will be adopted as shown in the operating budget document annually.
 - 3.62 Full review of revenue assumptions and preparation of the Capital Improvement Program and Ten-Year Forecasts on all funds will be done annually.
 - 3.63 The City Council will hold public hearings and formally approve a budget for the City annually.
- 3.7 Reserve Funds
- 3.71 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 Forecast.
 - 3.72 As economic conditions warrant the 10% operating contingency and the aggregate 20% reserves will be re-instituted.
 - 3.73 Reserve funds will have four subaccounts: the Economic Contingency Reserve, the Unforecasted Reserve, the Capital/Maintenance Reserve, and the Benefits Reserve.

- 3.74 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.
- 3.75 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.
- 3.76 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.
- 3.77 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.
- 3.78 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.

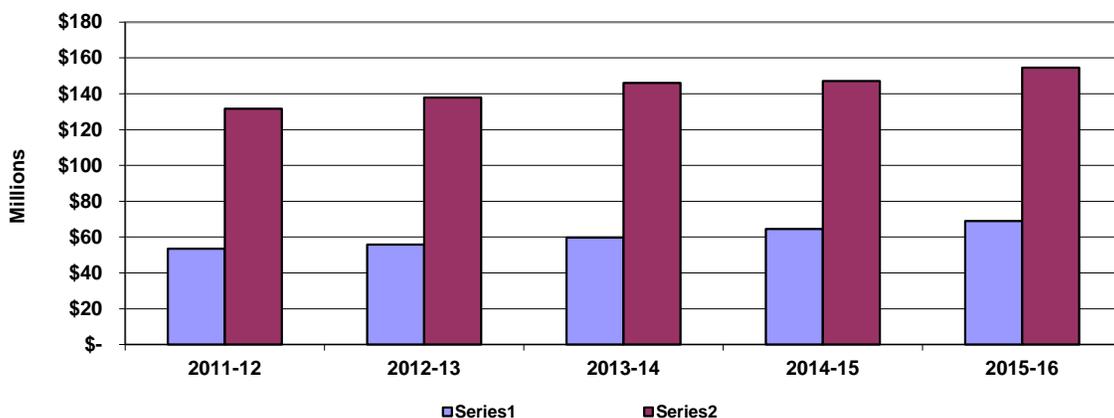
- 3.79 The Benefits Reserve Fund is available to support unplanned costs and obligations of existing employment benefits. The Benefits Reserve is not intended for use to enhance benefits negotiated through the collective bargaining process that require City Council approval.



Concord
Annual Appropriation Limit

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. 15-43 was approved on June 23, 2015 establishing the City of Concord's appropriation limit. Below is the calculation.

City of Concord Spending Limit Calculation Fiscal Year 2015-2016		
Appropriations subject to limit		
Fiscal Year 2015-2016 Revenues (all funds)		\$ 104,297,717
Less: Non proceeds of tax		(33,154,390)
Less: Exclusions		(2,191,228)
Plus User Fees in excess of costs		-
Total appropriations subject to limit		<u>\$ 68,952,099</u>
Appropriation limit		
Fiscal Year 2014-2015 appropriation limit		\$ 147,052,905
A = Cost of living adjustment - CPI	1.0382	
(Based on change in California per capita income)		
B = Population adjustment	1.0128	
(Based on Contra Costa County's population growth change)		
Change Factor = (A multiplied by B)	<u>1.05148896</u>	
Increase in appropriation limit		7,571,601
Fiscal Year 2015-2016 appropriation limit		<u>\$ 154,624,506</u>
Remaining appropriation capacity (deficit)		\$ 85,672,407
Available capacity as a percent of appropriation limit		55.41%



Appropriations subject to the limit in the FY 2015-16 budget total \$68,982,099. This is \$85,672,407 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 \$85,672,407 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.

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