



Fiscal Year 2020/21 Adopted Operating Budget



This page intentionally left blank



City Council

Lily Mei, Mayor
Rick Jones, Vice Mayor, District 2
Vinnie Bacon, Councilmember At-large
Raj Salwan, Councilmember At-large
Teresa Keng, Councilmember, District 1
Jenny Kassan, Councilmember, District 3
Yang Shao, Councilmember, District 4

City Executive Staff

Mark Danaj, City Manager
Harvey Levine, City Attorney
Karena Shackelford, Assistant City Manager
Brian Stott, Assistant City Manager
Christina Briggs, Deputy City Manager/Economic Development Director
Susan Gauthier, City Clerk
Dan Schoenholz, Community Development Director
Suzanne Wolf, Community Services Director
David Persselin, Finance Director
Curtis Jacobson, Fire Chief
Allen DeMers, Human Resources Director
Suzanne Shenfil, Human Services Director
Sanford Taylor, IT Services Director
Kimberly Petersen, Police Chief
Hans Larsen, Public Works Director



Budget Team

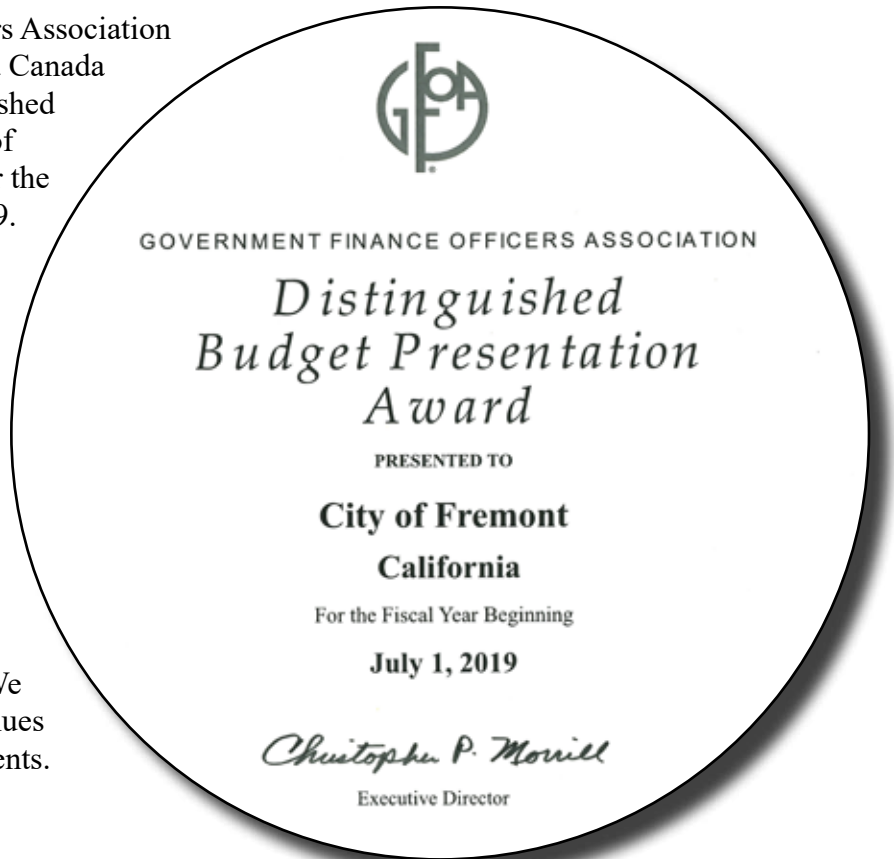
Mike Sung, Deputy Director of Finance
Chun Chan, Management Analyst II
Mario Rosas, Management Analyst II
Elisa Chang, Administrative Analyst/Graphic Artist



The Government Finance Officers Association (GFOA) of the United States and Canada presented an award for Distinguished Budget Presentation to the City of Fremont for its annual budget for the fiscal year beginning July 1, 2019.

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

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



Acknowledgments

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

Accounting Services Staff

Hein Hein Myat
Tricia Fan
Tish Saini
Anita Chang
Ellen Zhou

Other Finance Staff

Tatiana Baragan
Janice Becerra-Scola
Keith Lim
Nancy Verdugo

Department Budget Coordinators

| | |
|--------------------|----------------------------|
| Kim Beranek | Tina Kapoor |
| Arquimides Caldera | Ed Miranda |
| Corina Campbell | Cheryl Renaud |
| Jennifer Craven | Deirdre Rockefeller-Ramsey |
| Allen DeMers | Michelle Silva-Salinas |
| Amanda Gallo | |

Table of Contents

Guide to the Document

- Guide to the Document..... 1

Budget Overview

- Budget Overview 5

Summary Information

- Citywide Organization Chart 23
- City of Fremont Profile..... 25
- All City Funds Schedule 32
- Citywide Position Changes 33
- City Debt Summary 35
- Appropriations Limit 39
- Budget Principles..... 41
- Performance Measurement 43
- Citywide Goals and Objectives 53

General Fund

- General Fund Summary..... 63
- General Fund Revenues..... 73
- General Fund Forecast..... 83
- Transfer Detail 86
- Historical Comparison..... 87

Other Funds

- Other Funds..... 89
- Cost Centers and Internal Service Funds 91
- Special Revenue Funds 98
- Capital Funds..... 105

Capital Budget Summary

- Capital Budget Summary..... 109

Table of Contents

Department Budgets

| | |
|--|-----|
| • City Council | 123 |
| • Community Development | 127 |
| • Community Services | 137 |
| • Economic Development | 145 |
| • Fire | 153 |
| • Human Services | 165 |
| • Police | 175 |
| • Public Works | 183 |
| • Administrative Departments | 193 |
| <input type="checkbox"/> City Manager | 197 |
| <input type="checkbox"/> City Attorney | 207 |
| <input type="checkbox"/> City Clerk | 213 |
| <input type="checkbox"/> Finance | 217 |
| <input type="checkbox"/> Human Resources | 221 |
| <input type="checkbox"/> Information Technology Services | 225 |

Staffing

| | |
|----------------------------------|-----|
| • Regular Position Summary | 231 |
|----------------------------------|-----|

Policies and Glossary

| | |
|----------------------------------|-----|
| • Policies and Practices | 241 |
| • Glossary of Budget Terms | 261 |

Resolutions

| | |
|----------------------------------|-----|
| • Adopted Operating Budget | 269 |
| • Appropriations Limit | 273 |

Guide to the Document

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

Document Organization

Budget Overview

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

Summary Information

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

General Fund

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

Other Funds

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

Guide to the Document

Capital Budget Summary

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

Department Budgets

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

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

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

Staffing

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

Policies and Glossary

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

Resolutions

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

This page intentionally left blank

Budget Overview

Honorable Mayor and Members of the City Council:

The unprecedented economic crisis resulting from the Novel Coronavirus 2019 (COVID-19) pandemic is still unfolding as I present the Fiscal Year 2020/21 Adopted Operating Budget for your consideration. Fortunately, the City Council's prudent decision to increase reserve levels as part of the current year adopted budget has allowed the City to at least temporarily forego the major service reductions that many other agencies have been forced to employ.

This budget addresses a projected FY 2020/21 pandemic-related revenue drop of over \$12 million in the General Fund, following on a projected \$10 million revenue shortfall in the current fiscal year.

Total General Fund budgeted resources in the coming fiscal year are estimated to be adequate to support total budgeted expenditures of \$213.4 million. Reflecting the economic impact of the COVID-19 pandemic, the FY 2020/21 budget is 3% lower than the FY 2019/20 adopted budget and \$7.8 million lower than the current year's estimated actual expenditures.

The FY 2020/21 adopted budget has been balanced through expenditure reductions in virtually all City departments, drawing down fund balances in internal service funds, temporarily defunding General Fund transfers to the Capital Improvements Fund, and freezing non-essential positions while we assess the depth and length of the economic disruption. Implementation of a citywide parking enforcement program and the mid-year opening of the new Age Well Center in Warm Springs are among the very few new service additions.

If the economy recovers relatively quickly, as some economists expect, or local governments receive some form of federal or state relief, we will restore impactful cuts as quickly as possible. However, a deeper or longer downturn will necessitate more severe actions, including staffing and service reductions.

The adopted budget continues to incorporate the City Council's and community's long-standing priorities by maintaining funding for some of the most pressing issues facing our community: public safety, traffic safety and congestion, and homelessness. I look forward to working with the City Council, staff, and our residents and businesses to overcome the fiscal challenges that lie ahead, while continuing to pursue opportunities for maintaining and improving essential quality of life services for our community.

In this message, I will highlight the following:

- Current Year Revisions and FY 2020/21 Fiscal Outlook
- Economic Update
- Key Budget Assumptions
- Budget Balancing Actions and Planning for Recovery
- Major City Initiatives

Budget Overview

Current Year Revisions and FY 2020/21 Fiscal Outlook

The FY 2020/21 Adopted Operating Budget has been developed on the assumption that the current shelter-in-place restrictions will largely remain in effect through the end of May 2020. Over the following three months, our local economy will gradually recover to a level of activity approximately 10% less than what we would have projected prior to the COVID-19 pandemic, and that lower level of activity will prevail through the balance of the fiscal year.

Property tax and sales tax are the City's most significant revenue sources. Because property taxes for FY 2020/21 are based on assessed property values as of January 1, 2020, property tax revenues should be relatively unaffected by the COVID-19 pandemic. Property tax revenues are estimated to total \$105.8 million in FY 2019/20, and staff projects those revenues will increase to \$113.2 million in FY 2020/21, an increase of 7%. Under Proposition 13, assessed values of all real property adjust with the California Consumer Price Index (CCPI), with a 2% limit, unless there is a change in ownership or new construction. The CCPI adjustment for the FY 2020/21 tax roll is an increase of 2%. Changes in ownership constitute the primary driver of projected growth in property tax, but both sales activity and prices declined in 2019. However, new construction activity, particularly in the Warm Springs Innovation District, is adding significant value to the tax roll.

Prior to the COVID-19 pandemic, City staff had adjusted the ongoing estimate for annual sales tax revenues downward, by approximately \$6 million, to \$57.2 million. That adjustment reflected the most recent five quarters of actual activity following the large spike in revenue in the first quarter of FY 2018/19, largely related to unusually high new auto sales. The local shelter-in-place order, which took effect on March 17, 2020, is expected to reduce current year revenue by an additional \$5.5 million, to \$51.7 million. Based on the assumed partial recovery beginning in June 2020, sales tax revenues are estimated to increase slightly to \$52.2 million in FY 2020/21. The business, auto sales, and consumer goods sectors are projected to remain suppressed through next fiscal year, offset somewhat by increased growth in online sales transactions allocated through the County sales tax pool.

The other significant source of General Fund revenue heavily impacted by the COVID-19 pandemic is hotel tax. With occupancy rates falling to 10% or less, the estimate for FY 2019/20 hotel tax revenue has dropped to \$5.6 million, a 33% decline from the prior year actual amount of \$8.3 million. The hospitality industry is projected to be among the slowest to recover, and the FY 2020/21 hotel tax revenue estimate is \$6.1 million.

Overall, the COVID-19 pandemic and resulting shelter-in-place restrictions have significantly impacted the City's General Fund revenues. Compared with the preliminary revenue estimates that would have been presented as part of the mid-year budget update, the FY 2020/21 Adopted Operating Budget projects a \$10 million revenue loss in the current year and a \$12 million loss next year.

Although we don't yet have detailed information on the extent of the City's revenue losses, it appears likely that the full amount of the \$8.3 million General Fund Budget Uncertainty Reserve will be exhausted by the end of FY 2019/20 and that approximately \$0.3 million of the \$36.7 million General Fund Contingency Reserve will have been used as well. That estimate accounts for expenditure savings obtained by freezing non-essential vacant positions, reducing utility consumption in closed City facilities, and curtailing certain maintenance activities. The FY 2020/21 Adopted Operating

Budget re-establishes the Contingency Reserve at 16.7% of budgeted expenditures and transfers out, or \$35.6 million, a level consistent with City Council policy and the recommended practice of the Government Finance Officers Association of the United States and Canada.

In addition to its impact on the General Fund, the COVID-19 pandemic is expected to reduce revenue in the City's fee-based cost centers and capital projects funds.

- The Development Cost Center relies in part on user fees collected as developers and homeowners obtain permits and pay for inspection services related to new construction and building alterations. Service levels are being maintained during the economic downturn by drawing on the cost center's fee-funded operational contingency reserve.
- Similarly, the Recreation Cost Center funds its recreation programs and facilities, including the Aqua Adventure Waterpark, through program fees and facilities rental charges. The scope of recreation programs to be provided in FY 2020/21 has yet to be determined, given the uncertainty over continuing restrictions on physical distancing, but the cost center's \$1.9 million fee-funded contingency reserve can help subsidize some set of limited offerings.
- State gas taxes and local transportation sales tax measures B and BB support a variety of street maintenance and transportation projects in the City's capital projects funds, including bicycle and pedestrian projects as well as paratransit programs. Preliminary estimates suggest a 15%-20% decrease in gas tax revenue, and sales tax revenue could drop by 10%-15%. These reductions, coupled with the suspension of General Fund transfers to the CIP, will reduce the City's ability to complete lower-priority street maintenance work and undertake new transportation-related improvements.
- Development impact fees and affordable housing fees support traffic improvements, parks acquisition and facilities, fire apparatus and facilities, other City capital assets, and construction of affordable housing projects. While the development activity supporting these fees has stalled, a deferral period of 18 months means that any revenue losses won't be experienced until at least FY 2021/22.

Economic Update

Because they tend to be backward-looking, the standard economic trend indicators are only beginning to capture the declining state of the national economy. The advance estimate for the first quarter of 2020 reports that GDP fell 4.8%, and it's clear that the second quarter, which includes April and May, will show an even greater decline. The seasonally adjusted unemployment rate jumped to 4.4% in March 2020, and we expect another upward jump in April. According to Lynn Franco, Director of The Conference Board Consumer Research Center, "Consumer confidence weakened significantly in April, driven by a severe deterioration in current conditions. . . . The 90-point drop in the Present Situation Index, the largest on record, reflects the sharp contraction in economic activity and surge in unemployment claims brought about by the COVID-19 crisis. . . . Consumers were less optimistic about their financial prospects and this could have repercussions for spending as the recovery takes hold."

The press release from the most recent meeting of the Federal Reserve Open Market Committee on April 29, notes that "The coronavirus outbreak is causing tremendous human and economic hardship

Budget Overview

across the United States and around the world. The virus and the measures taken to protect public health are inducing sharp declines in economic activity and a surge in job losses. . . . The ongoing public health crisis will weigh heavily on economic activity, employment, and inflation in the near term, and poses considerable risks to the economic outlook over the medium term.” According to the Founding Partner of Beacon Economics, Christopher Thornberg, “The sudden halt that has occurred in economic activity will cause unemployment claims to jump more quickly than ever before, slow home sales and business formation, reduce productivity, disrupt government revenue flows, and send ripples through the U.S. and global manufacturing base. The U.S. economy is about to hit one big pothole.”

Key Budget Assumptions

Based on the data we have at this time and economic forecasts from a range of sources, we are making the following key assumptions for the FY 2020/21 adopted budget:

1. Local COVID-19 shelter-in-place restrictions will remain in place through May 2020. The resulting loss of revenue to the City in FY 2019/20 will completely exhaust the \$8.3 million General Fund Budget Uncertainty Reserve and absorb approximately \$0.3 million of the \$36.7 million General Fund Contingency Reserve.
2. After shelter-in-place restrictions are lifted, the local economy will experience a three-month recovery period after which the City’s economically sensitive revenues will perform at a level approximately 10% below their pre-shelter level. For FY 2020/21, this equates to a \$12 million revenue loss, for estimated revenues of \$214.2 million.
3. Total General Fund use of resources (expenditures and transfers out) is constrained by the revenue estimate, and is proposed to be approximately \$7.8 million, or 3.5%, less than the estimated actual amounts for FY 2019/20.
4. In accordance with City Council policy, an additional pension contribution of \$2.5 million to more rapidly pay down the City’s unfunded liability has been incorporated into the proposed budget.
5. Total expenditures in the FY 2020/21 adopted budget include a savings assumption of \$11.2 million (approximately 5.2% of total budgeted expenditures and transfers out in FY 2020/21) to reflect the City’s historical experience of under-spending total allocated resources, primarily due to salary savings from vacant positions, as well as additional savings attributable to the ongoing hiring freeze on non-essential positions and a temporary freeze on certain essential positions.
6. The FY 2020/21 adopted budget suspends General Fund CIP transfers for streets, sidewalks, and facilities maintenance, parks and street medians capital replacement, capital improvements to achieve compliance with ADA standards, and the City’s Downtown Plan. Some portion of these activities budgeted in the CIP may continue contingent on available unallocated fund balance in the Capital Improvement Fund and other capital funds.
7. The costs of the FY 2020/21 adopted budget will be covered by projected resources without requiring the use of reserves to balance the budget.

8. The General Fund Contingency Reserve will be maintained at 16.7% of total budgeted expenditures and transfers out, the minimum level recommended by the Government Finance Officers Association of the United States and Canada (GFOA).
9. The FY 2020/21 adopted budget does not include funding to restore the General Fund Budget Uncertainty Reserve, but reestablishing that reserve will be considered a top priority to the extent the City receives any reimbursements or supplemental assistance payments from the state or federal government.

Budget Balancing Actions and Planning for Recovery

General Fund budget development for FY 2020/21 began in January 2020 with preparation of a base budget limited to continuing the existing level of service with no service additions or enhancements. The base budget assumes the current year staffing configuration, removes any one-time expenditures, then adjusts for compensation and benefit increases included in labor MOUs, contractual obligations, and debt service requirements. The base budget also incorporates pension and retiree healthcare contributions projected by our CalPERS and consulting actuaries and includes additional unfunded pension liability contributions per Council policy. Finally, we estimate a level of citywide savings for the year based largely on current and projected vacancies. The resulting base budget, completed in February 2020, totaled \$231.9 million.

The base budget revenue projections, also completed in February, incorporated a \$6 million ongoing reduction in estimated sales tax revenue related to new auto sales. At that point, the City was faced with a \$6 million General Fund budget shortfall. With the City, state, and federal COVID-19 emergency declarations in mid-March and the resulting shelter-in-place restrictions, it became clear that the City's revenues would drop even more significantly and that staff would need to identify budget balancing measures to bring projected expenditures in line with estimated resources. Revenue estimates for the current year and for FY 2020/21 assume that the current shelter-in-place restrictions will remain in effect through the end of May 2020. Then, over the following three months, our local economy will gradually recover to a level of activity approximately 10% less than what we would have projected prior to the COVID-19 pandemic. Applying that scenario to the preliminary revenue forecast prepared in February results in an FY 2020/21 General Fund revenue estimate of \$214.2 million – \$12 million less than the base budget after accounting for \$340,000 of estimated new revenue generated from proposed parking and traffic programs.

The FY 2020/21 General Fund Adopted Operating Budget is balanced through a combination of expenditure reductions that will impact service levels over the next year and possibly longer. The following discussion provides a brief overview of these balancing actions.

Impose a Hiring Freeze on Non-Essential Vacant Positions: At any given time, approximately 5% of budgeted positions citywide are vacant due to staff turnover and retirements. As a result, the base budget incorporated a citywide savings assumption. As a budget balancing measure, the City imposed a hiring freeze on March 31, 2020, for most classifications that is estimated to increase the citywide savings amount by \$2 million for FY 2020/21. Certain classifications, such as police officer, firefighter, and public safety dispatcher are exempt from the hiring freeze.

Budget Overview

As an additional cost-saving measure, the Police, Fire, and Community Development Departments have agreed to delay recruitment for several exempt positions. To the extent warranted by the revenue information received over the next six months, some or all of those recruitments could move forward. Those delayed recruitments, partially offset by some additional overtime costs, are projected to save \$1.2 million.

Decrease Overtime Expenditures: In recent years, vacancies within the Police Department, as well as its operational needs, have prompted a rise in overtime costs. As the City's recruiting efforts in FY 2019/20 have been largely successful, the department estimates that its base budget for overtime can be reduced by over \$2.3 million. That reduction includes support for certain special operations, such as intelligence-based policing, which would be one of the higher priority services to be restored if resources become available.

Cut Funding for Training, Supplies and Equipment, and Contractual Services: Departments citywide have conducted a thorough review of their non-personnel expenditures and identified a variety of savings opportunities. These include temporarily reducing staff training, deferring the purchase of new supplies and equipment, and decreasing the use of outside vendors where possible for building and streetlight maintenance. Street medians will be allowed to go "brown" to save on water, and the projection for fuel expenses has been reduced to reflect the large drop in oil prices. Altogether, these cuts total \$1.6 million.

Reduce Contributions to Internal Service Funds: The City uses internal service funds to account for citywide support services, such as risk management, information technology, and employee benefits, that operate on a cost-reimbursement basis, and to accumulate funds for vehicle, fire apparatus, and technology infrastructure capital replacement. In several of these funds, the accumulated balances are sufficient to accommodate reduced contributions on a one-time basis while maintaining services through FY 2020/21. The reduced contributions versus the base budget total \$4.4 million.

Suspend Transfers to the Capital Improvement Fund: The General Fund annually transfers amounts to the Capital Improvement Fund to support ongoing maintenance activities and ADA-compliant upgrades for streets and sidewalks, parks and street medians, and public buildings. These transfers, totaling \$5.0 million, will be suspended for FY 2020/21. Maintenance projects will be prioritized, with those that cannot be deferred without significant operational impact funded from prior year remaining balances or restricted sources such as gas tax. Additionally, with the budget for the Downtown Event Center fully funded and development in the Warm Springs Innovation District well advanced, the projected \$500,000 transfer to support those projects is no longer necessary and will not be funded.

Implement Funding Shifts and Other Cost-Saving Measures: Other measures included in the FY 2020/21 adopted budget include reimbursing or partially-funding certain General Fund positions and programs from special revenue funds and reducing expenditures for part-time and temporary staff. The City will also take advantage of a discount offered by CalPERS for making its unfunded pension liability contribution a lump-sum payment at the beginning of the fiscal year, rather than paying monthly installments. These measures combined will save the General Fund \$1.2 million.

Recognize Savings Related to the COVID-19 Emergency: As a result of the shelter-in-place restrictions imposed in March 2020, completion of the new Age Well Center in Warm Springs has been delayed by several months. Pushing back the opening to January 2021 will reduce the General Fund operating subsidy by \$330,000. Further, state prohibitions on gatherings are expected to cancel the community events to be subsidized through the City’s special event sponsorship program, resulting in a savings of \$250,000.

The budget balancing measures summarized above will impact service delivery throughout the City organization. Vacancies subject to the hiring freeze, including the delayed recruitments, will result in fewer staff available to address the needs of both internal and external customers and create longer response times. Projects deferred through the suspension of funding for capital maintenance will leave streets, sidewalks, parks, and buildings in poorer condition than otherwise would have been the case.

In addition to reducing revenue, the COVID-19 pandemic will change the way the City delivers services going forward. City staff have assembled a cross-departmental Advanced Planning Workgroup to plan for safely resuming City services as the shelter-in-place restrictions are lifted. The workgroup is developing workplace protocols for physical distancing and health screening, determining the appropriate level of personal protective equipment for each job classification, assessing how best to reduce in-person services and expand online alternatives, and working with the City leadership team to produce and implement the revised policies and procedures.

Meaningful data for sales tax, the largest contributor to the projected revenue shortfall, will not be available until the fall. Based on that and any other relevant information, such as the availability of federal or state assistance for municipalities, staff will return to the City Council later in the year with recommendations to adjust the budget accordingly.

Major City Initiatives

Although the City’s current fiscal situation is challenging, affecting the breadth and depth of essential services offered to the community, there are many important initiatives still underway. These initiatives are important elements of our sales tax diversification strategy and will position the City well for long-term growth and stability as we recover from the economic impacts of COVID-19.

Development: There are a number of significant development projects and initiatives underway. While construction of some of the projects (e.g., market-rate housing developments) were temporarily paused by the Alameda County Health Department’s shelter-in-place order, “essential infrastructure” projects, such as affordable housing projects totaling 524 rental units in Warm Springs, and City projects, including the Warm Springs West Access Bridge and Downtown Event Center, were allowed to proceed while observing strict enforcement of the “social distancing protocol” outlined in the County order. These are all important elements of our tax revenue diversification strategy and will assist the City’s recovery from the impacts of the pandemic.

Budget Overview

Warm Springs/South Fremont

The Warm Springs/South Fremont area is critically important to the City because of a unique convergence of forces. The Warm Springs/South Fremont BART station, located just northeast of the Tesla Factory, opened for service on March 25, 2017. The station enhances intermodal access to local bike routes and bus lines that serve the entire Bay Area (VTA and AC Transit) and provides critical connectivity to the City's existing and future employment centers in the general Warm Springs area. This connectivity is serving as a catalyst for attracting business and jobs to the area, allowing Warm Springs to become the City's preeminent employment hub. Under a partnership with BART, the 10-mile BART extension south to San Jose by VTA is anticipated to be ready for passenger service in 2020/21, connecting Fremont to the rest of Silicon Valley for the first time.

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



Warm Springs Technology Center Master Plan



Lennar Area 4 Master Plan

The Warm Springs Innovation District is actively undergoing a significant transition with large-scale mixed-use development projects, significant public infrastructure improvements, and planned expansions of innovative companies. The City Council has approved development master plans, which are under construction by Lennar, Toll Brothers, Valley Oak Partners and their affiliates. While many of these projects were temporarily paused due to the shelter-in-place order, the buildout of major infrastructure improvements and mix of commercial and residential development is anticipated to continue over the next several years.

These master plan developments collectively will provide extensive public benefits, including a new network of complete streets, a new elementary school, an urban park and plazas, 4,000 residential units (including 524 deed-restricted affordable rental units), 1.7 million square feet of new commercial space, and a new business-class hotel. Construction of the new public elementary school has been completed; however, the facility has not yet been occupied. Construction of other buildings,

including the park facilities and affordable housing units, will resume and be completed this year. Other entitled projects adding additional job growth include 584,000 square feet of Class A office space and 110,000 square feet of advanced manufacturing space proposed by Sobrato at property fronting on Warm Springs Boulevard.



Tesla Fremont Factory

Tesla's master plan, approval by the City Council in December 2016, has paved the way for the carmaker's planned expansions. As the largest manufacturer in California and the largest employer in Fremont, Tesla is an economic engine unto itself. It anchors a vast network of supply-chain companies locally, all of which contribute significantly to Fremont's sales tax base, with 'Business and Industry' being among the City's largest categories of sales tax revenue. Tesla continues to make efficiency improvements to its automation assembly line to reach its production goals, improvements that are accretive to the City's tax base and bring in critical new investment.

The company has also expanded its business activities in Fremont to include the development and manufacture of innovative energy storage products and the latest cutting-edge advancements in battery technology – a fast-growing sector for Fremont, which has become recognized as a hotbed for this technology. This advanced manufacturing ecosystem is inarguably a highly prominent contributor to Fremont's regional competitiveness in innovation. The City continues to facilitate the continued expansion of Tesla, including the addition of new technologies and production activities that comprise it, as part of the comprehensive strategy for ensuring the City's long-term economic and fiscal stability.

In late 2019, Washington Hospital partnered with UCSF on the acquisition of the 88,000 square-foot former Unigen building and are working on entitlements to renovate and occupy the space. Washington Hospital and UCSF are jointly proposing to locate an outpatient care center that includes a partnership with a UCSF research and teaching hospital in the existing building. The project will add to the diverse mix of uses in the Warm Springs Innovation District and create jobs immediately proximate to the Warm Springs BART Station.

To support marketing the commercial/employment development opportunities, efforts are underway to enhance the Warm Springs brand as an innovation district. In 2018, a study was completed to assess the feasibility of establishing an innovation center in the area. The study revealed an opportunity to establish activities in the district that support growth-stage hardware companies. Early successes in attracting advanced technology tenants include the addition of Raxium and Orchard Therapeutics and the expansion of Seagate and Underwriters Laboratories (UL). City staff will continue to assist our local businesses with financial, technical, and workforce-related guidance to help navigate challenging economic times as part of the overall recovery efforts from the COVID-19 pandemic impacts.

Budget Overview

Downtown/Capitol Avenue

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

Downtown's main street extension and multimodal improvement project for Capitol Avenue was completed in 2017 to serve as the district's "retail spine," connecting two major north/south thoroughfares along a well-designed, pedestrian-oriented, mixed-use corridor. This provided a focal point and community gathering space – a more sustainable, pedestrian-friendly, public realm activated with street-level commercial, retail, and civic uses, and public open spaces that has stimulated economic activity and attracted high-quality, vibrant development to the district.

In addition, the last phase of construction of connectivity and aesthetic improvements through Gateway Plaza and along BART Way was completed in 2019, making walking and bicycling inviting and safe between Downtown and the Fremont BART Station. This was accomplished with wider sidewalks, pedestrian-scaled lighting, new way-finding signage, improved bike lanes, and additional landscaping. Development projects will be able to take advantage of the close proximity and enhanced connections to the Fremont BART station. The proposed building development patterns will transform the district's character to a mid-density, transit-oriented community directly fronting, and integrating with, streets and sidewalks.

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

Some elements of the plan have been completed; for example, Urban Housing completed a 300-unit apartment project in 2013, and construction of Downtown's first public-private partnership mixed use project between the City, TMG Partners, Sares Regis and SummerHill was completed this year. The project includes 157 ownership housing units, including condos, stacked flats, and row homes, and 21,000 square feet of critical ground floor retail space that will set the tone for a vibrant pedestrian environment. Leasing of this retail space is actively underway.

The completion of Downtown's new main street has become a catalyst for attracting additional private investment as several projects in the immediate area are in the building permit review and construction stages, by a variety of developers, including Fore Properties, Bay Rock and Fremont Bank. The 275-unit apartment project by Fore Properties is under construction, and the 248-unit apartment mixed-use project by Bay Rock and approximately 30,000-square-foot new Fremont Bank office headquarters were recently approved. The Bay Rock and Fremont Bank projects, anticipated to begin construction in 2021, will punctuate the gateway to Downtown at the corner of Capitol Avenue and Fremont Boulevard.

In addition, the construction of Phase 1 of the Civic Center project located in the heart of the Downtown on Capitol Avenue, between State Street and Liberty Street, has commenced. It will provide a public realm designed to include a gathering place for governmental and community

activities. Phase 1 includes the new Downtown Event Center and Downtown Plaza approved by the City Council in April 2018. Construction broke ground in October 2019 and the project is anticipated to be completed by May 2021.

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



Fremont Downtown



Budget Overview

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

Section Highlights

Fremont’s largest sector, **biotechnology**, continues to be an important source of growth. The fact that most of Fremont’s biomedical research companies also manufacture is of particular importance given the ripple effects in the larger economy – encompassing job creation and a growing supply chain network. Pharmaceutical manufacturer **Boehringer Ingelheim** has invested \$300 million to expand its Ardenwood operation and now employs more than 500 people. In the Warm Springs Innovation District, U.K.-based **Orchard Therapeutics** is building out a large gene therapy manufacturing operation that will employ 200 people when completed. Fremont also welcomed the major expansion of **Bionova Scientific**, a biotherapeutic development and manufacturing services company that will serve as a beacon for more life sciences companies to locate in Fremont. The importance of this essential business sector cannot be understated as it diversifies Fremont’s jobs and tax base and is less susceptible to economic impact.

The City continues to be a top location choice for the **clean technology** sector, both at the early stage and for companies beginning to scale. The City has recently welcomed several new cleantech firms such as **Power Knot**, **Avalon Battery**, and **Enovix**. Fremont’s continued success in the clean technology sector comes as a result of its workforce expertise in electrical and mechanical engineering and a longstanding economic development strategy of industry partnerships that has positioned the City as a thought leader. This includes a partnership with the Cleantech Open, a national organization that accelerates the market readiness of clean tech startups. In 2019, The **Cleantech Open** hosted two western region events in Fremont, bringing in hundreds of clean tech entrepreneurs to the City. Economic development staff have also worked closely with **East Bay Community Energy** to support its efforts in advancing microgrid technology demonstrations, building off the momentum and interest surrounding the City’s fire station microgrid public private partnership projects.

Fremont’s biomedical and cleantech sectors are lifted by the City’s long-standing leadership in **advanced manufacturing**. In addition to these sectors, the City has experienced rapid growth in technologies related to **network computing equipment** and **autonomous vehicles (AVs)**. Fremont is now home to a half dozen companies working on the development of AVs including **Waymo**, **Zoox**, and **Pony.ai**. Advanced manufacturing companies leading Fremont’s continued growth in network computing manufacturing include **Synnex**, **Hyve Solutions**, **Penguin Computing**, **ASI**, and **ASA Computer**.



At the center of Fremont’s advanced manufacturing ecosystem is **Tesla**. As the largest manufacturer in the state of California (and the largest employer in Fremont), Tesla is an economic engine unto itself. The City’s development services team continues to work closely with Tesla as they make plans for the development of their Model Y production line and begin the process of upgrading their facilities to accommodate battery development and production. Tesla’s master plan ultimately allows for several million square feet to be added to what is already one of the largest manufacturing facilities in North America.

With a heightened focus on the future of the **workforce** in advanced manufacturing, the City has increased its own efforts on the topic. This includes the City’s very successful **Manufacturing Day** program that connects education and industry, exposing students to the prospect of a career in advanced manufacturing. For six years in a row, Fremont has organized this effort, coordinating students and teachers from Mission Valley ROP, Fremont Unified School District, Ohlone College, and the public at-large on tours of manufacturing facilities in Fremont. Economic Development staff continues to serve on the **Alameda County Workforce Investment Board** and is taking a leadership role in strengthening existing relationships with workforce partners. The City is also part of the advisory roundtable for **Ohlone College** to provide input on the new Advanced Manufacturing curriculum that is currently being developed. And finally, Fremont continues to work with the **Alameda County Small Business Development Center** (SBDC) at Ohlone College’s One-Stop Career Center.

Business Growth and Real Estate Development

Last year was again a very strong year for business expansion and new business growth, resulting in significant leasing activity and driving commercial vacancy rates to unprecedented lows. The historically low vacancy rates and higher rents in R&D have led to investments in both existing commercial real estate assets and new development projects in Fremont’s **Innovation District**. This includes the March 2020 purchase of a building leased by Tesla, 901 Page Avenue, by Morgan Stanley for \$110 million, showcasing the strength of Fremont’s industrial building assets. In the Bayside Industrial Park area, **Duke Realty** is developing a new Class A industrial project on a site it purchased in 2019. In September 2019, Hearst Media, the parent company of the San Francisco Chronical, purchased 47540 Kato Road for \$75 million for the company’s regional print and distribution needs. Each of these examples represents a substantial increase in property tax assessment, benefiting the City’s General Fund.

Ardenwood Technology Park is also benefiting from the strength of the region’s real estate market with a significant increase in business activity resulting from tenant ‘spillover’ from areas to the west. Recognizing the opportunity, new and expanding tenants are establishing operations in the district. Most notably, **Facebook** is nearing completion on its renovations to a technology campus referred to as “the Farm,” with employees already occupying several buildings. At full buildout the campus will host up to 10,000 employees. Meanwhile, as mentioned previously, existing Ardenwood biotech tenant, **Boehringer Ingelheim**, has continued to invest in expanding its manufacturing operations.



Facebook

Budget Overview

Strong business growth and a robust real estate market also continue to drive demand for new commercial/industrial space in Fremont. In late 2019, **Pacific Commons South**, one of the largest industrial developments in Bay Area history, began its second and final phase of development. A joint development by Overton Moore Properties and Conor Commercial, the project includes approximately 2.7 million square feet of Class A industrial space in a series of buildings, along with two new sites for auto dealership development. Nearly 2 million square feet of the project has already been leased, including 800,000 square feet by UPS which is currently building out a state-of-the-art distribution hub.

Finally, the City's hospitality sector has also gained strong momentum. Three new hotel development projects are currently under construction, including **Homewood Suites** by Hilton, **Hilton Garden Inn**, and **Springhill Suites** by Marriott. In addition, the City's Community Development staff are reviewing a 400-unit dual-branded **Marriott AC** and **Residence Inn** hotel in the Warm Springs Innovation District located within walking distance of the Warm Springs/South Fremont BART station. At buildout and market stabilization these projects will generate substantial transient occupancy tax revenue for the City.

Small Business

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



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

COVID-19 Pandemic and Support for the Business Community



While the City has recorded many business successes over the past fiscal year, the social and financial impacts of COVID-19 are now affecting the livelihood of many of Fremont’s businesses and their employees. Nowhere were these impacts more immediately visible than in the City’s small business retailers and main street businesses. Immediately following the City’s declared State of Emergency, City Economic Development staff launched a COVID-19 business assistance webpage for Fremont businesses and continue to update it regularly as information and resources become available. The City also quickly assembled a small business task force that includes the Fremont Chamber of Commerce and representatives of local

business districts. Accomplishments related to this effort are detailed in the Economic Development Department budget narrative.

To better understand the broader economic impact that COVID-19 is having on Fremont’s jobs and tax base, staff continue to engage key business groups including commercial property managers, auto dealerships, manufacturers, real estate developers, and small businesses. Going forward, the City will continue to find ways to support the recovery of its businesses and the local economy.

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

- Significant regional transportation capacity projects are under construction and will be completed in the near-term: the 10-mile extension of BART into San Jose (Warm Springs to Berryessa) is scheduled to open in mid-2020, and the widening of northbound I-680 through Fremont will be complete in late 2020.
- In Warm Springs, the new \$41 million West Access Bridge and Plaza is under construction and is scheduled for completion in summer 2020. The project will connect the west side of the Warm Springs BART station to the newly developing urban community and the Tesla factory.

**REBUILDING CALIFORNIA
REBUILDING FREMONT**
The Road Repair and Accountability Act of 2017

Using New State gas taxes and vehicle registration fees to enhance Highway, Transit and Local Roads statewide

\$42 M
TO REPAIR AND MAINTAIN LOCAL ROADS, REDUCE CONGESTION, AND INCREASE MOBILITY OPTIONS INCLUDING BICYCLE AND PEDESTRIAN FACILITIES

THE TOTAL AMOUNT FREMONT WILL RECEIVE OVER THE NEXT 10 YEARS

12 NEW HIGH IMPACT PROJECTS

PEDESTRIAN TRAFFIC SAFETY IMPROVEMENTS

4 TRAFFIC SIGNALS
8 FLASHING BEACONS

\$4.9 M FUNDS DEDICATED TO PRELUCT CONSTRUCTION WORK TO BEGIN SUMMER 2018

39 Miles NUMBER OF MILES THAT WILL BE REPAVED AND SEALED IN 2018

COMPLETE STREET INVESTMENT
BART WAY
WALNUT AVENUE

Budget Overview

- New grant funding from Measure BB, State, and Federal sources has been allocated to the City to begin planning and design work on many new major transportation projects including: freeway interchange modernization projects at 680/Mission, 680/Washington, 680/Auto Mall, and 880/Decoto; new bike/ped freeway crossings at 680/Sabercat Trail, 880/Innovation District, and 880/Pacific Commons; new trails in the Niles Canyon and Dumbarton to Quarry Lakes corridors; and complete streets improvements along Decoto Road and along Fremont Boulevard in the Centerville area.
- The City’s transportation infrastructure is continuing to be rehabilitated and modernized through a combination of Measure BB and State transportation funds (SB1) targeted towards pavement maintenance, sidewalk repairs, ADA curb ramps, traffic safety improvements, and traffic signal upgrades. A significant \$10 million project funded by Measure BB will modernize the traffic signals along Fremont Boulevard. This project will be a showcase for advanced traffic signal technologies, allowing for improved traffic flow and safety, priority for transit buses and emergency vehicles, and electronic communications between signals, cars, pedestrians and bikes.

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

At the City Council Retreat, held in January 2020, Councilmembers established three top priority areas to guide the City’s legislative focus. The priority areas include:

- Options for managing growth and promoting affordable housing
- Reducing traffic congestion
- Mitigating challenges facing the City’s homeless population and implementing the temporary Housing Navigation Center

In the wake of the COVID-19 public health crisis, the City expanded its legislative advocacy efforts significantly to support legislation which responded to the crisis including, but not limited to, resources to protect health and safety, stimulus measures for the local economy, and local government funding to supplement lost revenues and reimburse expenditures related to emergency response.



Laguna Commons



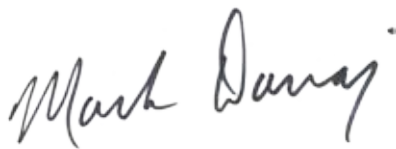
Mission and Via San Dimas



Temporary Housing Navigation Center

Conclusion

Fremont prides itself on being a fiscally responsible, lean organization, making the most of the resources entrusted to us. This adopted budget responds to the uncertainty in our economic environment by maintaining the most essential City services while reducing non-essential expenditures, deferring certain maintenance activities, and delaying reinvestment in capital assets. Fiscal discipline and wise stewardship over many years have made it possible for us to take this balanced approach, but we recognize that more sacrifice may be necessary if the current crisis evolves into an extended recession. To the extent additional resources become available, we will work to ensure that they are used to address the community's highest priorities. I would like to thank both the City Council and City staff for the strong partnership that will carry us through these challenging times.

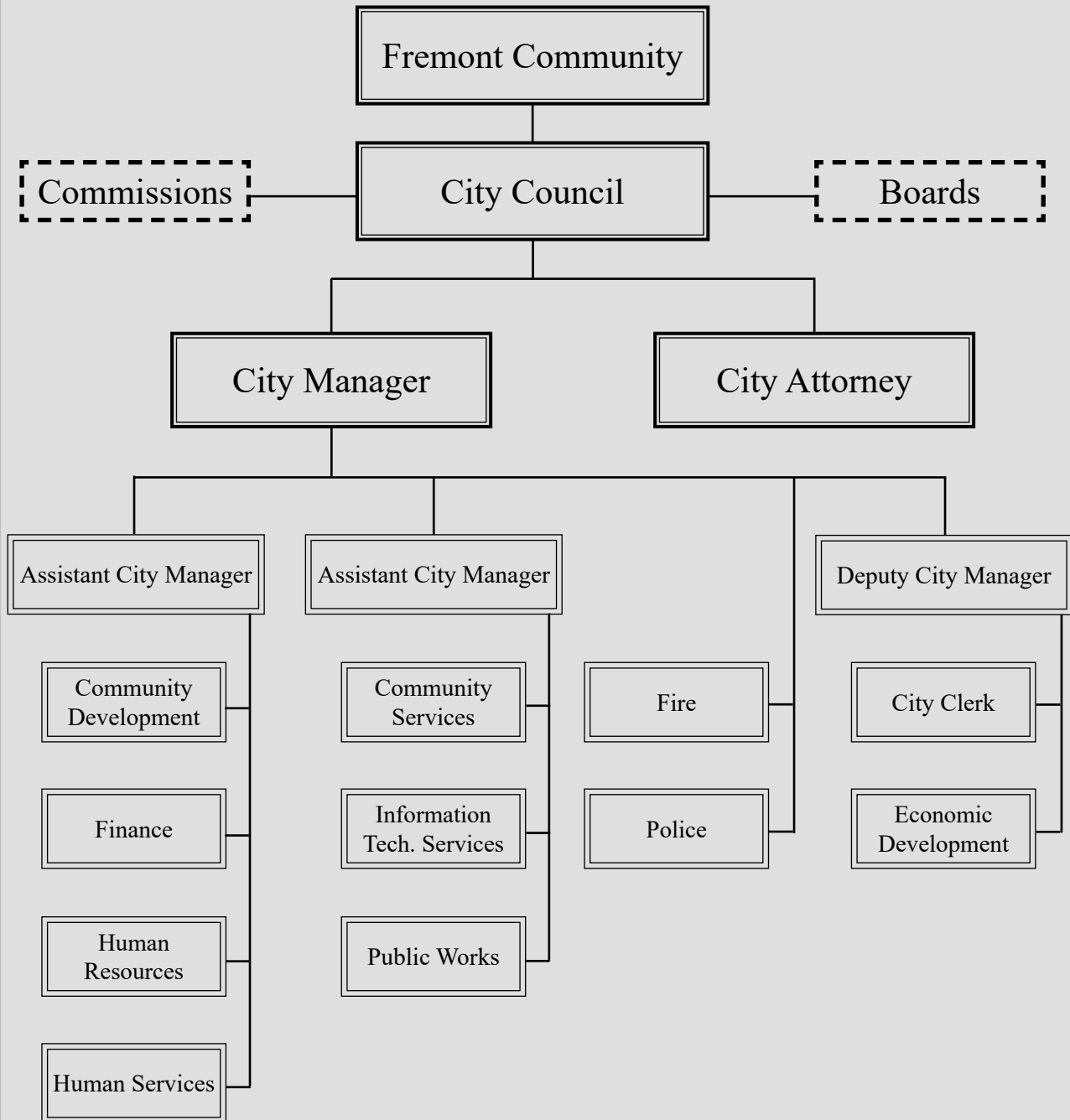


Mark Danaj
City Manager

This page intentionally left blank

Summary Information

City of Fremont Organization Chart Fiscal Year 2020/21



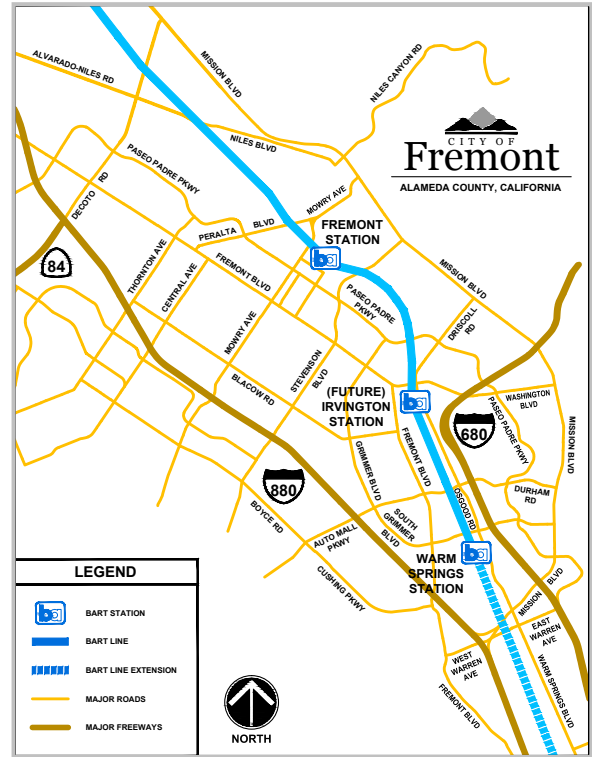
City of Fremont, California Regional View



City of Fremont Profile

History

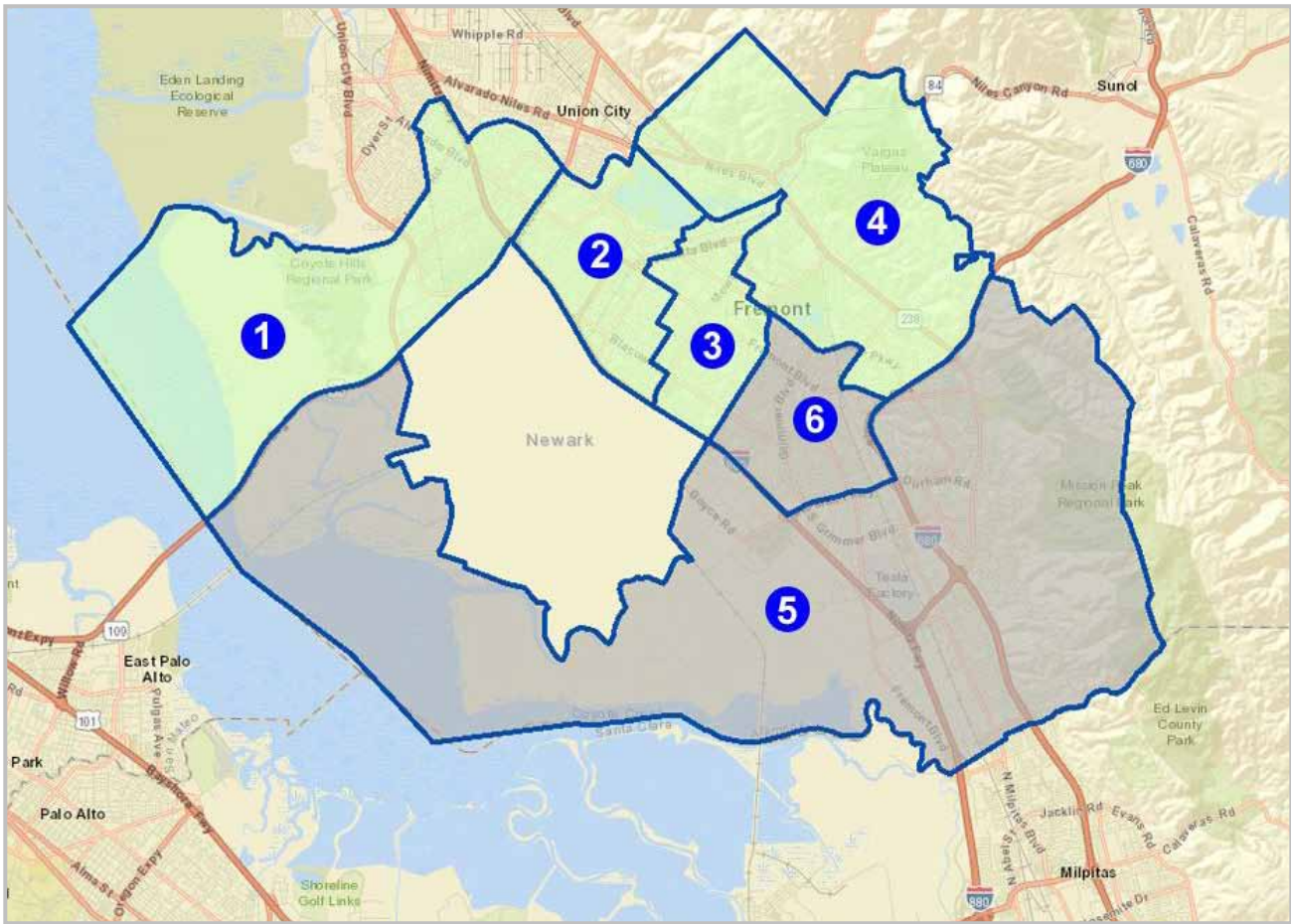
Fremont's rich heritage can be traced to the Ohlones, natives of the land, and to the Spanish priests who established Mission San Jose, the first Spanish mission located inland. Since those early days, Fremont's rich soil, central location, and excellent climate have continued to attract newcomers to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



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

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

Council Districts



Quality of Life

Fremont, located in southern Alameda County, stretches from the San Francisco Bay to the top of Mission Peak above historic Mission San Jose in the east. With a population of 234,220, Fremont is the fourth largest city in the San Francisco Bay Area and ranks 96th among the most populous cities in the nation according to the US Census Bureau. Fremont is approximately 92 square miles in size and includes the 450-acre Central Park and 80-acre Lake Elizabeth, along with 60 other parks, five community centers, and extensive sports facilities. Fremont is also home to the Don Edwards San Francisco Bay National Wildlife Refuge, adjacent to Coyote Hills Regional Park.

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



Demographics

| Population ² | |
|-------------------------|---------|
| 1956 | 22,443 |
| 1960 | 43,634 |
| 1970 | 102,321 |
| 1980 | 127,454 |
| 1990 | 173,116 |
| 2000 | 203,413 |
| 2010 | 214,089 |
| 2020 | 234,220 |

Government

Incorporated January 23, 1956

Fremont is currently a General Law Council/Manager City governed by a six-member City Council, elected by council district, and a directly elected Mayor.

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

Number of City Managers since Incorporation: 7

Land Area: 92 square miles

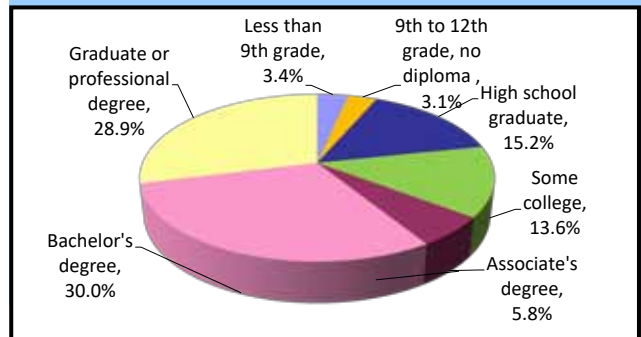
Climate³

Average Temperature: 60°F (15.6°C)

Average Annual Precipitation: 15.19"

| Full-time Employees FY 2020/21 ¹ | |
|---|---------------|
| Community Development | 81.55 |
| Community Services | 97.06 |
| Economic Development | 4.50 |
| Fire | 162.00 |
| General Government | 91.42 |
| Human Services | 68.98 |
| Police | 320.50 |
| Public Works | 136.30 |
| Total | 962.31 |

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

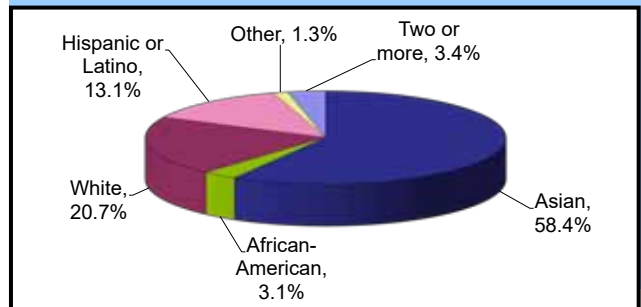


Median Age⁴: 37.9

Mean Household Income: \$127,374

Racial Composition⁴

(Hispanic/Latino may be of any race)



Summary Information | City of Fremont Profile

Business

Major Employers (listed in alphabetical order)⁵

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

Community Services

| City Resources | |
|------------------------|----|
| Family Resource Center | 1 |
| Parks | 61 |
| Senior Center | 2 |
| Community Centers | 5 |
| Fire Stations | 11 |

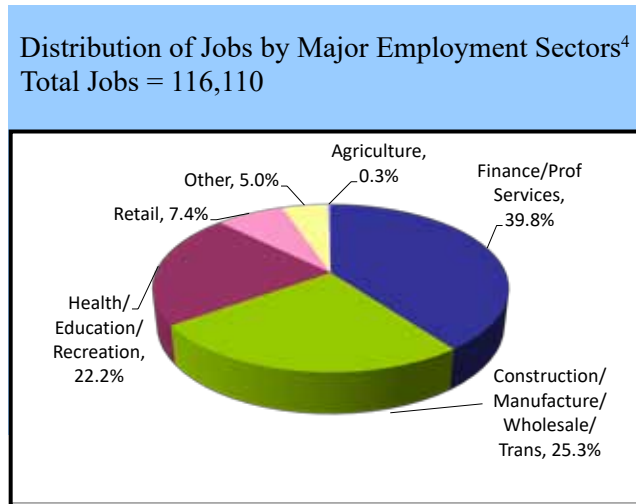
Education

Fremont Unified School District (FUSD) has:

- 29 elementary schools
- 5 junior high schools
- 6 high schools
- 7 other programs/schools

Percentage of students meeting the SAT College and Career Readiness Benchmarks⁶

| | Reading and Writing | Math |
|-------------------|---------------------|------------|
| Benchmarks | 480 | 530 |
| FUSD | 90.77% | 82.25% |
| County | 76.79% | 60.93% |
| State | 68.36% | 47.86% |



Ohlone College enrolls over 15,000 students per year at three campuses: Fremont, Newark, and online.⁷

Services by Other Governmental Units

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

Notes:

¹ FY 2020/21 Adopted Operating Budget, City of Fremont

² California State Department of Finance

³ The Weather Channel

⁴ US Census Bureau

⁵ City of Fremont, Economic Development Department

⁶ 2018/19 for Grade 12, California Department of Education

⁷ Ohlone College, Office of College Relations

This page intentionally left blank

All City Funds Schedule

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

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

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

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

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

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

Summary Information | All City Funds Schedule

Summary of All Funds (Thousands of Dollars)

| | General Fund | Cost Center/ Internal Services Funds | Special Revenue Funds | Capital Funds | Total |
|--|------------------|---|-----------------------------|------------------|-------------------|
| Sources | | | | | |
| Beginning Unreserved Fund Balance | \$ - | \$ 28,065 | \$ 87,323 | \$ 59,689 | \$ 175,077 |
| Revenues | | | | | |
| Taxes: | | | | | |
| Property Tax | 113,175 | - | 2,787 | - | 115,962 |
| Sales Tax | 52,253 | - | 1,800 | - | 54,053 |
| Business Tax | 11,963 | - | - | - | 11,963 |
| Hotel/Motel Tax | 6,060 | - | - | - | 6,060 |
| Property Transfer Tax | 1,600 | - | - | - | 1,600 |
| Paramedic Tax | 1,135 | - | - | - | 1,135 |
| Franchise Fees | 9,818 | - | - | - | 9,818 |
| Charges for Services | 6,456 | 36,455 | 13,861 | 300 | 57,072 |
| Fines | 2,173 | - | - | - | 2,173 |
| Use of Money and Property | 1,464 | 817 | 502 | 971 | 3,754 |
| Intergovernmental | 431 | - | 8,817 | 17,388 | 26,636 |
| Other Revenues | 77 | 2,279 | 15,480 | 24,794 | 42,630 |
| Total Revenues | 206,605 | 39,551 | 43,247 | 43,453 | 332,856 |
| Transfers In | 7,571 | 5,605 | 2,742 | - | 15,918 |
| Total Sources | 214,176 | 73,221 | 133,312 | 103,142 | 523,851 |
| Uses | | | | | |
| Expenditures | | | | | |
| General Government | 17,688 | - | - | - | 17,688 |
| Police | 95,318 | - | 1,226 | - | 96,544 |
| Fire | 56,497 | - | 211 | - | 56,708 |
| Maintenance (Streets/Facilities) | 18,474 | - | - | 1,675 | 20,149 |
| Maintenance (Parks/Street Medians/Landscape) | 9,756 | 1,954 | 2,388 | - | 14,098 |
| Human Services | 4,334 | 1,328 | 14,904 | - | 20,566 |
| Code Enforcement/Community Development Admin | 1,855 | - | 158 | - | 2,013 |
| Housing | - | - | 10,306 | - | 10,306 |
| Environmental Services | - | - | 9,543 | - | 9,543 |
| Engineering | - | 13,643 | - | - | 13,643 |
| Planning | - | 5,023 | - | - | 5,023 |
| Building and Safety | - | 11,367 | - | - | 11,367 |
| Recreation | - | 10,110 | - | - | 10,110 |
| Homeless Services | - | - | 2,983 | - | 2,983 |
| Non-departmental | 3,671 | 1,659 | - | - | 5,330 |
| Capital | - | 3,608 | - | 22,181 | 25,789 |
| Less: Citywide Savings | (11,193) | - | - | - | (11,193) |
| Debt Service | 8,662 | - | 3,524 | - | 12,186 |
| Total Expenditures | 205,062 | 48,692 | 45,243 | 23,856 | 322,853 |
| Transfers Out | 8,347 | 5,434 | 1,367 | 1,021 | 16,169 |
| Total Uses | 213,409 | 54,126 | 46,610 | 24,877 | 339,022 |
| Ending Fund Balance | | | | | |
| Reserved Fund Balance | 35,639 | 15,193 | 7,784 | - | 58,617 |
| Unreserved Fund Balance | 1,558 | 20,164 | 85,427 | 67,042 | 174,191 |
| Total Ending Fund Balance | \$ 37,197 | \$ 35,357 | \$ 93,211 | \$ 67,042 | \$ 232,808 |

Notes:

* Starting FY 2020/21, expenditures for Homeless Services is displayed separately in the above table. This was included under Housing in the prior years.

Citywide Position Changes Overview

The total authorized regular staffing level of 962.31 for FY 2020/21 has increased by 6.25 full time equivalent (FTE) positions from the FY 2019/20 level. While there is an overall increase in staffing, many departments continue to operate at a low level when compared to historical staffing ratios.

The FY 2020/21 staffing increases serve to enhance public safety response capability and provide additional support for senior services.

The City Clerk’s Office staffing increase of 0.3 FTE includes a funding shift decrease of 0.7 FTE for an Assistant City Manager and increases of 0.75 FTE for an Assistant City Clerk and 0.25 FTE for a Deputy City Manager.

The City Manager’s Office staffing decrease of 2.8 FTE includes the elimination of a 1.0 FTE Land Use Initiatives Manager, the transfer of a 1.0 FTE Homeless Services Manager to the Human Services Department, and funding shift increases of 0.7 FTE for an Assistant City Manager and 0.25 FTE for a Deputy City Manager, and decreases of 0.75 FTE for an Assistant City Clerk and 1.0 FTE for a Management Analyst.

| | <u>2015/16</u> | <u>2016/17</u> | <u>2017/18</u> | <u>2018/19</u> | <u>2019/20*</u> | <u>2020/21</u> |
|--|----------------|----------------|----------------|----------------|-----------------|----------------|
| <u>PUBLIC SAFETY</u> | | | | | | |
| Fire | 158.00 | 159.00 | 160.00 | 161.00 | 162.00 | 162.00 |
| Police | 303.50 | 306.50 | 311.50 | 314.50 | 317.50 | 320.50 |
| TOTAL | 461.50 | 465.50 | 471.50 | 475.50 | 479.50 | 482.50 |
| <u>OTHER COMMUNITY SERVICES</u> | | | | | | |
| Community Development | 68.05 | 71.05 | 76.05 | 80.25 | 81.25 | 81.55 |
| Community Services | 90.76 | 91.01 | 92.01 | 94.01 | 96.66 | 97.06 |
| Economic Development | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.50 |
| Human Services | 60.55 | 61.55 | 64.55 | 65.40 | 64.73 | 68.98 |
| Public Works | 121.53 | 124.35 | 127.35 | 129.65 | 136.00 | 136.30 |
| TOTAL | 344.89 | 351.96 | 363.96 | 373.31 | 382.64 | 388.39 |
| <u>ADMINISTRATIVE SYSTEMS</u> | | | | | | |
| City Manager's Office | 9.80 | 10.80 | 10.80 | 12.05 | 13.05 | 10.25 |
| City Attorney | 9.92 | 9.92 | 9.92 | 9.92 | 9.92 | 9.92 |
| City Clerk | 3.95 | 3.95 | 3.95 | 3.95 | 3.95 | 4.25 |
| Finance | 24.00 | 24.00 | 24.00 | 24.00 | 24.00 | 24.00 |
| Human Resources | 14.25 | 15.25 | 15.25 | 15.00 | 16.00 | 16.00 |
| Information Technology Services | 23.00 | 23.00 | 23.00 | 23.00 | 27.00 | 27.00 |
| TOTAL | 84.92 | 86.92 | 86.92 | 87.92 | 93.92 | 91.42 |
| CITYWIDE TOTAL | 891.31 | 904.38 | 922.38 | 936.73 | 956.06 | 962.31 |

* Total number of positions anticipated at the end of June 2020.

Summary Information | Citywide Position Changes

The Community Development Department staffing increase of 0.3 FTE includes a reduction of 0.7 FTE funding shift for a Geographic Information systems (GIS) Programmer and a 1.0 FTE addition of a Management Analyst to oversee the City's permit system.

The The Community Services Department staffing increase of 0.4 FTE includes a funding shift for a Geographic Information systems (GIS) Programmer.

The Economic Development Department staffing increase of 0.5 FTE includes a funding shift for a Management Analyst.

The Human Services Department staffing Increase of 4.25 FTEs includes the elimination of a 0.75 FTE Office Specialist position and 1.0 FTE Management Analyst position and the addition of a 1.0 FTE Senior Office Specialist position, as the management duties for the Rent Review Program have transferred to the Community Development Block Grant (CDBG) Administrator. With the opening of the new Age Well Center in Warm Springs, 4.0 FTE positions were added, including a 1.0 FTE Senior Center Manager, 1.0 FTE Program Coordinator, 1.0 FTE Office Specialist, and 1.0 FTE Chef. A 1.0 FTE Homeless Services Manager was also transferred from the City Manager's Office.

The Police Department staffing increase of 3.0 FTEs represents the addition of two Parking Compliance Officers and one Community Services Officer to initiate a citywide parking compliance program.

The Public Works Department staffing increase of 0.3 FTE includes a funding shift for a Geographic Information systems (GIS) Programmer.

City Debt Summary

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

The following charts summarize changes during the past year in the City’s outstanding debt, debt service budgeted for FY 2020/21, and its future annual debt service requirements.

Changes in Outstanding Debt

| | Amounts Outstanding 6/30/2019 | Incurred or Issued | Matured or Retired | Amounts Outstanding 06/30/2020 | Amounts Due Within One Year | Amounts Due in More than One Year |
|--|-------------------------------------|-----------------------|------------------------|--------------------------------------|-----------------------------------|---|
| General Obligation Bonds | | | | | | |
| 2012 Fire Safety Bonds Maturity – 08/01/2032 | 6,095,000 | - | (355,000) | 5,740,000 | 365,000 | 5,375,000 |
| 2013 Fire Safety Bonds Maturity – 08/01/2034 | 18,210,000 | - | (850,000) | 17,360,000 | 885,000 | 16,475,000 |
| 2017 Fire Safety Bonds Maturity – 08/01/2038 | 11,845,000 | - | (380,000) | 11,465,000 | 400,000 | 11,065,000 |
| Total General Obligation Bonds | 36,150,000 | - | (1,585,000) | 34,565,000 | 1,650,000 | 32,915,000 |
| General Fund Lease Obligations | | | | | | |
| 2012A Certificates of Participation Maturity – 08/01/2025 | 6,235,000 | - | (6,235,000) | - | - | - |
| 2016 Energy Efficiency Financing Maturity – 02/01/2027 | 6,147,096 | - | (6,147,096) | - | - | - |
| 2017A Lease Revenue Bonds Maturity – 08/01/2038 | 73,965,000 | - | (73,965,000) | - | - | - |
| 2017B Lease Revenue Bonds Maturity – 10/01/2038 | 19,160,000 | - | (595,000) | 18,565,000 | 625,000 | 17,940,000 |
| 2019 Lease Revenue Bonds Maturity – 10/01/2038 | - | 73,365,000 | - | 73,365,000 | 4,265,000 | 69,100,000 |
| Total General Fund Lease Obligations | 105,507,096 | 73,365,000 | (86,942,096) | 91,930,000 | 4,890,000 | 87,040,000 |
| General Fund Loans | | | | | | |
| 2017 PG&E On-Bill Financing Program Maturity – 06/01/2021 | 545,455 | - | (272,727) | 272,728 | 272,728 | - |
| Total City Long-term Debt | \$ 142,202,551 | \$ 73,365,000 | \$ (88,799,824) | \$ 126,767,728 | \$ 6,812,728 | \$ 119,955,000 |

Summary Information | City Debt Summary

Budgeted Debt Service - FY 2020/21

| | Principal | Interest | Fees | Total |
|---|---------------------|---------------------|-----------------|----------------------|
| General Obligation Bonds | | | | |
| 2012 Fire Safety Bonds | \$ 365,000 | \$ 172,325 | \$ 525 | \$ 537,325 |
| 2013 Fire Safety Bonds | 885,000 | 702,175 | 750 | 1,587,175 |
| 2017 Fire Safety Bonds | 400,000 | 463,600 | 1,000 | 863,600 |
| Total General Obligation Bonds | 1,650,000 | 1,338,100 | 2,275 | 2,988,100 |
| General Fund Lease Obligations | | | | |
| 2017B Lease Revenue Bonds | 625,000 | 727,238 | 2,100 | 1,354,338 |
| 2019 Lease Revenue Bonds | 3,917,434 | 3,114,356 | 3,000 | 7,034,789 |
| Total General Fund Lease Obligations | 4,542,434 | 3,841,593 | 5,100 | 8,389,127 |
| General Fund Loans | | | | |
| 2017 PG&E On-Bill Financing Program | 272,728 | - | - | 272,728 |
| Family Resource Center Lease Obligations | | | | |
| 2019 Lease Revenue Bonds | 347,566 | 186,169 | - | 533,736 |
| Total Budgeted Debt Service | \$ 6,812,728 | \$ 5,365,863 | \$ 7,375 | \$ 12,183,690 |

Annual Debt Service Requirements

| Year Ending June 30 | General Obligation Bonds | | General Fund Lease Obligations/Loans | | Family Resource Center Lease Obligations | |
|------------------------|--------------------------|----------------------|---|----------------------|---|-------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2021 | \$ 1,650,000 | \$ 1,338,100 | \$ 4,815,161 | \$ 3,841,593 | \$ 347,566 | \$ 186,169 |
| 2022 | 1,710,000 | 1,266,013 | 4,923,741 | 3,604,939 | 386,259 | 167,824 |
| 2023 | 1,780,000 | 1,193,463 | 5,159,969 | 3,352,846 | 415,031 | 147,792 |
| 2024 | 1,840,000 | 1,120,588 | 5,425,048 | 3,088,221 | 449,952 | 126,167 |
| 2025 | 1,910,000 | 1,045,063 | 5,694,909 | 2,810,222 | 490,091 | 102,666 |
| 2026 - 2030 | 10,680,000 | 3,983,031 | 25,546,728 | 10,026,209 | 1,808,272 | 149,479 |
| 2031 - 2035 | 11,800,000 | 1,612,381 | 19,580,000 | 4,942,013 | - | - |
| 2036 - 2040 | 3,195,000 | 195,675 | 17,160,000 | 1,325,056 | - | - |
| Total | \$ 34,565,000 | \$ 11,754,313 | \$ 88,305,555 | \$ 32,991,097 | \$ 3,897,172 | \$ 880,096 |

Legal Debt Margin

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

In accordance with California Government Code section 43605, only the City’s general obligation bonds are subject to the legal debt limit. With only \$34,565,000 of outstanding debt subject to the legal debt limit, and a legal debt limit of \$2,036,366,575, the City is not at risk of exceeding this limit.

Computation of Legal Debt Margin as of June 30, 2020

| | |
|---|-----------------------------|
| Assessed Valuation (net)¹ | \$ 54,303,108,668 |
| 25% of Assessed Valuation | 13,575,777,167 |
| Debt Limit: 15% of Assessed Valuation | <u>2,036,366,575</u> |
| Less Outstanding Debt (subject to legal debt limit) | (34,565,000) |
| Legal Debt Margin | <u>2,001,801,575</u> |

¹ Source: Auditor-Controller of Alameda County, Certificate of Assessed Valuation, Fiscal Year 2019/20.

Debt Management Policy General Fund Debt Service Limit

The City of Fremont’s Debt Management Policy, adopted by the City Council on April 4, 2017, requires that debt service supported by the General Fund will not exceed 7% of total General Fund budgeted expenditures and transfers out. With FY 2020/21 debt service supported by the General Fund estimated at \$8,656,755, and a debt service limit of \$14,938,630, the City is not projected to exceed its debt service limit.

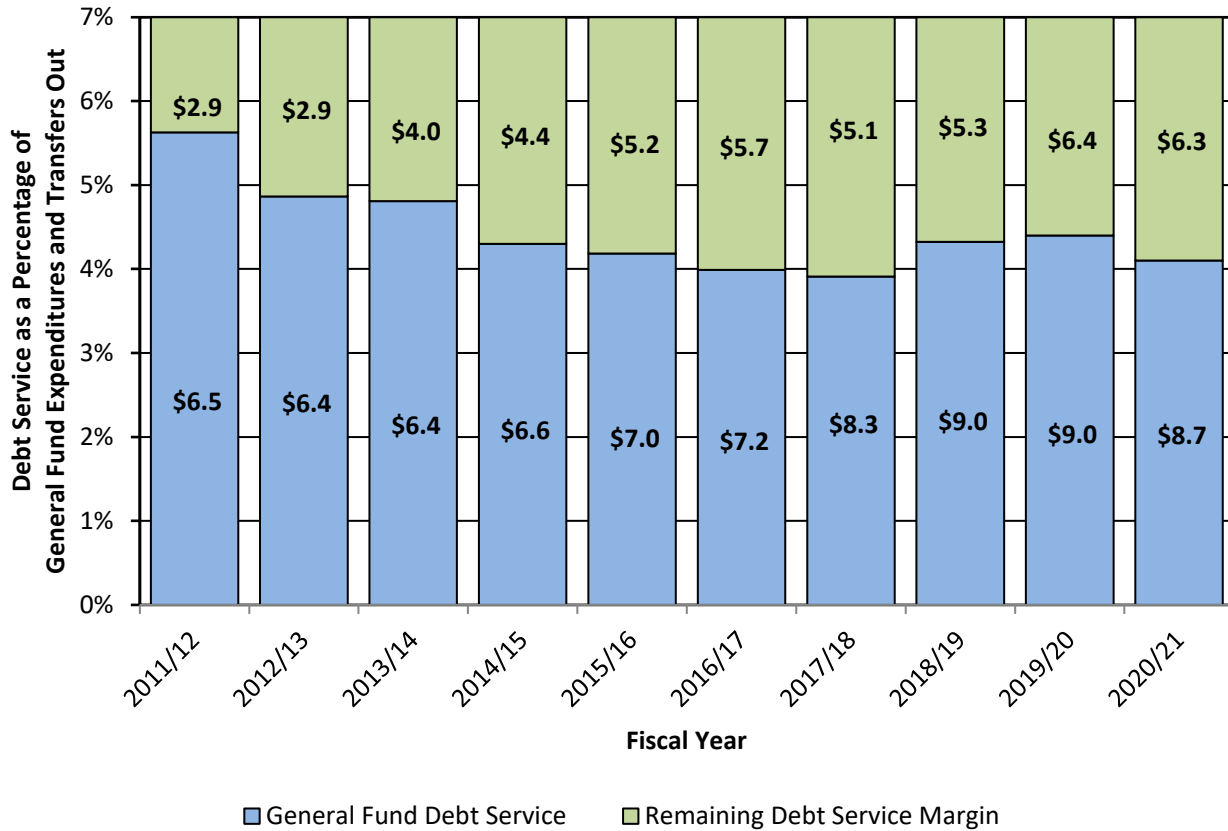
Compliance with General Fund Debt Service Limit

| | |
|---|---------------------------|
| Total General Fund Budgeted Expenditures and Transfers Out | \$ 213,409,000 |
| Debt Management Policy Limit of 7% | 14,938,630 |
| Less Debt Service Supported by the General Fund | <u>(8,656,755)</u> |
| Debt Service Margin | 6,281,875 |

Summary Information | City Debt Summary

As shown in the chart below, the City’s annual debt service has remained below the policy limit during the past ten years.

Annual Debt Service vs. Policy Limit



Appropriations Limit

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

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

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

multiplied by

either

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

or

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

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

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

On May 1, 2020, the State Department of Finance notified each city of the population change factor and the per capita personal income factor to be used in determining the appropriations limit. The percentage change in per capita income is 3.73%. The calculation as applied to the City of Fremont for FY 2020/21 is as follows:

The population change on January 1 of the previous year (233,404) to the population on January 1, 2020 (234,220) is 816, or a 0.35% increase.

The change in per capita personal income is 3.73%.

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

$$\frac{0.35 + 100}{100} \quad \times \quad \frac{3.73 + 100}{100} \quad = \quad 1.0409$$

Summary Information | Appropriations Limit

Applying this year's factor of 1.0409 to last year's limit of \$735,945,561 yields the Appropriations Limit for FY 2020/21 of \$766,045,734.

Based on an operating budget of \$213,409,000 Fremont is not at risk of exceeding the appropriations limit. The Appropriations limit is adopted by the City Council concurrently with the adoption of the FY 2020/21 operating budget.

Budget Principles

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

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

General Fund Preservation

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

Reduce the Cost of Doing Business

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

Revenue Generation

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

Performance Measurement

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

City Attorney

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|--|-------------------|-------------------|---------------------|-------------------|
| Percent of standard contracts reviewed within 5 business days of receipt | 90% | 90% | 90% | 90% |
| Percent of liability (damage) claims reviewed and insufficiency noted within 14 days of receipt | 100% | 90% | 100% | 90% |
| Percent of all serious work-related injuries reported to Cal OSHA within 8 hours of being informed of injury | 100% | 100% | 100% | 100% |

City Clerk

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|---|-------------------|-------------------|---------------------|-------------------|
| Percent of time the Agenda packet is posted and distributed no later than 4 days prior to each City Council meeting | 62% | 90% | 75% | 90% |
| Number of complaints received regarding Public Records Requests (PRR) | 3 | 0 | 5 | 0 |

Summary Information | Performance Measurement

City Manager

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|---|-------------------|-------------------|---------------------|-------------------|
| Percent of residents that agree that Fremont is a “good” or “excellent” place to live ¹ | 72% | N/A | N/A | 77% |
| Percent of employees that feel “prepared” and “trained” to do their jobs ² | 84% | N/A | N/A | 87% |
| Number of social media accounts maintained by the City ³ | 33 | 34 | 34 | 35 |
| Number of likes, followers and subscribers of the social media accounts | 116,000 | 120,000 | 172,707 | 189,977 |
| <p>¹ The community survey is a biennial survey. The next one is anticipated to take place in FY 2020/21. ² The employee survey is a biennial survey. The next one is anticipated to take place in FY 2020/21. ³ Social media accounts refer to the Facebook, Twitter, Youtube, Google+, Instagram, Nextdoor, and Fremont Open City Hall platforms.</p> | | | | |

Community Development

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|---|-------------------|-------------------|---------------------|-------------------|
| Reduce waits for public counter assistance to a maximum of 15 minutes | 95% | 90% | 90% | 90% |
| Achieve entitlement processing schedules | 90% | 90% | 90% | 90% |
| Achieve building permit processing schedules | 80% | 90% | 85% | 90% |

Summary Information | Performance Measurement

Community Services

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|--|-------------------|-------------------|---------------------|-------------------|
| Increase Recreation program registrants over prior year | 29,319 | 32,000 | N/A ⁴ | 32,000 |
| Increase number of creek clean-up volunteers | 863 | 800 | 650 ⁵ | 900 |
| ⁴ All Spring/Summer classes were cancelled and most Winter Classes cancelled due to COVID-19 pandemic ⁵ Reduced amount due to COVID-19 pandemic | | | | |

Economic Development

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|--|-------------------|-------------------|---------------------|-------------------|
| Number of businesses assisted by Economic Development Department | N/A | 100 | 140 | 100 |
| Number of business events that Economic Development Department staff hosted in Fremont, had prominent speaking role in, or directly supported organization/planning outside of Fremont | N/A | 15 | 15 | 15 |
| Number of business appreciation visits and establishment of baseline for percentage of visits that lead to subsequent follow-up/interaction with City | 55 | 50 | 40 ⁶ | 50 |
| ⁶ Due to COVID-19, the business visit program has been suspended for the remainder of the fiscal year. | | | | |

Summary Information | Performance Measurement

Finance

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|--|-------------------|-------------------|---------------------|-------------------|
| Number of bids/RFPs issued | 57 | 60 | 66 | 72 |
| Percent of Business Tax certificates issued online | 40% | 45% | 44% | 50% |

Fire

| Measure | FY 2018/19 Actual ⁷ | FY 2019/20 Target ⁷ | FY 2019/20 Estimate ⁷ | FY 2020/21 Target ⁷ |
|--|--------------------------------|--------------------------------|----------------------------------|--------------------------------|
| 911 calls processed within 1:30 minutes | 91.7% | 90.0% | 90.0% | 90.0% |
| Crew responding within 2:00 minutes of dispatch | 86.2% | 90.0% | 90.0% | 90.0% |
| Crew travels to incident within 4:00 minutes of dispatch | 61.6% | 90.0% | 90.0% | 90.0% |
| FFD Paramedic on scene of a medical emergency within 7:30 minutes from 911 call | 83.8% | 90.0% | 90.0% | 90.0% |
| Fire Engine arrives at the scene of a fire within 7:30 from 911 call | 74.4% | 90.0% | 90.0% | 90.0% |
| Ladder Truck arrives at the scene of a fire or rescue within 11:30 from 911 call | 87.3% | 90.0% | 90.0% | 90.0% |
| Vegetation fire is confined to one acre or less | 95.2% | 90.0% | 90.0% | 90.0% |
| Structure fire is contained to the room of origin | 73.6% | 90.0% | 90.0% | 90.0% |

Summary Information | Performance Measurement

Fire (continues)

| Measure | FY 2018/19 Actual ⁷ | FY 2019/20 Target ⁷ | FY 2019/20 Estimate ⁷ | FY 2020/21 Target ⁷ |
|--|---|---|--|---|
| Patient extricated from a vehicle collision within 30 minutes | 100.0% | 90.0% | 90.0% | 90.0% |
| Provide sufficient amount of quality training to maintain operational readiness | 36 hours per person per month | 20 hours per person per month | 35 hours per person per month | 20 hours per person per month |
| Provide sufficient amount of quality training to maintain required licenses and certifications | Required licenses and certifications 100% compliance | Met this measure with 100% compliance | Required licenses and certifications 100% compliance | Met this measure with 100% compliance |
| Percent of inspections of State Fire Marshal (SFM) regulated occupancies | Met this measure with 81% compliance | Complete inspections of 95% of SFM regulated occupancies in a given year. | Meet this measure with 95% compliance | Complete inspections of 100% of SFM regulated occupancies in a given year. |
| Percent of inspections of permitted Hazardous Materials (Haz Mat) facilities | Completed 25% of Haz Mat Facility and 100% Underground Storage Tank (UST) inspections | Complete 33% of Haz Mat Facility and 100% of Underground Storage Tank (UST) inspections in a given year | Complete 33% of Haz Mat Facility and 100% Underground Storage Tank (UST) inspections | Complete 33% of Haz Mat Facility and 100% of Underground Storage Tank (UST) inspections in a given year |
| ⁷ Data tracked on a calendar basis. | | | | |

Summary Information | Performance Measurement

Human Resources

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|--|----------------------|----------------------|------------------------|----------------------|
| % of employees participating in a 457(b) deferred compensation plan for retirement savings | 75% | 80% | 75% | 80% |
| % of employees who have received a formal evaluation in the last 12 months | 76% | N/A ⁸ | N/A ⁸ | 80% |
| Average days between prospective police recruit application and issuance of offer letter (police recruit) | 198 ⁹ | 150 | TBD | 130 |
| Average days between requests to fill position and issuance of offer letter (all non-police officer positions) | 151 | 140 | TBD | 120 |
| <p>⁸Measure every other year by employee survey.</p> <p>⁹24 Police Officers were hired in FY 2018/19 (an increase of 15 more Police Officers than were hired in FY 2017/18). The increase in hires in FY 2018/19 resulted in an increase of average days between application and issuance of offer letter due to the additional time that was needed to complete the various hiring process steps (e.g., backgrounding).</p> | | | | |

Human Services

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|--|-------------------|-------------------|---------------------|-------------------|
| Percent of Long-term SparkPoint Clients achieving economic mobility ¹⁰ | 75% | 75% | 79% | 75% |
| Percent of senior clients that improve their understanding of how to take their medication ¹¹ | 100% | 80% | 85% | 80% |
| Percent of youth who improved in their social emotional health and were observed as stable after receiving counseling services ¹² | 75% | 75% | 75% | 75% |
| <p>¹⁰ Long-term SparkPoint clients will improve in one of four SparkPoint metrics (Higher Credit Score, Lower Debt to Income Ratio, Higher Income or Higher Savings) by at least 5%.</p> <p>¹¹ As measured by a pre and post test administered by a public health nurse.</p> <p>¹² Measured by clinicians using the Child and Adolescent Needs and Strengths Assessment, an evidenced based instrument that measures client change over time.</p> | | | | |

Information Technology Services

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|--|-------------------|-------------------|---------------------|-------------------|
| Percent of service desk calls resolved at first point of contact (when call is placed to the ITS Service Desk) | 80% | 80% | 82% | 80% |
| Percent of network availability as measured using a monitoring tool uptime algorithm | 99% | 99% | 99% | 99% |
| Percent of service tickets resolved within the stated service level agreements (SLAs) for the type and criticality of each request | 80% | 80% | 85% | 83% |
| Percent of requests for GIS Street Naming and Addressing projects completed within agreed-upon time frames | 80% | 80% | 86% | 84% |

Summary Information | Performance Measurement

Police

| Measure | FY 2018/19 Actual ¹³ | FY 2019/20 Target ¹³ | FY 2019/20 Estimate ¹³ | FY 2020/21 Target ¹³ |
|--|---|---|---|---|
| Continue to apply the strategies, tactics, and methods used to sustain present level or further reduce the incidence of residential burglaries* <i>*figures reported by Uniform Crime Reporting (UCR) calendar year</i> | 350 ¹⁴ (single/multiple residences only) 720 ¹⁴ (all burglaries) | Sustain present level or further reduction from previous year | 250 ¹⁵ (single/multiple residences only) 550 ¹⁵ (all burglaries) | Sustain present level or further reduction from previous year |
| Minimize the number of injury collisions as compared to the previous year <i>*figures reported by Uniform Crime Reporting (UCR) calendar year</i> | 608 ¹⁴ | Reduction from previous year | 582 ¹⁵ | Reduction from previous year |
| Enrollment of all employees in a baseline medical analysis exam | N/A | N/A | 82% | 100% |
| Increase staffing levels to full allocations for the positions of Police Officer and Communications Dispatcher | N/A | N/A | 90% | 100% |
| ¹³ Data tracked on a calendar basis ¹⁴ Calendar Year 2018. ¹⁵ Calendar Year 2019. | | | | |

Public Works

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|--|---------------------------|------------------------|---------------------------|------------------------|
| Average Pavement Condition Index (PCI) for the entire 500-mile street network | PCI of 72 | PCI of 72 | PCI of 73 | PCI of 73 |
| Percent of streets in “poor” condition (below PCI 50) | 11% | 10% | 10% | 9% |
| Percent of preventative maintenance repairs Fleet services performed on-schedule (e.g., completed within two weeks of scheduled service) | 51% | 75% | 51% | 75% |
| Number of persons severely or fatally injured in traffic crashes Note: Baseline condition is 37 in 2015 (8 fatalities) | 17 in 2018 (4 fatalities) | Continuous improvement | 25 in 2019 (7 fatalities) | Continuous improvement |
| Percent of graffiti removal calls responded to within one business day for Priority 1 graffiti (gang-related or profane) / one business week for Priority 2 graffiti for all other types | 50% / 75% | 65% / 85% | 65% / 85% | Continuous improvement |

This page intentionally left blank

Citywide Goals and Objectives

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

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

City Council’s Vision

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

Citywide Goals

1. **Strong community leadership**

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

2. **A safe community**

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

3. **A vibrant local economy**

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

Summary Information | Citywide Goals and Objectives

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

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

5. **Safe and effective transportation systems**

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

6. **Public facilities and programs for recreation**

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

7. **Historic character**

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

8. **Building a caring community**

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

9. **Strong families and healthy children**

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

10. **Involvement of a diverse population**

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

11. **Effective and efficient city government**

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

12. Creating an aging friendly community

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

Summary Information | Citywide Goals and Objectives

Objectives Summary

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

COMMUNITY DEVELOPMENT DEPARTMENT:























- | | |
|--|--|
| 1 Complete update to the City's Affordable Housing Ordinance based on evolving Council objectives, relevant court decisions, and lessons learned since the most recent update in 2015. |  |
| 2 Continue to work with affordable housing developers to move hundreds of affordable units already in the development pipeline toward completion. |  |
| 3 Facilitate installation of public artwork at multiple locations in the Warm Springs Innovation District and the Downtown. |  |
| 4 Implement a pilot art mural program for Fremont. |  |
| 5 Fully implement the City's Tobacco Retailer's License Ordinance. |  |
| 6 Create sign enforcement program intended to address temporary and "A-frame" signs. |  |
| 7 Submit an application to State HCD for Local Early Action Planning (LEAP) grant funding to support planning for affordable housing. |  |
| 8 Begin work on a site analysis and inventory of vacant and underutilized sites in advance of the next Housing Element cycle. |  |
| 9 Initiate update to the City's Multifamily Design Guidelines to address higher-density development, integrate design rules and guidelines, and review existing design rules. |  |
| 10 Initiate update to the City's Small Lot Design Guidelines to create objective design standards for residential development on small lots. |  |
| 11 Initiate updates to development standards for mixed-use development and residential development within TOD Overlay districts. |  |
| 12 Initiate development of a Short Term Rental Ordinance to ensure that short-term rentals use does not unduly affect the availability of rental housing in the City. |  |
| 13 Complete an Electric Vehicle Infrastructure Planning process at City facilities. |  |
| 14 Recommend sustainability "reach codes" to City Council. |  |
| 15 Complete the update to the Climate Action Plan to align with the City's newly established carbon neutrality target. |  |
| 16 Modernize the Permit Center to better utilize its limited area. |  |
| 17 Enhance Accela Citizen Access (ACA), the City's on-line permit portal, to enable the public to submit electronic permit applications and permit fees. |  |

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






















Objectives Summary

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

COMMUNITY SERVICES DEPARTMENT:

- 1 Complete projects at California Nursery Historical Park. 
- 2 Complete the public engagement process for the new citywide Parks and Recreation Master Plan. 
- 3 Complete the detail park design documents and site demolition for the Dusterberry Neighborhood Park. 
- 4 Complete citywide inventory of approximately 70,000 public trees in parks and right of ways. 
- 5 Develop plan to create additional funding source for stormwater compliance activities.   
- 6 Develop and implement plan to comply with SB 1383 (Short-Lived Climate Pollutant Plan) which requires the City to meet expanded organics recycling and edible food recovery targets.  
- 7 Acceptance, opening and maintenance plan developed for the Warm Springs Plaza.   
- 8 Acceptance, opening and development of operations and maintenance plan for the Downtown Event Center and Plaza Park.   
- 9 Continue with second round of playground safety and maintenance resurfacing program.    
- 10 Develop work flow process to manage task/work orders directly correlated with contracted maintenance services. 
- 11 Go-live with Registration Activity Software in October 2020. 
- 12 Continue successful implementation of contract services to sustain the City's healthy quality of life. 

ECONOMIC DEVELOPMENT DEPARTMENT:

- 1 Develop and implement a post-COVID 19 an economic recovery plan.     
- 2 Expand programming and partnerships to support the small business environment in Downtown and other neighborhood commercial districts.    
- 3 Cultivate and facilitate development and leasing activity in City's major technology employment hubs.    
- 4 Leverage significant marketing opportunity with the annual Urban Land Institute Fall Meeting occurring in San Francisco in 2020 to promote Fremont investment opportunities on an unparalleled scale.    
- 5 Begin update of the economic development digital brand strategy including a refresh of the Think Silicon Valley website.    




































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

Summary Information | Citywide Goals and Objectives

Objectives Summary

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

FIRE DEPARTMENT:

- | | | |
|---|--|---|
| 1 Conduct department-required Driver/Operator training for the 18 firefighters hired in 2019. |  |  |
| 2 Host a Hazardous Materials Technical Reference course for the Special Operations Task Force. |  |  |
| 3 Procure one Type 1 Fire Engine in accordance with the Fleet Replacement Schedule. |  |  |
| 4 Establish a committee to review performance metrics and advise the Quality Improvement/Assurance committees and Command Staff. |  |  |
| 5 Collaborate with the IT department to develop a comprehensive site plan program using current technology. |  |  |
| 6 Assess current dispatch performance and the feasibility of alternative models. |  |  |
| 7 Continue to monitor and refine our CSFM and CalEPA inspection programs to improve compliance. |  |  |
| 8 Respond to and resolve the remaining Hazardous Materials Program deficiencies identified during our 2019 CalEPA triennial audit. |  |  |
| 9 Update the Emergency Preparedness Gap Analysis in accordance with the 2020-2025 Strategic Plan Objectives. |  |  |
| 10 Conduct EOC training and functional exercises. |  |  |
| 11 Complete the Hillside Wildfire Evacuation Plan as an annex of the EOP. |  |  |
| 12 Develop a five-year Emergency Management Training Plan. |  |  |
| 13 Further develop the Department's recruitment and community engagement program. |  |  |
| 14 Examine and make recommendations to ensure equity in training and career development opportunities. |  |  |
| 15 Focus efforts to initiate annual comprehensive medical examinations to decrease the threat posed by occupational exposures. |  |  |
| 16 Continue to seek opportunities to enhance the health and well-being of our firefighters. |  | |
| 17 Conduct Engineer and Captain Academies in preparation for promotional exam processes. |  |  |
| Partner with FPSI to conduct job analyses for the Battalion Chief, Division Chief, Deputy Fire Chief, Fire Marshal, Deputy Fire Marshal, Hazardous Materials Inspector, and Fire Inspector job classifications. |  |  |

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

Objectives Summary

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

HUMAN SERVICES DEPARTMENT:

- 1 Continue to evolve programs both quickly and thoughtfully, as the new reality of social distancing provides both challenges and opportunities for effective services to families in need. 
- 2 Continue implementation and integration of telehealth as viable and efficient platform for youth and adult constituents. 
- 3 Complete the Go-Live process of MyEvolv and continue to transition from hard copy to digital records. 
- 4 Continue to operationalize and improve the effectiveness of the Rent Review Board. 
- 5 Implement specific strategies and actions steps outlined in the FRC's 5-year action plan. 
- 6 Complete construction of the AgeWell Center at South Fremont with a tentative opening in early 2021. 
- 7 After approval by the City Council, the Senior Citizens Commission will present Age Friendly Action Plan 20-21 to the general public. 
- 8 Implement ActiveNet, new software which will allow the senior center participants to buy lunches and memberships, register for classes, pay for trips and request facility rentals on line. 
- 9 Increase the average number of meals produced at the Senior Center and adapt the service model to include safe dine-in options, as well as drive up and/or pick-up options. 
- 10 Continue offering online Senior Center classes as gathering in large groups for seniors may continue. 
- 11 Provide emergency preparedness planning assistance to 10,000 older adults. 
- 12 Continue to coordinate a comprehensive SparkPoint program at the Fremont Family Resource Center (FRC). 
- 13 Increase the financial assets of low-income families through the FRC's VITA program by helping 2,700 low-income households. 
- 14 With federal HOME and CARES funds, assist up to 25 families to remain in their homes to enable them to return to financial stability. 
- 15 Decrease the number of youth who use alcohol, drugs, tobacco and who are at-risk of developing long-term substance use problems. 
- 16 Oversee the City's Homeless and Housing fund as well as HEAP, HHAP and CDBG CARES funding focused on mitigating the impacts of homelessness and COVID-19, respectively. 
- 17 Increase and strengthen diversified funding streams for the Humans Services Department to offset projected loss of revenue. 

















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

Summary Information | Citywide Goals and Objectives

Objectives Summary

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

POLICE DEPARTMENT:

- Continue current efforts and strategies focused on reducing residential and auto burglaries utilizing Intelligence Led Policing concepts. Apply effective, evidence-based policing strategies to other chronic crime issues throughout the city. Further enhance relationships with businesses and the community to educate focusing on crime reduction strategies.   
- Continue to emphasize high visibility enforcement in areas of high injury collision rates and pedestrian safety and to work with Traffic Engineering regarding commuter traffic concerns. Continue partnership with Traffic Engineering on Vision Zero initiatives and with Transportation Engineering on Fremont's Mobility Action Plan.   
- Select a vendor to administer the Alarm Permit Program.  
- The Personnel Unit will continue efforts to fill Officer, Dispatch vacancies, and other critical positions with learned marketing strategies.  
- The Tri-City Animal Shelter will continue to partner with the community group, "Friends of the Shelter," on the "Trap, Neuter, Return" (TNR) program to decrease the number of euthanized feral cats.   
- Training Unit will work to develop new training delivery models to ensure ongoing employee development, while preventing the spread of COVID-19.   

PUBLIC WORKS DEPARTMENT:

- Work with Mobility Commission to help implement key recommendations from the Mobility Action Plan.      
- Continue implementation of the Vision Zero traffic safety program. And prepare a 5-year update to the City's Vision Zero Action Plan for Council consideration in Spring 2021.      
- Continue efforts to modernize the Citywide traffic signal system and complete the Fremont Boulevard Safe and Smart Corridor project.      
- Complete construction of the Warm Springs BART Station West Access Bridge and Plaza and the Downtown Event Center and Plaza projects.      
- Start construction on the following significant projects: Niles/Nursery Railroad Quiet Zone, Family Resource Center Roof Replacement, Maintenance Center Storage Building, and Centerville Complete Streets.      
- Work with regional partners to upgrade State Route 262, design the Irvington BART station, modernize AC Transit services, enhance freeway interchanges, plan and design new bikeway and trail connections over freeways, and develop the Niles Canyon Trail project.       
- Update the City's Development Impact Fee program and to align with current City priorities.    

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

Objectives Summary

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

ADMINISTRATIVE DEPARTMENTS:

- 1 Pursue staff actions and efforts that assist City departments and Council to reconsolidate the budget in response to the effects of the Coronavirus 2019 disease. 
- 2 Pursue legislative efforts and strengthen state and federal partnerships to promote the best interests of the City, while implementing the Council's 2020/21 Legislative Guiding Principles and Priorities. 
- 3 Pursue staff actions and efforts that assist with the implementation of the top three Council priorities for the year established at the 2020 City Council Retreat. 
- 4 Continue to build and promote a City of Fremont citywide communications program. 
- 5 Continue to work with local and regional partners, as well as State and Federal Legislators, to ensure the strategic development of the Warm Springs/South Fremont area. 
- 6 Continue to commit time and resources towards the implementation of the Downtown Community Plan. 
- 7 Attract and retain an appropriate mix of retail, office, and industrial or technology uses, in order to foster a dynamic economy and a stronger tax base. Continue efforts to nurture the Innovation Economy in Fremont, and help foster growth industries. 
- 8 Continue to grow social media and online tools subscriber base and public statement posts. 
- 9 Continue efforts to determine the best strategy for addressing Homelessness in Fremont. Continue to work with the City Council to pursue the best allocation of City resources. 
- 10 Assist staff with updating and amending standard contract forms and City ordinances to comply with state law. 
- 11 Work with staff and consultants in analyzing and updating the City's Development Impact Fees and assist staff with the adoption of the new ordinance. 
- 12 Continue to provide Brown Act and Public Records Act advice and training to City boards, commissions and employees. 
- 13 Continue to provide assistance to Council and City Departments during the Coronavirus emergency by responding to emerging issues. 
- 14 Assist continuing support for homelessness, navigation center and additional development of affordable housing. 
- 15 Continue to efficiently and accurately manage the electronic preparation and distribution of agenda packets. 
- 16 Monitor the changing postal service environment and accommodate changes as needed to the mail room during the fiscal year. 
- 17 Continue to work with City departments to review and update each department's Records Retention Schedule. 
- 18 Implement a new online tool for submittal of Campaign Statements. 

















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

Summary Information | Citywide Goals and Objectives

Objectives Summary

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

ADMINISTRATIVE DEPARTMENTS (continued):

- | | |
|--|--|
| 19 Administer the 2020 November Election. |  |
| 20 Enhance the outreach campaign to encourage more businesses to use the City's online business tax application and renewal offerings. |   |
| 21 Complete revision of City's Personnel Rules in partnership with City's nine bargaining units. |  |
| 22 Conduct and complete contract bargaining with the City's nine bargaining units. |  |
| 23 Implement PeopleSoft software upgrade. |  |
| 24 In partnership with the interested bargaining units, facilitate establishment of an employee funded Retiree Health Savings Plan. |   |
| 25 Implement a new system to enable the public and City employees to reserve park and building facilities on-line as well as register for classes. |  |
| 26 Implementing a robust website with Content Management capabilities. |  |
| 27 Move the on-site permitting, inspection, and land-use system, Accela, to Microsoft's Azure cloud for faster system updates. |  |
| 28 Update the work order management system. |  |
| 29 Convert the existing Council Chambers audio visual (AV) system from analog to digital. |  |
| 30 Installation of high speed Siklu Wi-Fi access points on the roof top of the fire stations. |  |
| 31 Develop a long-term strategic plan to develop the City's fiber network infrastructure. |  |
| 32 Implement a stunning, contemporary website using Granicus' government CMS (content management system). |  |

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

General Fund

General Fund Summary

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

This section provides information on the FY 2020/21 General Fund budget, including budget assumptions, expenditure and revenue highlights, transfers to other funds, reserves, and a multi-year forecast.

The FY 2020/21 adopted budget addresses a projected COVID-19 pandemic-related revenue drop of over \$12 million in the General Fund, following on a projected \$10 million revenue shortfall in the current fiscal year.

The table on the next page shows that total General Fund budgeted resources in the coming fiscal year are estimated to be adequate to support total budgeted expenditures of \$213.4 million. Reflecting the economic impact of the COVID-19 pandemic, the FY 2020/21 budget is 3% lower than the FY 2019/20 adopted budget and \$7.8 million lower than the current year's estimated actual expenditures.

The FY 2020/21 adopted budget has been balanced through expenditure reductions in virtually all City departments, drawing down fund balances in internal service funds, temporarily defunding General Fund transfers to the Capital Improvement Fund, and freezing non-essential positions while we assess the depth and length of the economic disruption. Implementation of a citywide parking enforcement program and the mid-year opening of the new Age Well Center in Warm Springs are among the very few new service additions.

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

General Fund | General Fund Summary

General Fund Adopted Budget FY 2020/21 (Thousand of Dollars)

| | Adopted FY 19/20 | Est Actual FY 19/20 | Adopted FY 20/21 |
|--|---------------------|------------------------|---------------------|
| Sources | | | |
| Beginning Unreserved Fund Balance | \$ 13,124 | \$ 16,726 | \$ - |
| Revenues | | | |
| Taxes: | | | |
| Property Tax | 106,016 | 105,767 | 113,175 |
| Sales Tax | 63,933 | 51,662 | 52,253 |
| Business Tax | 11,700 | 11,644 | 11,963 |
| Hotel/Motel Tax | 8,888 | 5,615 | 6,060 |
| Property Transfer Tax | 1,937 | 1,430 | 1,600 |
| Paramedic Tax | 1,208 | 1,129 | 1,135 |
| Franchise Fees | 10,394 | 10,079 | 9,818 |
| Charges for Services | 5,841 | 6,198 | 6,456 |
| Fines | 2,288 | 2,001 | 2,173 |
| Use of Money and Property | 1,658 | 1,659 | 1,464 |
| Intergovernmental | 234 | 555 | 431 |
| Other Revenues | 208 | 1,317 | 77 |
| Total Revenues | 214,305 | 199,056 | 206,605 |
| Transfers In | 7,346 | 7,326 | 7,571 |
| Total Sources | 234,775 | 223,108 | 214,176 |
| Uses | | | |
| Expenditures | | | |
| General Government | 17,542 | 17,364 | 17,688 |
| Police | 92,767 | 90,504 | 95,318 |
| Fire | 56,019 | 55,441 | 56,497 |
| Maintenance (Streets/Facilities) | 18,902 | 17,196 | 18,474 |
| Maintenance (Parks/Street Medians) | 9,916 | 9,761 | 9,756 |
| Human Services | 4,158 | 4,072 | 4,334 |
| Code Enforcement/Community Development Admin | 2,013 | 2,079 | 1,855 |
| Non-departmental | 3,239 | 2,162 | 3,671 |
| Less: Citywide Savings | (7,000) | - | (11,193) |
| Debt Service | 8,952 | 9,065 | 8,662 |
| Total Expenditures | 206,508 | 207,644 | 205,062 |
| Transfers Out | 13,442 | 13,550 | 8,347 |
| Total Uses | 219,950 | 221,194 | 213,409 |
| Ending Fund Balance | | | |
| Reserved Fund Balance | 45,032 | 36,430 | 35,639 |
| Unreserved Fund Balance | 4,309 | - | 1,558 |
| Total Ending Fund Balance | \$ 49,341 | \$ 36,430 | \$ 37,197 |

Notes:

In FY 2019/20, the \$8.3 million Budget Uncertainty Reserve was fully expended due to the revenue shortfall caused by the COVID-19 pandemic.

Budget Assumptions

Based on the data we have at this time and economic forecasts from a range of sources, we are making the following key assumptions for the FY 2020/21 adopted budget:

1. Local COVID-19 shelter-in-place restrictions will remain in place through May 2020.

The resulting loss of revenue to the City in FY 2019/20 will completely exhaust the \$8.3 million General Fund Budget Uncertainty Reserve and absorb approximately \$0.3 million of the \$36.7 million General Fund Contingency Reserve.

2. After shelter-in-place restrictions are lifted, the local economy will experience a three-month recovery period after which the City's economically sensitive revenues will perform at a level approximately 10% below their pre-shelter level.

For FY 2020/21, this equates to a \$12 million revenue loss, for estimated revenues of \$214.2 million.

3. Total General Fund use of resources (expenditures and transfers out) is constrained by the revenue estimate, and is proposed to be approximately \$7.8 million, or 3.5%, less than the estimated actual amounts for FY 2019/20.

In accordance with City Council policy, an additional pension contribution of \$2.5 million to more rapidly pay down the City's unfunded liability has been incorporated into the adopted budget.

4. Total expenditures in the FY 2020/21 adopted budget include a savings assumption of \$11.2 million (approximately 5.2% of total budgeted expenditures and transfers out in FY 2020/21) to reflect the City's historical experience of under-spending total allocated resources, primarily due to salary savings from vacant positions, as well as additional savings attributable to the ongoing hiring freeze on non-essential positions and a temporary freeze on certain essential positions.

Managers continue to contain operational costs wherever possible, and normal turnover within the City's 962-employee labor force creates vacancy savings. Consequently, the City's actual expenditure totals each year will fall below the budgeted levels. To ensure the City efficiently uses all of its available resources to provide services, savings assumptions for these expenses are built into the budget. For FY 2020/21, the hiring freeze implemented in the last quarter of FY 2019/20 will create additional vacancy savings.

5. The FY 2020/21 adopted budget suspends General Fund CIP transfers for streets, sidewalks, and facilities maintenance, parks and street medians capital replacement, capital improvements to achieve compliance with ADA standards, and the City's Downtown Plan.

Some portion of these activities budgeted in the CIP may continue contingent on available unallocated fund balance in the Capital Improvement Fund and other capital funds.

General Fund | General Fund Summary

- 6. The costs of the FY 2020/21 adopted budget will be covered by projected resources without requiring the use of reserves to balance the budget.**

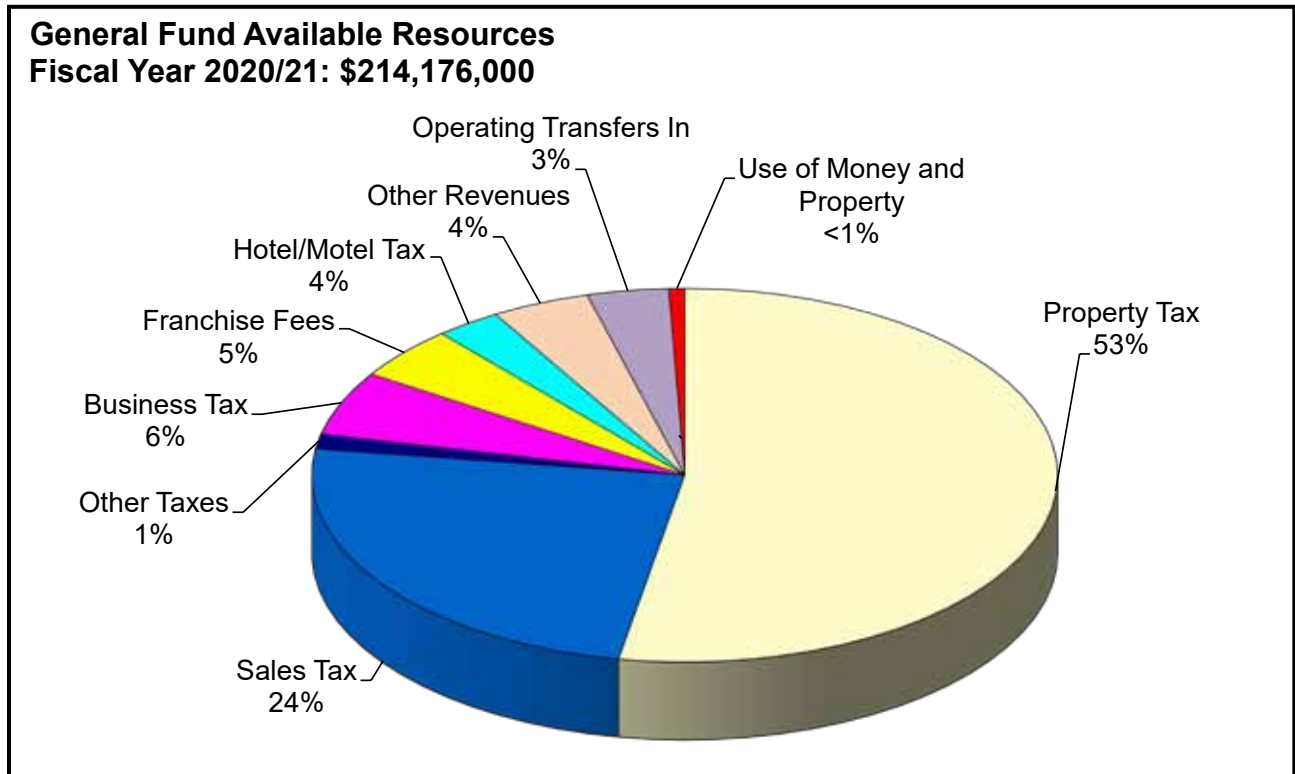
Following the City's sustainable budgeting principles, the cost of the three new citywide parking program positions in the General Fund will be offset by new revenue.

- 7. The General Fund Contingency Reserve will be maintained at 16.7% of total budgeted expenditures and transfers out, the minimum level recommended by the Government Finance Officers Association of the United States and Canada (GFOA).**

Because budgeted expenditures and transfers out are lower for FY 2020/21 than for the prior year, the reserve requirement is dropping by \$1.1 million.

- 8. The FY 2020/21 adopted budget does not include funding to restore the General Fund Budget Uncertainty Reserve.**

Reestablishing the Budget Uncertainty Reserve will be considered a top priority to the extent the City receives any reimbursements or supplemental assistance payments from the state or federal government.



Resources

General Fund resources include revenues and transfers into the General Fund from other funds. Total budgeted resources and unreserved fund balance will be adequate to support total budgeted expenditures of \$213.4 million, so the budget is balanced with no need to use reserves.

Property tax and sales tax are the City’s most significant revenue sources. Because property taxes for FY 2020/21 are based on assessed property values as of January 1, 2020, property tax revenues should be relatively unaffected by the COVID-19 pandemic. Property tax revenues are estimated to total \$105.8 million in FY 2019/20, and staff projects those revenues will increase to \$113.2 million in FY 2020/21, an increase of 7%. Under Proposition 13, assessed values of all real property adjust with the California Consumer Price Index (CCPI), with a 2% limit, unless there is a change in ownership or new construction. The CCPI adjustment for the FY 2020/21 tax roll is an increase of 2%. Changes in ownership constitute the primary driver of projected growth in property tax, but both sales activity and prices declined in 2019. However, new construction activity, particularly in the Warm Springs Innovation District, is adding significant value to the tax roll. Property taxes 52.8% of estimated FY 2020/21 General Fund resources.

Prior to the COVID-19 pandemic, City staff had adjusted the ongoing estimate for annual sales tax revenues downward, by approximately \$6 million, to \$57.2 million. That adjustment reflected the most recent five quarters of actual activity following the large spike in revenue in the first quarter of FY 2018/19, largely related to unusually high new auto sales. The local shelter-in-place order, which took effect on March 17, 2020, is expected to reduce current year revenue by an additional \$5.5 million, to \$51.7 million. Based on the assumed partial recovery beginning in June 2020, sales

General Fund | General Fund Summary

tax revenues are estimated to increase slightly to \$52.2 million in FY 2020/21. The business, auto sales, and consumer goods sectors are projected to remain suppressed through next fiscal year, offset somewhat by increased growth in online sales transactions allocated through the County sales tax pool. Sales tax revenues comprise 24.4% of General Fund resources.

Business taxes are projected to yield \$11.6 million in FY 2019/20, increasing by 2.7% to \$12.0 million in FY 2020/21. Because businesses pay tax based on their prior calendar year gross revenue or payrolls, the full effects of the COVID-19 pandemic won't appear in business tax revenues until FY 2021/22. Business tax makes up 5.6% of General Fund resources.

With occupancy levels at or below 10% as a result of the pandemic, hotel/motel tax revenues are projected to drop to \$5.6 million in FY 2019/20, a decrease of 32.3% from the prior year. FY 2020/21 hotel/motel tax revenues are estimated to reach \$6.1 million, an increase of 7.9% from the prior year level, and contributing 2.8% to General Fund resources.

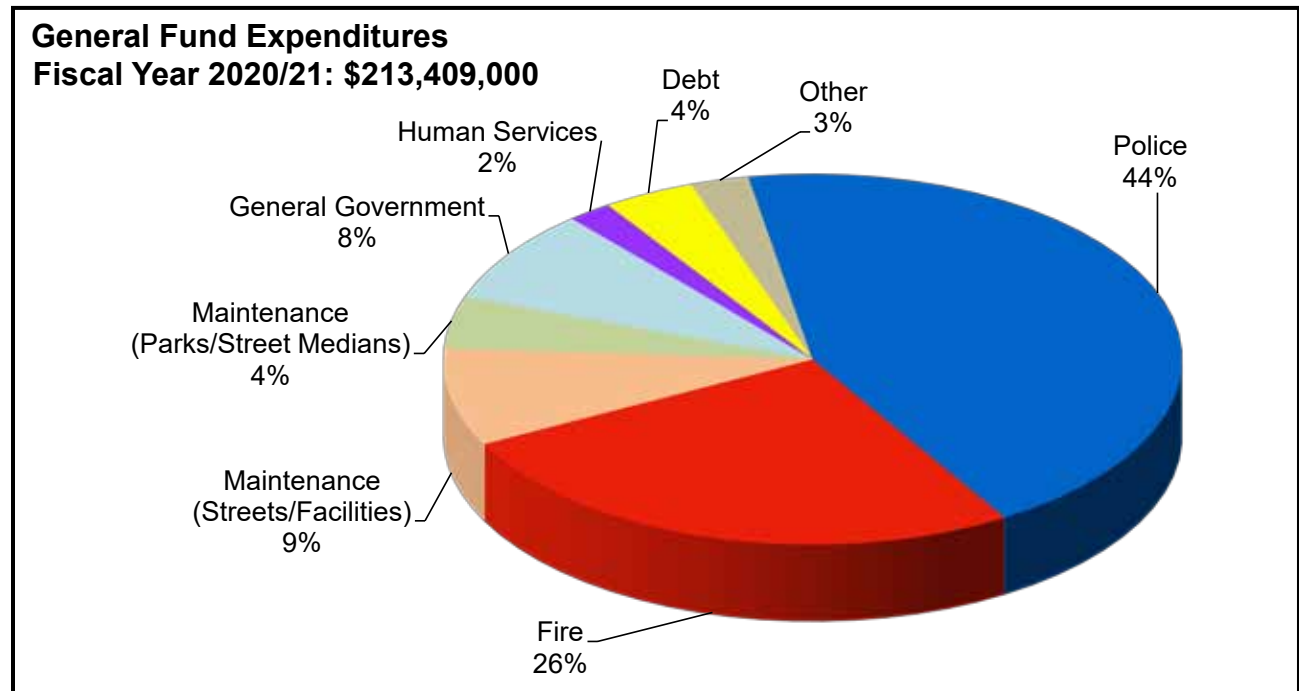
The City charges franchise fees to providers of electricity, natural gas, residential garbage, and cable television services. Franchise fee revenues are based on franchisee gross revenues, which are largely a function of rates and customer usage. The FY 2019/20 estimate shows a 0.3% decrease from the prior year, with another 2.6% decrease estimated for FY 2020/21. The estimated FY 2020/21 franchise fees revenue of \$9.8 million represents 4.6% of General Fund resources.

Change in General Fund Resources FY 2019/20 to FY 2020/21 (\$ millions)

| | Adopted FY 2019/20 | Adopted FY 2020/21 | Difference |
|----------------------|-----------------------|-----------------------|-----------------|
| Revenues | | | |
| Property Tax | \$ 106.0 | \$ 113.2 | \$ 7.2 |
| Sales Tax | 63.9 | 52.2 | (11.7) |
| Business Tax | 11.7 | 12.0 | 0.3 |
| Franchise Fees | 10.4 | 9.8 | (0.6) |
| Hotel/Motel Tax | 8.9 | 6.1 | (2.8) |
| Charges for Services | 5.8 | 6.4 | 0.6 |
| Other Revenues | 7.6 | 6.9 | (0.7) |
| Revenues Subtotal | 214.3 | 206.6 | (7.7) |
| Transfers In | 7.4 | 7.6 | 0.2 |
| Total Sources | \$ 221.7 | \$ 214.2 | \$ (7.5) |

The Change in General Fund Resources table includes a line for "other revenues," which includes charges for services, law enforcement fines, paramedic tax, property transfer tax, and state reimbursements for mandated services. After adjusting for one-time revenue items in FY 2019/20, most of these items are anticipated to remain relatively flat in FY 2020/21 compared with the prior year.

The General Fund receives transfers from other funds for general government services (such as human resources, finance, and legal assistance) provided to operations funded outside the General Fund (such as development services, recreation services and human services). In FY 2019/20, transfers from other funds are expected to total \$7.3 million, including a \$1 million transfer from the Public Facilities Impact Fee Fund to offset a portion of General Fund debt service payments for public facilities citywide. In FY 2020/21, transfers from other funds are expected to increase to \$7.6 million, or 3.5% of available resources.



Expenditures

The \$213.4 million budgeted for expenditures and transfers out in FY 2020/21 is 3.0% lower than the FY 2019/20 adopted budget, and 3.5% lower than the estimated actual expenditures for FY 2019/20.

As displayed in the Budget by Department chart on page 72, the proposed budget maintains the City Council’s long-time funding priorities by allocating 80% of the budget to direct costs for public safety and maintenance. As the Budget by Function chart shows, the share of General Fund resources budgeted for these purposes is actually 91% when overhead costs required to support these functions are allocated.

The FY 2020/21 General Fund Adopted Operating Budget is balanced through a combination of expenditure reductions that will impact service levels over the next year and possibly longer. The following discussion provides a brief overview of these balancing actions.

Impose a Hiring Freeze on Non-Essential Vacant Positions: At any given time, approximately 5% of budgeted positions citywide are vacant due to staff turnover and retirements. As a result, the base budget incorporated an \$8 million citywide savings assumption. As a budget balancing measure, the City imposed a hiring freeze on March 31, 2020, for most classifications that is estimated to increase

General Fund | General Fund Summary

the citywide savings amount by \$2 million for FY 2020/21. Certain classifications, such as police officer, firefighter, and public safety dispatcher are exempt from the hiring freeze.

As an additional cost-saving measure, the Police, Fire, and Community Development Departments have agreed to delay recruitment for several exempt positions. Those delayed recruitments, partially offset by some additional overtime costs, are projected to save \$1.2 million.

Decrease Overtime Expenditures: In recent years, vacancies within the Police Department, as well as its operational needs, have prompted a rise in overtime costs. As the City's recruiting efforts in FY 2019/20 have been largely successful, the department estimates that its base budget for overtime can be reduced by over \$2.3 million. That reduction includes support for certain special operations, such as intelligence-based policing, which would be one of the higher priority services to be restored if resources become available.

Cut Funding for Training, Supplies and Equipment, and Contractual Services: Departments citywide have conducted a thorough review of their non-personnel expenditures and identified a variety of savings opportunities. These include temporarily reducing staff training, deferring the purchase of new supplies and equipment, and decreasing the use of outside vendors where possible for building and streetlight maintenance. Street medians will be allowed to go "brown" to save on water, and the projection for fuel expenses has been reduced to reflect the large drop in oil prices. Altogether, these cuts total \$1.6 million.

Reduce Contributions to Internal Service Funds: The City uses internal service funds to account for citywide support services, such as risk management, information technology, and employee benefits, that operate on a cost-reimbursement basis, and to accumulate funds for vehicle, fire apparatus, and technology infrastructure capital replacement. In several of these funds, the accumulated balances are sufficient to accommodate reduced contributions on a one-time basis while maintaining services through FY 2020/21. The reduced contributions versus the base budget total \$4.4 million.

Suspend Transfers to the Capital Improvement Fund: The General Fund annually transfers amounts to the Capital Improvement Fund to support ongoing maintenance activities and ADA-compliant upgrades for streets and sidewalks, parks and street medians, and public buildings. These transfers, totaling \$5 million, will be suspended for FY 2020/21. Maintenance projects will be prioritized, with those that cannot be deferred without significant operational impact funded from prior year remaining balances or restricted sources such as gas tax. Additionally, with the budget for the Downtown Event Center fully funded and development in the Warm Springs Innovation District well advanced, the projected \$500,000 transfer to support those projects is no longer necessary and will not be funded.

Implement Funding Shifts and Other Cost-Saving Measures: Other measures included in the FY 2020/21 adopted budget include reimbursing or partially-funding certain General Fund positions and programs from special revenue funds and reducing expenditures for part-time and temporary staff. The City will also take advantage of a discount offered by CalPERS for making its unfunded pension liability contribution a lump-sum payment at the beginning of the fiscal year, rather than paying monthly installments. These measures combined will save the General Fund \$1.2 million.

Recognize Savings Related to the COVID-19 Emergency: As a result of the shelter-in-place restrictions imposed in March 2020, completion of the new Age Well Center in Warm Springs has been delayed by several months. Pushing back the opening to January 2021 will reduce the General Fund operating subsidy by \$330,000. Further, state prohibitions on gatherings are expected to cancel the community events to be subsidized through the City’s special event sponsorship program, resulting in a savings of \$250,000.

Non-Departmental Budget

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

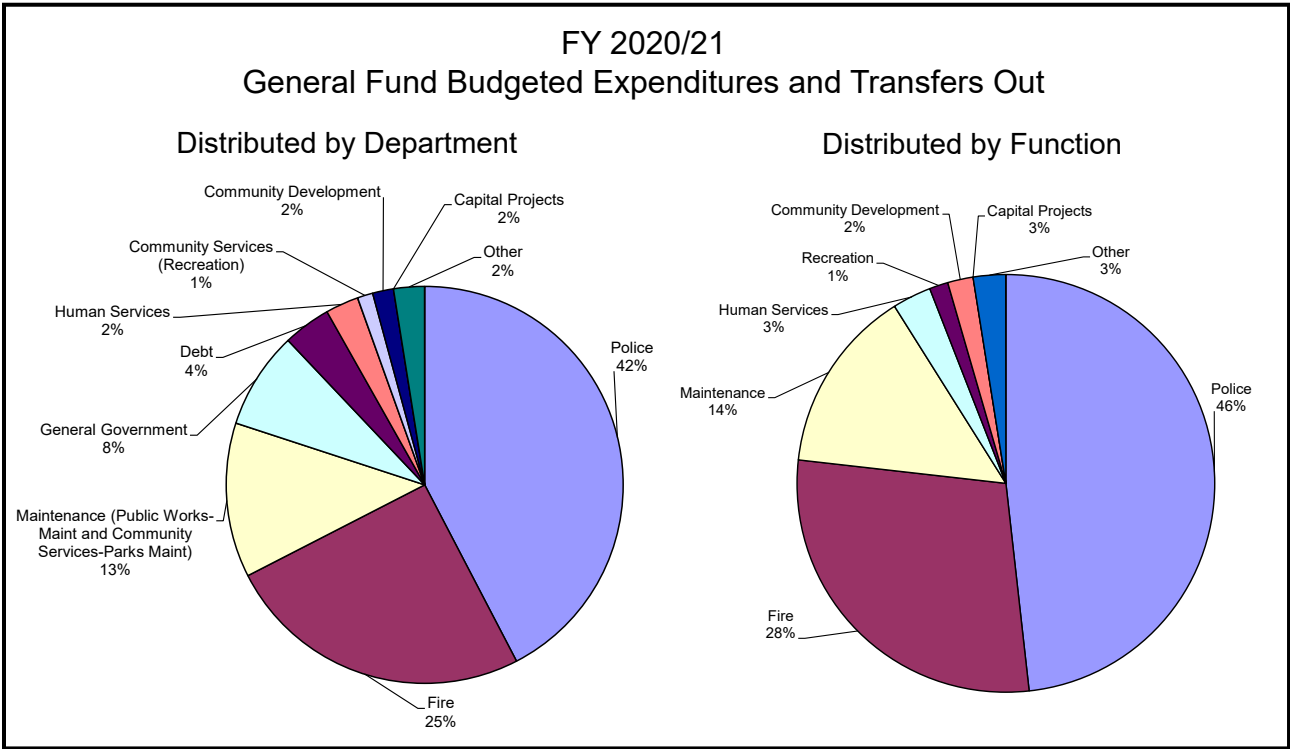
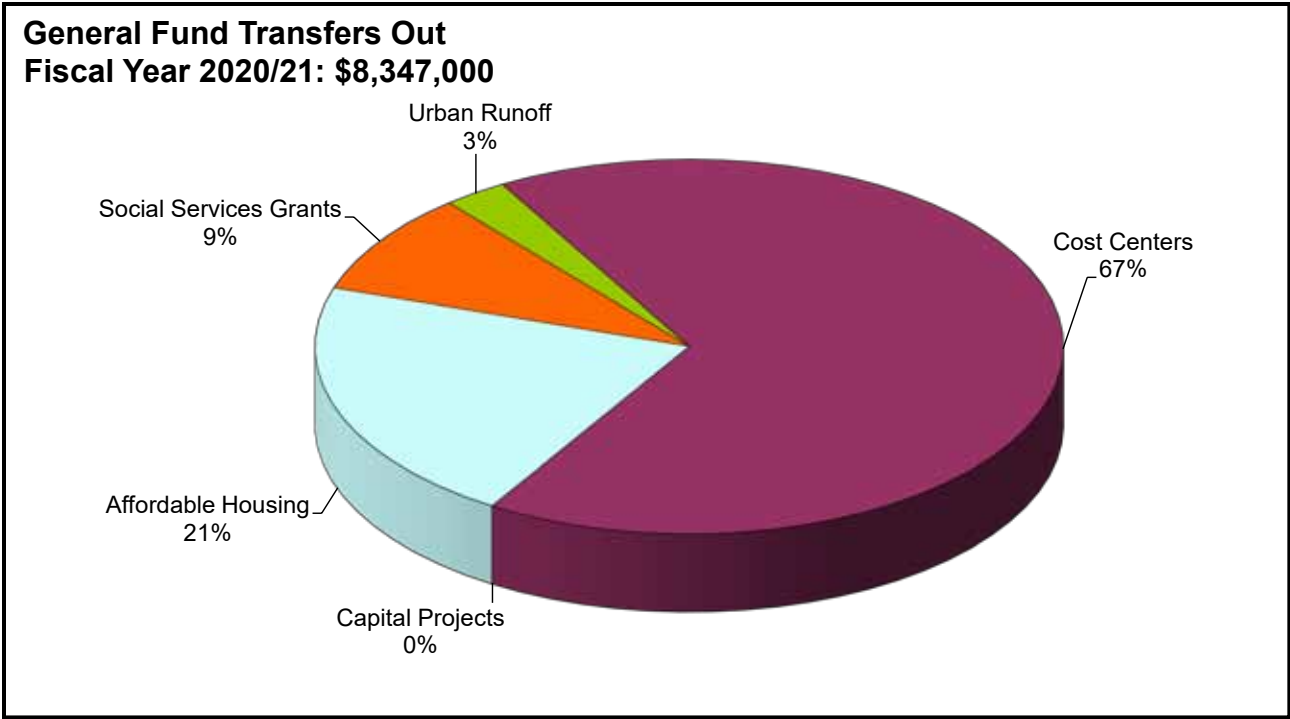
Budgeted Expenditures

| | |
|------------------------------------|--------------------|
| • Annual Operating Contingency | \$1,000,000 |
| • Employee Leave Cash-Out | 1,100,000 |
| • Property Tax Administration Fee | 508,841 |
| • Fremont Library Additional Hours | 569,232 |
| • Municipal Elections | 418,600 |
| • Tuition Reimbursement | 75,000 |
| Non-Departmental Budget | \$3,671,673 |

Transfers Out to Other Funds

In addition to direct expenditures, the General Fund transfers resources to other funds to support activities that cannot be supported through fees, grants, or charges for service. These activities normally include capital projects, cost center operations, affordable housing and homeless services, the urban runoff clean water program, and social service grants. The cost centers are enterprise-like mechanisms for funding the community development, recreation, and senior center functions, but the General Fund subsidizes the portion of their activities that provides a general benefit to the community. As noted above, the transfers to the capital program have been suspended for FY 2020/21.

General Fund | General Fund Summary



General Fund Reserves

The General Fund Contingency Reserve is intended to mitigate the effects of unanticipated situations such as natural disasters and severe, unforeseen events like the COVID-19 pandemic, as well as serving as backup liquidity to the Risk Management Fund if this need were to arise. Contingency Reserve funds are also available to provide a source of working capital for new programs or undertakings that have the potential for receiving significant funding from outside sources, and organizational retooling, process improvement, and strategic entrepreneurial opportunities. The General Fund Contingency Reserve is funded each year at 16.7% of budgeted expenditures and transfers out, the minimum level recommended by the Government Finance Officers Association of the United States and Canada.

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

The estimated \$10 million revenue shortfall in FY 2019/20 resulting from the COVID-19 pandemic and shelter-in-place order, offset by some related operational savings, is projected to fully exhaust the \$8.3 million Budget Uncertainty Reserve and use \$0.3 million of the \$36.7 million Contingency Reserve.

The table below summarizes the FY 2020/21 projected funding levels for each reserve. The General Fund Contingency Reserve will be established at \$35.6 million.

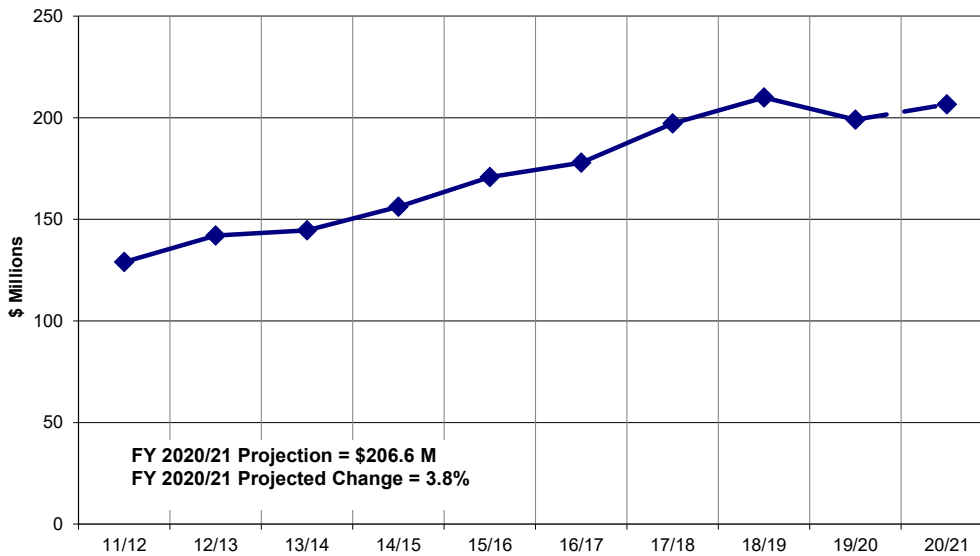
General Fund Reserves (\$ thousands)

| | FY 2019/20 Balance | FY 2020/21 Decrease | FY 2020/21 Projected Use | FY 2020/21 Balance |
|------------------------------------|-----------------------|------------------------|-----------------------------|-----------------------|
| Contingency Reserve | \$36,732 | \$1,093 | \$ - | \$35,639 |
| Budget Uncertainty Reserve | 8,300 | 8,300 | - | 0 |
| Total General Fund Reserves | \$45,032 | \$9,393 | \$ - | \$35,639 |

General Fund Revenues Overview

Total FY 2020/21 General Fund revenues (excluding transfers in from other funds) are projected at \$206.6 million, which is \$7.5 million, or 3.8%, more than total estimated revenues for FY 2019/20.

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



This section provides additional background and forecast information for the following five key General Fund revenue categories that together make up 90% of General Fund revenues:

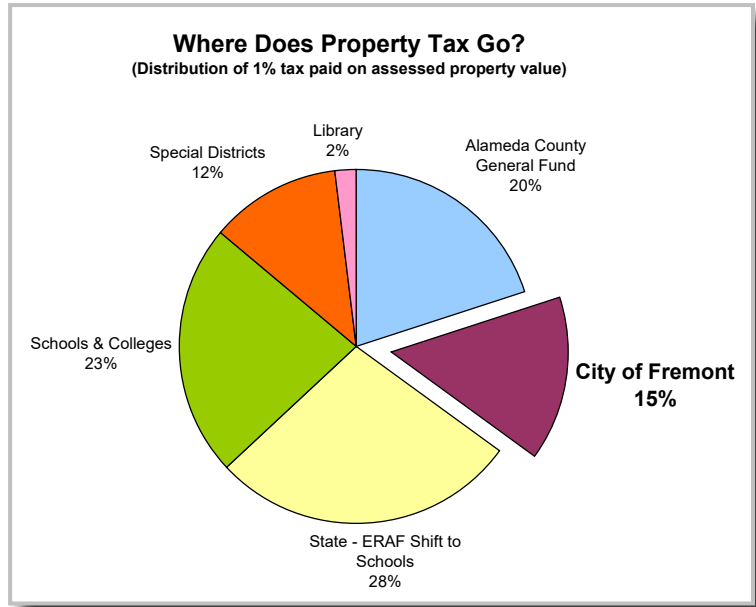
- Property Taxes
- Sales and Use Taxes
- Business Taxes
- Hotel/Motel Occupancy Taxes
- Franchise Fees

Property Taxes

Description: Property tax is an ad valorem tax (based on value) imposed on real property (land and permanently attached improvements such as buildings) and personal (movable) property. Proposition 13, adopted by California voters on June 6, 1978, created a comprehensive system for the assessment and limitation of real property taxes. Property owners pay the tax based on their real property’s adjusted assessed full value. Proposition 13 set the FY 1975/76 assessed values as the base year from which future annual inflationary assessed value increases would grow (not to exceed 2% for any given year). The County Assessor also reappraises each real property parcel when there are purchases, construction, or other statutorily defined “changes in ownership.” Proposition 13 limits the property tax rate to 1% of each property’s full value plus overriding rates to pay voters’ specifically approved indebtedness. Property taxes are the City’s single largest revenue source; comprising 55% of total FY 2020/21 projected revenues, or \$113.2 million.

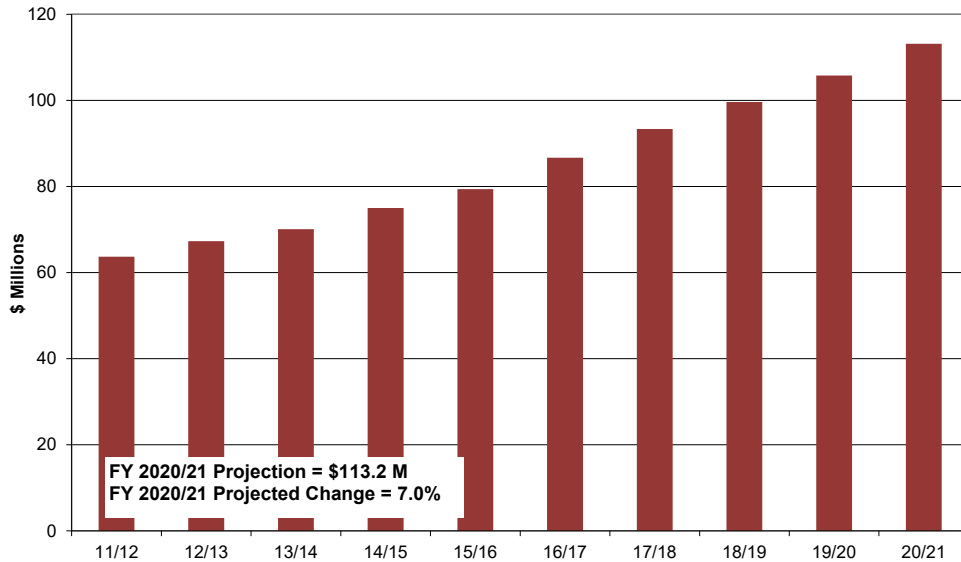
The City of Fremont receives approximately 15 cents of every dollar of property tax paid. Alameda County and the schools, including Fremont Unified School District, receive most of the revenue from property taxes assessed on property located in the City.

Forecast: Property tax revenues are estimated to total \$105.8 million in FY 2019/20. Staff projects property tax revenues for FY 2020/21 will increase to \$113.2 million. The assessed valuation for secured property is based on the value as of January 1, 2020. The change in total property tax from FY 2019/20 to FY 2020/21 is an increase of 7.0%.



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

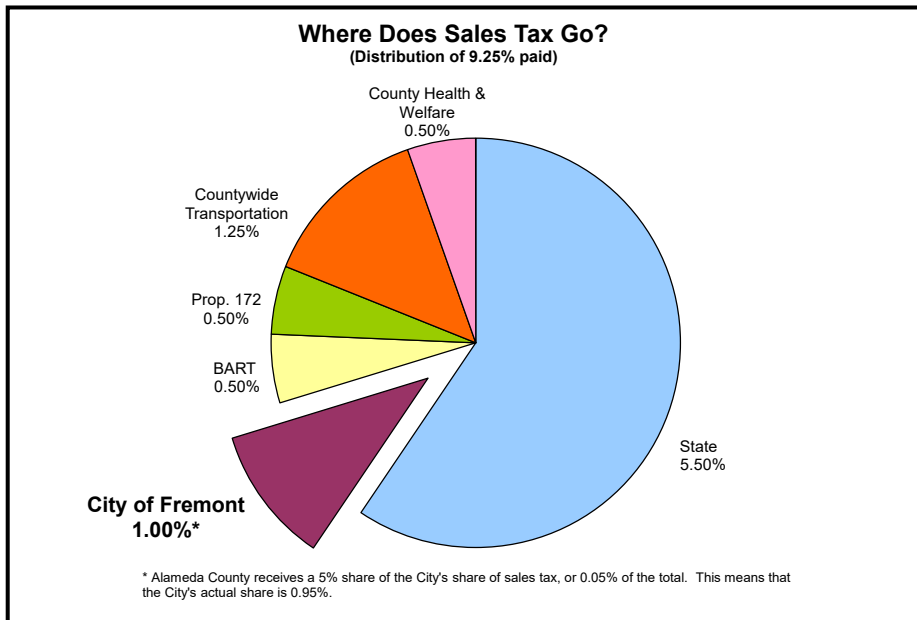
Property Tax History and Forecast (FY 2011/12 - FY 2020/21)



Under Proposition 13, assessed values of all real property adjust with the California Consumer Price Index (CCPI), with a 2% limit, unless there is a change in ownership or new construction. The CCPI adjustment for the FY 2020/21 tax roll is an increase of 2.0%. The forecast assumes assessed value growth from changes in ownership will continue at approximately the current level, and incorporates new value stemming from development activity in Warm Springs and other areas of the City.

Sales and Use Taxes

Description: Sales tax is collected on the sale of taxable goods within Fremont. Use tax is the corresponding tax on transactions involving taxable goods purchased out of state for use or storage in Fremont. Sales and use taxes are collected by the State, which then pays local government its respective share. Sales and use taxes (collectively, “Sales Taxes” in the budget) are the City’s second-largest revenue source and comprise about 25% of FY 2020/21 General Fund revenues.



| Projection Component | FY 2019/20 Estimated | FY 2020/21 Projected | Difference |
|-----------------------------|----------------------|----------------------|---------------|
| Sales and Use Tax | \$50.0 million | 50.5 million | \$0.5 million |
| Proposition 172 Sales Taxes | 1.7 million | 1.7 million | 0.0 million |
| Total | \$51.7 million | \$52.2 million | \$0.5 million |

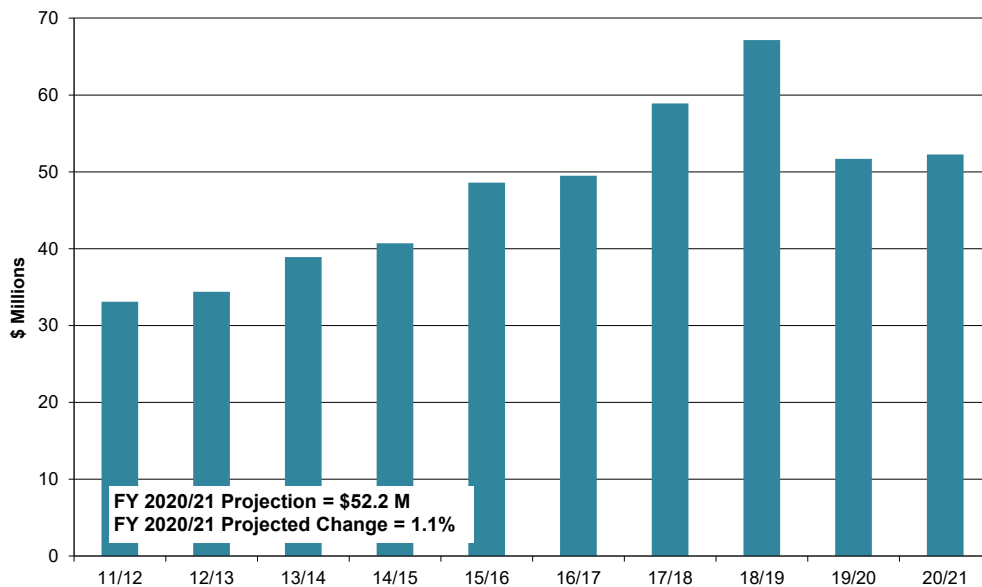
Forecast: Prior to the COVID-19 pandemic, City staff had adjusted the ongoing estimate for annual sales tax revenues downward, by approximately \$6 million, to \$57.2 million. That adjustment reflected the most recent five quarters of actual activity following the large spike in revenue in the first quarter of FY 2018/19, largely related to unusually high new auto sales. The local shelter-in-place order, which took effect on March 17, 2020, is expected to reduce current year revenue by an additional \$5.5 million, to \$51.7 million. The FY 2020/21 adopted budget estimates \$52.2 million of revenue, or \$0.5 million (1.1%) higher than FY 2019/20. For projection purposes, sales tax revenue has two components: revenue generated by taxable sales activity occurring during the fiscal year and Proposition 172 sales tax revenue, which is dedicated to funding public safety activities. The following table relates the component projections to the total.

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

Proposition 172 sales taxes are the City’s share of the one-half cent sales tax for public safety services approved by California voters in 1993. In FY 2019/20, the City’s share is expected to be \$1.7 million. Unlike the 1% component of sales tax revenue, which is based on retail activity in Fremont, Proposition 172 sales tax is collected and allocated on a statewide basis, so annual changes more closely resemble the statewide retail economy. For FY 2020/21, the Proposition 172 component of the City’s sales tax revenues is projected to increase by 1.9%, to \$1.7 million.

The graph below displays the sales tax revenue history and forecast. To clarify the long-term trend, the amounts for FY 2017/18, FY 2018/19, and FY 2019/20 have been adjusted to remove significant one-time increases or decreases.

Sales Tax History and Forecast (FY 2011/12 - FY 2020/21)

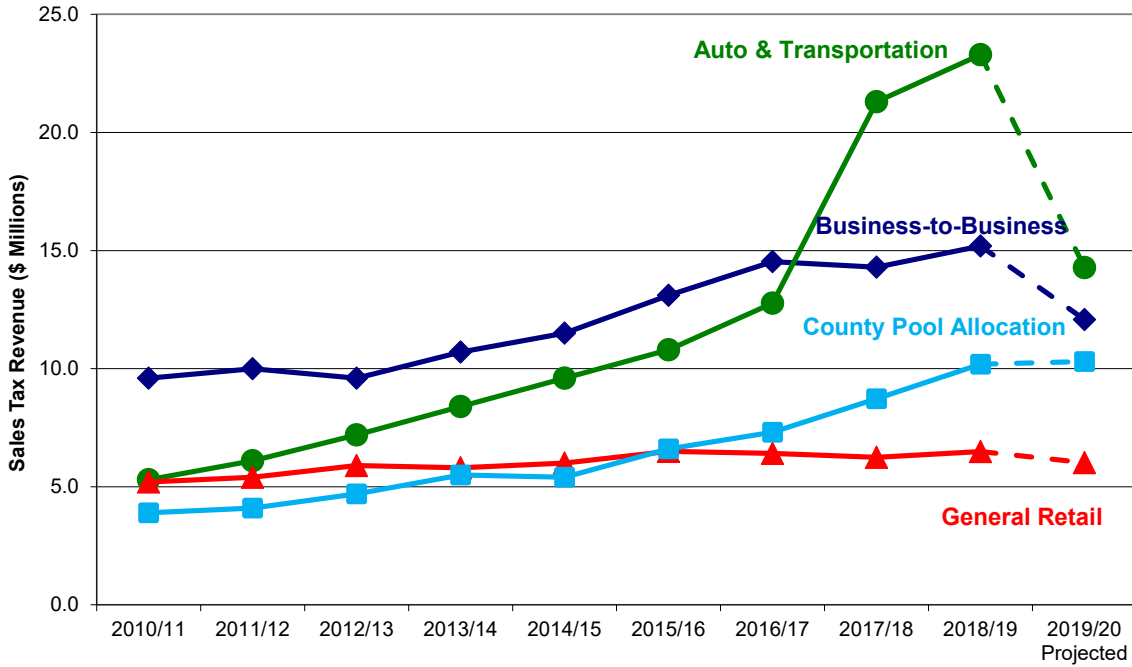


Key Factors in the Forecast: The City has a well-diversified sales tax base, but COVID-19 pandemic and the resulting shelter-in-place order have significantly reduced many forms of revenue-generating activity, particularly auto sales, business-to-business, and sale of consumer goods. The forecast assumes a partial recovery in FY 2020/21 to a level 10% below what we would otherwise have projected. The last two years of the forecast assume annual growth returning to approximately 5%.

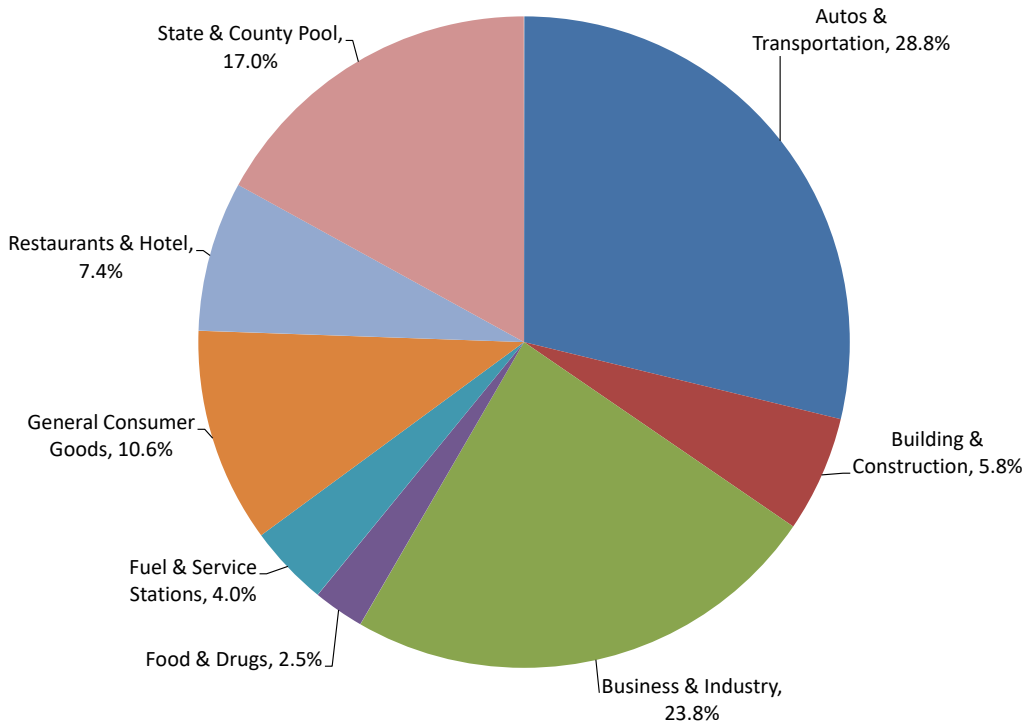
The shift in consumer spending from “brick and mortar” locations (general consumer goods) to web-based providers (county pool) is reflected in the diverging growth patterns of those two segments. The largest of the City’s sales tax segments are highlighted in the following graph.

General Fund | General Fund Revenues

Evolving Composition of Major Sales Tax Revenue Resources



Sales Tax Base Composition Calendar Year 2019



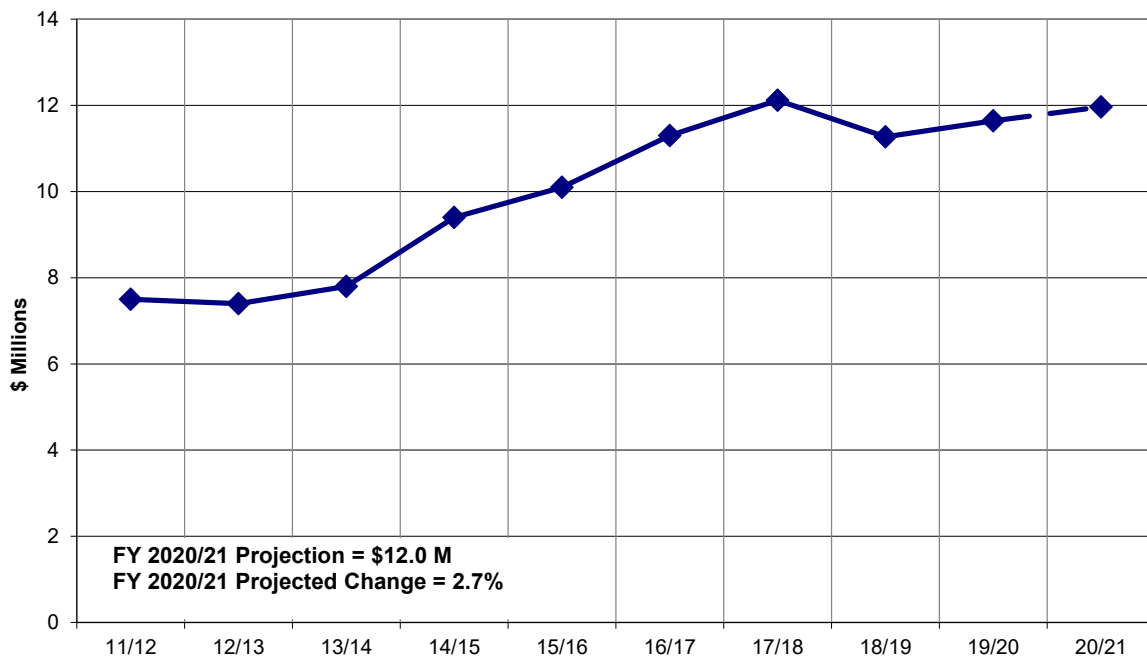
Business Taxes

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

Forecast: Business taxes are projected to yield \$11.6 million in FY 2019/20, an increase of 0.7% from the prior year. The FY 2020/21 business tax estimate is \$12.0 million, an increase of 2.7%. Business tax makes up 6% of General Fund revenues.

Key Factors in the Forecast: Because businesses pay tax based on their prior calendar year gross revenue or payrolls, the full effects of the COVID-19 pandemic won’t appear in business tax revenues until FY 2021/22, when revenues are projected to drop by 4.6%.

Business Tax History and Forecast (FY 2011/12 - FY 2020/21)



General Fund | General Fund Revenues

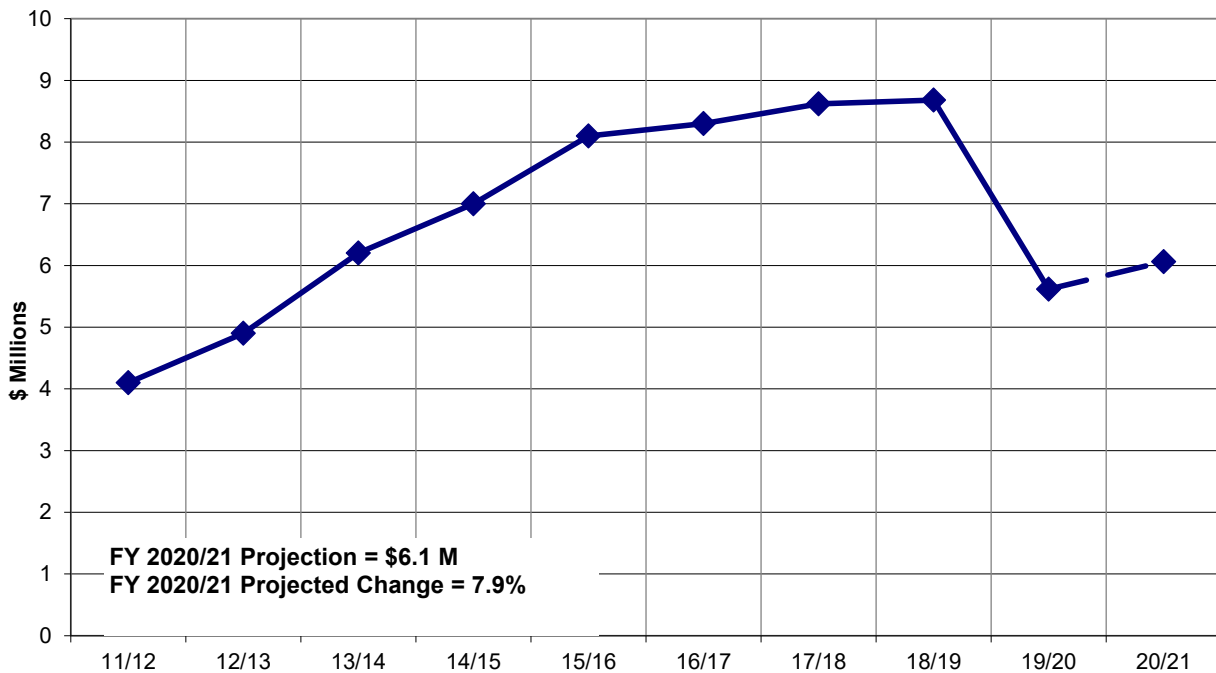
Hotel/Motel Occupancy Taxes

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

Forecast: Hotel/motel occupancy tax revenues are projected at \$5.6 million in FY 2019/20. Due to the COVID-19 pandemic, occupancy rates have plummeted to below 10%. The FY 2019/20 estimate represents a decrease of 32.3% from the prior year. FY 2020/21 hotel/motel occupancy tax revenues are estimated at \$6.1 million, an increase of 7.9%, constituting 3% of General Fund revenues.

Key Factors in the Forecast: Future revenue growth assumes a gradual return of travel activity, and the last two years of the forecast are projected to grow at about half the rate experienced after the last recession.

Hotel/Motel Tax History and Forecast (FY 2011/12 - FY 2020/21)



Franchise Fees

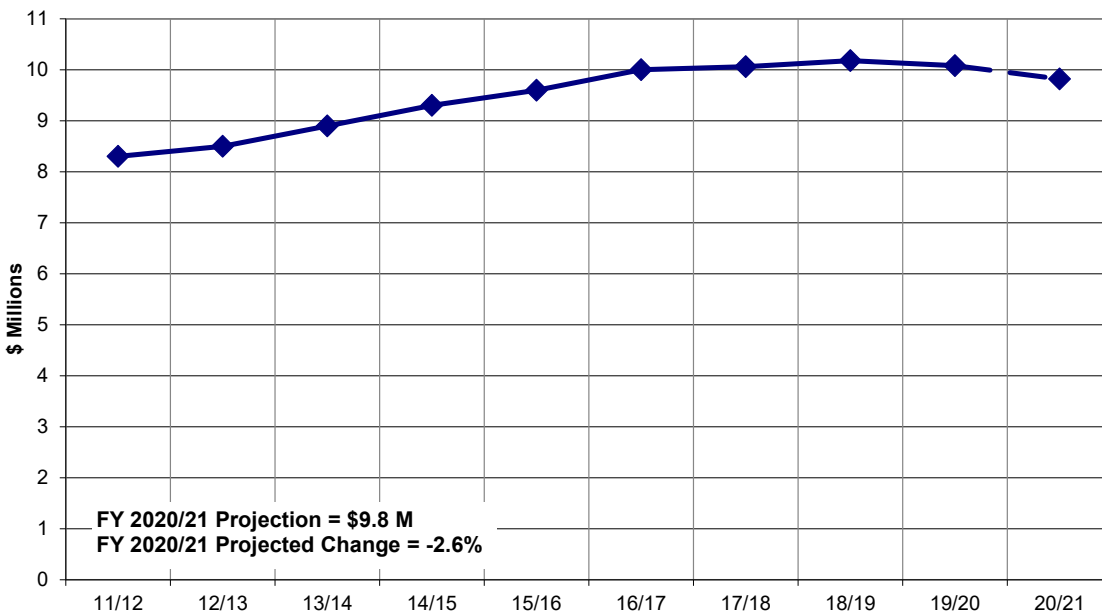
Description: State law provides cities with the authority to grant franchises to privately-owned utility and other companies for their use of the public right-of-way. The City receives franchise fees from the electric and gas utility, the solid waste collection company, local cable companies, and certain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

The maximum gas and electric franchise rate is the greater of 1% on gas and electric adjusted gross revenues or 2% of the asset investment base within the City, as set by California law. PG&E pays its electric and gas utility franchise fee annually in April based on its revenues for the preceding calendar year. Gas and electric utility franchise revenues for FY 2020/21 will likely be computed as 1% of PG&E’s adjusted gross revenues (the 1% of revenues method generally results in a greater fee than the 2% of invested assets method) for calendar year 2020, and will be received by the City in April 2021.

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

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

Franchise Fees History and Forecast (FY 2011/12 - FY 2020/21)



General Fund | General Fund Revenues

Forecast: The FY 2019/20 estimate shows a 0.3% decrease from the prior year, with a 2.6% reduction projected for FY 2020/21. The projected FY 2020/21 franchise fees revenue of \$9.8 million represents almost 5% of General Fund revenues.

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

- **Electricity franchise:** PG&E franchise fee revenues change because of changes to the cost of natural gas and other resources used to generate electricity, consumer power demands (which are affected by the economy), interstate energy contract pricing, and State and federal regulatory changes. The forecast assumes that the City's gas and electricity franchise fees will decrease 6% in FY 2020/21, reflecting reduced industrial and commercial use in calendar year 2020 due to the COVID-19 pandemic.
- **Cable franchise:** AB 2987 was signed into California law and became effective January 1, 2007. This legislation transferred the franchising functions to the state and set a fixed franchise fee of 5%. Based on collections through April, the FY 2019/20 estimate is \$1.7 million. The estimate reflects a 7.5% decrease from the prior year. The FY 2020/21 projection of \$1.6 million assumes a 7.4% reduction, consistent with the trend over the last three years. The decline in this category may be the result of consumer shifts toward television access technologies which are not subject to the franchise fee.
- **Solid waste collection franchise:** Solid waste collection ("garbage") franchise fee revenues are estimated at \$5.0 million in FY 2019/20, with a projected increase in FY 2020/21 of 1.2% for revenue of \$5.0 million. Solid waste rate increases typically occur every other year, in even years, with the last increase occurring in January 2020. With an increased focus on recycling (which is not subject to franchise fees), new revenue growth will likely be coming primarily from fee increases and new development adding to the customer base.

General Fund Forecast

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

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

The key forecast assumptions are as follows:

- The California consumer price index (CCPI) will increase by at least 2% during the forecast period, allowing assessed values to increase by at least 2% for FY 2020/21 through FY 2022/23. Changes in property ownership will continue at the current level, and new construction in Warm Springs will further add to the property tax roll.
- After a slow recovery in FY 2020/21, sales tax revenues will increase at an annual rate of approximately 5%.
- Business tax revenue will fall in FY 2021/22, reflecting the economic contraction in calendar years 2020 and 2021, but will then recover in FY 2022/23.
- Hotel/motel tax revenue will recover at 10% annually in the last two years of the forecast; about half the rate experienced in the years after the last recession.
- In accordance with the City's labor agreements, a 4% salary adjustment is included in the FY 2020/21 adopted budget. However, no compensation increases have been included for FYs 2021/22 or 2022/23.
- Estimated pension contribution increases related to changes in investment earnings and assumptions have been incorporated based on information from CalPERS. Per the City Council Pension Liability Funding Policy, additional unfunded liability contributions have been included in each year.
- Commitments for all scheduled debt service costs are included.
- The transfers to capital projects that were temporarily suspended for FY 2020/21 but have been fully restored in the two following forecast years.
- Ongoing funding for additional staff and enhanced services incorporated into the FY 2020/21 adopted budget has been included in the forecast.
- The forecast includes operating costs for the new Downtown Event Center, which is anticipated to open in FY 2021/22.

General Fund | General Fund Forecast

- The General Fund Contingency Reserve will be maintained at 16.7% of total budgeted expenditures and transfers out, the minimum level recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

The General Fund forecast is located on page 85 of the budget document. Estimated resources will cover proposed costs in FY 2020/21, but projected expenditures exceed revenues in each of the two forecast years. Staff will monitor budget performance closely, and will return to Council with budget modifications as warranted.

General Fund Adopted Budget and Forecast Through FY 2022/23
(Thousands of Dollars)

| | Est Actual FY 19/20 | Adopted FY 20/21 | Projected FY 21/22 | Projected FY 22/23 |
|--|--------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Sources | | | | |
| Beginning Unreserved Fund Balance | \$ 16,726 | \$ - | \$ - | \$ - |
| Revenues | | | | |
| Taxes: | | | | |
| Property Tax | 105,767 | 113,175 | 120,937 | 129,260 |
| Sales Tax | 51,662 | 52,253 | 54,966 | 57,712 |
| Business Tax | 11,644 | 11,963 | 11,418 | 12,878 |
| Hotel/Motel Tax | 5,615 | 6,060 | 6,666 | 7,332 |
| Property Transfer Tax | 1,430 | 1,600 | 1,641 | 1,684 |
| Paramedic Tax | 1,129 | 1,135 | 1,142 | 1,149 |
| Franchise Fees | 10,079 | 9,818 | 10,059 | 10,530 |
| Charges for Services | 6,198 | 6,456 | 6,435 | 6,463 |
| Fines | 2,001 | 2,173 | 2,173 | 2,173 |
| Use of Money and Property | 1,659 | 1,464 | 1,171 | 1,296 |
| Intergovernmental | 555 | 431 | 431 | 431 |
| Other Revenues | 1,317 | 77 | 77 | 77 |
| Total Revenues | 199,056 | 206,605 | 217,116 | 230,985 |
| Transfers In | 7,326 | 7,571 | 7,571 | 7,571 |
| Total Sources | 223,108 | 214,176 | 224,687 | 238,556 |
| Uses | | | | |
| Expenditures | | | | |
| General Government | 17,364 | 17,688 | 18,502 | 18,644 |
| Police | 90,504 | 95,318 | 102,257 | 103,961 |
| Fire | 55,441 | 56,497 | 58,998 | 60,043 |
| Maintenance (Streets/Facilities) | 17,196 | 18,474 | 19,501 | 19,710 |
| Maintenance (Parks/Street Medians) | 9,761 | 9,756 | 10,569 | 10,675 |
| Human Services | 4,072 | 4,334 | 4,480 | 4,449 |
| Code Enforcement/Community Development Admin | 2,079 | 1,855 | 1,944 | 1,925 |
| Non-departmental | 2,162 | 3,671 | 3,557 | 4,049 |
| Less: Citywide Savings | | (11,193) | (8,000) | (8,000) |
| Debt Service | 9,065 | 8,662 | 8,529 | 8,513 |
| Total Expenditures | 207,644 | 205,062 | 220,337 | 223,969 |
| Transfers Out | | | | |
| Capital Projects | 5,500 | - | 5,000 | 5,000 |
| Cost Center Allocations | 5,602 | 5,605 | 6,684 | 6,683 |
| Affordable Housing | 1,660 | 1,773 | 1,894 | 2,024 |
| Urban Runoff | 21 | 231 | 287 | 339 |
| Social Services Grants | 767 | 738 | 798 | 798 |
| Total Transfers Out | 13,550 | 8,347 | 14,663 | 14,844 |
| Total Uses | 221,194 | 213,409 | 235,000 | 238,813 |
| Ending Fund Balance | | | | |
| Reserved Fund Balance | 36,430 | 35,639 | 39,245 | 39,882 |
| Unreserved Fund Balance | - | - | - | - |
| Projected Sources Over Uses | - | 1,558 | (13,919) | (894) |
| Total Ending Fund Balance | \$ 36,430 | \$ 37,197 | \$ 25,326 | \$ 38,988 |

Notes:

In FY 2019/20, the \$8.3 million Budget Uncertainty Reserve was fully expended due to the revenue shortfall caused by the COVID-19 pandemic.

General Fund | Transfer Detail

| Transfers In | Estimated Actual FY 2019/20 | Adopted FY 2020/21 | Projected FY 2021/22 | Projected FY 2022/23 |
|---|--------------------------------|-----------------------|-------------------------|-------------------------|
| Overhead Transfers In From Other Funds: | | | | |
| Development Cost Center (Funds 391, 392, 393) | 2,967 | 2,909 | 2,909 | 2,909 |
| Recreation Cost Center (Fund 189) | 1,405 | 1,606 | 1,606 | 1,606 |
| Information Technology (Fund 620) | 593 | 521 | 521 | 521 |
| Environmental Services (Fund 115,123) | 415 | 412 | 412 | 412 |
| Human Services (various grant funds) | 330 | 494 | 494 | 494 |
| Paratransit Grants (Fund 178, 176, 252) | 149 | 153 | 153 | 153 |
| Vehicle Replacement (Fund 610) | 31 | 7 | 7 | 7 |
| Rent Review (Fund 197) | 23 | 32 | 32 | 32 |
| Other (Fund 103, 111, 112,196) | 38 | 166 | 166 | 166 |
| Lighting/Landscape Maint Dist (Fund 160) | 15 | 21 | 21 | 21 |
| Sub-total Transfers In from Other Funds | \$ 5,966 | \$ 6,321 | \$ 6,321 | \$ 6,321 |
| Miscellaneous One-Time Transfers In: | | | | |
| Solar Feasibility Study | 60 | - | - | - |
| Climate Action Plan Update/Sustainability Assistant | 50 | - | - | - |
| Sub-total Misc. One-Time Transfers In | \$ 110 | \$ - | \$ - | \$ - |
| Miscellaneous Recurring Transfers In: | | | | |
| Impact Fee Debt Service Reimbursement | 1,000 | 1,000 | 1,000 | 1,000 |
| Family Resource Center Maintenance Support | 250 | 250 | 250 | 250 |
| Sub-total Misc. Recurring Transfers In | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 |
| TOTAL OPERATING TRANSFERS IN | \$ 7,326 | \$ 7,571 | \$ 7,571 | \$ 7,571 |

| Transfers Out | Estimated Actual FY 2019/20 | Adopted FY 2020/21 | Projected FY 2021/22 | Projected FY 2022/23 |
|--|--------------------------------|-----------------------|-------------------------|-------------------------|
| Transfers to the CIP: | | | | |
| Street and Sidewalk Maintenance | 2,550 | - | 2,550 | 2,550 |
| Parks and Median Capital Replacement | 1,000 | - | 1,000 | 1,000 |
| Facilities Maintenance | 1,000 | - | 1,000 | 1,000 |
| Downtown Plan and Warm Springs | 500 | - | - | - |
| ADA Facility Improvements | 450 | - | 450 | 450 |
| Sub-total - Transfers to the CIP | \$ 5,500 | \$ - | \$ 5,000 | \$ 5,000 |
| Cost Center Allocations: | | | | |
| Community Development Cost Center | 2,352 | 2,062 | 2,212 | 2,212 |
| Recreation Cost Center | 2,724 | 2,833 | 3,433 | 3,433 |
| Senior Center Cost Center | 526 | 710 | 1,038 | 1,038 |
| Sub-total - Cost Center Allocations | \$ 5,602 | \$ 5,605 | \$ 6,683 | \$ 6,683 |
| Other Transfers from the GF: | | | | |
| Affordable Housing and Homeless Services | 1,660 | 1,773 | 1,894 | 2,024 |
| Social Service Grants | 767 | 738 | 798 | 798 |
| Urban Runoff Clean Water Program | 21 | 231 | 287 | 339 |
| Sub-total - Other transfers | \$ 2,448 | \$ 2,742 | \$ 2,979 | \$ 3,161 |
| TOTAL OPERATING TRANSFERS OUT | \$ 13,550 | \$ 8,347 | \$ 14,662 | \$ 14,844 |

General Fund | Historical Comparison

General Fund Historical and Adopted Budget 2020/21 (Thousands of Dollars)

| | FY 15/16 Actual | FY 16/17 Actual | FY 17/18 Actual | FY 18/19 Actual | FY 19/20 Estimated Actual | FY 20/21 Adopted Budget |
|--|--------------------|--------------------|--------------------|--------------------|---------------------------------|-------------------------------|
| Sources | | | | | | |
| Beginning Unreserved Fund Balance | \$ 7,011 | \$ 4,282 | \$ 7,940 | \$ 18,011 | \$ 16,726 | \$ - |
| Revenues | | | | | | |
| Taxes: | | | | | | |
| Property Tax | 79,388 | 86,697 | 93,363 | 99,606 | 105,767 | 113,175 |
| Sales Tax | 48,580 | 49,536 | 58,903 | 64,831 | 51,662 | 52,253 |
| Business Tax | 10,128 | 12,621 | 12,117 | 11,566 | 11,644 | 11,963 |
| Hotel/Motel Tax | 8,086 | 8,391 | 8,620 | 8,292 | 5,615 | 6,060 |
| Property Transfer Tax | 1,801 | 1,916 | 1,894 | 1,900 | 1,430 | 1,600 |
| Paramedic Tax | 1,161 | 1,166 | 1,173 | 1,176 | 1,129 | 1,135 |
| Franchise Fees | 9,606 | 9,887 | 10,061 | 10,112 | 10,079 | 9,818 |
| Charges for Services | 5,803 | 6,094 | 7,136 | 6,238 | 6,198 | 6,456 |
| Fines | 2,694 | 2,661 | 2,336 | 1,975 | 2,001 | 2,173 |
| Use of Money and Property | 1,247 | 789 | 904 | 1,093 | 1,659 | 1,464 |
| Intergovernmental | 565 | 188 | 283 | 234 | 555 | 431 |
| Other Revenues | 1,765 | 264 | 419 | 243 | 1,317 | 77 |
| Total Revenues | 170,824 | 180,210 | 197,209 | 207,266 | 199,056 | 206,605 |
| Transfers In | 5,549 | 6,641 | 6,499 | 6,856 | 7,326 | 7,571 |
| Total Sources | 183,384 | 191,133 | 211,648 | 232,133 | 223,108 | 214,176 |
| Uses | | | | | | |
| Expenditures | | | | | | |
| General Government | 13,784 | 12,741 | 14,841 | 15,664 | 17,364 | 17,688 |
| Police | 65,917 | 69,145 | 76,470 | 80,805 | 90,504 | 95,318 |
| Fire | 43,705 | 46,453 | 47,252 | 49,552 | 55,441 | 56,497 |
| Maintenance (Streets/Facilities) | 13,791 | 14,233 | 14,758 | 15,521 | 17,196 | 18,474 |
| Maintenance (Parks/Street Medians) | 7,259 | 7,287 | 8,351 | 8,249 | 9,761 | 9,756 |
| Human Services | - | - | 3,447 | 3,677 | 4,072 | 4,334 |
| Code Enforcement/Community Development Admin | 1,322 | 1,356 | 1,619 | 1,793 | 2,079 | 1,855 |
| Non-departmental | 1,441 | 1,229 | 2,176 | 1,482 | 2,162 | 3,671 |
| Less: Citywide Savings | - | - | - | - | - | (11,193) |
| Debt Service | 7,097 | 7,172 | 8,145 | 8,476 | 9,065 | 8,662 |
| Total Expenditures | 154,316 | 159,616 | 177,059 | 185,219 | 207,644 | 205,062 |
| Transfers Out | 23,060 | 22,209 | 15,224 | 27,954 | 13,550 | 8,347 |
| Total Uses | 177,376 | 181,825 | 192,283 | 213,173 | 221,194 | 213,409 |
| Ending Fund Balance | | | | | | |
| Reserved Fund Balance | 29,560 | 30,929 | 32,283 | 34,516 | 36,430 | 35,639 |
| Unreserved Fund Balance | 4,282 | 7,940 | 18,011 | 16,726 | - | 1,558 |
| Total Ending Fund Balance | \$ 33,842 | \$ 38,869 | \$ 50,294 | \$ 51,242 | \$ 36,430 | \$ 37,197 |

Notes:

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

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

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

In FY 2019/20, the \$8.3 million Budget Uncertainty Reserve was fully expended due to the revenue shortfall caused by the COVID-19 pandemic.

This page intentionally left blank

Other Funds

Other Funds

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

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

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



Other Funds

Summary of All Other Funds (Thousands of Dollars)

| | Cost Center/ Internal Services Funds | Special Revenue Funds | Capital Funds | Total |
|--|---|-----------------------------|------------------|-------------------|
| Sources | | | | |
| Beginning Unreserved Fund Balance | \$ 28,065 | \$ 87,323 | \$ 59,689 | \$ 175,077 |
| Revenues | | | | |
| Taxes: | | | | |
| Property Tax | - | 2,787 | - | 2,787 |
| Sales Tax | - | 1,800 | - | 1,800 |
| Business Tax | - | - | - | - |
| Hotel/Motel Tax | - | - | - | - |
| Property Transfer Tax | - | - | - | - |
| Paramedic Tax | - | - | - | - |
| Franchise Fees | - | - | - | - |
| Charges for Services | 36,455 | 13,861 | 300 | 50,616 |
| Fines | - | - | - | - |
| Use of Money and Property | 817 | 502 | 971 | 2,290 |
| Intergovernmental | - | 8,817 | 17,388 | 26,205 |
| Other Revenues | 2,279 | 15,480 | 24,794 | 42,553 |
| Total Revenues | 39,551 | 43,247 | 43,453 | 126,251 |
| Transfers In | 5,605 | 2,742 | - | 8,347 |
| Total Sources | 73,221 | 133,312 | 103,142 | 309,675 |
| Uses | | | | |
| Expenditures | | | | |
| General Government | - | - | - | - |
| Police | - | 1,226 | - | 1,226 |
| Fire | - | 211 | - | 211 |
| Maintenance (Streets/Facilities) | - | - | 1,675 | 1,675 |
| Maintenance (Parks/Street Medians) | - | 2,388 | - | 2,388 |
| Code Enforcement/Community Development Admin | - | 158 | - | 158 |
| Housing | - | 10,306 | - | 10,306 |
| Environmental Services | - | 9,543 | - | 9,543 |
| Engineering | 13,643 | - | - | 13,643 |
| Planning | 5,023 | - | - | 5,023 |
| Building and Safety | 11,367 | - | - | 11,367 |
| Human Services | 1,328 | 14,904 | - | 16,232 |
| Recreation | 10,110 | - | - | 10,110 |
| Landscape | 1,954 | - | - | 1,954 |
| Homeless Services | - | 2,983 | - | 2,983 |
| Non-departmental | 1,659 | - | - | 1,659 |
| Capital | 3,608 | - | 22,181 | 25,789 |
| Less: Citywide Savings | - | - | - | - |
| Debt Service | - | 3,524 | - | 3,524 |
| Total Expenditures | 48,692 | 45,243 | 23,856 | 117,791 |
| Transfers Out | 5,434 | 1,367 | 1,021 | 7,822 |
| Total Uses | 54,126 | 46,610 | 24,877 | 125,613 |
| Ending Fund Balance | | | | |
| Reserved Fund Balance | 15,193 | 7,784 | - | 22,977 |
| Unreserved Fund Balance | 20,164 | 85,427 | 67,042 | 172,633 |
| Total Ending Fund Balance | \$ 35,357 | \$ 93,211 | \$ 67,042 | \$ 195,611 |

Notes:

* Starting FY 2020/21, expenditures for Homeless Services is displayed separately in the above table. This was included under Housing in prior years.

Cost Centers and Internal Service Funds

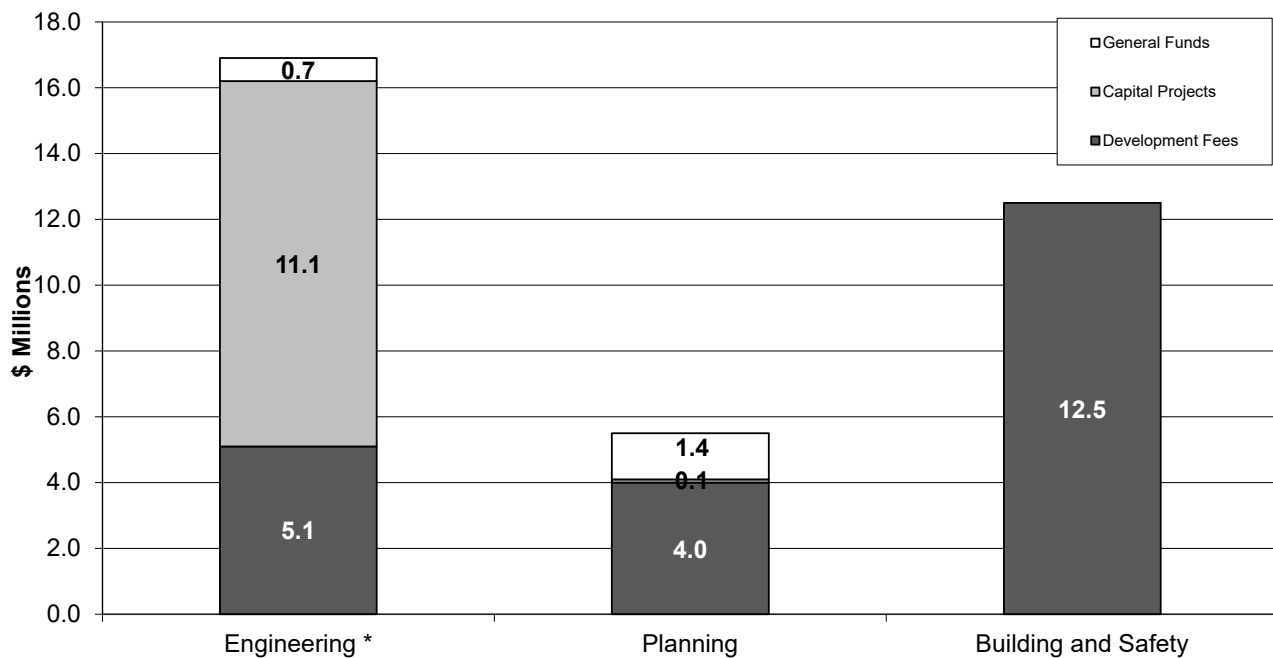
The City uses cost centers to account for City activities that are predominantly fee-based. These funds receive revenues from external users in the form of fees for services and transfers from other funds for work on City projects. The cost centers are intended to maintain their fund balances from year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

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

Development Cost Center

The Development Cost Center budget relies on a combination of development fees, charges to City capital projects, and charges to the General Fund (made in the form of a transfer) for work benefiting the community in general. In FY 2020/21, the General Fund will transfer \$2.1 million to the Development Cost Center, to be allocated among the Planning, Engineering, and Landscape Architecture Divisions to support their work programs. The work funded by the General Fund allocation generally includes updating and maintaining the City’s General Plan and Zoning Ordinance, implementing the Climate Action Plan, responding to traffic service requests, providing general customer service not associated with a particular project, and responding to City Council referrals.

Development Cost Center Funding Sources: FY 2020/21 Budget



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

Other Funds | Cost Centers and Internal Service Funds

The City Council has established a Development Cost Center operational contingency reserve to help maintain service levels during temporary slowdowns in development activity, as well as a technology and system improvement reserve to provide funding for investments in permitting technology. The Development Cost Center also collects a Community Planning Fee to recover a portion of the costs associated with the annual maintenance and comprehensive updates to the General Plan and Zoning Ordinance. The Community Planning Fee is assessed on each building permit plan checked and issued. At the end of FY 2020/21, the fund balance is projected to be \$17.8 million.

Recreation Cost Center

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

In FY 2020/21, the Recreation Cost Center expects to receive 66% of its \$8.5 million in total available resources from program and user fees, with only 34% (\$2.8 million) coming from General Fund support. This transfer is 7.4% (\$109,000) higher than the FY 2019/20 transfer. General Fund support enables the Recreation Cost Center to provide low to no-cost services such as Central Park operations, some teen services, the Olive Hyde Art Gallery, and community center operations.

The City Council has established a Recreation Cost Center contingency reserve to help maintain service levels during economic downturns or address revenue shortfalls. The contingency reserve requirement is set at 15% of annual operating expenditures. Due to the COVID-19 pandemic, the Recreation Cost Center is projected to use reserved fund balance to balance the fund. The fund balance is estimated to be \$2.5 million by the end of FY 2020/21.

Senior Center Cost Center

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

Located in Warm Springs, the new Age Well Center is projected to open in January 2021. Unlike other cost centers, the Senior Center Cost Center relies on General Fund support for the majority of its funding. In FY 2020/21, the amount of General Fund support for the Senior Center Cost Center will be \$710,000, or 37.1% more than the FY 2019/20 amount.

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

Risk Management Internal Service Fund

This fund accounts for the City’s retained self-insured risks of loss from vehicle and property damage, earthquakes and floods, workers’ compensation claims, general liability claims, and unemployment claims. Administrative costs, including insurance coverage through the City’s membership in the California Joint Powers Risk Management Authority, are also accounted for in this fund. Resources for this fund are provided through allocation “charges” to the departments and special revenue fund operations that receive these services. Total costs allocated to departments were reduced as part of the budget balancing strategy due to the COVID-19 pandemic and will be \$6.3 million in FY 2020/21.

Information Technology Services Internal Service Fund

This fund accounts for the City’s information systems support and technology services. It funds Information Technology Services operations and equipment replacement. Resources for this fund are provided through allocation “charges” to the departments and special revenue fund operations that receive these services. Total allocation charges to departments will be \$10.0 million in FY 2020/21 for information technology services operations and various capital replacement purchases and software upgrades. The expenditure budget for this fund is increasing by \$0.8 million, or 6.3%, from the adopted FY 2019/20 budget. This increase is primarily due to increasing pension and retiree health contributions and increasing capital costs.

Employee Benefits Internal Service Fund

In FY 2015/16, the City began prefunding its obligations for other post-employment healthcare benefits by annually prepaying the actuarially determined contribution to the CalPERS California Employers’ Retiree Benefit Trust (CERBT). Starting in FY 2019/20, the City began level dollar funding for this fund. This internal service fund accumulates contributions from each of the City’s operating funds, and accounts for the payments to the CERBT, benefit payments to retirees, and reimbursements from the CERBT for those benefit payments. In FY 2020/21, the budgeted contribution to the CERBT for retiree healthcare is \$10.8 million.

Fire Capital Replacement Internal Service Fund

The Fire Department maintains a fleet of fire apparatus (engines, aerial ladder trucks, and other specialized auxiliary apparatus) as well as a complement of personal protection and life-saving capital equipment (self-contained breathing apparatus, turnout (thermal protection) suits, cardiac monitors, and automated CPR devices). To facilitate timely replacement of these critical capital assets, this fund accumulates annual contributions from the General Fund and accounts for the associated capital expenditures. The FY 2020/21 contribution from the General Fund is budgeted at \$1.8 million.

Vehicle Replacement Internal Service Fund

The City maintains a fleet of over 500 police and civilian vehicles including automobiles, vans, trucks, motorcycles, and specialized maintenance and construction equipment. This fund accumulates annual contributions from each of the City's operating funds based on assigned vehicles, and accounts for the associated vehicle replacement purchases. Vehicle replacement contributions from all funds for FY 2020/21 were temporarily reduced as part of the budget balancing strategy due to the COVID-19 pandemic and are budgeted to total \$0.2 million.

Other Funds | Cost Centers and Internal Service Funds

Cost Centers/Internal Service Funds
(Thousands of Dollars)

| | Budget 2018/19 | Budget 2019/20 | Adopted 2020/21 |
|-----------------------------------|---------------------------|---------------------------|----------------------------|
| Sources | | | |
| Beginning Unreserved Fund Balance | \$ 19,998 | \$ 24,172 | \$ 28,065 |
| Revenues | | | |
| Taxes: | | | |
| Property Tax | - | - | - |
| Sales Tax | - | - | - |
| Business Tax | - | - | - |
| Hotel/Motel Tax | - | - | - |
| Property Transfer Tax | - | - | - |
| Paramedic Tax | - | - | - |
| Franchise Fees | - | - | - |
| Charges for Services | 39,374 | 41,227 | 36,455 |
| Fines | - | - | - |
| Use of Money and Property | 404 | 604 | 817 |
| Intergovernmental | - | - | - |
| Other Revenues | 1,530 | 1,662 | 2,279 |
| Total Revenues | 41,308 | 43,493 | 39,551 |
| Transfers In | 5,041 | 5,288 | 5,605 |
| Total Sources | 66,347 | 72,953 | 73,221 |
| Uses | | | |
| Expenditures | | | |
| General Government | - | - | - |
| Police | - | - | - |
| Fire | 1,766 | 1,855 | - |
| Engineering | 12,529 | 13,527 | 13,643 |
| Planning | 4,676 | 5,016 | 5,023 |
| Building and Safety | 9,937 | 10,091 | 11,367 |
| Human Services | 895 | 935 | 1,328 |
| Recreation | 10,898 | 11,412 | 10,110 |
| Landscape | 1,804 | 1,708 | 1,954 |
| Non-departmental | 9 | 1,076 | 1,659 |
| Capital | 1,558 | 1,608 | 3,608 |
| Less: Citywide Savings | - | - | - |
| Debt Service | - | - | - |
| Total Expenditures | 44,072 | 47,228 | 48,692 |
| Transfers Out | 4,949 | 8,046 | 5,434 |
| Total Uses | 49,021 | 55,274 | 54,126 |
| Ending Fund Balance | | | |
| Reserved Fund Balance | 12,920 | 16,395 | 15,193 |
| Unreserved Fund Balance | 16,379 | 18,159 | 20,164 |
| Total Ending Fund Balance | \$ 29,299 | \$ 34,554 | \$ 35,357 |

Other Funds | Cost Centers and Internal Service Funds

Cost Centers/Internal Service Funds FY 2020/21 (Thousands of Dollars)

| | Development Cost Center | Recreation Cost Center | Senior Center |
|-----------------------------------|----------------------------|---------------------------|-----------------|
| Sources | | | |
| Beginning Unreserved Fund Balance | \$ 5,732 | \$ 1,795 | \$ 2,565 |
| Revenues | | | |
| Taxes: | | | |
| Property Tax | - | - | - |
| Sales Tax | - | - | - |
| Business Tax | - | - | - |
| Hotel/Motel Tax | - | - | - |
| Property Transfer Tax | - | - | - |
| Paramedic Tax | - | - | - |
| Franchise Fees | - | - | - |
| Charges for Services | 30,791 | 5,439 | 225 |
| Fines | - | - | - |
| Use of Money and Property | 350 | 65 | 2 |
| Intergovernmental | - | - | - |
| Other Revenues | 1,636 | 119 | 460 |
| Total Revenues | 32,777 | 5,623 | 687 |
| Transfers In | 2,062 | 2,833 | 710 |
| Total Sources | 40,571 | 10,251 | 3,962 |
| Uses | | | |
| Expenditures | | | |
| General Government | - | - | - |
| Police | - | - | - |
| Fire | - | - | - |
| Engineering | 13,643 | - | - |
| Planning | 5,023 | - | - |
| Building and Safety | 11,367 | - | - |
| Human Services | - | - | 1,328 |
| Recreation | - | 10,110 | - |
| Landscape | 1,954 | - | - |
| Non-departmental | - | - | - |
| Capital | - | - | - |
| Less: Citywide Savings | - | - | - |
| Debt Service | - | - | - |
| Total Expenditures | 31,987 | 10,110 | 1,328 |
| Transfers Out | 3,160 | 1,606 | 140 |
| Total Uses | 35,147 | 11,716 | 1,468 |
| Ending Fund Balance | | | |
| Reserved Fund Balance | 12,724 | 2,469 | - |
| Unreserved Fund Balance | 5,028 | - | 2,494 |
| Total Ending Fund Balance | \$ 17,752 | \$ 2,469 | \$ 2,494 |

Notes:

* For the purpose of displaying in the all funds table, the "Charges for Services", "Non-departmental", and "Capital" categories in the Internal Services Funds have been reclassified and are not part of the Cost Center/Internal Service Funds total because these amounts are included in other departments' budgets. The recreation rental revenue is shown in "Use of Money and Property" for facility rentals.

Other Funds | Cost Centers and Internal Service Funds

| Internal Services | | | | | | Total |
|-------------------|------------------------|-------------------|---------------------|--------------------------|----------------------------|------------------|
| Risk Management | Information Technology | Employee Benefits | Vehicle Replacement | Fire Capital Replacement | Internal Services Reclass* | |
| \$ 4,968 | \$ 8,332 | \$ 508 | \$ 4,165 | \$ - | n/a | \$ 28,065 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 6,256 | 10,045 | 10,793 | 166 | 1,831 | (29,091) | 36,455 |
| - | - | - | - | - | - | - |
| 250 | 100 | - | 50 | - | - | 817 |
| - | - | - | - | - | - | - |
| - | 14 | - | 50 | - | - | 2,279 |
| 6,506 | 10,159 | 10,793 | 266 | 1,831 | (29,091) | 39,551 |
| - | - | - | - | - | - | 5,605 |
| 11,474 | 18,491 | 11,301 | 4,431 | 1,831 | (29,091) | 73,221 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 13,643 |
| - | - | - | - | - | - | 5,023 |
| - | - | - | - | - | - | 11,367 |
| - | - | - | - | - | - | 1,328 |
| - | - | - | - | - | - | 10,110 |
| - | - | - | - | - | - | 1,954 |
| 7,915 | 9,265 | 10,793 | - | - | (26,314) | 1,659 |
| - | 2,802 | - | 1,752 | 1,831 | (2,777) | 3,608 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 7,915 | 12,067 | 10,793 | 1,752 | 1,831 | (29,091) | 48,692 |
| - | 521 | - | 7 | - | - | 5,434 |
| 7,915 | 12,588 | 10,793 | 1,759 | 1,831 | (29,091) | 54,126 |
| - | - | - | - | - | n/a | 15,193 |
| 3,559 | 5,903 | 508 | 2,672 | - | n/a | 20,164 |
| \$ 3,559 | \$ 5,903 | \$ 508 | \$ 2,672 | \$ - | n/a | \$ 35,357 |

Special Revenue Funds

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

Human Services

The Human Services Department relies on General Fund support, grants, charges for service, and rents from the Family Resource Center (FRC) to provide a wide range of services to families and seniors. The non-General Fund sources featured in this special revenues subsection comprise 75% of the department's total funding sources in FY 2020/21. The table on page 100 shows the special revenue funding sources for Human Services. For information on the total Human Services budget, including the use of General Fund resources, please see the Department Budgets section of this document.

In FY 2020/21, the General Fund will transfer \$738,000 to the Human Services Special Revenue Fund for social service grants. Together the General Fund portion and the social service grants represent 25% of the Department's total operating budget.

Grants and Other Special Purpose Funding

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

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

Paratransit

This fund accounts for the monies used to fund the City's transportation services for seniors and people with disabilities. The City receives Measure B and Measure BB sales tax revenue from the Alameda County Transportation Commission for use on transportation-related activities such as the paratransit services, mobility management, travel training, taxi vouchers and volunteer driver programs. In FY2020/21 Paratransit is expecting to receive a total of \$1.8 million from Measure B and Measure BB funding which includes direct local distribution funding of \$1.7 million and \$145,000 grant funding to support supplemental transportation services for elderly and disabled Tri-City residents. The City is also expected to receive \$434,500 from the City of Newark and City of Union City under their agreement to provide paratransit services to Newark and Union City residents.

Family Resource Center Fund

This fund accounts for the revenues and costs associated with the Fremont Family Resource Center (FRC). Rental payments by the various tenants of the FRC fund the salaries and benefits of the FRC staff and operating and capital expenditures at the facility. This fund also includes grants from private foundations to support programs at the FRC. FRC funding is expected to decrease by \$217,000 in FY 2020/21.

CDBG

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

CDBG entitlement funds are received on a project cost-reimbursement basis. The FY 2020/21 budget of \$1.8 million is an increase of \$0.2 million from the FY 2019/20 budget.

Rent Review Program

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

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

FY 2020/21 budgeted expenditures are \$371,000.

HOME

This fund is administered by the Human Services Department and accounts for monies received under the HOME Investment Partnership (HOME) Act. HOME funds can be used to acquire, rehabilitate, finance, and construct affordable housing. The FY 2020/21 budget is \$429,000, representing an increase of 7.4% from FY 2019/20.

Affordable Housing Ordinance

This fund accounts for all payments by residential developers who choose to fulfill their obligations under the City's Affordable Housing Ordinance by paying a fee. Pursuant to the Ordinance, 85% of funds deposited are to be used for development of new affordable housing; 10% for supportive services; and 5% for administrative costs. In FY 2020/21, \$12.0 million in revenues is anticipated to be received, to be used to develop affordable housing in the future.

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

This fund accounts for all affordable housing revenues and expenditures except those fees related to the Affordable Housing Ordinance, including all housing assets and all housing-related obligations of the former RDA. Estimated expenditures are \$1.3 million in FY 2019/20, for operational costs related to the management and oversight of the City's affordable housing assets and programs. The total expenditures budgeted for FY 2020/21 are \$1.0 million.

City Funded Affordable Housing Fund

This fund was set up to account for funding sources and housing expenditures for the City-funded affordable housing programs. Beginning in FY 2019/20, this fund will also account for Homeless Services expenditures. At the end of FY 2019/20, the estimated fund balance was \$4.1 million. For FY 2020/21, \$1.8 million of funding is budgeted from the General Fund.

Public Safety Grants

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

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

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

Environmental Services

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

- 1. Integrated Waste Management:** This fund accounts for monies received by the City from solid waste collection rates and used to comply with the provisions of AB 939 for the purpose of carrying out recycling, household hazardous waste, and solid waste management programs. The current fund balance serves two purposes: (1) to support rate stabilization, and (2) to cover transition costs associated with landfill closure.
- 2. Urban Runoff Clean Water Program:** This fund accounts for monies received to comply with the federal Clean Water Act of 1987, which requires that stormwater discharges from municipal storm drain systems be regulated under a nationwide surface water permit program. In order to obtain a permit, the City must implement programs to evaluate sources of pollutants in urban storm drain runoff, estimate pollutant loads, evaluate control measures, and implement a program of pollution controls. As the costs of compliance are exceeding the revenues collected through the City's clean water fee, a subsidy of \$231,000 has been budgeted in the General Fund.
- 3. Measure D:** This fund accounts for monies received by the City from the Measure D surcharge imposed on unincorporated Alameda County landfills. These funds are restricted to expenditures incurred for waste diversion and recycling activities that are designed to reduce the amount of waste transferred to the landfill.

Expenditures are budgeted to increase by 6%, from \$11.8 million in FY 2019/20 to \$12.5 million in FY 2020/21. The FY 2020/21 budget increased mainly due to an increase in salary and benefits costs, the purchase of a sweeper scheduled for purchase in FY 2020/21, and the increase in material processing expenses and organics diversion growth.

General Obligation Bonds Debt Service Fund

This fund accounts for the accumulation of property tax revenue and payment of principal and interest for the City's general obligation bonds. In November 2002, Fremont voters approved Measure R, which authorized the City to issue \$51 million of general obligation bonds to provide funding to replace three fire stations, build a public safety training center, and make remodeling and seismic improvements to seven existing fire stations. Three bond series totaling \$51 million have been issued and subsequently refinanced. The City is obligated to annually levy ad valorem taxes upon all taxable properties within the City for the payment of the principal and interest for these bonds.

Other Funds | Special Revenue Funds

Special Revenue Funds FY 2020/21 (Thousands of Dollars)

| | Human Services | | | | | City Funded Aff Housing & Homeless Services |
|--|-----------------|-----------------|-----------------|-------------------|--------------|---|
| | Grants | Paratransit | FRC | Human Services | CDBG | |
| Sources | | | | | | |
| Beginning Unreserved Fund Balance | \$ 3,359 | \$ 2,240 | \$ 1,330 | \$ 915 | \$ - | \$ 4,105 |
| Revenues | | | | | | |
| Taxes: | | | | | | |
| Property Tax | - | - | - | - | - | - |
| Sales Tax | - | 1,800 | - | - | - | - |
| Business Tax | - | - | - | - | - | - |
| Hotel/Motel Tax | - | - | - | - | - | - |
| Property Transfer Tax | - | - | - | - | - | - |
| Paramedic Tax | - | - | - | - | - | - |
| Franchise Fees | - | - | - | - | - | - |
| Charges for Services | 45 | 106 | 50 | 170 | - | - |
| Fines | - | - | - | - | - | - |
| Use of Money and Property | 7 | 15 | 31 | 23 | - | - |
| Intergovernmental | 5,292 | 328 | - | 25 | 1,653 | 218 |
| Other Revenues | 322 | - | 1,702 | 30 | 125 | - |
| Total Revenues | 5,666 | 2,249 | 1,783 | 248 | 1,778 | 218 |
| Transfers In | - | - | - | 738 | - | 1,773 |
| Total Sources | 9,025 | 4,489 | 3,113 | 1,901 | 1,778 | 6,096 |
| Uses | | | | | | |
| Expenditures | | | | | | |
| General Government | - | - | - | - | - | - |
| Police | - | - | - | - | - | - |
| Fire | - | - | - | - | - | - |
| Maintenance (Parks/Street Medians) | - | - | - | - | - | - |
| Code Enforcement/Community Development Admin | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - |
| Environmental Services | - | - | - | - | - | - |
| Human Services | 5,559 | 2,296 | 1,037 | 962 | 1,761 | 2,950 |
| Recreation | - | - | - | - | - | - |
| Homeless Services | - | - | - | - | - | 2,983 |
| Non-departmental | - | - | - | - | - | - |
| Less: Citywide Savings | - | - | - | - | - | - |
| Debt Service | - | - | 534 | - | - | - |
| Total Expenditures | 5,559 | 2,296 | 1,571 | 962 | 1,761 | 5,933 |
| Transfers Out | 301 | 153 | 286 | - | 17 | 62 |
| Total Uses | 5,860 | 2,449 | 1,857 | 962 | 1,778 | 5,995 |
| Ending Fund Balance | | | | | | |
| Reserved Fund Balance | - | - | - | 144 | - | - |
| Unreserved Fund Balance | 3,165 | 2,040 | 1,256 | 795 | - | 101 |
| Total Ending Fund Balance | \$ 3,165 | \$ 2,040 | \$ 1,256 | \$ 939 | \$ - | \$ 101 |

Notes:

* Starting FY 2020/21, expenditures for Homeless Services is displayed separately in the above table. This was included under Housing in prior years.

Other Funds | Special Revenue Funds

| Rent Review | HOME | Low/Mod Inc Housing | Affordable Housing Ord | Public Safety Grant | Environmental Services Funds | GO Bonds Debt Service | Total |
|--------------|-------------|---------------------|------------------------|---------------------|------------------------------|-----------------------|------------------|
| \$ 14 | \$ 4 | \$ 7,698 | \$ 59,772 | \$ 1,338 | \$ 3,913 | \$ 2,635 | \$ 87,323 |
| - | - | - | - | - | - | 2,787 | 2,787 |
| - | - | - | - | - | - | - | 1,800 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 371 | - | - | - | - | 13,119 | - | 13,861 |
| - | - | - | - | - | - | - | - |
| - | - | 40 | 250 | - | 136 | - | 502 |
| - | 429 | - | - | 760 | 112 | - | 8,817 |
| - | - | 1,600 | 11,701 | - | - | - | 15,480 |
| 371 | 429 | 1,640 | 11,951 | 760 | 13,367 | 2,787 | 43,247 |
| - | - | - | - | - | 231 | - | 2,742 |
| 385 | 433 | 9,338 | 71,723 | 2,098 | 17,511 | 5,422 | 133,312 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 1,226 | - | - | 1,226 |
| - | - | - | - | 211 | - | - | 211 |
| - | - | - | - | - | 2,388 | - | 2,388 |
| - | - | - | - | - | 158 | - | 158 |
| - | 428 | 1,000 | 8,878 | - | - | - | 10,306 |
| - | - | - | - | - | 9,543 | - | 9,543 |
| 339 | - | - | - | - | - | - | 14,904 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 2,983 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | 2,990 | 3,524 |
| 339 | 428 | 1,000 | 8,878 | 1,437 | 12,089 | 2,990 | 45,243 |
| 32 | 1 | 49 | 54 | - | 412 | - | 1,367 |
| 371 | 429 | 1,049 | 8,932 | 1,437 | 12,501 | 2,990 | 46,610 |
| - | - | - | - | - | 7,640 | - | 7,784 |
| 14 | 4 | 8,289 | 62,791 | 661 | 3,879 | 2,432 | 85,427 |
| \$ 14 | \$ 4 | \$ 8,289 | \$ 62,791 | \$ 661 | \$ 11,519 | \$ 2,432 | \$ 93,211 |

Other Funds | Special Revenue Funds

Special Revenue Funds (Thousands of Dollars)

| | Budget 2018/19 | Budget 2019/20 | Adopted 2020/21 |
|---|-------------------|-------------------|--------------------|
| Sources | | | |
| Beginning Unreserved Fund Balance | \$ 63,127 | \$ 66,198 | \$ 87,323 |
| Revenues | | | |
| Taxes: | | | |
| Property Tax | - | - | 2,787 |
| Sales Tax | 1,601 | 1,697 | 1,800 |
| Business Tax | - | - | - |
| Hotel/Motel Tax | - | - | - |
| Property Transfer Tax | - | - | - |
| Paramedic Tax | - | - | - |
| Franchise Fees | - | - | - |
| Charges for Services | 12,120 | 13,291 | 13,861 |
| Fines | - | - | - |
| Use of Money and Property | 609 | 693 | 502 |
| Intergovernmental | 8,319 | 8,669 | 8,817 |
| Other Revenues | 9,504 | 22,341 | 15,480 |
| Total Revenues | 32,153 | 46,691 | 43,247 |
| Transfers In | 2,256 | 2,641 | 2,742 |
| Total Sources | 97,536 | 115,530 | 133,312 |
| Uses | | | |
| Expenditures | | | |
| General Government | - | - | - |
| Police | 694 | 540 | 1,226 |
| Fire | 265 | 336 | 211 |
| Maintenance (Parks/Street Medians) | 2,386 | 2,421 | 2,388 |
| Code Enforcement/Community Development Admini | 154 | 160 | 158 |
| Housing | 5,796 | 10,297 | 10,306 |
| Environmental Services | 8,011 | 8,796 | 9,543 |
| Human Services | 12,154 | 11,751 | 14,904 |
| Recreation | - | - | - |
| Homeless Services | - | - | 2,983 |
| Non-departmental | - | - | - |
| Less: Citywide Savings | - | - | - |
| Debt Service | 571 | 572 | 3,524 |
| Total Expenditures | 30,031 | 34,873 | 45,243 |
| Transfers Out | 921 | 1,285 | 1,367 |
| Total Uses | 30,952 | 36,158 | 46,610 |
| Ending Fund Balance | | | |
| Reserved Fund Balance | 5,341 | 6,849 | 7,784 |
| Unreserved Fund Balance | 65,628 | 78,208 | 85,427 |
| Total Ending Fund Balance | \$ 70,969 | \$ 85,057 | \$ 93,211 |

Notes:

* Starting FY 2020/21, expenditures for Homeless Services is displayed separately in the above table. This was included under Housing in prior years.

Capital Funds

The five-year Capital Improvement Program (CIP) is adopted biennially and includes appropriations for projects for FY 2019/20 through FY 2020/21 and projected expenditures through FY 2023/24. Selected excerpts from the CIP are included with the operating budget to present a comprehensive picture of all the funds of the City and to reflect fund transfers approved between other operating funds and capital funds. This section contains a description of the CIP funds, a summary of approved expenditures by program category, and highlights of key projects for the current fiscal year. Additional CIP summary information can be found in the Capital Budget Summary section of this document. The complete capital plan can be found in the City's CIP.

General Fund Group

These funds are transferred from the General Fund and may be used for projects designated by the City Council. As part of the budget balancing strategy, the fund transfers from the General Fund have been temporarily suspended for FY 2020/21.

Gas Tax Funds and Measure B and BB

Revenue in this fund comes from State gas tax and other sources, such as County transportation Measures B and BB sales tax distributions, and can only be used for street maintenance, traffic improvement projects, and bicycle, pedestrian, and paratransit programs.

Both gas tax and sales tax revenues are expected to decline as a result of the COVID-19 pandemic, and projects may be deferred or re-scoped to align with the available resources.

Park Impact Fee Funds

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

Development activity and the resulting impact fees are expected to at least temporarily decline as a result of the COVID-19 pandemic, and projects may be deferred or re-scoped to align with the available resources.

Traffic Impact Fee Funds

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

Development activity and the resulting impact fees are expected to at least temporarily decline as a result of the COVID-19 pandemic, and projects may be deferred or re-scoped to align with the available resources.

Restricted Capital Funds

All projects in this group are either partially or fully funded from grants that can only be used for a specific capital project. Refer to the “restricted funds group” detail in the CIP document.

Capital Improvement Funds FY 2020/21
(Thousands of Dollars)

| | General Fund Group | Gas Tax & Meas B, BB | Park & Acq Impact Fees | Traffic Impact Fees | Committed/ Restricted Group | Expenditure Reclass* | Total |
|-----------------------------------|--------------------|----------------------|------------------------|---------------------|-----------------------------|----------------------|------------------|
| Sources | | | | | | | |
| Beginning Unreserved Fund Balance | \$ 3,106 | \$ 315 | \$ 45,340 | \$ 962 | \$ 9,966 | n/a | \$ 59,689 |
| Revenues | | | | | | | |
| Taxes: | | | | | | | |
| Property Tax | - | - | - | - | - | - | - |
| Sales Tax | - | - | - | - | - | - | - |
| Business Tax | - | - | - | - | - | - | - |
| Hotel/Motel Tax | - | - | - | - | - | - | - |
| Property Transfer Tax | - | - | - | - | - | - | - |
| Paramedic Tax | - | - | - | - | - | - | - |
| Franchise Fees | - | - | - | - | - | - | - |
| Charges for Services | - | - | - | - | 300 | - | 300 |
| Fines | - | - | - | - | - | - | - |
| Use of Money and Property | - | 151 | 635 | 150 | 35 | - | 971 |
| Intergovernmental | - | 17,388 | - | - | - | - | 17,388 |
| Other Revenues | - | - | 17,143 | 3,919 | 3,732 | - | 24,794 |
| Total Revenues | - | 17,539 | 17,778 | 4,069 | 4,067 | - | 43,453 |
| Transfers In | - | - | - | - | - | - | - |
| Total Sources | 3,106 | 17,854 | 63,118 | 5,031 | 14,033 | - | 103,142 |
| Uses | | | | | | | |
| Expenditures | | | | | | | |
| General Government | - | - | - | - | - | - | - |
| Police | - | - | - | - | - | - | - |
| Fire | - | - | - | - | - | - | - |
| Maintenance (Streets/Facilities) | - | 1,675 | - | - | - | - | 1,675 |
| Planning | - | - | - | - | - | - | - |
| Building and Safety | - | - | - | - | - | - | - |
| Human Services | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - |
| Capital | 2,625 | 15,965 | 8,145 | 5,013 | 1,656 | (11,223) | 22,181 |
| Less: Citywide Savings | - | - | - | - | - | - | - |
| Debt Service | - | - | - | - | - | - | - |
| Total Expenditures | 2,625 | 17,640 | 8,145 | 5,013 | 1,656 | (11,223) | 23,856 |
| Transfers Out | - | - | - | - | 1,021 | - | 1,021 |
| Total Uses | 2,625 | 17,640 | 8,145 | 5,013 | 2,677 | (11,223) | 24,877 |
| Ending Fund Balance | | | | | | | |
| Reserved Fund Balance | - | - | - | - | - | - | - |
| Unreserved Fund Balance | 481 | 214 | 54,973 | 18 | 11,356 | n/a | 67,042 |
| Total Ending Fund Balance | \$ 481 | \$ 214 | \$ 54,973 | \$ 18 | \$ 11,356 | \$ - | \$ 67,042 |

Notes:

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

Other Funds | Capital Funds

Capital Improvement Funds FY 2020/21 (Thousands of Dollars)

| | Budget 2018/19 | Budget 2019/20 | Adopted 2020/21 |
|-----------------------------------|-------------------|-------------------|--------------------|
| Sources | | | |
| Beginning Unreserved Fund Balance | \$ 17,504 | \$ 66,192 | \$ 59,689 |
| Revenues | | | |
| Taxes: | | | |
| Property Tax | - | - | - |
| Sales Tax | - | - | - |
| Business Tax | - | - | - |
| Hotel/Motel Tax | - | - | - |
| Property Transfer Tax | - | - | - |
| Paramedic Tax | - | - | - |
| Franchise Fees | - | - | - |
| Charges for Services | 300 | 300 | 300 |
| Fines | - | - | - |
| Use of Money and Property | 1,263 | 1,037 | 971 |
| Intergovernmental | 15,953 | 17,450 | 17,388 |
| Other Revenues | 26,786 | 43,931 | 24,794 |
| Total Revenues | 44,302 | 62,718 | 43,453 |
| Transfers In | 8,850 | 5,500 | - |
| Total Sources | 70,656 | 134,410 | 103,142 |
| Uses | | | |
| Expenditures | | | |
| General Government | - | - | - |
| Police | - | - | - |
| Fire | - | - | - |
| Maintenance (Streets/Facilities) | 1,510 | 1,775 | 1,675 |
| Planning | - | - | - |
| Building and Safety | - | - | - |
| Human Services | - | - | - |
| Recreation | - | - | - |
| Capital | 41,336 | 68,514 | 22,181 |
| Less: Citywide Savings | - | - | - |
| Debt Service | - | - | - |
| Total Expenditures | 42,846 | 70,289 | 23,856 |
| Transfers Out | 1,015 | 1,125 | 1,021 |
| Total Uses | 43,861 | 71,414 | 24,877 |
| Ending Fund Balance | | | |
| Reserved Fund Balance | - | - | - |
| Unreserved Fund Balance | 17,545 | 53,281 | 67,042 |
| Total Ending Fund Balance | \$ 17,545 | \$ 53,281 | \$ 67,042 |

Capital Budget Summary

Capital Budget Summary

As part of the budget balancing measures for FY 2020/21, the transfers from the General Fund into the Capital Improvement Fund for ongoing maintenance activities will be temporarily suspended. Revenues in other capital project funds, including State gas tax funds and County transportation sales tax funds, will be adversely impacted as well. Projects with existing funding may proceed, although some may be reduced in scope and/or modified to align with available resources.

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

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

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

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

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

Capital Budget Summary

Process

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

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

Executive Summary

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

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

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

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

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

Parks

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

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

Transportation

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

To address transportation needs systematically, the City is pursuing regional, multi-modal solutions that help reduce vehicle miles traveled, while maintaining and improving existing infrastructure. Major regional projects include the State Route 262 (Mission Blvd) cross connector from I-880 to

Capital Budget Summary

I-680, widening northbound I-680 through the Sunol Grade, improving and modernizing interchanges at North Mission Blvd and Washington Blvd along I-680 and Decoto Road at I-880, extending BART to San Jose, adding a BART station in the Irvington district, and improvements to ACE train service.

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

Capital Maintenance

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

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

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

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

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

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

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

Unfunded Needs

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

Capital Budget Summary

Debt Management Policy

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

Capital Project Reserve Policy

As part of the FY2001/02 - 2005/06 CIP update, the City Council adopted a formal policy to reserve funds in support of project cost overruns or projects approved by the City Council outside of the CIP cycle. Prior to the adoption of that CIP, staff had to request fund transfers from other projects or fill in the funding gaps with unappropriated fund balance. As a result, each CIP now includes three types of project reserves to account for project overruns and projects approved after the CIP adoption. Because of funding uncertainties in this CIP, some fund groups will maintain larger reserves than required by this policy.

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

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

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

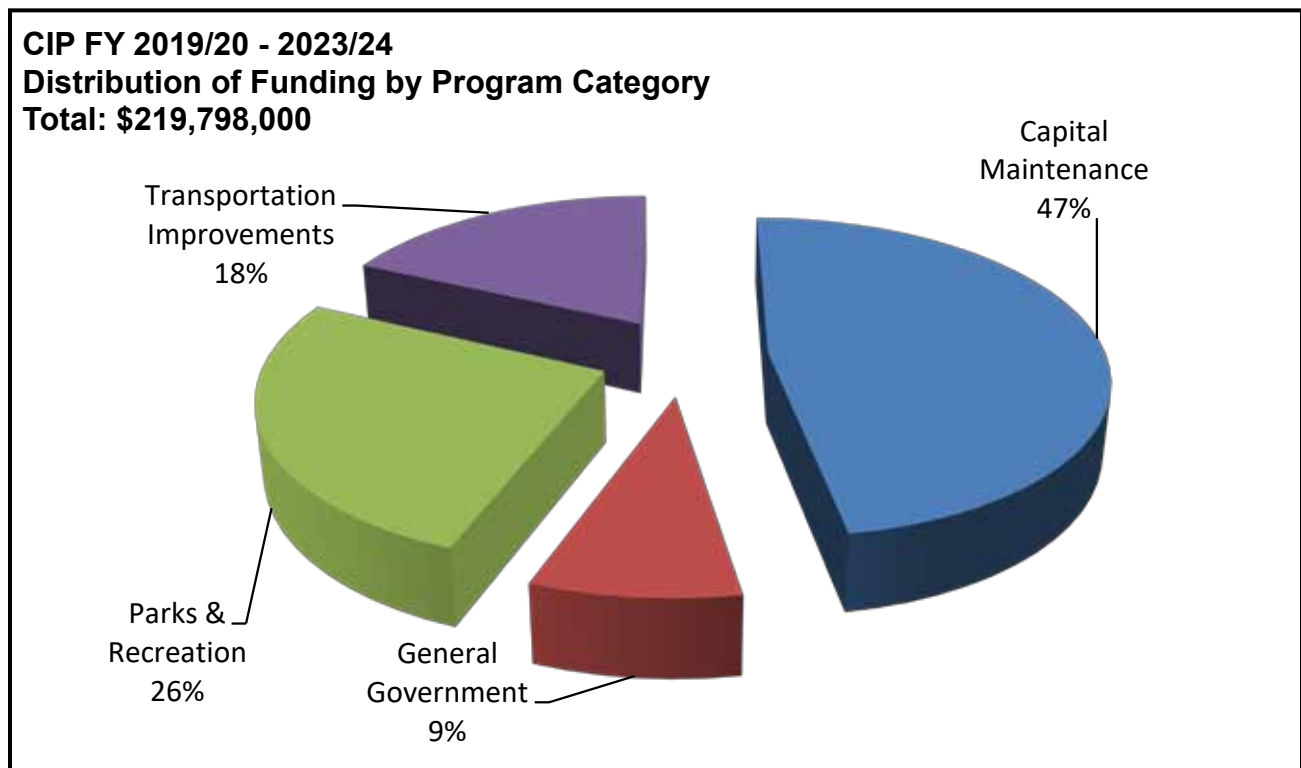
Looking Beyond the Five Year (2019/20-2023/24) CIP

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

Capital Improvement Project Highlights

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

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



Capital Budget Summary | Capital Improvement Project Highlights

Capital Maintenance

1. Title: Concrete Repair Program, Citywide

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

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

Project Cost:

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

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

2. Title: Pavement Maintenance

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

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

Project Cost:

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

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

Capital Budget Summary | Capital Improvement Project Highlights

3. Title: Pavement Rehabilitation

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

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

Project Cost:

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

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

4. Title: Street Maintenance

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

Funding Source: State Gas Excise Tax

Project Cost

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

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



Street maintenance project



Asphalt patching in residential area

Capital Budget Summary | Capital Improvement Project Highlights

Traffic Improvements

1. Title: Pedestrian Improvements

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

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

Project Cost:

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

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

2. Title: Traffic Improvement Program

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

Funding Source: Traffic Impact Fee

Project Cost:

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

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

3. Title: Traffic Signal System Upgrade & Modernization

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

Funding Source: Traffic Impact Fee

Project Cost:

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

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

Capital Budget Summary | Capital Improvement Project Highlights

Parks and Recreation

1. Title: Pacific Commons Sport Park

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

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

Project Cost:

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

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

2. Title: California Nursery Development

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

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

Project Cost:

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

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

3. Title: Palm Avenue Community Park

Project Description: Develop 12.1 acres of new community park.

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

Project Cost:

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

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

General Government

1. Title: Downtown Project

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

Funding Source: Capital Improvement Fund (501)

Project Cost:

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

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



Downtown - Aerial View

This page intentionally left blank

Department Budgets

City Council

Vision:

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

Long-term Outcomes for the City of Fremont

1. **Dynamic local economy:** A diverse, strong, and adaptable local economy where businesses can be successful in the global economy and where residents and visitors can enjoy high-quality commercial amenities.
2. **An engaged and connected multicultural community:** Strong relationships among people of all cultures and backgrounds to foster democratic community leadership and commitment to a flourishing Fremont.
3. **Thriving neighborhoods:** Safe and distinctive commercial and residential areas where people know each other, are engaged in their community, and take pride in their neighborhoods. Make Fremont a great place to raise children.
4. **Live and work in Fremont:** A range of housing to match the variety of jobs in Fremont, enabling people to live and work locally throughout their lives.
5. **Interesting places and things to do:** Places of interest throughout the community where people want to gather, socialize, recreate, shop, and dine.
6. **Effective transportation systems:** A variety of transportation networks that make travel easy throughout Fremont with the guidance of the adopted Mobility Action Plan and appointment of the 14-member Mobility Task Force.
7. **Smart City Solutions:** Continue to define Fremont’s cohesive Smart City Agenda in the areas of Mobility, Public Safety, Sustainability, City Operations and Community Engagement to ultimately improve Fremont’s sustainability, resilience, and quality of life.



Department Budgets | City Council

City Council: Historical Expenditures/Budget, by Category

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|--|-------------------|-------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Salaries & Benefits | \$ 198,654 | \$ 249,742 | \$ 292,945 | \$ 321,232 | \$ 317,803 | 314,077 |
| Operating Expenditures | 179,226 | 186,572 | 209,448 | 218,326 | 218,326 | 214,210 |
| Capital Expenditures | - | - | - | - | - | - |
| Indirect Expense Allocation** | 1,068 | 3,136 | 9,237 | 9,237 | 9,237 | 2,810 |
| Totals | \$ 378,948 | \$ 439,450 | \$ 511,630 | \$ 548,795 | \$ 545,366 | \$ 531,097 |
| % increase/(decrease), including all funds, from FY 2019/20 Adopted Budget | | | | | | -2.6% |
| <p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.</p> | | | | | | |

Key City Priorities

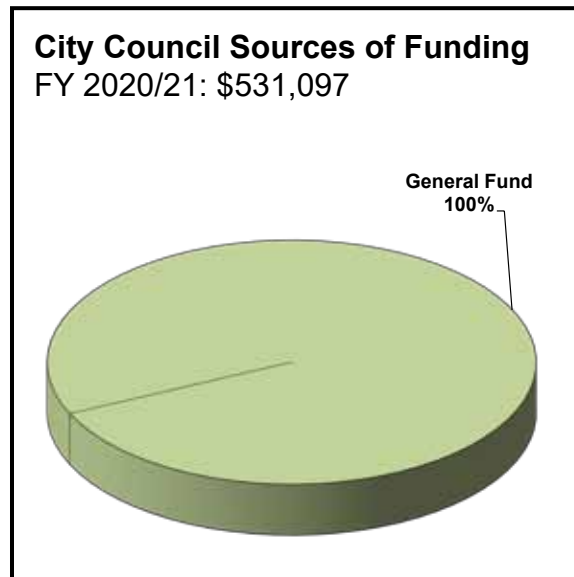
At the City Council retreat held in January 2020, the Council identified three top priority policy areas for the City in FY 2020/21:

- Examine options for managing growth and incentivize affordable housing.
- Reduce traffic congestion.
- Continue to innovate and find solutions to mitigate the City’s homeless population and implement the temporary Housing Navigation Center.

Additionally, with the onset of the Coronavirus 2019 Disease (COVID-19) public health crisis, an additional key priority for the City Council in 2020 will be to examine and support legislative actions that assist the City to promote the health and safety of Fremont residents, and to reconsolidate the budget to allow for the continuance of high-quality city services and to support City departments and employees.



1. Warm Springs/South Fremont Development Area: Continue to work with local and regional partners, as well as State and Federal Legislators, to ensure the strategic development and implementation of the Warm Springs/South Fremont Strategy.
2. Downtown Fremont: Continue to commit time and resources to the Downtown Plan to ensure that the Downtown is poised to become a vibrant urban mixed use district within the City Center that will serve as a destination for the city and region.
3. Economic Development: Attract and retain an appropriate mix of retail, office, and industrial or technology uses, in order to foster a dynamic economy and a stronger tax base.
4. Civic Engagement: Continue to implement new methods and tools to facilitate civic engagement and enhance access to open government.
5. Legislative Advocacy: Continue to pursue legislative efforts that are in the best interest of the City through regional, state, and federal partnerships.
6. Strategic Marketing Efforts: Continue to support activities that raise public and private awareness through media and public relations efforts.



Major Changes

- The indirect expense allocation is decreasing by -69.6% mainly due to a temporary decrease in Information Technology costs.

This page intentionally left blank

Community Development

Mission:

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

Major Services

Planning

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

Building and Safety

Ensure that the built environment is constructed and maintained in accordance with adopted codes to provide the community with a healthy and safe place to live, work, and enjoy. Review construction documents and applications and conduct on-site inspections to ensure compliance with State and local laws.

Code Enforcement

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

Housing

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

Business Ally

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

Sustainability

Develop and implement the City's long-term sustainability vision, mission and operating principles, including the City's Climate Action Plan (CAP). Execute municipal and community-facing sustainability projects and programs, promote policies that align with the CAP, and implement communication strategies to enhance awareness of and participation in sustainability initiatives.

Department Overview

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



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

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|------------------------------------|----------------------|----------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Planning | \$ 4,537,056 | \$ 4,255,679 | \$ 4,840,623 | \$ 5,540,615 | \$ 5,482,232 | \$ 5,499,306 |
| Planning Administration | 480,616 | 547,122 | 817,428 | 778,335 | 773,303 | 469,416 |
| Building and Safety | 8,761,844 | 9,497,086 | 11,325,900 | 11,800,671 | 11,180,424 | 12,500,484 |
| Code Enforcement | 1,181,701 | 1,246,044 | 1,290,156 | 1,346,641 | 1,334,549 | 1,385,321 |
| Homeless Services Code Enforcement | - | 117,037 | 167,235 | 151,335 | 149,913 | 185,590 |
| Affordable Housing Investment | 4,191,476 | 770,634 | 1,014,019 | 1,055,197 | 1,047,565 | 1,049,230 |
| City Funded Affordable Housing** | 4,485,614 | 138,548 | 165,403 | 2,339,493 | 2,332,672 | - |
| Affordable Housing Ordinance | 4,422,605 | 16,198,297 | 12,262,093 | 21,187,500 | 4,817,589 | 8,931,792 |
| Total Community Development | \$ 28,060,912 | \$ 32,770,447 | \$ 31,882,857 | \$ 44,199,787 | \$ 27,118,247 | \$ 30,021,139 |

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

** Starting FY 2020/21, the expenditures for City Funded Affordable Housing have been moved from the Community Development Department to the Human Services Department.

Accomplishment Highlights FY 2019/20

1. Celebrated the grand opening of two new affordable rental housing projects totaling 170 units.
2. Provided pre-development loans to two new affordable housing projects selected by the City Council.
3. Implemented the City’s Temporary Moratorium on Residential Evictions due to COVID-19 pandemic.
4. Received approval from the California Department of Housing and Community Development (HCD) for the award of \$625,000 in funding under Senate Bill (SB) 2, the Building Homes and Jobs Act, for a variety of activities including amending the Affordable Housing Ordinance and developing a short-term rental ordinance.

Department Budgets | Community Development

5. Implemented SB 743, including updating the City’s CEQA Environmental Checklist to address changes in methodology for evaluating transportation impacts, and adopt updated environmental review procedure.
6. Revised the City’s Accessory Dwelling Unit (ADU) ordinance to address changes in State law.
7. Continued to update the Zoning Ordinance to provide consistency with the General Plan, address new state legislation, and clarify development standards. Zoning Ordinance updates included amending regulations pertaining to permitting of small-cell wireless facilities in the public right of way, and creating a streamlined process for sidewalk dining permits.
8. Released new Universal Planning Application, which combined all of the necessary application forms and submittal requirements for planning permits into one simple, concise, and user-friendly document.



9. Facilitated the adoption of the Irvington BART Station Area Plan to provide a framework for achieving the City of Fremont’s longstanding vision of a transit-oriented, active area strategically integrated with the future Irvington BART Station.
10. Facilitated development of a commercial strategy study for the Mission San Jose Town Center to determine the potential for commercial success in the area, and to develop strategies to support it accordingly.
11. Continued to collaborate with Public Works to complete an Electric Vehicle Infrastructure Planning process at City facilities to analyze existing and future power capacity needs and abilities to support the conversion of City fleet vehicles to plug-in battery electric.
12. Established a GHG emission reduction goal of 55% by 2030 and carbon neutrality by 2045 via Council Resolution 2019-03. Initiated an update to the Climate Action Plan (CAP 2.0) to align with the goals of Resolution 2019-03.
13. Adopted 2019 Building and Fire Codes with local amendments.
14. Assisted with implementation of the City’s Tobacco Retailer’s License Ordinance program including public outreach, creation of licensing mechanism, and compliance check/enforcement process.

15. Covered 21 of the City's traffic signal control boxes with art through the City's boxART! program, which selects local artists to transform these boxes into works of art.



16. Led the City's real estate open-house sign regulation effort, including public outreach and field enforcement.
17. Integrated electronic plan checking functionality in the Accela permitting system to reduce paper consumption and storage requirements, as well as improve plan checking functionality with digital technology enhancements.
18. Delivered the Development Digest newsletter to over 2,500 subscribers, with an average email open rate of 35 percent, which is higher than the average for government newsletters (21 percent).

19. Provided the public with the latest updates in Community Development including updates on development projects, affordable housing opportunities, permitting services, building regulations, sustainability programs, and other City projects and programs through the Development Digest newsletter, City Newsletter, City News Briefs, the City's Notify Me email lists, social media, department webpages, and printed materials.

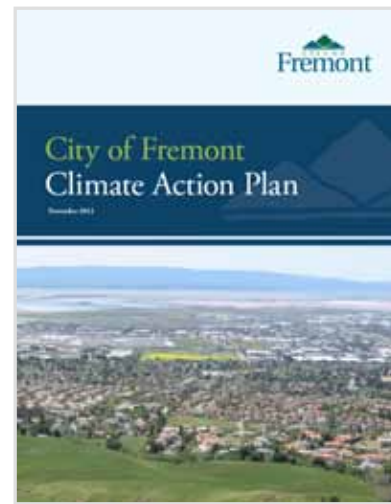


Objectives FY 2020/21

1. Complete update to the City's Affordable Housing Ordinance based on evolving Council objectives, relevant court decisions, and lessons learned since the most recent update in 2015.
2. Continue to work with affordable housing developers to move hundreds of affordable units already in the development pipeline toward completion.
3. Facilitate installation of public artwork at multiple locations in the Warm Springs Innovation District and the Downtown.

Department Budgets | Community Development

4. Implement a pilot art mural program for Fremont.
5. Fully implement the City's Tobacco Retailer's License Ordinance.
6. Create sign enforcement program intended to address temporary and "A-frame" signs.
7. Submit an application to State HCD for Local Early Action Planning (LEAP) grant funding to support planning for affordable housing.
8. Begin work on a site analysis and inventory of vacant and underutilized sites in advance of the next Housing Element cycle.
9. Initiate update to the City's Multifamily Design Guidelines to address higher-density development, integrate design rules and guidelines, and review existing design rules.
10. Initiate update to the City's Small Lot Design Guidelines to create objective design standards for residential development on small lots between 4,000 and 6,000 square feet.
11. Complete an Electric Vehicle Infrastructure Planning process at City facilities to support the replacement of conventional City fleet vehicles with plug-in battery electric, analyzing the ability of current or future onsite solar and battery energy systems to supply necessary power for future electric vehicle charging needs.



12. Complete the update to the Climate Action Plan to align with the City's newly established carbon neutrality target.
13. Initiate updates to development standards for mixed-use development and residential development within Transit-Oriented Development (TOD) Overlay districts.
14. Initiate development of a Short Term Rental Ordinance to ensure that short-term rentals to ensure that this use does not unduly affect the availability of rental housing in the City.
15. Recommend sustainability "reach codes" to City Council that focus on enhancing energy and water efficiency, reducing fossil fuel usage, and increasing clean and renewable power.

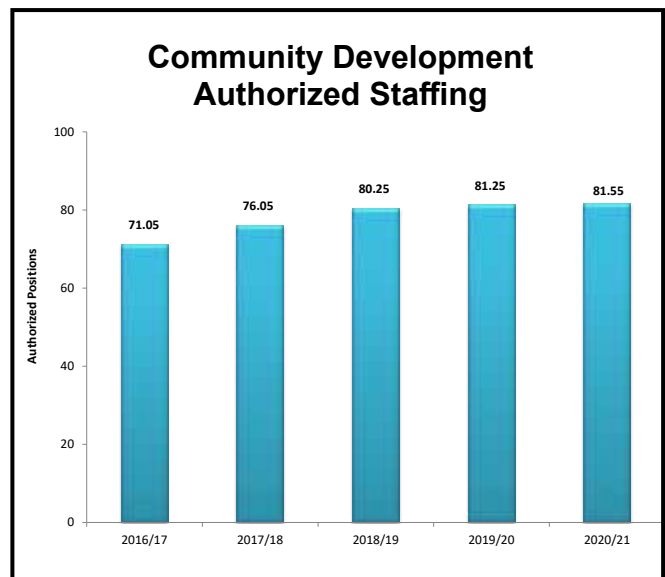
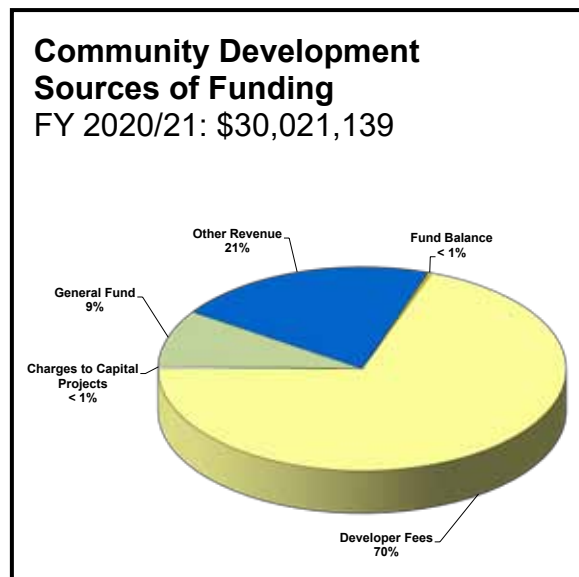
16. Modernize the Permit Center to better utilize its limited area, including creation of a kiosk center to facilitate the public’s use of the increasing number of on-line services to enable faster access to City services.



17. Enhance [Accela Citizen Access](#) (ACA), the City’s on-line permit portal, to enable the public to submit electronic permit applications and pay permit fees.

Performance Measurement

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|---|-------------------|-------------------|---------------------|-------------------|
| Reduce waits for public counter assistance to a maximum of 15 minutes | 95% | 90% | 90% | 90% |
| Achieve entitlement processing schedules | 90% | 90% | 90% | 90% |
| Achieve building permit processing schedules | 80% | 90% | 85% | 90% |



Department Budgets | Community Development

Community Development: Historical Expenditures/Budget, by Category

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|---|----------------------|----------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Salaries & Benefits | \$ 11,639,165 | \$ 12,667,636 | \$ 14,301,605 | \$ 15,147,812 | \$ 14,989,136 | \$ 15,776,754 |
| Operating Expenditures | 13,724,538 | 17,391,207 | 14,381,148 | 25,852,643 | 8,929,779 | 10,967,887 |
| Capital Expenditures | 140,383 | 66,848 | 4,402 | 5,500 | 5,500 | 4,500 |
| Indirect Expense Allocation** | 2,556,826 | 2,644,756 | 3,195,702 | 3,193,832 | 3,193,832 | 3,271,998 |
| Totals | \$ 28,060,912 | \$ 32,770,447 | \$ 31,882,857 | \$ 44,199,787 | \$ 27,118,247 | \$ 30,021,139 |
| % increase/(decrease), including all funds, from FY 2019/20 Adopted Budget | | | | | | 10.7% |
| <p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.</p> | | | | | | |

Major Changes

- The FY 2020/21 Community Development budget is \$2,902,892 (or 10.7%) more than the FY 2019/20 adopted budget.
- Salary and benefits are increasing by 5.3% mainly due to 0.3 additional positions, and changes in the CalPERS retirement benefit cost.
- Operating expenditures are increasing by \$2,038,108 (or 22.8%) due to new affordable housing development projects.
- Capital expenditures are decreasing by \$1,000 (or -18.2%) mainly due to the removal of one-time capital purchases.

Staffing by Function-FY 2020/21

| Community Development | | |
|---|-------|------|
| Administration | | |
| Community Development Director | | 0.35 |
| Deputy Director | | 0.60 |
| Permit Center Manager | | 0.50 |
| Business Manager | | 0.10 |
| Sustainability Manager | | 0.25 |
| Management Analyst II | | 0.45 |
| Development Services Supervisor | | 0.10 |
| Accounting Specialist II | | 0.50 |
| Senior Office Specialist | | 0.10 |
| Office Specialist II | | 0.40 |
| Building & Safety | | |
| Community Development Director | 0.55 | |
| Deputy Director | 0.10 | |
| Permit Center Manager | 0.50 | |
| Building Official | 0.75 | |
| Business Manager | 0.60 | |
| Supervising Building Inspector | 2.00 | |
| Plan Check Manager | 1.00 | |
| Plan Check Professional | 6.00 | |
| Building Inspector Specialist | 4.00 | |
| Building Inspector II | 13.00 | |
| Fire & Life Safety Plans Examiner | 2.00 | |
| Management Analyst II | 1.50 | |
| Senior Community Development Technician | 1.00 | |
| Plans Examiner | 1.00 | |
| Community Development Technician | 8.00 | |
| Development Services Supervisor | 0.60 | |
| Administrative Assistant | 0.75 | |
| Accounting Specialist II | 0.50 | |
| Senior Office Specialist | 0.50 | |
| Office Specialist II | 1.60 | |
| Office Specialist I | 2.00 | |
| Planning | | |
| Planning Manager | | 1.00 |
| Principal Planner | | 1.00 |
| Senior Planner | | 2.00 |
| Information Systems Appl Specialist III | | 0.30 |
| Associate Landscape Architect | | 2.00 |
| Associate Planner | | 5.00 |
| Planner II | | 4.00 |
| Executive Assistant | | 1.00 |
| Office Specialist II | | 1.00 |
| Assistant Planning Manager | | 1.00 |
| Code Enforcement | | |
| Community Development Director | | 0.05 |
| Deputy Director | | 0.05 |
| Building Official | | 0.25 |
| Business Manager | | 0.05 |
| Community Preservation Manager | | 1.00 |
| Senior Code Enforcement Officer | | 1.00 |
| Code Enforcement Officer II | | 4.00 |
| Development Services Supervisor | | 0.05 |
| Administrative Assistant | | 0.25 |
| Homeless Services | | |
| Code Enforcement Officer II | | 1.00 |
| Housing | | |
| Community Development Director | 0.05 | |
| Deputy Director | 0.25 | |
| Housing Project Manager | 1.00 | |
| Business Manager | 0.25 | |
| Associate Planner | 1.00 | |
| Management Analyst II | 0.05 | |
| Senior Office Specialist | 0.40 | |
| Planner II | 1.00 | |
| Development Services Supervisor | 0.25 | |

Regular Full-Time Equivalents: 81.55

This page intentionally left blank

Community Services

Mission:

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

Major Services

Recreation

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

Parks, Medians, and Urban Landscape

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

Environmental Services

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

Landscape Architecture

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

Department Budgets | Community Services

Department Overview

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



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

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

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|-----------------------------------|----------------------|----------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Recreation | \$ 10,145,998 | \$ 11,359,898 | \$ 11,227,263 | \$ 12,870,584 | \$ 12,817,269 | \$ 11,717,038 |
| Parks, Medians, & Urban Landscape | 8,365,178 | 8,243,516 | 9,582,981 | 9,807,980 | 9,734,210 | 9,502,834 |
| Environmental Services | 9,540,379 | 11,669,695 | 11,713,424 | 11,824,852 | 11,792,081 | 12,501,262 |
| Landscape Architecture | 1,769,183 | 1,705,461 | 1,936,190 | 2,092,168 | 2,062,015 | 2,434,414 |
| Homeless Services | - | - | 158,313 | 134,664 | 133,361 | 207,041 |
| Total Community Services | \$ 29,820,738 | \$ 32,978,570 | \$ 34,618,171 | \$ 36,730,248 | \$ 36,538,936 | \$ 36,362,589 |

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

Accomplishment Highlights FY 2019/20

1. Completed the Outdoor Nature Classroom Project at Stiver’s Lagoon to augment the Nature Learning Center Clean Water Program.
2. Upgraded 12 drinking fountains at Central Park to improve ADA accessibility and add sustainable reusable bottle fillers.
3. Initiated the Request for Proposals for the Urban Forestry Management Plan.



4. Completion and opening of the new Lila Bringhurst Community Park in Warm Springs.



5. City Council adoption of the Dusterberry Neighborhood Park Master Plan
6. Sale of two surplus park properties on G Street and 3rd Street to facilitate at least 25 years of maintenance and operations of the upcoming Dusterberry Neighborhood Park.
7. Expanded organics collection to the remaining 15% of multi-family dwelling units in the City.
8. Developed outreach plan and oversee the distribution of new recycling, organics, and recycling collection containers to approximately 47,000 residential units.
9. Implemented program to ensure PCB's (Polychlorinated biphenyls) from building materials (e.g; caulk, paint, mastic) do not enter storm drains during building demolition.
10. Started concrete pathways project at Central Park to make public paths safer, easier to walk and maintain.
11. Continued On-Call Tree Trimming services to advance preventative maintenance measures and manage tree safety and liability issues in the City.
12. Completed RFP for Citywide medians.
13. Registration activity software contract awarded to Active Network. The vendor and staff commenced business review and configuration services in anticipation of fall go-live.
14. Completed the install of new park identification signs at 27 City parks to create a sense of identity and foster civic pride in the park system.



15. Opened the new Palms Pavilion Group Picnic Area which features picnic pavilions, sand volleyball courts, a group games area, and a full service walk-up food and catering facility that services both the waterpark and Central Park visitors.

Department Budgets | Community Services

16. Hosted groundbreaking ceremony and community celebration for construction of the new Downtown Event Center and Plaza.
17. Advanced the City's healthy quality of life through successful implementation of contract services for park playground maintenance services, landscape maintenance services at City Facilities, Citywide tree services, fire break maintenance services and City medians. These services keep the City vibrant, clean and safe.
18. Established hygiene stations consisting of portable toilets and handwashing stations at 7 homeless encampment locations as part of the City's COVID-19 response.
19. Processed and managed the cancellation and issuance of refunds to thousands of Recreation Services customers for facility rentals, programs, camps, classes and sports leagues in response to the COVID-19 pandemic and mandated Stay at Home Order for Winter and Spring sessions.
20. Implemented Rege At Home virtual recreation program to provide Fremont residents with family and children programming ideas during the COVID-19 pandemic.



Objectives FY 2020/21

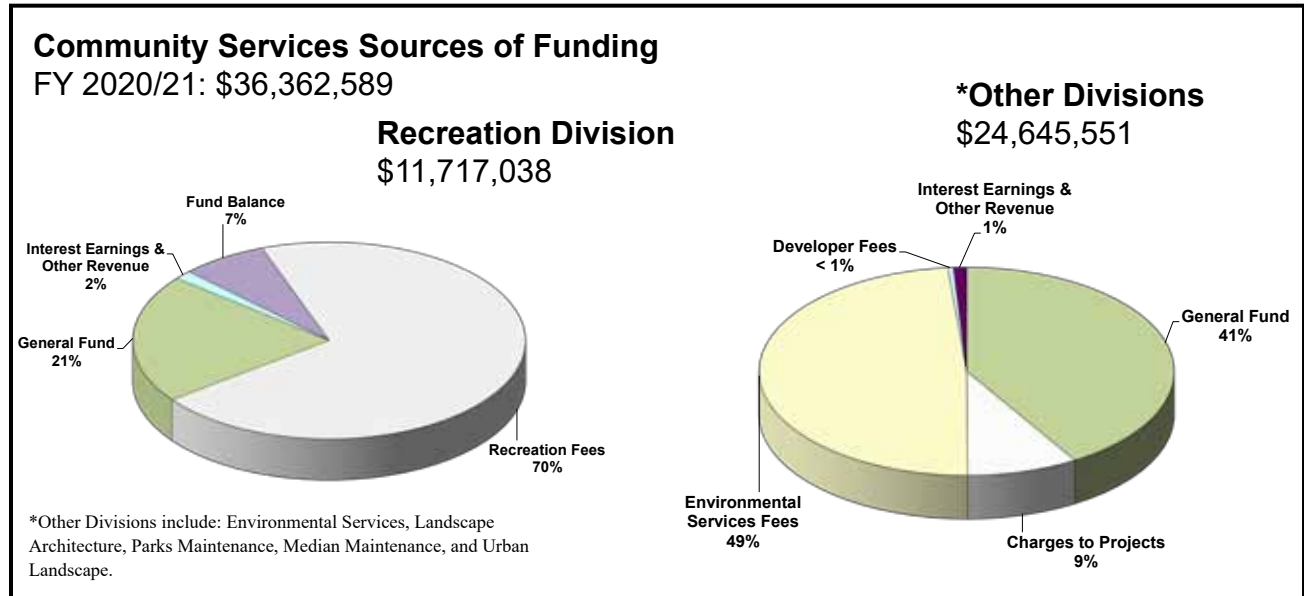
1. Complete projects at California Nursery Historical Park including the establishment of a new irrigation well, and the installation of utility infrastructure and irrigation facilities.
2. Complete the public engagement process, statistically valid survey with residents and asset inventory for the new citywide Parks and Recreation Master Plan.
3. Complete the detail park design documents and site demolition for the Dusterberry Neighborhood Park
4. Complete citywide inventory of approximately 70,000 public trees in parks and right of ways to assist better response to customer inquiries and to support the upcoming Urban Forestry Management Plan.
5. Develop plan to create additional funding source for stormwater compliance activities.
6. Develop and implement plan to comply with SB 1383 (Short-Lived Climate Pollutant Plan) which requires the City to meet expanded organics recycling and edible food recovery targets.
7. Acceptance, opening and maintenance plan developed for the Warm Springs Plaza which is expected to open in August 2020.
8. Acceptance, opening and development of operations and maintenance plan for the Downtown Event Center and Plaza Park which is expected to open in April 2021.
9. Continue with second round of playground safety and maintenance resurfacing program.

10. Develop work flow process to manage task / work orders directly correlated with contracted maintenance services associated with trees, parks, city facilities and city owned open space.
11. Go-live with Registration Activity Software in October 2020.
12. Continue successful implementation of contract services to sustain the City’s healthy quality of life.

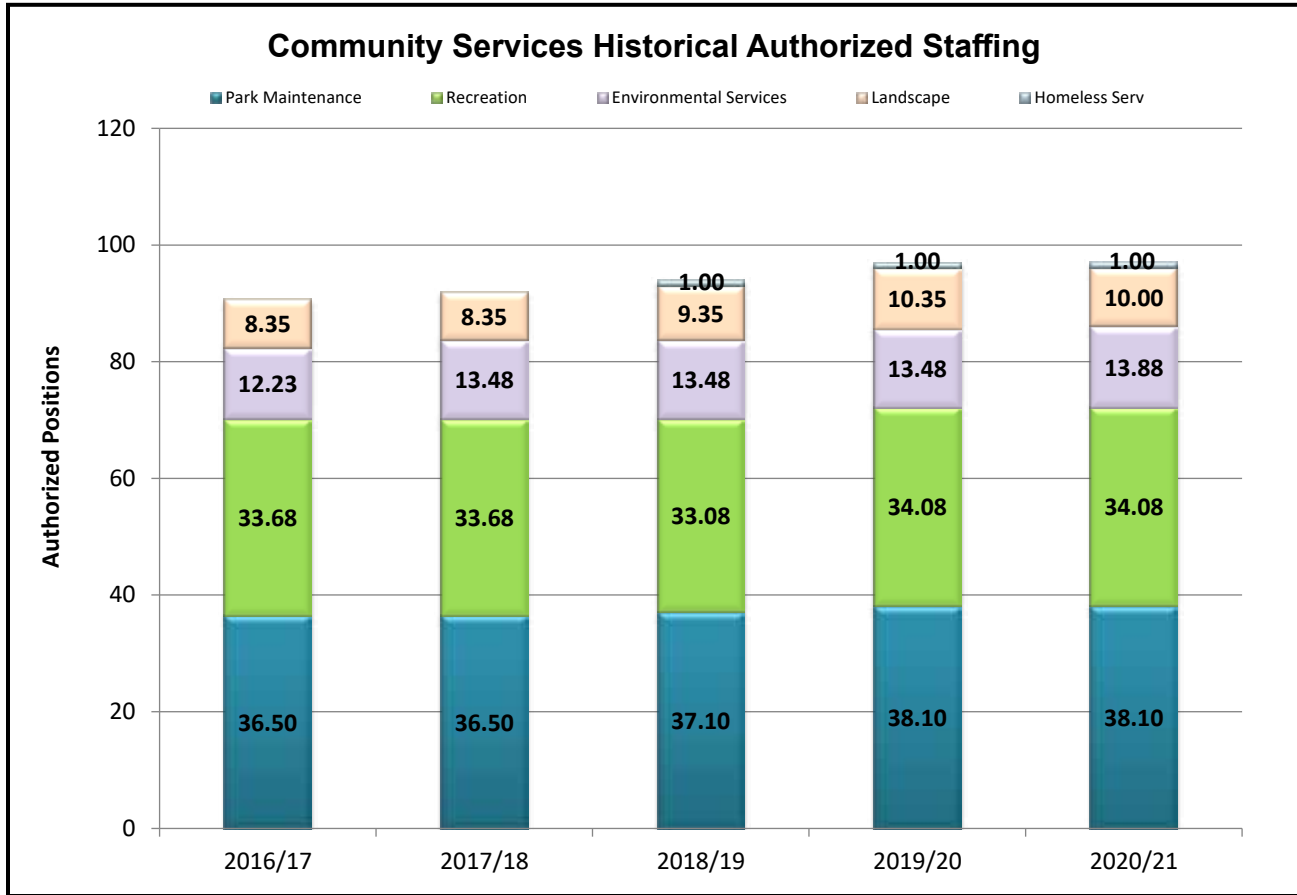
Performance Measurement

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|---|-------------------|-------------------|---------------------|-------------------|
| Increase Recreation program registrants over prior year | 29,319 | 32,000 | N/A ¹ | 32,000 |
| Increase number of creek clean-up volunteers | 863 | 800 | 650 ² | 900 |

¹ All Spring/Summer classes were cancelled and most Winter Classes cancelled due to COVID-19 pandemic
² Reduced amount due to COVID-19 pandemic



Department Budgets | Community Services



Community Services: Historical Expenditures/Budget, by Category

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2019/20 Adopted Budget |
|-------------------------------|----------------------|----------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Salaries & Benefits | \$ 13,901,929 | \$ 15,015,873 | \$ 16,564,141 | \$ 17,612,176 | \$ 17,455,901 | \$ 17,639,146 |
| Operating Expenditures | 11,496,084 | 13,012,359 | 13,769,661 | 14,890,881 | 14,865,262 | 14,335,574 |
| Capital Expenditures | 223,446 | 1,456,727 | 296,293 | 239,118 | 229,700 | 573,563 |
| Indirect Expense Allocation** | 4,199,279 | 3,493,611 | 3,988,076 | 3,988,073 | 3,988,073 | 3,814,306 |
| Totals | \$ 29,820,738 | \$ 32,978,570 | \$ 34,618,171 | \$ 36,730,248 | \$ 36,538,936 | \$ 36,362,589 |
| | | | | | | -0.5% |

% increase/(decrease), including all funds, from FY 2019/20 Adopted Budget

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

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

Major Changes

- Capital expenditures are increasing by \$343,863 (or 149.7%) mainly due to one-time costs.

This page intentionally left blank

Economic Development

Mission:

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

Major Services

Business Development

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

Marketing

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

Analysis

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

Strategic Partnerships

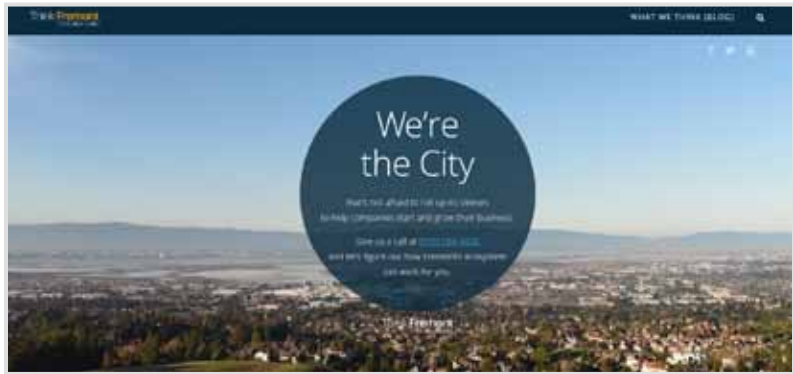
Build local and regional relationships, leverage existing resources, and make strategic connections between the public and private sectors to ensure that significant knowledge and resource transfer is taking place for the benefit of Fremont's business community.

Advance Key Economic Development Initiatives

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

Department Overview

The Economic Development Department (EDD) proactively works with the business community, real estate brokers, developers, and property owners to create a supportive environment for desired retail, office, and technology/industrial development. Much of the work is accomplished through relationship building, leveraging existing resources, and making strategic connections between the public and private sectors. Specific activities include conducting corporate site visits; industry event participation; implementing a progressive, multimedia marketing strategy; assisting with site selection, marketing, and permitting; and engaging with the City’s Economic Development Advisory Commission (EDAC). Furthermore, EDD serves as a liaison between property owners, developers, and City staff to ensure that development moves forward in a timely and supportive manner. EDD also works with regional development organizations to strengthen Fremont’s position at the local, regional, and national levels, supporting the City Council’s leadership position in economic development efforts.



Accomplishment Highlights FY 2019/20

1. Business Development:

- a. Engaged with existing Fremont businesses to provide assistance in FY 2019/20.
- b. Facilitated development activity including:
 - i. Existing Company Expansion (sample): Tesla, EFI, Facebook, Solaria, Seagate, Delta, UL, Washington Hospital.
 - ii. New Corporate Businesses (sample): Bionova, Orchard Therapeutics, Minghua, Amazon, UPS.
 - iii. New Retail/Hotel (sample): Zhang Fei Hot Pot, Haidilao, Red Hot Chili Pepper, Old Navy, Mas Fuegos, four new hotels approved or under construction.
 - iv. Major Commercial Development Activity (sample): Completion of Pacific Commons South, a 2.7 million square foot advanced manufacturing campus, with nearly two thirds of the project leased or in negotiations; buildout underway of Facebook buildings in Ardenwood; and seven development projects under construction in Downtown.



2. Advanced Key Economic Development Initiatives/Partnerships

- a. Implemented a comprehensive ‘Business and Energy’ program for Fremont technology companies to drive cost savings and lower energy usage. This multi-pronged approach included partnership with East Bay Community Energy, who joined business visits to explain programs; assembled business focus groups to provide input on City sustainability programs; and organizing an event with thought leaders and Fremont-based case studies to highlight the business case for energy efficiency improvements (postponed due to COVID-19).
- b. Accelerated the recognition and growth of Fremont’s autonomous vehicle industry through partnerships with key industry thought leaders and Fremont-based AV companies. Examples include the demonstration and launch of a pilot program between City of Fremont and local autonomous technology company Pony.ai to offer shared, on-demand last mile commute rides for a group of City employees; and the development of a process City staff to review proposals for AV startups who are seeking to conduct pilots or testing in Fremont.
- c. Advanced Innovation Center strategy - an initiative which targets high-value, growth-stage manufacturing companies and will focus on research to better understand the decision-making of these companies about how and where they locate. Specific accomplishments include hiring an Executive Consultant to launch and implement the center strategy and applying for a U.S. Economic Development Administration grant to support the effort.
- d. Continued a leadership role in Manufacturing Workforce Development initiatives. Served as Industry Roundtable Advisory Committee member for Ohlone College’s new Smart Manufacturing Technology Program.
- e. Partnered with many Fremont companies to provide recognition and marketing support, including Enovix, Ohlone College, PrinterPrezz, Evolve Manufacturing, UL, SepiSolar, Gridscape Solutions, Steritek, RK Logistics, Pony.ai, PowerGrid, and many more.
- f. Held official leadership roles in variety of regional economic development organizations, including Silicon Valley Economic Development Alliance (SVEDA), International Council of Shopping Centers (ICSC), Bay Area Urban Manufacturing Alliance (BAUM), and Alameda County Workforce Investment Board.

3. Small Business/Business District Support:

- a. Negotiated a Citywide membership with Main Street America and the California Main Street Alliance (CAMSA) to provide professional technical assistance and resources to businesses and neighborhood commercial districts in the city.
- b. Collaborated with the Planning Division in developing a new Citywide Sidewalk Dining Policy to create a more efficient and less costly process that encourages more vibrant retail environments.
- c. Resumed Business District Walkabouts in a more compact structure to allow the events to occur more frequently.

Department Budgets | Economic Development

- d. Participated in Centerville “complete streets” initiative as liaison with business community.
- e. Participated in RFP process for a new wayfinding signage program to market Fremont and its business districts by enhancing the public’s experience and directing them to specific destinations.
- f. Provided ongoing support to Fremont Startup Grind meetings featuring local speakers and startups.
- g. Coordinated with Community Development through the Business Ally program to facilitate regulatory process for small businesses, including promotion of Open Counter permit porta.

4. Marketing:

- a. Supported the ABC 7 Building a Better Bay Area series coverage where Fremont was selected as the first individual City to be covered in the series. A week of coverage resulted in 30 stories and 370,908,969 impressions.
- b. Supported KTVU Zip Trips which highlighted entertainment opportunities in Fremont. The coverage created approximately 274,661 impressions online.
- c. Produced 64 blogs on Takes From Silicon Valley East featuring thought leadership from the City and strategic partners on targeted business topics. The blog page continues to garner page views boasting over 50% of total website views with a steady increase since redesign in 2018. Messaging was amplified on @Fremont4Biz, generating an estimated 385,600 total impressions.
- d. Developed new Fremont Investment Profile for digital and print distribution. The document includes key metrics that demonstrates the City’s case as a superior investment location.
- e. Organized industry events in Fremont, including:
 - i. Cleantech Open 2019 National Academy-West. Cleantech Open West also recognized the City of Fremont for its longstanding and robust commitment to the Cleantech Open West and the broader cleantech commercialization support ecosystem in the Bay Area.
 - ii. Manufacturing Day 2019 featuring 30 Fremont tours for over 500 students.



- iii. Mayoral roundtable in partnership with Biocom and three surrounding cities, Milpitas, Newark, and Union City to discuss the biomedical industry in Northern Silicon Valley.

- iv. The following events that were planned during the last quarter of the year have been postponed until a time when guidelines about public gatherings allow for events of their size.
 - An Energy Resiliency Business Symposium will be hosted in partnership with City National Bank and Delta Electronics to discuss the opportunity for cost-effective and efficient energy solutions for businesses.
 - A bus tour organized in partnership with The Registry will highlight development projects and transit-oriented growth in Warm Springs South Fremont to an audience of real estate professionals from around the region.
- f. Held speaker roles at a variety of conferences and meetings demonstrating thought leadership on a variety of topics ranging from real estate to manufacturing to economic development strategy, including Cleantech Open, SVEDA, Commercial Broker Association, and CREW, BMES.
- g. Participated in/contributed to industry conferences including the Main Street America, Biocom Mayor’s Roundtable, Women in Manufacturing Summit, Cleantech Open, Tesla Workforce Development Symposium, ICSC, and ULI to stay current on industry needs and promote Fremont directly to industry stakeholders.

5. COVID-19 Response (March-June):

- a. Implemented a business hotline phone number and email address to provide assistance.
- b. Assigned to City’s Emergency Operations Center as the Business Liaison and for measuring economic impact.
- c. Participated in the City’s Joint Information Center comprised of Public Information Officers from various city departments to streamline citywide communication.
- d. Developed a “Business Resource Guide” posted on multiple websites and updated weekly with new content. (Web page was featured in [Silicon Valley Business Journal](#) as a key source of information from around the Bay Area.)
- e. Implemented social media campaign to share information and highlight efforts on all channels such as Twitter, Facebook, LinkedIn. Partnered with City’s communication team and Fremont Chamber of Commerce to amplify messaging.
- f. Developed a Small Business Outreach Group in partnership with the Fremont Chamber of Commerce and other business support districts.
 - i. Produced posters for essential businesses to indicate they were open during the Shelter in Place Order.



Department Budgets | Economic Development

- ii. Created an interactive map of restaurants and essential small businesses that remained open. Within a week of being launched, the map had over 10,000 views.
- iii. Hosted a Small Business Administration webinar with almost 100 participants from the tri-city area to help businesses better understand the small business financial assistance programs.
- g. Partnered with the Finance Department to waive late fees and penalties for outstanding business taxes and communicate the policy to the affected businesses.
- h. Partnered with the City Attorney's Office to implement a temporary commercial eviction moratorium for small-scale businesses.
- i. Support the collection of economic impact data for Fremont companies.
- j. Supported many businesses who either have essential operations or who were planning for when the County Order was lifted including Tesla, Boehringer Ingelheim, Bionova, Biogenex, Erling Klinger, Lyncean Technologies, Seagate, and UL.
- k. Developed a media relations strategy to showcase the role of Fremont biomedical manufacturing companies are playing, in responding to the COVID-19 emergency. Companies highlighted include Evolve Technologies, Inc., PrinterPrezz, Biogenex, Biolytic, SteriTek, and Thermo Fisher Scientific.
 - National coverage in Reuters, with 32 syndications including the New Times and creating over 300 million media impressions.
 - Local coverage of Fremont companies and City's efforts to expedite permitting resulted in articles in the San Francisco Chronicle, the San Francisco Business Times, KTVU, KPIX, and ABC7 news.

Objectives FY 2020/21

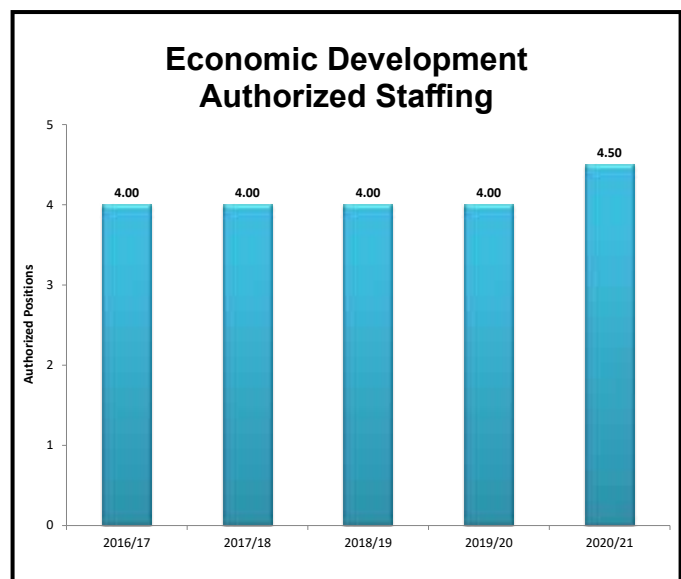
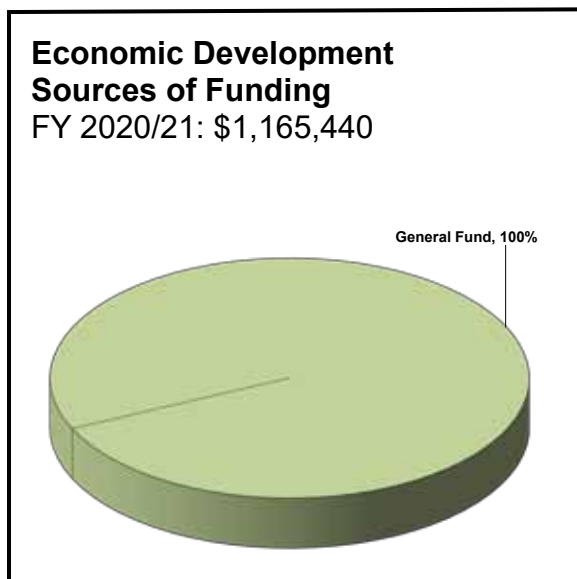
1. Develop and implement a post-COVID-19 economic recovery plan focused on increasing employment and tax base by supporting key industry sectors including advanced manufacturing, autonomous vehicles, energy, and retail. This plan will advance engagement with the Fremont business community in programs/partnerships that promote business growth and key City strategies.
2. Expand programming and partnerships to support the small business environment in Downtown and other neighborhood commercial districts, including enhanced marketing, increased placemaking/activation, and access to resources.
3. Cultivate and facilitate development and leasing activity in City's major technology employment hubs of Ardenwood, Warm Springs/Bayside, and Pacific Commons South.
4. Leverage significant marketing opportunity with the annual Urban Land Institute Fall Meeting occurring in San Francisco in 2020. With thousands of leaders convening from every sector of the real estate industry, having this flagship event occur locally (subject to state and county guidelines on events in 2020) provides the chance to promote Fremont investment opportunities on an unparalleled scale.

Department Budgets | Economic Development

5. Begin update of the economic development digital brand strategy including a refresh of the [Think Silicon Valley](#) website with a focus on updating key content and improving visitor perience.

Performance Measurement

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|--|----------------------|----------------------|------------------------|----------------------|
| Number of businesses assisted by Economic Development Department | N/A | 100 | 140 | 100 |
| Number of business events that Economic Development Department staff hosted in Fremont, had prominent speaking role in, or directly supported organization/planning outside of Fremont | N/A | 15 | 15 | 15 |
| Number of business appreciation visits and establishment of baseline for percentage of visits that lead to subsequent follow-up/interaction with City | 55 | 50 | 40* | 50 |
| * Due to COVID-19, the business visit program has been suspended for the remainder of the fiscal year. | | | | |



Department Budgets | Economic Development

Economic Development: Historical Expenditures/Budget, by Category

| | 2017/18 Actual | 2017/18 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|---|---------------------|---------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Salaries & Benefits | \$ 822,808 | \$ 685,258 | \$ 865,492 | \$ 866,067 | \$ 856,963 | \$ 927,483 |
| Operating Expenditures | 232,258 | 230,546 | 183,830 | 335,455 | 296,750 | 152,250 |
| Capital Expenditures | - | - | - | - | - | - |
| Indirect Expense Allocation** | 80,357 | 88,829 | 93,903 | 93,903 | 93,903 | 85,707 |
| Totals | \$ 1,135,423 | \$ 1,004,633 | \$ 1,143,225 | \$ 1,295,425 | \$ 1,247,616 | \$ 1,165,440 |
| % increase/(decrease), including all funds, from FY 2019/20 Adopted Budget | | | | | | -6.6% |
| <p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.</p> | | | | | | |

Major Changes

- The FY 2020/21 Economic Development budget is \$82,176 (or -6.6%) less than the FY 2019/20 adopted budget.
- Salary and benefits are increasing by 8.2% due to changes in the CalPERS retirement benefit costs.
- Operating expenditures are decreasing by \$144,500 (or -48.7%) mainly due to the reduction of one-time costs.
- The indirect expense allocation is decreasing by -8.7% mainly due to a temporary decrease in Information Technology costs.

Staffing by Function-FY 2020/21

| Economic Development | |
|---|--------|
| Deputy City Manager | 0.50 * |
| Economic Development Manager | 2.00 |
| Economic Development Specialist | 1.00 |
| Management Analyst II | 1.00 |
| <i>* Portions of this positions are also budgeted in the City Clerk's Office and the City Manager's Office.</i> | |

Regular Full-Time Equivalents: 4.50

Fire

Mission:

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

Major Services

Operations & Emergency Response

Preserve life and property by deploying resources and using technology to enhance response times.

Emergency Medical Services & Rescue

Provide innovative advanced life support, tactical medical and water rescue programs to meet the existing and emerging needs of the community.

Fire Prevention and Hazardous Materials Management

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

Emergency Management

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

Training

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

Department Overview



The Fire Department is responsible for delivering fire, medical, rescue and life safety services within Fremont. All-risk emergency services are delivered through 13 in-service fire companies from 11 fire stations strategically located in the City. The primary goal of the department is reducing casualties and the loss of life, while improving patient outcomes, reducing property loss and damage, the successful extrication of

trapped victims, and protecting the environment from the effects of hazardous materials releases. In calendar year 2019, the Fire Department responded to 16,097 calls for service, generating 21,075 engine and truck company responses. Additionally, the Fire Prevention Bureau reviewed over 2,500 sets of plans, inspected 646 residential and commercial complexes and another 507 hazardous materials facilities within Fremont.

Fire: Historical Expenditures/Budget, by Major Service Area

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|--------------------------------------|----------------------|----------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Operations/Emergency Medical Service | \$ 39,571,187 | 40,851,372 | 45,012,581 | 46,180,276 | \$ 45,752,015 | \$ 46,361,119 |
| Administration | 5,833,246 | 6,909,518 | 7,602,062 | 7,799,271 | 7,726,943 | 7,984,461 |
| Prevention | 1,826,723 | 2,088,387 | 2,599,907 | 2,667,352 | 2,642,616 | 2,264,192 |
| Disaster Preparedness | 52,583 | 36,509 | 229,073 | 235,015 | 232,836 | 98,811 |
| Total Fire | \$ 47,283,739 | \$ 49,885,786 | \$ 55,443,623 | \$ 56,881,914 | \$ 56,354,410 | \$ 56,708,583 |

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

Accomplishment Highlights FY 2019/20

1. General:

- a. Adopted the FY 2020-2025 Fremont Fire Department Strategic Plan which establishes goals for Operational Readiness, Community Risk Reduction, Emergency Management, Diversity and Inclusion, Health and Wellness, and Organizational Development.
- b. Initiated the Standards of Cover study to ensure staffing and resource deployment meet Council adopted service level objectives.
- c. Completed the Insurance Services Office (ISO) five-year audit, which establishes insurance premiums for the community.
- d. Developed a new Microsoft Power BI Business Analytics Dashboard in partnership with Information Technology Services Department (IT) to display Fire Department performance metrics in real time including turnout time, call processing time, and on scene arrival time.

2. Operational Readiness:

- a. Worked with the Finance and Fleet Maintenance Departments to design, inspect, and procure two Type I Fire Engines in accordance with the five-year apparatus replacement schedule.
- b. Developed new firefighter performance standards which established essential job functions. As a result, the department changed ladder evolutions and hose/ nozzle deployment strategies to decrease fatigue while improving firefighter mobility and safety.
- c. Trained academy instructors on the adopted performance standards and provided training on effective counseling and teaching methodology.
- d. Purchased new 2.5” hoses and completed training in order to provide rapidly deployable hose lines with increased water flow capability at large residential or commercial structure fires.
- e. Supported the California Mutual Aid System with responses to the Kincade Fire, Red Bank Fire, Sandwood Fire, Walker Fire, California Office of Emergency Services (OES) pre-position assignments, and 24 additional calls for mutual aid assistance within Alameda and Santa Clara Counties.
- f. Deployed personnel to Hurricane Dorian in Florida as part of the Federal Emergency Management Agency (FEMA) Urban Search and Rescue Team California Task Force-4 response.
- g. Implemented a new Electronic Patient Health Record (EHR) system.
- h. Worked with the IT Department to provide Wi-Fi connectivity at Fire Stations and improve the use of mobile technology.
- i. Enhanced the use of Unmanned Aerial Systems (Drones) with a focus on site plan development and hazardous materials release mitigation.



- j. Purchased a new airboat with FEMA grant funding and provided training to the department to improve response to marshland and inland water emergencies.
- k. Trained four new Rescue Boat Operators and ensured all current operators are in compliance with the new California Safe Boater ID law.

Department Budgets | Fire

- l. Coordinated with the Fremont Police Department on a unified response to terrorism and acts of extreme violence, including a combined large-scale training exercise.
- m. Deployed next generation rescue air bags to quickly extricate victims trapped in vehicle collisions, enabling the patient to arrive at a local trauma center within the “Golden Hour” to improve patient outcomes.

3. Community Risk Reduction:

- a. Completed the testing and development of new field inspection and reporting functions as the final step in our transition to California’s Electronic Reporting System (CERS) and implementation of our local Edgesoft Data Management Program.
- b. Trained our new Fire Prevention and Hazardous Materials Inspectors to assist in meeting our California State Fire Marshal (CSFM) mandates and California Environmental Protection Agency’s (CalEPA) Certified Unified Program Agency (CUPA) Program obligations respectively.
- c. Developed the position specifications and recruited for a Hazardous Materials Program Manager (Deputy Fire Marshal equivalent) position in the Fire Prevention Bureau.

4. Emergency Management and Disaster Resilience:

- a. Activated the Emergency Operations Center (EOC) in response to the COVID-19 Pandemic. Engaged the City Leadership Team (CLT) to make decisions on city policy, community response, employee safety, service delivery, teleworking for non-essential staff, and safety measures for essential staff.
- b. Developed Incident Action Plans (IAP) to synchronize operations that safely support Incident Objectives for the City of Fremont EOC, the Fremont COVID-19 testing site, and Fremont Fire Department operations.
- c. In response to COVID-19, developed safety and health protocols to keep stations free of germs, changed uniform standards to allow for quick disinfecting, changed sanitation solution for extractors, conducted voluntary health screenings, and provided employees with health concerns with a place to self-isolate when awaiting test results.



- d. Opened a drive-through COVID-19 Testing Center at the Fremont Fire Tactical Training Center to provide free testing daily to the public, first responders and frontline healthcare personnel. United Ambulance provided bilingual Emergency Medical Technicians to assist with the initial screening process, led by an FFD Firefighter/Paramedic, Washington Hospital provided two bilingual registered nurses and the Washington Outpatient Surgery Center provided two administrative employees to conduct all patient test results notifications under the supervision of the FFD Clinical Nurse Educator. The Newark and Fremont Police Departments assisted with a traffic plan that had potential to expand across the City's boundary into Newark.
- e. As part of the overall COVID-19 Testing Center's capabilities, a partnership with the Tri-City Health Center was created to offer free COVID-19 walk-up tests Monday through Friday on an appointment-only basis. Recognizing not all who were in need of a COVID-19 test would be able to participate in a drive-through system as a result of a limited access to transportation, a partnership with a local health clinic to offer testing for walk-up patients was important. One FFD Firefighter/Paramedic, assisted by one United Ambulance EMT performed the COVID-19 test, while the Health Center provided administrative support in screening, registering and scheduling patients.
- f. In response to COVID-19, proactively did outreach to the 77 nursing homes and skilled nursing facilities (totaling 2,000 beds) in Fremont. Developed contacts, sent survey information, made regular check-ins, trained staff, ensured testing for employees and residents, provided personal protective equipment and assisted them on making direct contact with California Office of Emergency Services.
- g. In response to COVID-19, Fremont Fire transitioned to a mobile testing format. Tests were performed by Fremont Firefighters with a focus on providing tests to high-risk and vulnerable populations such as; those experiencing homelessness, nursing homes, assisted living and long-term care facility employees. Public safety, front-line healthcare providers and essential workers continued to be tested under the mobile format.
- h. Provided personal protective equipment distribution to other city departments for COVID-19.
- i. Worked in partnership with Community Development to restructure on-going construction project evaluations and subsequent inspection requests to ensure compliance with the Shelter-In-Place Orders. Developed specific screening and inspection protocols for completing residential, commercial and hazardous materials inspections once deemed "essential".



Department Budgets | Fire

- j. Activated the City's Emergency Operations Center (EOC) in response to the PG&E Public Safety Power Shutoff (PSPS).
- k. Completed the Emergency Operations Plan (EOP) as required by the State of California, which outlines roles, responsibilities, authority, and procedures for city governance in the aftermath of a natural or human caused disaster.
- l. Provided Personal Emergency Preparedness (PEP) and Community Emergency Response Team (CERT) training for 924 citizens as part of outreach and Continuing Education.
- m. Developed the Hillside Evacuation Planning Group to work on the Wildfire Evacuation Annex of the Emergency Operations Plan. This was a citywide effort that included stakeholders from Fire, Police, Public Works, Information Technology, Human Services, Community Services and the City Manager's Office.

5. Diversity and Inclusion:

- a. Established the joint Labor/Management Human Relations Committee to increase diversity in recruitment, enhance community engagement, and ensure the organization is inclusive.
- b. Hired 18 Lateral Firefighter Emergency Medical Technicians (EMTs) and Paramedics to fill existing vacancies. A Public Affairs Manager and a Management Analyst II were also hired to fill two newly created positions.



- c. Worked with the IT department to develop an online firefighter recruitment interest card, a telephone hotline, and a Fremont Fire jobs email address which enabled us to notify candidates of recruitment information and provide an opportunity for them to communicate directly with the Department.

6. Health and Wellness:

- a. Participated in the Alameda County Fire Chiefs Association Health, Safety, and Wellness Committee to improve the occupational health and well-being of Fire service personnel.
- b. Completed the installation of extractors (specialized washing machines) to all fire stations to eliminate hazardous chemicals, biological agents, and particulate matter from firefighter personal protective equipment (PPE).
- c. Contracted for PPE inspections to annually repair, clean, and certify structural and wildland turnouts. This meets industry best practices and the guidelines set by National Fire Protection Association (NFPA) 1851.

7. Organizational Development:

- a. Conducted Engineer, Captain, and Battalion Chief Academies. Conducted exam processes to promote two Engineers and seven Captains.
- b. Partnered with Fire and Police Services, Inc. (FPSI) to perform a comprehensive job analyses for the ranks of Engineer and Captain to define the essential functions of each position.
- c. Redesigned entry-level recruit and lateral firefighter academies to comply with industry best practices and State Fire Training Certification.
- d. Partnered with Firefighter Candidate Testing Center (FCTC) to conduct and host firefighter testing, including a beta test for future baseline assessments.
- e. Hosted a Hazardous Materials Specialist class and trained 12 new Specialists for the Special Operations Task Force (SOTF).
- f. Redesigned the interview process for firefighters entering the department to be based on job readiness.
- g. Trained 20 personnel to the Rope Rescue Technician level for high angle incidents and to maintain our OES Type-1 Heavy Rescue certification.

Objectives FY 2020/21**1. Operational Readiness**

- a. Conduct department-required Driver/Operator training for the 18 firefighters hired in 2019.
- b. Host a Hazardous Materials Technical Reference course for the Special Operations Task Force.
- c. Procure one Type 1 Fire Engine in accordance with the Fleet Replacement Schedule.
- d. Establish a committee to review performance metrics and advise the Quality Improvement/ Assurance committees and Command Staff.

Department Budgets | Fire

- e. Collaborate with the IT department to develop a comprehensive site plan program using current technology.
- f. Assess current dispatch performance and the feasibility of alternative models.

2. Community Risk Reduction

- a. Continue to monitor and refine our CSFM and CalEPA inspection programs to improve compliance with our annual and triennial inspection obligations.
- b. Respond to and resolve the remaining Hazardous Materials Program deficiencies identified during our 2019 CalEPA triennial audit.

3. Emergency Management and Disaster Resilience

- a. Update the Emergency Preparedness Gap Analysis in accordance with the 2020-2025 Strategic Plan Objectives.
- b. Conduct EOC training and functional exercises.
- c. Complete the Hillside Wildfire Evacuation Plan as an annex of the EOP.
- d. Develop a five-year Emergency Management Training Plan.

4. Diversity and Inclusion

- a. Further develop the Department's recruitment and community engagement programs with a focus on local schools, firefighter academies, paramedic schools, and colleges.
- b. Examine and make recommendations to ensure equity in training and career development opportunities.

5. Health and Wellness

- a. Focus efforts to initiate annual comprehensive medical examinations to decrease the threat posed by occupational exposures.
- b. Continue to seek opportunities to enhance the health and well-being of our firefighters.

6. Organizational Development

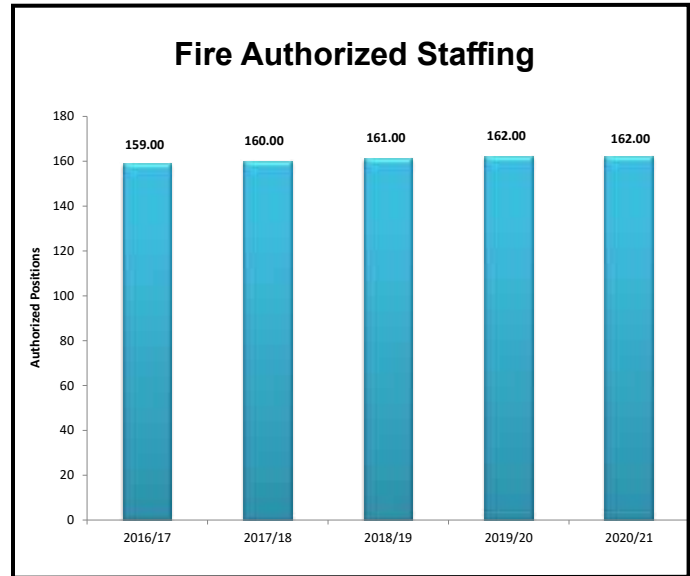
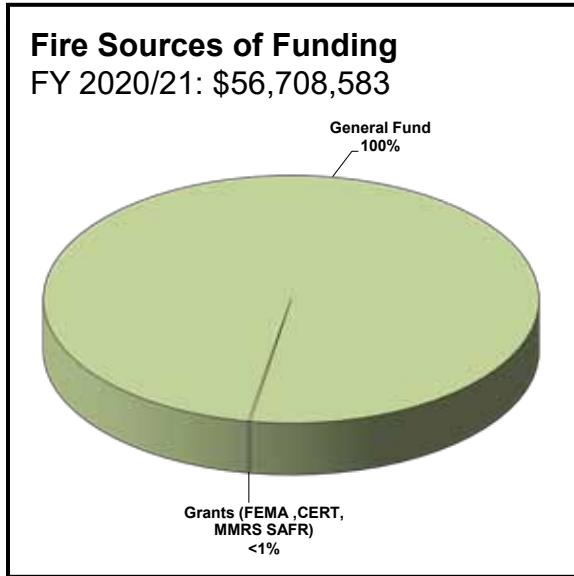
- a. Conduct Engineer and Captain Academies in preparation for promotional exam processes.
- b. Partner with FPSI to conduct job analyses for the Battalion Chief, Division Chief, Deputy Fire Chief, Fire Marshal, Deputy Fire Marshal, Hazardous Materials Inspector, and Fire Inspector job classifications.

Performance Measurement

| Measure | FY 2018/19 Actual* | FY 2019/20 Target* | FY 2019/20 Estimate* | FY 2020/21 Target* |
|--|--|---------------------------------------|--|---------------------------------------|
| 911 calls processed within 1:30 minutes | 91.7% | 90.0% | 90.0% | 90.0% |
| Crew responding within 2:00 minutes of dispatch | 86.2% | 90.0% | 90.0% | 90.0% |
| Crew travels to incident within 4:00 minutes of dispatch | 61.6% | 90.0% | 90.0% | 90.0% |
| FFD Paramedic on scene of a medical emergency within 7:30 minutes from 911 call | 83.8% | 90.0% | 90.0% | 90.0% |
| Fire Engine arrives at the scene of a fire within 7:30 from 911 call | 74.4% | 90.0% | 90.0% | 90.0% |
| Ladder Truck arrives at the scene of a fire or rescue within 11:30 from 911 call | 87.3% | 90.0% | 90.0% | 90.0% |
| Vegetation fire is confined to one acre or less | 95.2% | 90.0% | 90.0% | 90.0% |
| Structure fire is contained to the room of origin | 73.6% | 90.0% | 90.0% | 90.0% |
| Patient extricated from a vehicle collision within 30 minutes | 100.0% | 90.0% | 90.0% | 90.0% |
| Provide sufficient amount of quality training to maintain operational readiness | 36 hours per person per month | 20 hours per person per month | 35 hours per person per month | 20 hours per person per month |
| Provide sufficient amount of quality training to maintain required licenses and certifications | Required licenses and certifications 100% compliance | Met this measure with 100% compliance | Required licenses and certifications 100% compliance | Met this measure with 100% compliance |

Performance Measurement (continues)

| Measure | FY 2018/19 Actual* | FY 2019/20 Target* | FY 2019/20 Estimate* | FY 2020/21 Target* |
|--|---|---|--|---|
| Percent of inspections of State Fire Marshal (SFM) regulated occupancies | Met this measure with 81% compliance | Complete inspections of 95% of SFM regulated occupancies in a given year. | Meet this measure with 95% compliance | Complete inspections of 100% of SFM regulated occupancies in a given year. |
| Percent of inspections of permitted Hazardous Materials (Haz Mat) facilities | Completed 25% of Haz Mat Facility and 100% Underground Storage Tank (UST) inspections | Complete 33% of Haz Mat Facility and 100% of Underground Storage Tank (UST) inspections in a given year | Complete 33% of Haz Mat Facility and 100% Underground Storage Tank (UST) inspections | Complete 33% of Haz Mat Facility and 100% of Underground Storage Tank (UST) inspections in a given year |
| * Data tracked on a calendar basis. | | | | |



Fire: Historical Expenditures/Budget, by Category

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|-------------------------------|----------------------|----------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Salaries & Benefits | \$ 40,370,618 | \$ 41,682,557 | \$ 46,267,962 | \$ 47,706,253 | \$ 47,232,919 | \$ 48,857,726 |
| Operating Expenditures | 1,559,601 | 2,151,064 | 3,037,580 | 3,037,580 | 2,926,853 | 2,356,586 |
| Capital Expenditures | 376,621 | 402,635 | 613,657 | 613,657 | 670,214 | 311,435 |
| Indirect Expense Allocation** | 4,976,899 | 5,649,530 | 5,524,424 | 5,524,424 | 5,524,424 | 5,182,836 |
| Totals | \$ 47,283,739 | \$ 49,885,786 | \$ 55,443,623 | \$ 56,881,914 | \$ 56,354,410 | \$ 56,708,583 |

% increase/(decrease), including all funds, from FY 2019/20 Adopted Budget 0.6%

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

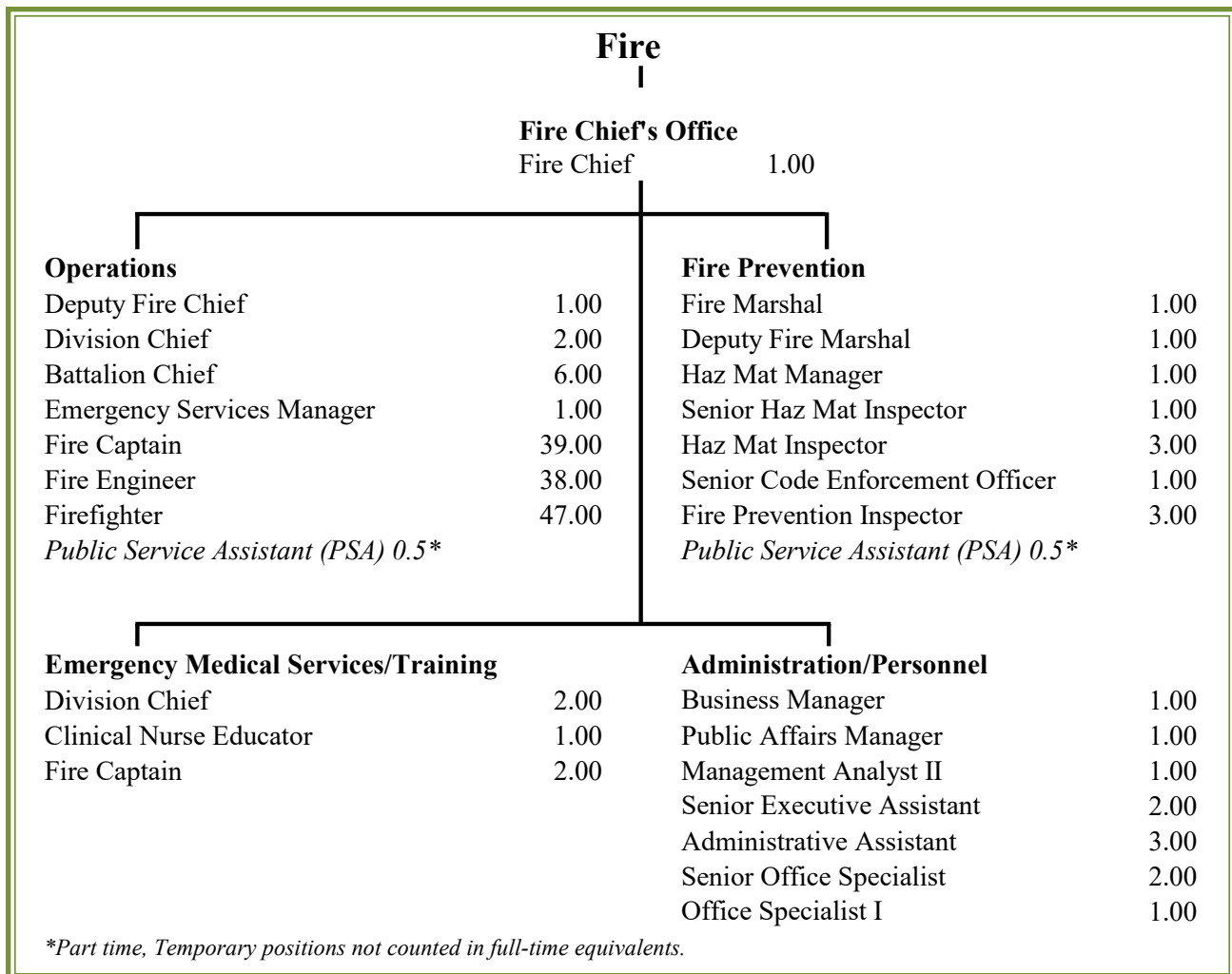
** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.

Department Budgets | Fire

Major Changes

- Operating expenditures are decreasing by \$570,267 (or -19.5%) mainly due a one-time reduction in contractual services and equipment and supplies.
- Capital expenditures are decreasing by \$358,779 (or -53.5%) mainly due to a one-time reduction of capital replacement purchases.
- Indirect expense allocation is decreasing by 6.2% due to a temporary decrease in Information Technology costs.

Staffing by Function-FY 2020/21



Regular Full-Time Equivalents: 162.00

Human Services

Mission:

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

Major Services

Youth and Family Services (YFS)

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

Family Resource Center (FRC)

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

Aging and Family Services (AFS)

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

Transportation and Mobility Services

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

Administration

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

Department Budgets | Human Services

Department Overview

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

During the COVID-19 crisis, the Human Services Department continues to provide essential mental health, substance use disorder, crisis intervention, homeless services, wellness checks and food distribution for seniors, essential transportation access for seniors and individuals with disabilities, and financial coaching support services to community members in need. In consultation with the ITS Department, it has implemented safe, secure and confidential Telehealth technology as a key service strategy.

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

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|--|----------------------|----------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Family Resource Center | \$ 3,020,036 | \$ 2,973,773 | \$ 2,913,244 | \$ 3,067,392 | \$ 3,048,800 | \$ 3,255,946 |
| Youth and Family Services | 2,501,934 | 2,798,328 | 3,337,338 | 3,592,723 | 3,566,198 | 3,730,188 |
| Aging and Family Services | 3,570,355 | 3,928,631 | 3,905,997 | 4,018,812 | 3,924,776 | 4,454,441 |
| CDBG/Rent Review | 3,603,055 | 3,388,301 | 2,183,601 | 2,466,231 | 2,260,669 | 2,149,600 |
| Paratransit | 1,626,549 | 1,764,873 | 2,152,678 | 2,400,467 | 2,400,467 | 2,449,723 |
| Administration | 1,649,265 | 1,733,798 | 2,242,003 | 2,278,473 | 2,231,275 | 2,313,052 |
| Social Services Grants | 699,826 | 764,620 | 755,866 | 755,866 | 755,866 | 737,604 |
| Home Grant | 642,454 | 77,702 | 529,003 | 529,003 | 399,596 | 429,826 |
| City Funded Affordable Housing & Homeless Services** | - | 315,951 | 1,652,374 | 1,702,737 | 1,267,333 | 5,601,869 |
| Total Human Services | \$ 17,313,474 | \$ 17,745,977 | \$ 19,672,104 | \$ 20,811,704 | \$ 19,854,980 | \$ 25,122,249 |

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

** Starting FY 2020/21, the expenditures for City Funded Affordable Housing have been moved from the Community Development Department to the Human Services Department.

Accomplishment Highlights FY 2019/20

1. Implemented Doxy.me, a platform that provides a secure and accessible way for staff to ensure continuity of care for our clients, virtually face-to-face. All client data is encrypted, and the system is compliant with HIPAA, PIPEDA, and GDPR data privacy. Additionally, the Department converted all necessary forms to a digital and fillable format enabling paperwork to be completed using a non-contact approach.
2. Launched the CleanStart mobile hygiene unit, providing over 600 showers and 500 laundry services at four partner service sites in Fremont and Newark, in the first five months of services.

- As part of its two-year review of the Rent Review Ordinance, which established a Rent Review Board to review, if necessary, any residential rent increase over 5% in any 12 month period, In February 2020, the City Council adopted additional provisions recommended by staff to address challenges to the ordinance.



- Responded to over 1,000 Senior Help Line phone calls from community members seeking advice and support for themselves or an older family member. Staff continued to monitor the help line remotely during the COVID-19 crisis.
- During COVID-19 crisis closure, the Fremont Multi Services Senior Center has provided drop-in showers to homeless, three days a week. Senior Center chefs have helped Sunrise Village, our shelter for homeless families and individuals, continued its on-site meal program, and created “To-Go” and frozen meals, for seniors and the homeless. Meals were delivered to the Islander Motel by PonyAi, the City’s autonomous vehicle company, offered via curbside pick-up.
- Through the Senior Citizens Commission and as part of the World Health Organization’s Global Age-Friendly Initiative, a multi-year, resident driven initiative to prepare for the growing number of older adults in Fremont, AFS continued to participate in the Alameda County Council for Age-Friendly Communities and distributed a monthly Age Friendly newsletter with circulation of over 6,000.




- Construction of a new AgeWell Center at South Fremont, a sister site for the Lake Elizabeth Senior Center, began in September 2019 but was postponed during the COVID-19 crisis. The center is expected to be completed and open in early 2021.
- Organized and conducted the 2019-2020 Point in Time Count for City of Fremont in collaboration with EveryOne Home, to identify homeless, both housed and unhoused in the City of Fremont.

Department Budgets | Human Services

9. The winter shelter was open on consecutive nights from November 15, 2019 through March 14, 2020. The shelter was operated out of the Senior Center and Teen Center in Central Park. The shelter provided over 200 homeless individuals and families, with a warm dry place to sleep, as well as hot dinner, a shower, and a “to-go” breakfast. The program hired and trained monitors to oversee nightly operations and partnered with City Serve Compassion Network, which mobilized volunteers to assist with feeding and operation. Tri-City Health Center, administered flu and Hepatitis A vaccines.
10. Engaged with public and responded to questions related to the development of Fremont’s new Housing Navigation center, including development of funding for future operation of the facility and selection of operator of the facility; currently engaged in coordination of selection of program participants with Bay Area Community Services
11. Implemented a Homeless Day Center, through program development and contractual arrangement with Bay Area Community Services, offering housing navigation, wellness and hygiene service for homeless residents.
12. Through SparkPoint Fremont, served over 450 low-income individuals, assisting them to build assets and reach their financial goals. 79% of measurable clients made progress toward their goals. In partnership with Mission Asset Fund, coordinated peer lending circles involving loans for the purpose of establishing or building credit. On average, participants increased their credit scores by 40 points if improving scores, and by 663 points if establishing credit. Moved to virtual coaching to assist families dealing with additional economic stress due to the COVID-19 crisis.
13. As part of the Bay Area-wide Earn It! Keep it! Save It! Coalition provided free tax preparation for low income families including Valet and Virtual VITA services during the Covid-19 Shelter in Place. Assisted individuals and families impacted by COVID-19 to access their Economic Impact Payments and other public and private resources to address their needs.
14. YFS provided mental health, crisis intervention and family support services to over 1,000 youth, adults and families to address serious symptoms of anxiety, depression, stress, family relationship challenges, and adolescent substance use disorder. During the COVID-19 crisis, YFS implemented the use of a telehealth model, using videoconferencing to ensure continuity of care for existing clients receiving mental health or substance use treatment services. Working closely with the ITS Department, a system called Doxy.me was selected. The system has allowed YFS and the HSD to increase access to key behavioral health and family support services during a time where many constituents are experiencing extreme stress and isolation. The system also enabled HSD to continue billing MediCal and other revenue streams essential to the maintenance of these services.
15. YFS provided on site operations throughout the COVID-19 crisis every weekday at the clinic, using a rotation of crisis duty counselors and administrative support staff. These staff were supported using PPE and physical/social distancing and hygiene controls.



16. YFS Adolescent Substance Use Disorder Treatment and Recovery Support Services provided to more than 100 youth ages 12-18 years and their parents and continued to provide individual and group services using Telehealth and in person approaches during the COVID-19 crisis.
17. YFS and FRC, with funding from Alameda County Probation Department and in partnership with Fremont Police Department, provided diversion counseling, mental health and case management services to over 500 youth and their family members, including at-risk, truant or youth on formal Probation.
18. With funding from Alameda County Probation Department, and in partnership with Union City, and Girls Inc., YFS implemented Cognitive Behavioral Group services using an evidence based curriculum called Why Try, to help reduce at-risk behaviors in teens and parenting classes to provide caregivers of adolescents with improved relationship, limit setting and parenting strategies. This group format was also successfully used in partnership with Fremont Unified School District to provide an Alternative to Suspension program for students who committed an on-campus offense, including vaping, use of marijuana and other substances on campus. The parents of students who participated in this program, received a parenting class presented by Fremont Police Department's School Resource Officer Unit.
19. YFS implemented the second year of a Kaiser funded Mental Health Stigma Reduction Initiative project. Through the use of evidence-based messaging, outreach to parents, students and school administration, a newly formed Youth Ambassador program and the development and production of a public service announcement video, YFS reached thousands of youth and adult community members in an effort to reduce stigma around mental health issues and increase access to essential services offered by the City and other community based organizations.
20. YFS hosted the third annual Children's Mental Health Awareness Art Competition and evolved the event in response to COVID-19 to a virtual event. In partnership with Fremont Unified School District, YFS outreach to thousands of students and parents. The event piggybacked on the National Children's Mental Health Awareness Day in the effort to raise awareness about the importance of mental health, reduce stigma and encourage early access to services when needed.
21. Through Community Development Block Grant funds, and in partnership with Resource for Community Development, the City supported the acquisition of the Islander Motel for a future 128-unit affordable housing project for singles and families. Using HEAP funding the city contracted for the use of 25 rooms at the Islander to temporarily shelter homeless persons, six of whom have secured permanent housing.
22. With federal HOME funds, assisted 30 individuals to remain in their homes with the help of short term rental assistance (Stay Housed Program) and SparkPoint services to enable them to return to financial stability.
23. FRC published the Quarterly FRC News, electronically and in hard copy form, providing useful information on programs and services at the FRC.

Department Budgets | Human Services

24. The Ride-On Tri-City! Program provided transportation assessments and service linkages, subsidized taxi, ride-hailing and wheelchair-accessible van rides, senior Clipper cards and travel training for seniors and people with disabilities. Although travel training activities and group transportation services were suspended during the COVID-19 crisis, transportation services to essential medical appointments (such as dialysis) and other needs continued to be provided with enhanced vehicle sanitizing practices, social distancing on vehicles and use of face masks to decrease potential COVID-19 exposure.



25. FRC hosted the Tri-City Mobile Food Pantry and Supply Bank Diaper Distribution, providing much needed safety net services and resources for individuals and families in need. During COVID-19 Shelter in Place, continued to provide much needed food distribution by TCV Mobile Food Pantry “Grab and Go” groceries bags.

26. Participated in the implementation of the Coordinated Entry System, enabling highest need homeless to secure housing. Continued to support homeless individuals with wraparound support and problem solving.

Objectives FY 2020/21

1. Continue to evolve programs both quickly and thoughtfully, as the new reality of social distancing provides both challenges and opportunities for effective services to families in need.



2. Continue implementation and integration of telehealth as viable and efficient platform for youth and adult constituents to receive safe and secure mental health, substance use treatment and case management services that are a key source of revenue generation for the Department.

3. Increase the financial assets of low-income families through the FRC’s VITA program by helping 2,700 low-income households claim a total of \$1.35 million in Earned Income Tax Credits (EITC). Ten percent of all VITA customers will participate in at least one additional asset building activity such as opening a savings account, purchasing a savings bond, participating in a Peer Lending Circle, becoming a SparkPoint member, or working with a financial coach.

4. Complete the Go-Live process of MyEvolv, the Department's new electronic health record system, and continue to transition from hard copy to digital records safely documenting thousands of client services every year.
5. Continue to operationalize and improve the effectiveness of the Rent Review Board, providing a neutral setting for tenants and landlords to discuss residential rent increases over 5% in any 12 month period. Led by a trained board, the goal of the rent review process is to provide fair and equitable resolutions for both parties. Staff will collect and analyze data, to continue to assess the efficacy of the program.
6. Implement specific strategies and actions steps outlined in the FRC's 5-year action plan, to ensure the plan becomes a reality.
7. Complete construction of the AgeWell Center at South Fremont with a tentative opening in early 2021.
8. After approval by the City Council, the Senior Citizens Commission will present Age Friendly Action Plan 20-21 to the general public as a document encapsulating a multi-year, community engagement process.
9. In partnership with the Community Services Department, implement ActiveNet, new software which will allow the senior center participants to buy lunches and memberships, register for classes, pay for trips and request facility rentals on line.
10. Increase the average number of meals produced at the Senior Center and adapt the service model to include safe dine-in options, as well as drive up and/or pick-up options.
11. Continue offering online Senior Center classes as gathering in large groups for seniors may continue. Online class options will also allow the senior center to increase service capacity and reach those that may not be able to get out of the home.
12. Provide emergency preparedness planning assistance to 10,000 older adults to help them identify a network of support, their essential needs and an individualized emergency plan.
13. Continue to coordinate a comprehensive SparkPoint program at the Fremont Family Resource Center (FRC). SparkPoint commits to working with clients for up to three years to improve their credit, increase their income, and build their assets. The program's FY 2020/21 goal is to serve 350 participants. Of the 350 served, 145 will complete baseline and follow-up forms that enable tracking of progress over time. Of these measurable clients served, 75% will achieve economic mobility, evidenced by a 30% improvement in one of the following key SparkPoint metrics: credit score, lower debt-to-income ratio, income, or savings.
14. With federal HOME and CARES funds, assist up to 25 families to remain in their homes with the help of short-term rental assistance and SparkPoint services to enable them to return to financial stability.
15. Decrease the number of youth who use alcohol, drugs, tobacco and who are at-risk of developing long-term substance use problems, by providing Substance Use Prevention Services such as school presentations, the Why Try Alternative to Suspension program, through public awareness initiatives using social media, and by engaging and developing youth as leaders, such as those

Department Budgets | Human Services

participating in the newly formed YFS Youth Wellness Ambassador program in partnership with the school districts.

16. Oversee the City’s Homeless and Housing fund as well as HEAP, HHAP and CDBG CARES funding focused on mitigating the impacts of homelessness and COVID-19, respectively.
17. Increase and strengthen diversified funding streams for the Humans Services Department to offset projected loss of revenue by expanding cultivation of individuals, foundations, and corporate partners and improving stewardship efforts to improve donor retention.

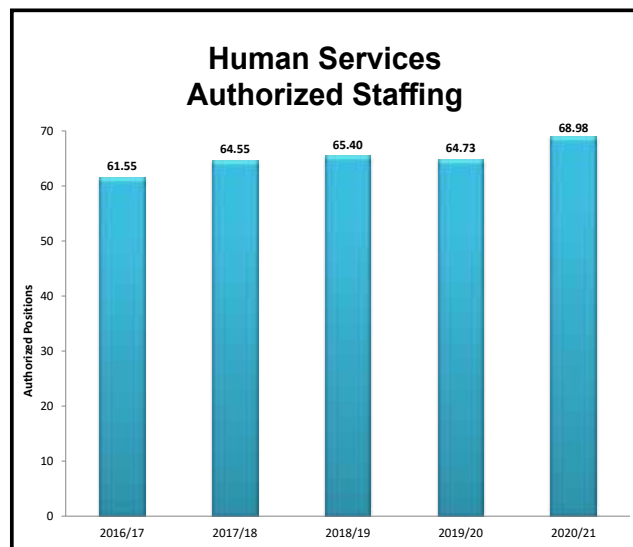
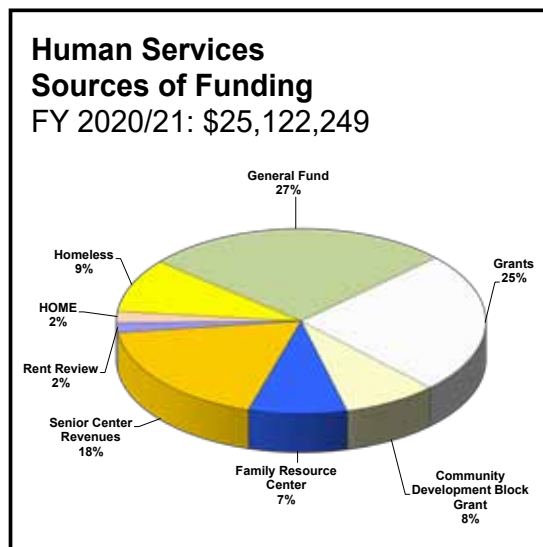
Performance Measurement

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|---|-------------------|-------------------|---------------------|-------------------|
| Percent of Long-term SparkPoint Clients achieving economic mobility ¹ | 75% | 75% | 79% | 75% |
| Percent of senior clients that improve their understanding of how to take their medication ² | 100% | 80% | 85% | 80% |
| Percent of youth who improved in their social emotional health and were observed as stable after receiving counseling services ³ | 75% | 75% | 75% | 75% |

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

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

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



Human Services: Historical Expenditures/Budget, by Category

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|---|-----------------------------|-----------------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Salaries & Benefits | \$ 8,998,973 | \$ 9,581,234 | \$ 10,684,571 | \$ 11,319,832 | \$ 11,171,998 | \$ 11,882,161 |
| Operating Expenditures | 7,049,264 | 6,721,587 | 7,605,777 | 8,097,196 | 7,270,053 | 11,611,663 |
| Capital Expenditures | 5,682 | 21,434 | 47,296 | 42,457 | 42,457 | 91,284 |
| Indirect Expense Allocation** | 1,259,555 | 1,421,722 | 1,334,460 | 1,352,219 | 1,370,472 | 1,537,141 |
| Totals | <u>\$ 17,313,474</u> | <u>\$ 17,745,977</u> | <u>\$ 19,672,104</u> | <u>\$ 20,811,704</u> | <u>\$ 19,854,980</u> | <u>\$ 25,122,249</u> |
| % increase/(decrease), including all funds, from FY 2019/20 Adopted Budget | | | | | | 26.5% |
| <p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.</p> | | | | | | |

Major Changes

- The FY 2020/21 Human Services budget is \$5,267,269 (or 26.5%) more than the FY 2019/20 adopted budget.
- Salary and benefits are increasing by 6.4% mainly due to the addition of 4.25 positions including positions in the new Age Well Center in Warm Springs, and changes in the CalPERS retirement benefit costs.
- Operating expenditures are increasing by 4,341,610 (59.7%) mainly due to base adjustments and one-time supplies and services related to the opening of the new Age Well Senior Center in Warm Springs and moving of City Funded Affordable Housing budget from Community Development to Human Services in FY 2020/21.
- Capital expenditures are increasing by \$48,827 (or 115.0%) mainly due to one-time costs associated with the opening of the new Age Well Senior Center in Warm Springs.
- Indirect expense allocation is increasing by \$166,669 (or 12.2%) mainly due to increased Information Technology and Risk Management costs.

Department Budgets | Human Services

Staffing by Function-FY 2020/21

| Human Services | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|----------------------------------|--|-------------------------------|------|--------------------------------|------|--|--------------------------|----------------------|--------------------|----------------------------|--------------------------|------------------------------|------|-----------------------------------|------|---|----------------------------------|----------------------------|-------------------------------|--|-------------------------------|------|-------------------------------|------|-----------------------|------|----------------------------|-------|---------------------|------|--------------------------|------|------------------------------|------|--------------------------|------|----------------------|------|---------------------|------|----------------------------------|--|
| HS Administration | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Human Services Director | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deputy Director Human Services | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Human Services Development Officer | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CDBG Administrator | 0.85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Management Analyst II | 2.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Program Coordinator | 2.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Senior Accounting Specialist | 2.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Office Specialist II | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accounting Specialist I | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="0"> <tr> <td colspan="2">Youth and Family Services</td> </tr> <tr> <td>Family Services Administrator</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>Clinical Supervisor</td> <td style="text-align: right;">2.00</td> </tr> <tr> <td>Senior Program Coordinator</td> <td style="text-align: right;">2.00</td> </tr> <tr> <td>Counselor</td> <td style="text-align: right;">8.30</td> </tr> <tr> <td>Administrative Assistant</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>Human Services Specialist II</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>Office Specialist II</td> <td style="text-align: right;">0.50</td> </tr> <tr> <td>Accounting Specialist I</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td><i>Counseling Interns*</i></td> <td></td> </tr> </table> | Youth and Family Services | | Family Services Administrator | 1.00 | Clinical Supervisor | 2.00 | Senior Program Coordinator | 2.00 | Counselor | 8.30 | Administrative Assistant | 1.00 | Human Services Specialist II | 1.00 | Office Specialist II | 0.50 | Accounting Specialist I | 1.00 | <i>Counseling Interns*</i> | | <table border="0"> <tr> <td colspan="2">Family Resource Center</td> </tr> <tr> <td>Family Services Administrator</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>Management Analyst II</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>Senior Program Coordinator</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>Program Coordinator</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>Case Manager</td> <td style="text-align: right;">2.85</td> </tr> <tr> <td>Human Services Specialist II</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>Senior Office Specialist</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>Office Specialist II</td> <td style="text-align: right;">1.50</td> </tr> <tr> <td>Office Specialist I</td> <td style="text-align: right;">2.00</td> </tr> <tr> <td colspan="2"><i>Public Service Assistant*</i></td> </tr> </table> | Family Resource Center | | Family Services Administrator | 1.00 | Management Analyst II | 1.00 | Senior Program Coordinator | 1.00 | Program Coordinator | 1.00 | Case Manager | 2.85 | Human Services Specialist II | 1.00 | Senior Office Specialist | 1.00 | Office Specialist II | 1.50 | Office Specialist I | 2.00 | <i>Public Service Assistant*</i> | |
| Youth and Family Services | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Family Services Administrator | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Clinical Supervisor | 2.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Senior Program Coordinator | 2.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Counselor | 8.30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Administrative Assistant | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Human Services Specialist II | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Office Specialist II | 0.50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accounting Specialist I | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Counseling Interns*</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Family Resource Center | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Family Services Administrator | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Management Analyst II | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Senior Program Coordinator | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Program Coordinator | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Case Manager | 2.85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Human Services Specialist II | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Senior Office Specialist | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Office Specialist II | 1.50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Office Specialist I | 2.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Public Service Assistant*</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="0"> <tr> <td colspan="2">Senior Center</td> </tr> <tr> <td>Senior Center Manager</td> <td style="text-align: right;">2.00</td> </tr> <tr> <td>Program Coordinator</td> <td style="text-align: right;">2.00</td> </tr> <tr> <td>Senior Office Specialist</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>Office Specialist II</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>Chef/Food Services Manager</td> <td style="text-align: right;">2.00</td> </tr> <tr> <td>Assistant Chef</td> <td style="text-align: right;">0.80</td> </tr> <tr> <td><i>Public Service Assistants*</i></td> <td></td> </tr> </table> | Senior Center | | Senior Center Manager | 2.00 | Program Coordinator | 2.00 | Senior Office Specialist | 1.00 | Office Specialist II | 1.00 | Chef/Food Services Manager | 2.00 | Assistant Chef | 0.80 | <i>Public Service Assistants*</i> | | <table border="0"> <tr> <td colspan="2">Aging and Family Services</td> </tr> <tr> <td>Family Services Administrator</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>Clinical Supervisor</td> <td style="text-align: right;">2.00</td> </tr> <tr> <td>Senior Program Coordinator</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>Program Coordinator</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>Case Manager</td> <td style="text-align: right;">7.025</td> </tr> <tr> <td>Counselor</td> <td style="text-align: right;">2.00</td> </tr> <tr> <td>Senior Office Specialist</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>Human Services Specialist I</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td colspan="2"><i>Outreach Workers*</i></td> </tr> </table> | Aging and Family Services | | Family Services Administrator | 1.00 | Clinical Supervisor | 2.00 | Senior Program Coordinator | 1.00 | Program Coordinator | 1.00 | Case Manager | 7.025 | Counselor | 2.00 | Senior Office Specialist | 1.00 | Human Services Specialist I | 1.00 | <i>Outreach Workers*</i> | | | | | | | |
| Senior Center | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Senior Center Manager | 2.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Program Coordinator | 2.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Senior Office Specialist | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Office Specialist II | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chef/Food Services Manager | 2.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Assistant Chef | 0.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Public Service Assistants*</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aging and Family Services | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Family Services Administrator | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Clinical Supervisor | 2.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Senior Program Coordinator | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Program Coordinator | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Case Manager | 7.025 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Counselor | 2.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Senior Office Specialist | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Human Services Specialist I | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Outreach Workers*</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="0"> <tr> <td colspan="2">Homeless Services</td> </tr> <tr> <td>Homeless Services Manager</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>Crisis Intervention Specialist</td> <td style="text-align: right;">1.00</td> </tr> </table> | Homeless Services | | Homeless Services Manager | 1.00 | Crisis Intervention Specialist | 1.00 | <table border="0"> <tr> <td colspan="2">Rent Review Admin</td> </tr> <tr> <td>CDBG Administrator</td> <td style="text-align: right;">0.15</td> </tr> <tr> <td>Senior Office Specialist</td> <td style="text-align: right;">1.00</td> </tr> </table> | Rent Review Admin | | CDBG Administrator | 0.15 | Senior Office Specialist | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Homeless Services | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Homeless Services Manager | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Crisis Intervention Specialist | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rent Review Admin | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CDBG Administrator | 0.15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Senior Office Specialist | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p><i>*Temporary positions not counted in full-time equivalents</i></p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Regular Full-Time Equivalents: 68.975

Police

Mission:

Public safety through professional law enforcement.

Major Services

Patrol

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

Investigation

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

Traffic Enforcement

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

9-1-1 Emergency Services

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

Animal Control

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

Department Overview

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



Department Budgets | Police

Police: Historical Expenditures/Budget, by Major Service Area

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|-------------------------------------|----------------------|----------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Patrol Operations/Dispatch | \$ 38,284,067 | 43,083,234 | 47,131,876 | 50,530,667 | 49,156,882 | 52,019,588 |
| Administration/Records | 18,338,355 | 18,665,590 | 20,687,820 | 21,044,555 | 20,445,300 | 19,711,049 |
| Investigations | 13,935,662 | 13,810,760 | 15,931,534 | 16,485,828 | 15,998,271 | 17,033,485 |
| Detention and Evidence Storage | 3,144,932 | 3,189,794 | 3,584,405 | 3,634,727 | 3,587,710 | 3,514,543 |
| Armed Services | 1,317,913 | 1,355,275 | 1,498,315 | 1,581,513 | 1,556,426 | 1,682,270 |
| Community Engagement/Public Affairs | 869,873 | 962,498 | 1,101,331 | 1,074,660 | 1,064,564 | 1,072,289 |
| Mobile Evaluation Team | 790,160 | 528,083 | 525,868 | 926,212 | 898,684 | 880,190 |
| SWAT Team | 530,163 | 467,836 | 693,767 | 691,504 | 600,028 | 630,088 |
| Total Police | \$ 77,211,125 | \$ 82,063,070 | \$ 91,154,916 | \$ 95,969,666 | \$ 93,307,865 | \$ 96,543,502 |

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

Accomplishment Highlights FY 2019/20

1. The City of Fremont experienced a decline in nearly every UCR Part 1 crime category, including a 20 percent decrease in violent crime. There was a 26 percent decrease in robberies compared to 2018/19 which represents the largest single-year rate reduction in at least 20 years.
2. A months-long investigation into an international fencing operation netted 1,800 electronic devices, multiple firearms, and \$350,000 in cash. Eight suspects were arrested. This investigation helped disrupt one of the most prolific fencing operations in the Bay Area. The detective in charge of cold cases was able to solve two homicides – one of which occurred in 1990 and the other was a double homicide that occurred in 1982. Provided neighborhood associations and commercial businesses information, guidance, and collaboration on establishing surveillance camera systems, as well as ongoing support to existing partners. Managed intelligence and supported operations in a regional investigation involving a prolific theft crew leading to the identification of multiple businesses serving as fences. This multi-jurisdictional investigation effectively disrupted one of the Bay Area’s largest fencing operations driving much of the phone theft from auto burglaries and the burglaries/robberies of cell phone stores throughout the Bay Area to the Sacramento region. Several new and ongoing investigations have stemmed from this original case
3. The Traffic Unit focused on reducing injury collision and enhancing roadway safety roadway safety in partnership with Traffic Engineering on the Vision Zero initiative. Our fatal collisions increased by 40% from 2018 (5) to 2019 (7). Our injury collisions have consistently decreased since the inception of Vision Zero in 2016. The Traffic Unit meets with Traffic and Transportation Engineering monthly to discuss roadway engineering and City driven initiatives. Traffic and Patrol personnel continued to focus on traffic enforcement in the school zones as well as morning and afternoon commute areas. The Traffic CSOs managed an enormous number of calls for vehicle abatements with the assistance of Patrol CSOs to tow vehicles. The police department received a grant from the



California Office of Traffic Safety (OTS). The grant was used to conduct one DUI checkpoint, numerous DUI saturation patrols focusing on primary collision factors, and various initiatives such as Click it or Ticket, Distracted Driving Awareness, bike safety, child passenger safety, Pedestrian/Bicycle Enforcement, motorcycle safety and National Bike to School Day.



4. The Communications Center began receiving Texts to 9-1-1 during this fiscal year. This implementation enables the hearing-impaired community to contact emergency services with no delay. Our communications center continues to exceed the state call answer standard of 95% of all 9-1-1 calls answered within 15 seconds. Our enhanced analytics enable us to make sure each dispatcher is meeting those standards. We have implemented Rapid Deploy, which is a cloud-based mapping application that accesses the Rapid SOS Next Generation 9-1-1 Clearinghouse to provide location information of 9-1-1 calls from cellular phones.



This has greatly increased our ability to locate callers in distress who do not know their location. Our PSAP is working with the State of California to implement a state-wide Next Generation 9-1-1 system. This will increase resiliency by hardening the system to withstand disasters.

5. The new Fremont Police website launched on December 16, 2019, and features a modern design, mobile-responsiveness, user-friendly navigation, and enhanced search capabilities. The site received a modern government URL, www.FremontPolice.gov, and is compliant to Level AA of the Web Content Accessibility Guidelines (WCAG) 2.0. The new website helps reinforce the Fremont Police Department as a strong leader in providing accessibility for all community members. The Department is also committed to openness, accountability, and integrity. Beginning in 2019, the department further enhances its transparency through a dedicated Transparency Portal on the website and through a robust file depository, PowerDMS. The website Transparency Portal provides detailed information, including press releases, videos, images, and documents related to officer involved shootings, automatic license plate



Department Budgets | Police

readers, body worn cameras, document retention, in-custody death investigations, incidents of public interest, and the California Public Records Act. The Transparency Portal also links to PowerDMS, a web-based file depository where users can browse all available Fremont Police Department policies, procedures, and training materials.

6. The Personnel Unit hired 20 Police Officers, two full time Dispatchers, three Community Service Officer, two Animal Services Officers, two Records Specialists, one Records Assistant, one Detention Officer, two Senior Office Specialists, one Executive Assistant and one Administrative Assistant. The unit hosted six local accelerated hiring events as well as multiple officer and dispatcher orientations and a workout event at Crossfit Jigsaw. The new recruitment website was also launched this year.
7. The Tri-City Animal Shelter remodel will be completed this Spring. Interior office space has been reconfigured to better serve the public. The Trap-Neuter-Release program has saved the lives of more than 200 cats. The Pet Licensing hours have been changed to match the shelter hours, improving customer satisfaction and making licensing available at the shelter front counter on Saturdays. 98% of the dogs and 79% of the adoptable cats entering the shelter have a positive outcome (adoption, return to owner, transfer to adoption partner). 65% of the dogs entering the shelter return to their owner. All three data points are well above the national average (Shelter Animals Count).
8. During the past year we continued our partnership with Special Olympics Northern California (SONC), we hosted our first 5k run/walk with over 120 participants. Through the SONC Ambassador program we opened our doors during our morning briefing and hosted a SONC Athlete Ambassador. The goal of this program was to offer opportunities for public speaking to our local athletes.
9. Due to COVID-19, Patrol had to adjust their service delivery model by balancing coverage on the street with a healthy staff in reserve ready to deploy in case of an emergency exposure to the entire shift. Due to the staffing crisis and emergency redeployment of patrol officers, some detectives were reassigned to patrol, and the remaining detectives mirrored the patrol schedule to maintain a group of employees at home, ready to deploy at a moment's notice.



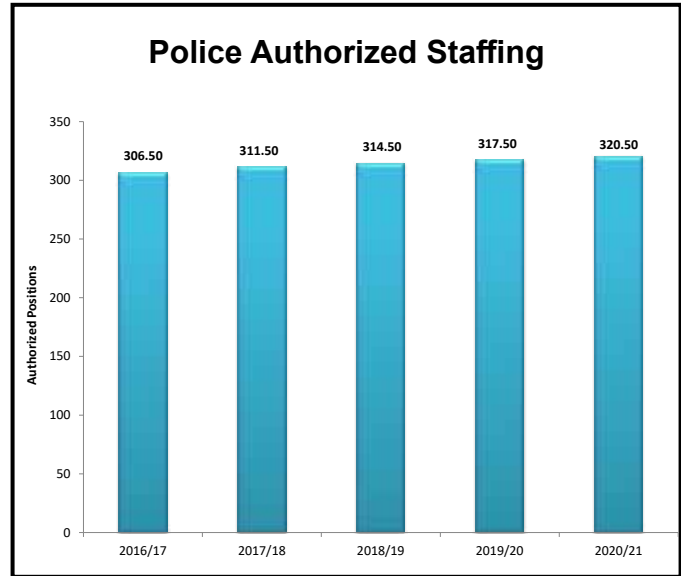
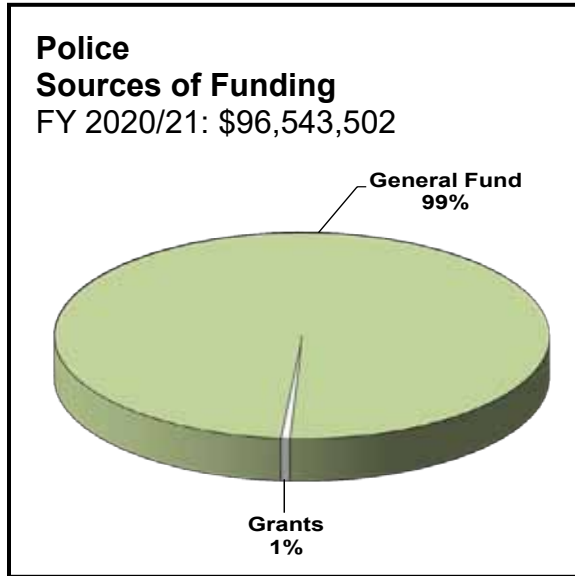
10. COVID-19 has had a significant impact on police services and overall engagement with the community. Community events such as Coffee with Cops, Special Olympics Torch Run, and numerous other neighborhood-focused events were all canceled. Members of the Community Engagement Unit have shifted their priorities to COVID-19 related communications.
11. COVID-19 has limited our ability to accomplish training goals (suspension of all non-essential training, department training and POST mandated training) and there has been a slight slowdown with our ability to recruit, hire and train new employees. Critical staff such as police officers and dispatchers were impacted. The temporary “hiring pause” has impacted our ability to hire employees at the Animal Shelter, so we anticipate the need to increase animal services due to the worsening of the economy and population growth.

Objectives FY 2020/21

1. Continue current efforts and strategies focused on reducing residential and auto burglaries utilizing Intelligence Led Policing concepts. Apply effective, evidence-based policing strategies to other chronic crime issues throughout the city. Further enhance relationships with businesses and the community to educate focusing on crime reduction strategies.
2. Continue to emphasize high visibility enforcement in areas of high injury collision rates, during time periods that coincide with peak injury collision rates. Continue to emphasize pedestrian safety and to work with Traffic Engineering regarding commuter traffic concerns as new housing developments near completion. Continue our partnership with Traffic Engineering on Vision Zero initiatives and with Transportation Engineering on Fremont’s Mobility Action Plan.
3. The Community Engagement Unit will select a vendor to administer the Alarm Permit Program. The vendor will provide permit processing services to include a web-based portal for registration and renewal of alarm permits. The system will handle issuance and mailing of permits and related correspondences. The online system will also have the ability to track and bill false alarms, as needed.
4. The Personnel Unit will continue efforts to fill Officer and Dispatch vacancies with learned marketing strategies, as well as focus on other critical positions within the department.
5. The Tri-City Animal Shelter will continue to partner with the community group, “Friends of the Shelter,” on the “Trap, Neuter, Return” (TNR) program. The goal of the program is to decrease the number of euthanized feral cats.
6. The COVID-19 crisis has significantly impacted our training model and reduced our training budget. In the coming fiscal year our Training Unit will work to develop new training delivery models to ensure ongoing employee development, while preventing the spread of COVID-19.

Performance Measurement

| Measure | FY 2018/19 Actual* | FY 2019/20 Target* | FY 2019/20 Estimate* | FY 2020/21 Target* |
|--|---|---|---|---|
| Continue to apply the strategies, tactics, and methods used to sustain present level or further reduce the incidence of residential burglaries* <i>*figures reported by Uniform Crime Reporting (UCR) calendar year</i> | 350 ¹ (single/multiple residences only) 720 ¹ (all burglaries) | Sustain present level or further reduction from previous year | 250 ² (single/multiple residences only) 550 ² (all burglaries) | Sustain present level or further reduction from previous year |
| Minimize the number of injury collisions as compared to the previous year. <i>*figures reported by Uniform Crime Reporting (UCR) calendar year</i> | 608 ¹ | Reduction from previous year | 582 ² | Reduction from previous year |
| Enrollment of all employees in a baseline medical analysis exam | N/A | N/A | 82% | 100% |
| Increase staffing levels to full allocations for the positions of Police Officer and Communications Dispatcher | N/A | N/A | 90% | 100% |
| <p>* Data tracked on a calendar basis. ¹ Calendar Year 2018. ² Calendar Year 2019.</p> | | | | |



Police: Historical Expenditures/Budget, by Category

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|---|--|----------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Salaries & Benefits | \$ 65,247,345 | \$ 68,863,254 | \$ 76,763,925 | \$ 81,280,069 | \$ 79,137,535 | \$ 83,461,340 |
| Operating Expenditures | 3,960,001 | 4,602,185 | 4,915,100 | 5,202,904 | 4,996,693 | 5,044,486 |
| Capital Expenditures | 272,049 | 976,543 | 787,903 | 798,705 | 485,649 | 1,080,906 |
| Indirect Expense Allocation** | 7,731,730 | 7,621,088 | 8,687,988 | 8,687,988 | 8,687,988 | 6,956,770 |
| Totals | \$ 77,211,125 | \$ 82,063,070 | \$ 91,154,916 | \$ 95,969,666 | \$ 93,307,865 | \$ 96,543,502 |
| | % increase/(decrease), including all funds, from FY 2019/20 Adopted Budget | | | | | 3.5% |
| <p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.</p> | | | | | | |

Major Changes

- Salary and benefits are increasing by 5.5% mainly due to changes in CalPERS retirement benefit costs and the addition of two parking compliance officers and one community services officer to initiate a citywide parking compliance program.
- Capital expenditures are increasing by \$595,257 (or 122.6%) mainly due to one-time costs for improved field equipment for frontline police personnel.
- Indirect expense allocation is decreasing by \$1,731,218 mainly due to a temporary decrease in vehicle replacement costs.

Department Budgets | Police

- Operating expenditures are increasing by \$638,708 (or 14.7%) mainly due to contract increases.
- Indirect expense allocation is increasing by \$1,066,900 (or 14.0%) mainly due to additional information technology and risk management costs.

Staffing by Function-FY 2020/21

| Police | | |
|--|--------|------|
| Chief's Office | | |
| Police Chief | | 1.00 |
| Executive Assistant | | 1.00 |
| Business Services | | |
| Business Manager | 1.00 | |
| Accounting Technician | 1.00 | |
| Senior Accounting Specialist | 2.00 | |
| Senior Office Specialist | 1.00 | |
| Equipment Room Specialist | 1.00 | |
| Equipment Room Assistant | 1.00 | |
| <i>Public Service Assistant 10*</i> <i>(Equipment Room)</i> | | |
| Office of Professional Standards & Accountability | | |
| Police Sergeant | | 2.00 |
| Special Investigator to the Chief | | |
| Police Officer | | 1.00 |
| Patrol Division | | |
| Police Captain | 1.00 | |
| Police Lieutenant | 5.00 | |
| Police Sergeant | 23.00 | |
| Police Officer | 117.00 | |
| Public Safety Communications Manager | 1.00 | |
| Police Communications Dispatch Supervisor | 7.00 | |
| Police Communications Dispatcher | 26.00 | |
| Traffic Enforcement Specialist | 1.00 | |
| Community Service Officer | 15.00 | |
| Parking Compliance Officer | 2.00 | |
| Administrative Assistant | 1.00 | |
| <i>Reserve Officer 6*</i> | | |
| <i>Public Service Assistant 2*</i> <i>(Red Light, Court Liaison)</i> | | |
| Special Operations Division | | |
| Police Captain | 1.00 | |
| Police Lieutenant | 1.00 | |
| Police Sergeant | 5.00 | |
| Police Officer ¹ | 35.00 | |
| Crime Intel & Analysis Manager | 1.00 | |
| Crime and Intelligence Analyst | 1.00 | |
| Public Affairs Manager | 1.00 | |
| Management Analyst II | 1.00 | |
| Public Affairs Specialist | 2.00 | |
| Community Service Officer | 2.00 | |
| Police Records Specialist ² | 3.00 | |
| Administrative Assistant | 1.00 | |
| <i>Public Service Assistant 2*</i> <i>(Alarm Abatement, Comm Eng)</i> | | |
| Administrative Operations Division | | |
| Police Captain | 1.00 | |
| Police Lieutenant | 2.00 | |
| Police Sergeant | 2.00 | |
| Police Officer | 2.00 | |
| Police Records Administrator | 1.00 | |
| Police Record Supervisor | 3.00 | |
| Police Records Specialist | 9.00 | |
| Police Records Assistant | 3.00 | |
| Animal Services Manager | 1.00 | |
| Animal Services Supervisor | 1.00 | |
| Animal Services Officer | 4.00 | |
| Animal Services Vet Technician | 0.50 | |
| Office Specialist II | 1.00 | |
| Chief Forensic Specialist | 1.00 | |
| Forensic Specialist I | 1.00 | |
| Detention Supervisor | 4.00 | |
| Detention Officer | 12.00 | |
| Property and Evidence Supervisor | 1.00 | |
| Property Officer | 2.00 | |
| Administrative Assistant | 1.00 | |
| Senior Office Specialist | 3.00 | |
| <i>Special Assistant 8* (Personnel)</i> | | |
| <i>Public Service Assistant 11* (Animal Services)</i> | | |

Regular Full-Time Equivalents: 320.50

Public Works

Mission:

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

Major Services

Engineering - Transportation

Plan, provide, and operate a multimodal transportation system with safe and convenient choices for people walking, bicycling, driving and using transit, through local actions and in coordination with regional and State transportation agencies. A key service includes managing and modernizing the City's system of 220 traffic signals.

Engineering - Project Delivery

Plan, review, design, survey, acquire property, construct, and provide inspection services to deliver public infrastructure projects, including streets, storm drainage and City buildings, as part of the City's capital improvement program (CIP) and private development activities.

Maintenance - Streets

Maintain the City's 500 mile street system with services related to pavement repair, traffic signs and markings, street lighting, storm drainage, and street sweeping.

Maintenance - Buildings

Provide maintenance services, operational support, and management of systems to enhance and maintain the City's buildings consisting of approximately 160 structures and nearly one million square feet of space, and including police facilities, fire stations, community centers, libraries, administrative offices, and historic structures.

Maintenance - Fleet

Provide maintenance, procurement, and administrative support for over 560 vehicles and related equipment, including providing vehicle service and repair for the City's police, fire, maintenance, inspection, and other administrative functions.

Administration

Provide Department administrative services related to customer service, communications, fiscal management, record keeping, and personnel; and manage the City's capital program, contractual janitorial services, and real property assets.

Department Budgets | Public Works

Department Overview

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



Overall Department work activity and demands are at a high level due to the following three factors: 1) private development activity focused on higher density buildings near transit stations in the Downtown, Warm Springs, and Centerville areas, including affordable housing; 2) new revenues for transportation planning and project delivery from Measure BB (approved in 2014) and State Senate Bill 1 (approved in 2017) that provide funding for local projects with a focus on pavement maintenance, traffic safety, and improved facilities for walking and bicycling; and 3) the City’s aging public buildings has created increased demand for repairs related to roof, heating, ventilation, plumbing, and electrical systems. To address this work activity, Public Works has been judicious in adding new permanent staff positions and has primarily focused on temporary positions, hiring consultants for project delivery, and the procuring of “on call” professional services from the private sector. Public Works currently manages approximately 50 “on call” service contracts and 12 additional consultant contracts for the development of specific projects.

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

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|--|----------------------|----------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Hazardous Materials | \$ 409,570 | 350,996 | 369,137 | 382,157 | 380,475 | 406,909 |
| Streets | 3,878,566 | 3,520,709 | 3,677,031 | 4,359,098 | 4,319,658 | 4,510,137 |
| Public Buildings | 6,735,786 | 7,420,311 | 8,409,649 | 9,009,601 | 8,955,417 | 8,326,888 |
| Fleet Maintenance | 3,356,518 | 3,243,688 | 3,293,727 | 3,764,174 | 3,741,884 | 3,826,681 |
| Engineering | 13,136,932 | 15,727,027 | 15,626,557 | 16,318,609 | 16,046,827 | 16,022,709 |
| Administration | 1,605,947 | 1,518,742 | 1,977,808 | 1,912,381 | 1,898,334 | 1,830,137 |
| Total Transportation & Operations | \$ 29,123,319 | \$ 31,781,473 | \$ 33,353,909 | \$ 35,746,020 | \$ 35,342,595 | \$ 34,923,461 |

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

Accomplishment Highlights FY 2019/20

1. A top priority for the City Council is to implement the Fremont **Mobility Action Plan** (approved in March 2019) addressing traffic congestion, safety, travel alternatives, and emerging technologies. The plan also includes policy strategies to address the severe imbalance between jobs and housing in the Bay Area, which is the primary source of traffic congestion. In September 2019, City Council approved the formation of a **Mobility Commission** to foster community participation in the implementation of the Mobility Action Plan. Mobility Commission meetings started in January 2020. Additionally, a Fremont **Mobility Summit** was held in February 2020 to engage community leaders, businesses, and officials from county, regional, state and federal agencies to be aware of and support the Mobility Action Plan.
2. On the Public Works, Transportation Engineering webpage, a summary was created to communicate the 17 actions being taken to address **traffic congestion issues**. Four major projects are planned for completion in 2020, including the BART extension further into Silicon Valley, improvements to the I-680 and I-880 freeways, and continued progress on traffic signal modernization.
3. In support of Fremont’s Vision Zero **traffic safety** policy, numerous projects and programs were delivered and collectively contributed to an over 30% reduction in major traffic crashes since the program was started in 2016, even as major crashes have increased nationally and statewide. The positive traffic safety outcomes are due to the strategic and coordinated deployment of the City’s enforcement, education, and engineering resources. Safety projects implemented in the past year have included narrowing vehicle lanes and intersections for traffic speed management, lowering speed limits by 5 mph at 38 locations, increasing the number of radar speed feedback signs from 15 to 45, installing new traffic signals, and enhancing pedestrian crossings with yield markers and flashing beacons. Fremont’s efforts to improve traffic safety have generated national recognition and multiple invitations to share information at professional conferences and meetings.
4. Complementing the **Warm Springs** BART Station, Public Works continued construction on the \$41 million West Access Bridge and Plaza project, creating a direct pedestrian and bikeway connection between the BART station and Innovation Way. The project includes an urban plaza as a central gathering place for the developing Warm Springs community. The project is supported by a \$30 million grant from ACTC and is scheduled for completion in Summer 2020. Additionally, private development construction in the area is building a new \$44 million system of public streets, supporting all travel modes, and particularly designed for easy walking between jobs, housing, BART, and a new school and park.



Department Budgets | Public Works

5. Two major public work building projects are in construction in **Downtown** Fremont. A groundbreaking ceremony was held in October 2019 for the new \$25 million Downtown Event Center and Plaza project with project completion planned for early 2021. Also, the new Housing Navigation Center serving up to 45 homeless persons is under construction with completion planned for June 2020.
6. In October 2019, the State officially relinquished ownership of State Route 84 to Fremont in the **Centerville** area including portions of Thornton Avenue, Fremont Boulevard, Peralta Boulevard, and Mowry Avenue. Plans are being developed to upgrade the design and pavement conditions along these routes starting with the “main street” area of Centerville. Known as the Centerville Complete Street project, improvements are scheduled to start construction in 2021. Pavement rehabilitation work on Peralta and Mowry are planned for 2022 and 2023, respectively.
7. One of the most cost-effective investments to improve traffic flow is to upgrade the operations of Fremont’s 220 traffic signals. Design is in progress on a \$9 million traffic **signal modernization** project to install adaptive signal, connected vehicle, and smart transportation technology throughout the Fremont Boulevard corridor. The project is planned for completion in late 2020. The adaptive traffic signals have the ability to prioritize travel by emergency response vehicles and transit buses, and automatically adjust traffic signal timing based on current traffic conditions. Other signal modernization improvements were completed in Spring 2020 on Walnut Avenue (Paseo Padre to Mission) and Mission Boulevard (Washington to Stanford).
8. Fremont’s General Plan 2030 places an emphasis on increasing **walking and bicycling** as a travel mode. The 2018 Bicycle Master Plan update emphasized implementing a network of separated bikeways that will encourage an increased level of bicycling by people of all ages and abilities. In 2019/20, more bike lanes with safety buffers were completed bringing the citywide total to 37 miles. Also, the Walnut Avenue Bikeway Project will be completed in May 2020, which will improve traffic safety and build a raised and separated bike lane between Mission Boulevard and Paseo Padre Parkway. Work has begun on a City Trails Strategy Plan which will consider an expanded vision for future trail projects and identify priority actions for the next five years.
9. Fremont’s **Safe Routes to Schools** program is active in 28 local schools and encourages walking and biking to school. In cooperation with Fremont Unified School District, school site traffic safety assessments and plans were recently completed for all 42 public schools. The plans identified 400 low-cost improvements consisting of signs, markings and plastic posts to improve safety along school access routes. Approximately 300 improvements will have been completed through 2019/20. In March 2020, Fremont received the Vision Zero for Youth USA Leadership Award from the National Center for Safe Routes to School based on the city’s work to protect youth pedestrians and significantly reduce traffic fatalities and severe injuries for road users of all ages.



10. Highlights of **basic street system maintenance** activities in 2019/20 included repairs to over 2,000 potholes, ongoing street sweeping, clearing of approximately 4,000 linear feet of storm lines, abating over 190 reported incidences of graffiti (equating to over 250,000 sq. ft.), and grinding and patching over 470 sections of sidewalk.
11. Annual projects continue to be delivered to **fix aging streets and sidewalks**. For the 2020 construction season, the City Council approved public works construction contracts for pavement rehabilitation (\$2 million), pavement sealing (\$5 million), and sidewalk repairs and ADA curb ramps (\$5 million). The overall Pavement Condition Index (PCI) for Fremont streets is rated as “good” (PCI 72) and has improved steadily since 2012 when pavement conditions were rated as “fair” (PCI 63).



12. In support of approved **private development** projects providing new jobs, housing, and retail services, Public Works is working with design consultants and construction contractors to build required public infrastructure improvements consisting of streets and storm water drainage systems. A total of over 100 projects are in various stages of implementation. Major projects include: Locale at State Street, Walnut/Liberty Apartments, and Fremont Bank Headquarters (Downtown); Toll Brothers and Lennar Homes (Warm Springs); Silicon Sage (Centerville) and Fremont Business Technology Center (Pacific Commons area).
13. Public and private **utility work** has been very active. Annually, Public Works reviews and issues approximately 1,000 encroachment permits for work related to water, sewers, gas lines, electrical power, and communication systems. In January 2020, the City Council approved policies to support the deployment of small cell wireless infrastructure with equipment attached to City streetlight poles. It is anticipated that in 2020, wireless service providers like Verizon and AT&T will install about 100 small cell units in Fremont.
14. Staff from the Public Works Building Maintenance and Facilities Engineering teams provide ongoing **building maintenance and improvement** services to support the functional needs of the City building occupants. Approximately 4,000 service requests are completed annually related to the building systems related to building security, heating, ventilation, plumbing, electrical, and roofing systems. A new roof and HVAC system was installed this year for the Development Service Center. Other projects beginning construction in 2020 include: elevator modernizations at the Main Library and Police Center, various building security and fire alarm system upgrades, Police Center back-up generator replacement, FRC roof replacement, and the new Maintenance Center storage building (replacing the Peralta/Dusterberry facility). In early 2019, a condition assessment report was completed for the City’s “core service” buildings and identified the need for a \$46 million investment for building system improvements over the next five years.

Department Budgets | Public Works

15. The Public Works **Fleet Maintenance** section provides scheduled maintenance services to ensure reliable performance and to maximize the life cycle of the City’s approximately 570 vehicles and related equipment, including 300 vehicles for police and fire services. About 2,400 service activities are completed annually ranging from oil changes, tune ups, tire rotations/replacements to testing and troubleshooting advanced public safety communication systems. Additionally, 41 new vehicles were procured to meet needs for vehicle replacement and service enhancement.



16. The improvement of **regional transportation** systems serving the Fremont community is an ongoing and high priority activity for Public Works, which involves policy advocacy and technical support. Major projects under construction include the BART extension, and improvements to I-680 and I-880. Project planning and design efforts are ongoing related to Irvington BART Station, State Route 262 (Mission Boulevard) Cross-Connector between I-880 and I-680, Dumbarton Rail, and Capitol Corridor Realignment with a new station in Ardenwood. In coordination with Union Pacific Railroad, the California Public Utilities Commission, and Caltrans, various safety improvements are being implemented to allow for a railroad “quiet zone” at the Nursery Avenue crossing in the Niles District. Construction of the Niles/Nursery Quiet Zone project is expected to start by Fall 2020.

17. With funding from State and ACTC grants, Public Works began planning and design work on numerous **new major transportation projects**. These projects align with needs identified in the Mobility Action Plan and include: freeway interchange modernization projects at 680/Mission, 680/Washington, 680/Auto Mall, and 880/Decoto; new bike/ped freeway crossings at 680/Sabercat Trail, 880/Innovation District and 880/Pacific Commons; new trails in the Niles Canyon and the Dumbarton to Quarry Lakes corridors; and complete street improvements in the Decoto Road corridor.

Objectives FY 2020/21

The core work objective for the Public Works Department in 2020/21 will be to continue delivering high quality engineering and maintenance services to support the City’s public infrastructure as funded by the General Fund, the City’s capital program, private development, and regional agencies. Among the numerous projects and work activities, the following are notable for 2020/21:

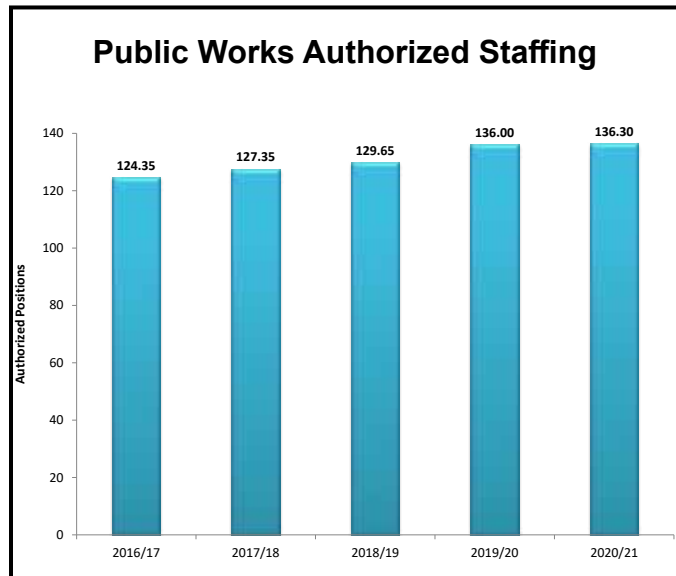
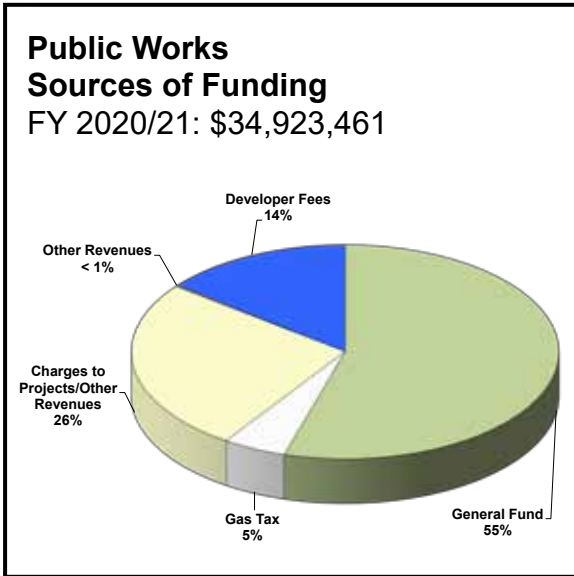
1. Work with the Mobility Commission to help implement key recommendations from the Mobility Action Plan including: encourage increased travel by carpooling, transit, bicycling, and walking; increase percentage of schools actively participating in Safe Routes to Schools program; and guide the communication and education efforts to update the community on key Public Works projects.
2. Continue implementation of the Vision Zero traffic safety program, including efforts to enhance pedestrian crossings, tame high-speed arterial streets, build new traffic signals, implement safe routes to school program, build better bikeways, and expand traffic safety education. Public Works will also prepare a 5-year update to the City’s Vision Zero Action Plan for Council consideration in Spring 2021.

3. Continue efforts to modernize the Citywide traffic signal system for improved traffic flow and reliability and implement smart mobility technologies. Complete the Fremont Boulevard Safe and Smart Corridor project.
4. Complete construction of the Warm Springs BART Station West Access Bridge and Plaza and the Downtown Event Center and Plaza projects.
5. Start construction on the following significant projects: Niles/Nursery Railroad Quiet Zone, Family Resource Center Roof Replacement, Maintenance Center Storage Building, and Centerville Complete Streets.
6. Work with regional partners to upgrade State Route 262, design the Irvington BART station, modernize AC Transit services, enhance freeway interchanges, plan and design new bikeway and trail connections over freeways, and develop the Niles Canyon Trail project.
7. Update the City’s Development Impact Fee program as required by state law and to align with current City priorities for investment in parks, transportation, and building facilities. modernize AC Transit services.

Performance Measurement

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|--|---------------------------|------------------------|---------------------------|------------------------|
| Average Pavement Condition Index (PCI) for the entire 500-mile street network | PCI of 72 | PCI of 72 | PCI of 73 | PCI of 73 |
| Percent of streets in “poor” condition (below PCI 50) | 11% | 10% | 10% | 9% |
| Percent of preventative maintenance repairs Fleet services performed on-schedule (e.g., completed within two weeks of scheduled service) | 51% | 75% | 51% | 75% |
| Number of persons severely or fatally injured in traffic crashes Note: Baseline condition is 37 in 2015 (8 fatalities) | 17 in 2018 (4 fatalities) | Continuous improvement | 25 in 2019 (7 fatalities) | Continuous improvement |
| Percent of graffiti removal calls responded to within one business day for Priority 1 graffiti (gang-related or profane) / one business week for Priority 2 graffiti for all other types | 50% / 75% | 65% / 85% | 65% / 85% | Continuous improvement |

Department Budgets | Public Works



Public Works: Historical Expenditures/Budget, by Category

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|-------------------------------|----------------------|----------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Salaries & Benefits | \$ 17,800,515 | \$ 20,551,978 | \$ 21,017,537 | \$ 22,675,590 | \$ 22,436,126 | \$ 23,064,086 |
| Operating Expenditures | 8,015,546 | 8,255,317 | 9,077,464 | 9,946,665 | 9,808,420 | 9,406,604 |
| Capital Expenditures | 198,368 | 100,437 | 552,064 | 488,337 | 456,252 | 58,000 |
| Indirect Expense Allocation** | 3,108,890 | 2,873,741 | 2,706,844 | 2,635,428 | 2,641,797 | 2,394,771 |
| Totals | \$ 29,123,319 | \$ 31,781,473 | \$ 33,353,909 | \$ 35,746,020 | \$ 35,342,595 | \$ 34,923,461 |

% increase/(decrease), including all funds, from FY 2019/20 Adopted Budget -1.2%

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

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

Major Changes

- Capital expenditures are decreasing by \$398,252 (or -87.3%) mainly due to the removal of one-time capital expenditures, including vehicles.
- Indirect expense allocation is decreasing by \$247,026 mainly due to a temporary decrease in Information Technology costs.

Staffing by Function-FY 2020/21

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

Regular Full-Time Equivalents: 136.30

This page intentionally left blank

Administrative Departments

Description of Responsibilities and Services

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

Objectives FY 2020/21

City Manager's Office

1. Pursue staff actions and efforts that assist City departments and Council to reconsolidate the budget in response to the effects of the Coronavirus 2019 disease that allow for the continuance of essential city services and employee workforce retention.
2. Pursue legislative efforts and strengthen state and federal partnerships to promote the best interests of the City, while implementing the Council's 2020/21 Legislative Guiding Principles and Priorities.
3. Pursue staff actions and efforts that assist with the implementation of the top three Council priorities for the year, established at the 2020 City Council Retreat: 1. Examine options for managing growth and incentivize affordable housing; 2. Reduce traffic congestion; 3. Continue to innovate and find solutions to mitigate the City's homeless population and implement the temporary Housing Navigation Center.
4. Continue to build and promote a City of Fremont citywide communications program that highlights the City's priorities, legislative actions, services, business industry and that encourages public engagement.
5. Warm Springs/South Fremont Development Area: Continue to work with local and regional partners, as well as State and Federal Legislators, to ensure the strategic development of the Warm Springs/South Fremont area, to enhance innovative programming for transportation and connectivity that further attracts business and jobs to the area.
6. Downtown Fremont: Continue to commit time and resources towards the implementation of the Downtown Community Plan to ensure that the Downtown is poised to become a vibrant mixed-use district within the City Center that will serve as a destination for the city and region.
7. Economic Development: Attract and retain an appropriate mix of retail, office, and industrial or technology uses, in order to foster a dynamic economy and a stronger tax base. We also plan to continue our efforts to nurture the Innovation Economy in Fremont, and help foster growth industries that are driving significant new investment and employment, including

Department Budgets | Administrative Departments

advanced manufacturing, clean tech, and life sciences. Further information about Economic Development's objectives can be found in the Economic Development Department section in the budget document.

8. Civic Engagement: Continue to grow social media and online tools subscriber base and public statement posts. Implement new methods and tools to facilitate civic engagement and enhance access to open government, such as using Fremont Open City Hall as an effective communication tool.
9. Homeless Services: The City is committed to continuing its efforts to determine the best strategy for addressing Homelessness in Fremont by making strategic investments and administering a coordinated approach with local partners. Staff will continue to work with the City Council to pursue the best allocation of City resources. Areas that will be further analyzed are: enhancing staffing levels, implementing a shelter day center, establishing an incentive fund to encourage landlords to take housing subsidies for rapid rehousing of homeless families, and considering options for alternative temporary housing models.

City Attorney's Office

10. Assist staff with updating and amending standard contract forms and City ordinances to comply with state law, such as the Peddlers Permit Ordinance and updates to the Municipal Code for Parks and Recreation Areas.
11. Work with staff and consultants in analyzing and updating the City's Development Impact Fees and assist staff with the adoption of the new ordinance updating the impact fees.
12. The City Attorneys office will continue to provide Brown Act and Public Records Act advice and training to City boards, commissions and employees.
13. Continue to provide assistance to Council and City Departments during the Coronavirus emergency by responding to emerging issues.
14. Assist continuing support for homelessness, navigation center and additional development of affordable housing.

City Clerk's Office

15. Continue to efficiently and accurately manage the electronic preparation and distribution of agenda packets.
16. Monitor the changing postal service environment and accommodate changes as needed to the mail room during the fiscal year.
17. Continue to work with City departments to review and update each department's Records Retention Schedule to ensure the schedules are current.
18. Implement a new online tool for submittal of Campaign Statements.
19. Administer the 2020 November Election.

Finance Department

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

Human Resources

21. Complete revision of City's Personnel Rules in partnership with City's nine bargaining units.
22. Conduct and complete contract bargaining with the City's nine bargaining units.
23. Implement PeopleSoft software upgrade.
24. In partnership with the interested bargaining units, facilitate establishment of an employee funded Retiree Health Savings Plan.

Information Technology Services

25. Implement a new, easy-to-use system to enable the public and City employees to reserve park and building facilities on-line as well as register for classes. The system must be robust to handle the possibility of future services, such as assisting the Fremont Unified School District to manage their facilities.
26. In partnership with the Fire Department and City Manager's Office, the Information Technology Services Department will be implementing a robust website with Content Management capabilities, which will help improve the User Experience for the City's residents. The new website will be more intuitive to navigate, search features will be greatly enhanced, content will be fresh and current, and it will integrate with the CRM solution.
27. In partnership with Community Development, Information Technology Services is moving the on-site permitting, inspection, and land-use system, Accela, to Microsoft's Azure cloud. Moving Accela to the cloud will allow for faster system updates, thus ensuring the City's residents and professionals utilizing the system always have the latest features.
28. In partnership with Public Works, the Information Technology Services Department will update the work order management system to provide improved asset tracking, mobile access, enhanced geo-location services, and CRM integration that will translate into improved services for Fremont's residents.
29. The Council Chambers audio visual (AV) system is an aging analog system which currently provides poor broadcast quality. ITS plans to convert the existing technology from analog to digital. This will allow sharing of media and AV functionality between the existing Council Chambers room and a new proposed Civic Center Plaza building.

Department Budgets | Administrative Departments

30. Currently, Fremont’s fire stations’ networks are served via a 100 Mbps Comcast connection. The connection is considered slow compared to today’s high-speed offerings that are available via fiber. While fiber is the preferred “transport”, unfortunately, it is expensive to install and involves digging up the ground. As an alternative, Siklu Wi-Fi offers high speed (up to 10Gbps) bandwidth over the air. This project involves the installation of Siklu Wi-Fi access points on the roof top of the fire stations. The Siklu access points will point to a City facility where high speed fiber is available for connectivity to the City’s network and resources.
31. One of ITS goals is to develop a long-term strategic plan to develop the City’s fiber network infrastructure. City Council, City Management, and ITS realizes the economic benefits of having a City owned fiber infrastructure. Current and future technologies will undoubtedly require fast and reliable communications between host and end devices. Fiber fulfills this requirement and can serve the foundation for Smart City initiatives including IoT (Internet of Things), driverless vehicles, traffic signal management, public Wi-Fi, smart lighting, security cameras, etc.
32. In partnership with the City Manager’s Office, the Information Technology Services Department will be implementing a contemporary website using Granicus’ government CMS (content management system). The New Website will take advantage of advanced design and feature, which will streamline information delivery, mobile optimization (it will adapt to any mobile device’s screen), enhanced search capabilities and prominently display the City’s citizen/community’s most important services. In addition, the flexible CMS will allow the City to quickly revamp, revise, or redo any portion of the website to meet the Citizen’s changing needs, thus continuously improving customer service. The new website will also seamlessly integrate with the new CRM solution for a “one-stop shopping” user experience.

City Manager

Mission:

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

Major Services

Public Policy Support

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

Citywide Service Delivery

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

Communications and Public Education

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

Organizational Leadership and Development

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

Homeless Services

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

Department Overview

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



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

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|------------------------------------|---------------------|---------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| City Manager's Office | \$ 2,724,582 | \$ 3,059,891 | \$ 3,038,413 | \$ 3,233,748 | \$ 2,999,484 | \$ 3,502,710 |
| Communications and Marketing | 272,486 | 276,970 | 327,434 | 351,908 | 341,280 | 128,300 |
| Homeless Services | 46,678 | 31,822 | 1,556,013 | 2,018,021 | 244,645 | - |
| Total City Manager's Office | \$ 3,043,746 | \$ 3,368,683 | \$ 4,921,860 | \$ 5,603,677 | \$ 3,585,409 | \$ 3,631,010 |

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

Accomplishment Highlights FY 2019/20

1. Hosted a City Council retreat in January 2020 to provide an opportunity for Council members and executive staff to work together to develop norms, protocols, strengthen Council-staff teamwork, and identify Council priorities for the upcoming year.
2. The City’s Organizational Development Team oversaw two LIFT Academies (Leadership Investment in Fremont for Tomorrow). One Academy was held in the spring with a second Academy in the fall. Participants who completed the Academy in February received four days of training in leadership, a key component in the organization’s succession planning efforts.
3. In August 2019, the City conducted a polling survey of Fremont voters to test the viability of several finance measures, including a general-purpose sales tax and public-safety, streets and facilities bond measure. Though the results from the survey did not result in developing a measure for the 2020 election, support was close and the results of the survey allowed the City to gather key takeaway priorities from voters, such as public safety, growth, infrastructure and road repairs, and homelessness. The City Manager’s creation of a Communications and Legislative Affairs Director position will allow for part of the City’s communications efforts to develop a strategic campaign that addresses these issues and proper communication tools to update the public.
4. Continued the City of Fremont’s Marketing/Public Relations Campaign with the Hoffman Agency, a public relations firm, resulting in increased local, national, and international media coverage highlighting the City of Fremont in several major publications and websites. Additionally, as the City of Fremont continues to grow in population size and media coverage,

the City is focused on building a more robust city-wide communication function. The City Manager's Office created a new Communications and Legislative Affairs Division to provide designated support to highlight the City's priorities and accomplishments.

- Proposed and received approval for the development of a Housing Navigation Center, to help address the City's homeless crisis. The City completed a robust civic engagement process to determine the location of the Housing Navigation Center. Outreach included both provision of information to the community and solicitation of community input. Regular project updates were shared with the community to inform the public about the state of homelessness in Fremont and the steps the City is taking to address the challenge. These updates were shared through a project-specific webpage, a regularly updated FAQ handout, social media posts, a front-page story about the project in the summer edition of City News, news briefs, video vignettes and a topic specific newsletter. Feedback was received through a designated email, the online forum Fremont Open City Hall, and three community workshops which combined totaled for over 2,500 responses. This process also consisted of the City administering one of its largest Council meetings. The Council meeting was attended by 900-1,000 constituents and approximately 200 community members spoke during the public meeting. The Council unanimously approved the rear parking lot of the Fremont City Hall for the location of the temporary Housing Navigation Center. The Center will accommodate 45 unsheltered community members. In addition to approving City Hall as the development site, City Council appropriated \$1.1 million for the Housing Navigation Center's development and operation, and authorized the City Manager to execute a multi-year services and lease agreement with Bay Area Community Services (BACS) as the Housing Navigation Center's operator. Construction began February 2020.



- The City of Fremont's Emergency Operation Center (EOC) was activated on October 9, 2019 to monitor the PG&E Public Safety Power Shutoff (PSPS) due to high wind gusts with high fire danger forecasted. A new interactive map was also launched that allowed community members to search addresses within Fremont to determine if it was within a planned power outage zone. The map received nearly 26,000 views within the first few hours of it going live. Approximately 550 Fremont residents living east of Mission Boulevard into Niles Canyon and along parts of Vargas Road were without power during the Public Safety Power Shutoff. The EOC provides inter-agency coordination and executive decision-making in support of incident response and recovery operations, with the City Manager serving as the Chief Executive Officer. This center includes the collaboration of numerous City departments, including: Police, Fire, Public Works, City Manager's Office, ITS, and GIS, Community Services, Human Services, and Finance. PIOs

Department Budgets | City Manager

from Police, Fire, and City Manager's Office provided regular community updates via the Police Department's Nixle account, the City's website, and the City's social channels and Nextdoor accounts.

7. Warm Springs/South Fremont:

- a. The Warm Springs West Access Bridge and Plaza project is nearing completion. The project consists of a pedestrian and bicycle bridge and urban plaza that connects the Warm Springs/South Fremont BART Station to properties west of the Station over the Union Pacific railroad corridor. The project is a partnership between the City and BART, and its construction is being funded by Measure BB. The anticipated completion of the project is in Summer 2020.
- b. The Warm Springs Innovation District is actively undergoing a significant transition with large-scale mixed-use development projects, significant public infrastructure improvements, and planned expansions of innovative companies. The buildout of major infrastructure improvements and mix of commercial and residential development is anticipated to continue to occur over the next few years. These projects collectively will provide complete streets, a new elementary school, an urban park and plazas, 4,000 residential units of which 524 are affordable rental units and 1.7 million square feet of new commercial space, and a new hotel. Construction of the new public elementary school has been completed.

8. Downtown Fremont/Capitol Avenue:

- a. The construction of Locale @ State Street, a mixed-use development centrally located in Downtown, is completed. The development spans six acres and includes 157 residential units and 22,000 square feet of retail space at the intersection of State Street and Capitol Avenue.

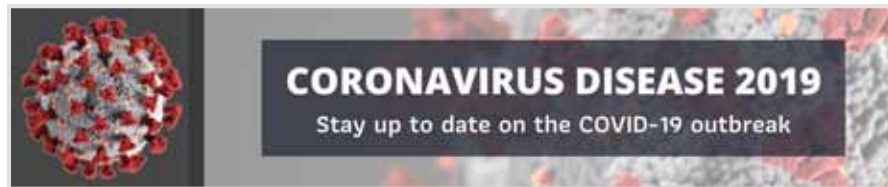


- b. The last phase of construction of connectivity and aesthetic improvements through Gateway Plaza and along BART Way was completed in 2019, making walking and bicycling inviting and safe between Downtown and the Fremont BART Station. This was accomplished with wider sidewalks, pedestrian-scaled lighting, new way-finding signage, improved bike lanes, and additional landscaping.
- c. The construction of Phase 1 of the future Civic Center project located in the heart of the Downtown on Capitol Avenue, between State Street and Liberty Street, broke ground in October 2019. It will provide a public realm designed to include a gathering place for governmental and community activities. To celebrate the profound groundbreaking, the City of Fremont, in partnership with the Fremont Chamber of Commerce, hosted a groundbreaking celebration. The event festivities included a groundbreaking ceremony, the final Fremont Street Eats of 2019 with Food Truck Mafia, with one food voucher offered per person for the first 400 groundbreaking attendees. Events guests also enjoyed entertainment, including live music (East Bay Mudd), artists and entertainers, street games, bounce houses, and a raffle. The project is anticipated to be completed by May 2021.

9. Coronavirus 2019 Disease Response:

With the onset of the Coronavirus 2019 Disease (COVID-19) public health crisis, under the leadership of City Manager, the City Manager's Office took the following actions to best protect the Fremont community and to support City employees and departments:

- a. On March 13, 2020 the City Manager, in his capacity as the Director of Emergency Services, proclaimed a local state of emergency in the City of Fremont due to the ongoing coronavirus (COVID-19) illness in Alameda County. The Council ratified the proclamation of a local emergency on March 17, 2020.
- b. The City of Fremont activated the Emergency Operations Center (EOC) on March 3, 2020, operating at an Activation Level 2 with City leadership and cross-departmental assigned EOC Staff to develop necessary EOC policies and manage their implementation.
- c. The City of Fremont created a dedicated COVID-19 webpage to regularly communicate important information made available by Federal, State, and local officials, as well as provide update on essential City services and operations, <https://fremont.gov/coronavirus>. General updates are also made regularly to the City's social media accounts on Facebook, Nextdoor, Nixle and Twitter.



- d. On March 27, 2020, the Fremont City Council held a Special Meeting, to review and approve emergency ordinances and regulations designed to protect the well-being of Fremont residents and ease the economic impacts to both individuals and businesses related to the COVID-19 public health crisis:
 - i. Eviction Moratorium on Residential and Small Business Evictions: The Eviction Moratoriums temporarily prohibit evictions on all residential rental units and small-scale commercial tenants where the failure to pay rent is due to substantial income loss resulting from the COVID-19 public health crisis.
 - ii. Anti-Gouging Ordinance: Established an extension of the anti-price gouging statutory prohibitions that make it unlawful for a person, contractor, business, or other entity to impose a greater than 10% price increase for designated goods and services.
 - iii. Anti-Hoarding and Anti-Grouping/Social Distancing Ordinance: Condemns the act of hoarding essential goods and requires social distancing practices as directed by Shelter in Place Order and other applicable public health directives related to COVID-19.
 - iv. Emergency Zoning Administrator Permit Process: Established an expedited process for the consideration and approval of an Emergency Zoning Administrator Permit, which includes reduced public notice and appeal period requirements where a proposed use is reasonably related to the protection of life or property as affected by COVID-19.

Department Budgets | City Manager

- e. On Friday, April 3, the City of Fremont opened a COVID-19 testing site to provide an opportunity for people who are sick, first responders, and front-line healthcare personnel with recent suspected exposures to the virus to be tested for free. The Fremont Fire COVID-19 Testing Center, located at the Fremont Fire Tactical Training Center, 7200 Stevenson Blvd., was created to help alleviate the pressure on hospital emergency departments, provide faster test results and to increase our community's ability to suppress new transmissions through isolation after testing.

Objectives FY 2020/21

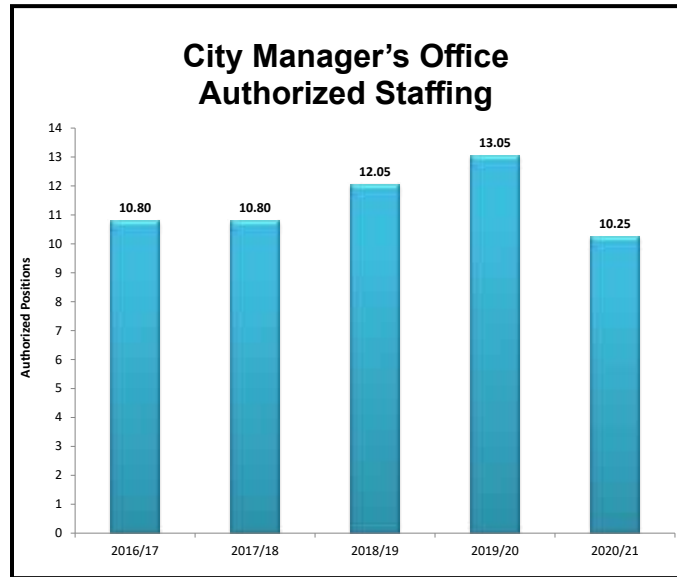
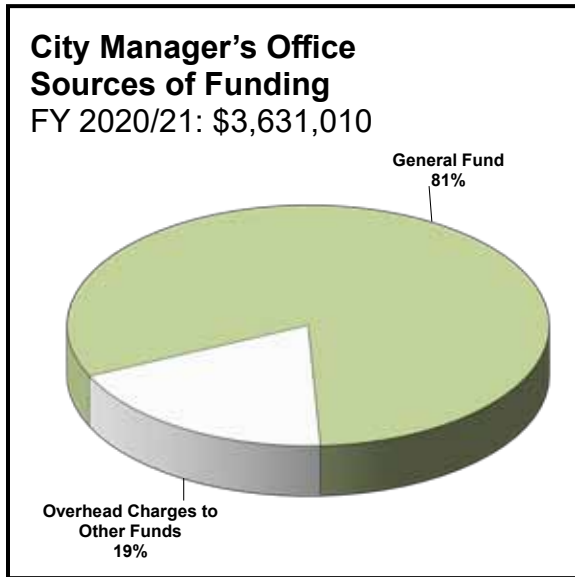
1. Pursue staff actions and efforts that assist City departments and Council to reconsolidate the budget in response to the effects of the Coronavirus 2019 disease that allow for the continuance of essential city services and employee workforce retention.
2. Pursue legislative efforts and strengthen state and federal partnerships to promote the best interests of the City, while implementing the Council's 2020/21 Legislative Guiding Principles and Priorities.
3. Pursue staff actions and efforts that assist with the implementation of the top three Council priorities for the year, established at the 2020 City Council Retreat: 1. Examine options for managing growth and incentivize affordable housing; 2. Reduce traffic congestion; 3. Continue to innovate and find solutions to mitigate the City's homeless population and implement the temporary Housing Navigation Center.
4. Continue to build and promote a City of Fremont citywide communications program that highlights the City's priorities, legislative actions, services, business industry and that encourages public engagement.
5. Warm Springs/South Fremont Development Area: Continue to work with local and regional partners, as well as State and Federal Legislators, to ensure the strategic development of the Warm Springs/South Fremont area, to enhance innovative programming for transportation and connectivity that further attracts business and jobs to the area.
6. Downtown Fremont: Continue to commit time and resources towards the implementation of the Downtown Community Plan to ensure that the Downtown is poised to become a vibrant mixed-use district within the City Center that will serve as a destination for the city and region.
7. Economic Development: Attract and retain an appropriate mix of retail, office, and industrial or technology uses, in order to foster a dynamic economy and a stronger tax base. We also plan to continue our efforts to nurture the Innovation Economy in Fremont, and help foster growth industries that are driving significant new investment and employment, including advanced manufacturing, clean tech, and life sciences. Further information about Economic Development's objectives can be found in the Economic Development Department section in the budget document.
8. Civic Engagement: Continue to grow social media and online tools subscriber base and public statement posts. Implement new methods and tools to facilitate civic engagement and enhance access to open government, such as using Fremont Open City Hall as an effective communication tool.

9. Homeless Services: The City is committed to continuing its efforts to determine the best strategy for addressing Homelessness in Fremont by making strategic investments and administering a coordinated approach with local partners. Staff will continue to work with the City Council to pursue the best allocation of City resources. Areas that will be further analyzed are: enhancing staffing levels, implementing a shelter day center, establishing an incentive fund to encourage landlords to take housing subsidies for rapid rehousing of homeless families, and considering options for alternative temporary housing models.

Performance Measurement

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|--|----------------------|----------------------|------------------------|----------------------|
| Percent of residents that agree that Fremont is a “good” or “excellent” place to live ¹ | 72% | N/A | N/A | 77% |
| Percent of employees that feel “prepared” and “trained” to do their jobs ² | 84% | N/A | N/A | 87% |
| Number of social media accounts maintained by the City ³ | 33 | 34 | 34 | 35 |
| Number of likes, followers and subscribers of the social media accounts | 116,000 | 120,000 | 172,707 | 189,977 |
| ¹ The community survey is a biennial survey. The next one is anticipated to take place in FY 2020/21. ² The employee survey is a biennial survey. The next one is anticipated to take place in FY 2020/21. ³ Social media accounts refer to the Facebook, Twitter, Youtube, Google+, Instagram, Nextdoor, and Fremont Open City Hall platforms. | | | | |

Department Budgets | City Manager



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

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|-------------------------------|---------------------|---------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Salaries & Benefits | \$ 2,209,031 | \$ 2,464,612 | \$ 2,417,670 | \$ 2,737,281 | \$ 2,699,590 | \$ 2,797,237 |
| Operating Expenditures | 678,297 | 726,808 | 2,248,986 | 2,620,433 | 689,615 | 664,115 |
| Capital Expenditures | 1,043 | 19,134 | 62,000 | 52,759 | 3,000 | 3,000 |
| Indirect Expense Allocation** | 155,375 | 158,129 | 193,204 | 193,204 | 193,204 | 166,658 |
| Totals | \$ 3,043,746 | \$ 3,368,683 | \$ 4,921,860 | \$ 5,603,677 | \$ 3,585,409 | \$ 3,631,010 |

% increase/(decrease), including all funds, from FY 2019/20 Adopted Budget 1.3%

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

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

Major Changes

- Indirect expense allocation is decreasing by \$26,546 mainly due to a temporary decrease in Information Technology costs.
- Responsibility for Homeless Services was moved to the Human Services Department beginning in FY 2020/21.

Staffing by Function-FY 2020/21

| City Manager's Office | |
|--|--------|
| | |
| City Manager | 1.00 |
| Assistant City Manager | 2.00 |
| Deputy City Manager | 0.25 * |
| Management Analyst II | 1.50 |
| Executive Assistant to the City Manager | 1.00 |
| Administrative Analyst | 1.00 |
| Executive Assistant | 1.00 |
| | |
| Communications Office | |
| Communications & Legislative Affairs Director | 1.00 |
| Communications Manager | 1.00 |
| Management Analyst II | 0.50 |
| * Portions of these positions are also budgeted in the City Clerk's Office and Economic Development. | |

Regular Full-Time Equivalents: 10.25

This page intentionally left blank

City Attorney

Mission:

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

Major Services

City Attorney

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

Risk Management

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

Department Overview



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

Department Budgets | City Attorney

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

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|-------------------------------------|---------------------|---------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| City Attorney | \$ 1,993,276 | \$ 1,643,642 | \$ 2,119,828 | \$ 2,285,267 | \$ 2,266,019 | \$ 2,334,061 |
| Risk Management | 5,790,836 | 6,457,461 | 8,033,593 | 7,845,721 | 7,412,151 | 7,915,375 |
| Total City Attorney's Office | \$ 7,784,112 | \$ 8,101,103 | \$ 10,153,421 | \$ 10,130,988 | \$ 9,678,170 | \$ 10,249,436 |

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

Accomplishment Highlights FY 2019/20

1. Assisted City staff with legal support for City Council priorities: housing, reduce traffic congestion, and provide support to neighborhood commercial districts. Worked with Staff to impliment the Council’s Bicycle Master Plan, Pedestrian Master Plan and the Transportation Element of the General Plan.
2. Continued to provide legal support for negotiations, acquisitions, development, and approvals needed for the Downtown projects, Civic Center site development, Warm Springs/South Fremont area developments and other priority developments.
3. Managed the legal defense of the City against civil lawsuits pending in state and federal court.
4. Analyzed and managed disposition of administrative and workers’ compensation claims.
5. Performed legal review of public contracts including adequacy of insurance coverage, and mitigate risk of liability exposure to the City.
6. Assisted staff with revisions and updates to City policies and regulations, including the adoption of the 2019 California Building Standards Code.
7. Evaluated cases for prosecution of misdemeanor violations of the Fremont Municipal Code.
8. Assisted staff, as needed, with the preparation and adoption of rules and procedures for commissions and boards.
9. Assisted staff code enforcement efforts by obtaining inspection warrants, and facilitated the court appointment of a receiver for substandard houses.
10. Coronavirus Emergency supporting City efforts to respond to the emergency and protect the health and safety of the public and City personnel. The City Attorney’s Office provides resolutions/urgency ordinances/proclamations declaring a COVID-19 emergency, protecting tenants from eviction, and prohibiting price gouging. Provide advice on various emergency matters, emergency procurement and contracts; FEMA reimbursement; development of HR emergency policies; ITS emergency contracting through DocuSign and employee protocols.



11. Provide advice and assistance to staff to negotiate and sustain long term solid waste and recycling service agreements for collection, processing and disposal.
12. Assisted Council and the Human Relations Commission with the Tobacco Retail Licensing Program; provided advice of the ordinance to protect youth and restrict access to tobacco flavored electronic vaping products and provided advice on enforcement issues.
13. Continue to provide advice and assistance to staff to negotiate and sustain long term solid waste and recycling service agreements for collection, processing and disposal.



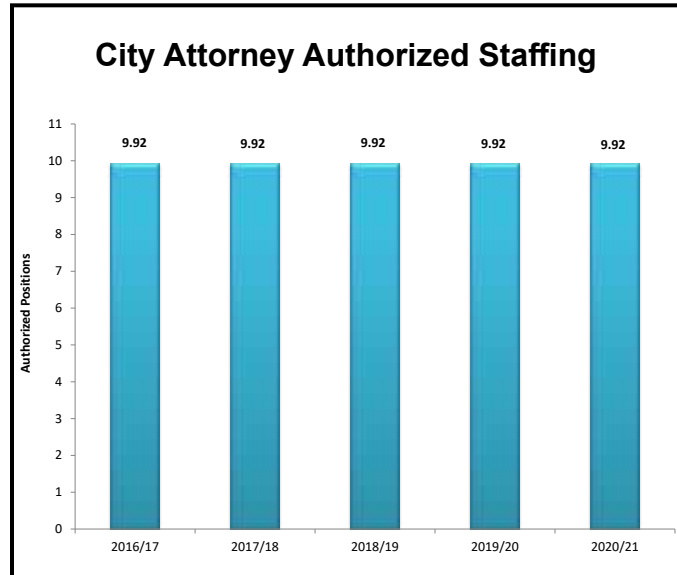
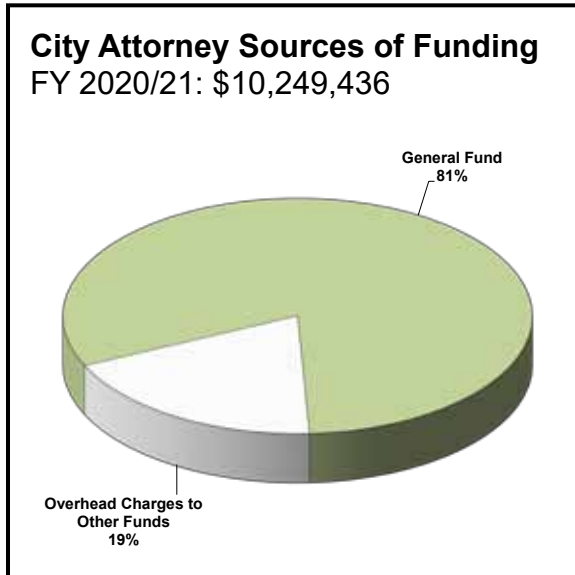
Objectives FY 2020/21

1. Assist staff with updating and amending standard contract forms and City ordinances to comply with state law, such as the Peddlers Permit Ordinance and updates to the Municipal Code for Parks and Recreation Areas.
2. Work with staff and consultants in analyzing and updating the City’s Development Impact Fees and assist staff with the adoption of the new ordinance updating the impact fees.
3. The City Attorneys office will continue to provide Brown Act and Public Records Act advice and training to City boards, commissions and employees.
4. Continue to provide assistance to Council and City Departments during the Coronavirus emergency by responding to emerging issues.
5. Assist continuing support for homelessness, navigation center and additional development of affordable housing.

Performance Measurement

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|--|-------------------|-------------------|---------------------|-------------------|
| Percent of standard contracts reviewed within 5 business days of receipt | 90% | 90% | 90% | 90% |
| Percent of liability (damage) claims reviewed and insufficiency noted within 14 days of receipt | 100% | 90% | 100% | 90% |
| Percent of all serious work-related injuries reported to Cal OSHA within 8 hours of being informed of injury | 100% | 100% | 100% | 100% |

Department Budgets | City Attorney



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

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|--|---------------------|---------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Salaries & Benefits | \$ 3,035,534 | \$ 2,453,653 | \$ 2,630,636 | \$ 3,231,615 | \$ 3,205,919 | \$ 3,257,576 |
| Operating Expenditures | 4,635,111 | 5,557,253 | 7,394,017 | 6,770,605 | 6,343,483 | 6,864,956 |
| Capital Expenditures | - | - | - | - | - | - |
| Indirect Expense Allocation** | 113,467 | 90,197 | 128,768 | 128,768 | 128,768 | 126,904 |
| Totals | \$ 7,784,112 | \$ 8,101,103 | \$ 10,153,421 | \$ 10,130,988 | \$ 9,678,170 | \$ 10,249,436 |
| % increase/(decrease), including all funds, from FY 2019/20 Adopted Budget | | | | | | 5.9% |

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

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

Major Changes

- The FY 2020/21 City Attorney's budget is \$571,266 (or 5.9%) more than the FY 2019/20 adopted budget.
- Operating expenditures are increasing by 8.2% mainly due to higher insurance premium costs in Risk Management.

Staffing by Function-FY 2020/21

| City Attorney's Office | |
|--|-------|
| | |
| City Attorney | 0.86* |
| Assistant City Attorney | 1.00 |
| Senior Deputy City Attorney II | 2.00 |
| Senior Deputy City Attorney | 1.00 |
| Law Office Supervisor | 1.00 |
| Paralegal | 1.00 |
| | |
| Risk Management | |
| City Attorney | 0.06* |
| Risk Manager | 1.00 |
| Safety Coordinator | 1.00 |
| Risk Management Technician | 1.00 |
| <p><i>* This position is mainly budgeted in the City Attorney's Office and it's Risk Management Division, totaling 0.92 FTE. The balance of this position is budgeted in the Environmental Services Division of the Community Services Department,</i></p> | |

Regular Full-Time Equivalents: 9.92

This page intentionally left blank

City Clerk

Mission:

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

Major Services

Legislative Process

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

Elections

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

Public Records Act and Public Records Retention

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

Mail Room

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

Department Overview



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

Accomplishment Highlights FY 2019/20

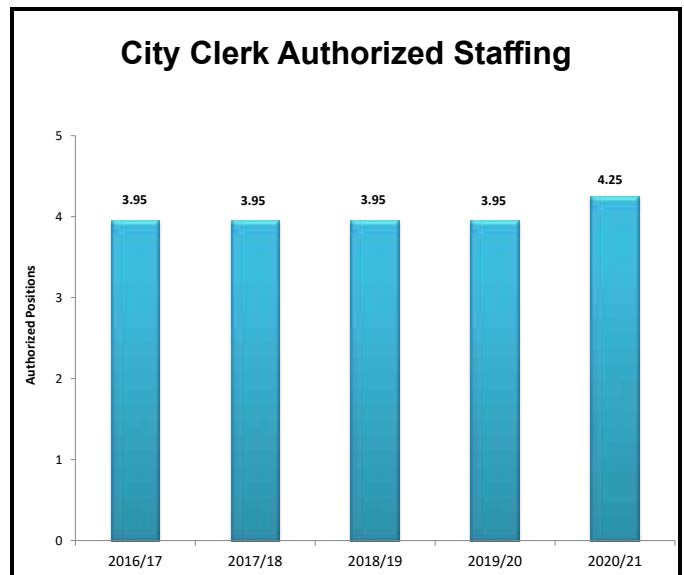
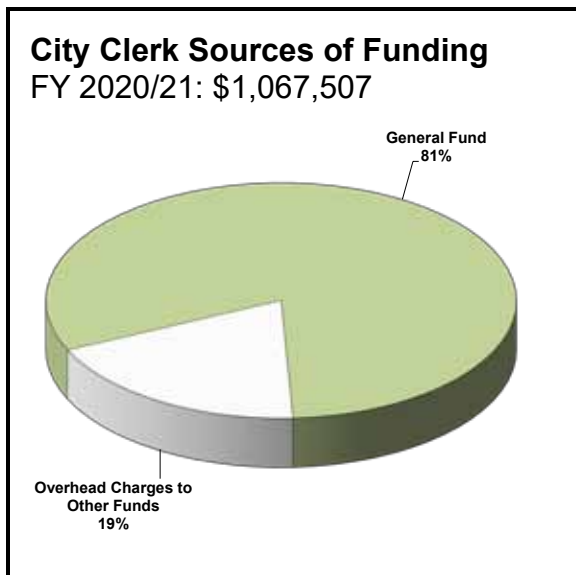
1. Assisted City departments with review and completed the update of department's Records Retention Schedules to ensure the schedules are current.
2. Managed the Boards and Commissions Vacancy Process, and assisted with the transition of boards and commissions members.
3. Launched a [Ceremonial Document Request](#) webpage to allow for customers to easily to request and fill out the form online.
4. Administered one of the City's largest Council meetings. On September 10, 2019, the City hosted a Special City Council meeting to decide the location of the future Housing Navigation Center. The Council meeting was well attended by 900-1,000 constituents and approximately 200 community members spoke during the public meeting. The Clerk's office led the coordination of over 100 City staff from various departments to develop efficient procedures to facilitate the meeting in order to ensure safety and for all community opinion to be heard.
5. Led the City's efforts to ensure Commission and Council meetings would be administered virtually with proper Brown Act protocols followed, in order to maintain community participation and safety during the onset of the Coronavirus 2019 Disease public health crisis.

Objectives FY 2020/21

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

Performance Measurement

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|---|-------------------|-------------------|---------------------|-------------------|
| Percent of time the Agenda packet is posted and distributed no later than 4 days prior to each City Council meeting | 62% | 90% | 75% | 90% |
| Number of complaints received regarding Public Records Requests (PRR) | 3 | 0 | 5 | 0 |



Department Budgets | City Clerk

City Clerk: Historical Expenditures/Budget, by Category

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|---|---------------------|---------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Salaries & Benefits | \$ 845,513 | \$ 763,227 | \$ 811,110 | \$ 830,226 | \$ 821,800 | \$ 775,723 |
| Operating Expenditures | 181,787 | 233,657 | 194,580 | 252,198 | 252,198 | 237,380 |
| Capital Expenditures | - | - | 4,000 | 6,000 | 6,000 | 6,000 |
| Indirect Expense Allocation** | 53,445 | 45,493 | 51,872 | 51,872 | 51,872 | 48,404 |
| Totals | \$ 1,080,745 | \$ 1,042,377 | \$ 1,061,563 | \$ 1,140,296 | \$ 1,131,870 | \$ 1,067,507 |
| % increase/(decrease), including all funds, from FY 2019/20 Adopted Budget | | | | | | -5.7% |
| <p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.</p> | | | | | | |

Major Changes

- The FY 2020/21 City Clerk’s budget is \$64,363 (or -5.7%) less than the FY 2019/20 adopted budget.
- Salary and benefits are decreasing by -5.6% due to funding shifts resulting in the addition of 0.3 positions.
- Operating expenditures are decreasing by \$14,818 (or -5.9%) mainly due to a decrease in contractual services and equipment and supplies one-time costs.
- Indirect expense allocation is decreasing by 6.7% due to a temporary decrease in Information Technology costs.

Staffing by Function-FY 2020/21

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

Regular Full-Time Equivalents: 4.25

Finance

Mission:

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

Major Services

Accounting

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

Budget

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

Purchasing/Accounts Payable

Provide accounts payable and purchasing services.

Revenue

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

Treasury

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

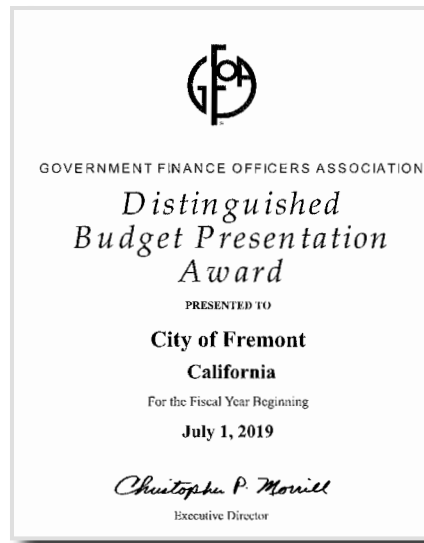


Department Overview

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

Accomplishment Highlights FY 2019/20

1. Received awards for Excellence in Financial Reporting for the 35th consecutive year and Distinguished Budget Presentation for the 23rd consecutive year from the Government Finance Officers Association of the United States and Canada (GFOA).



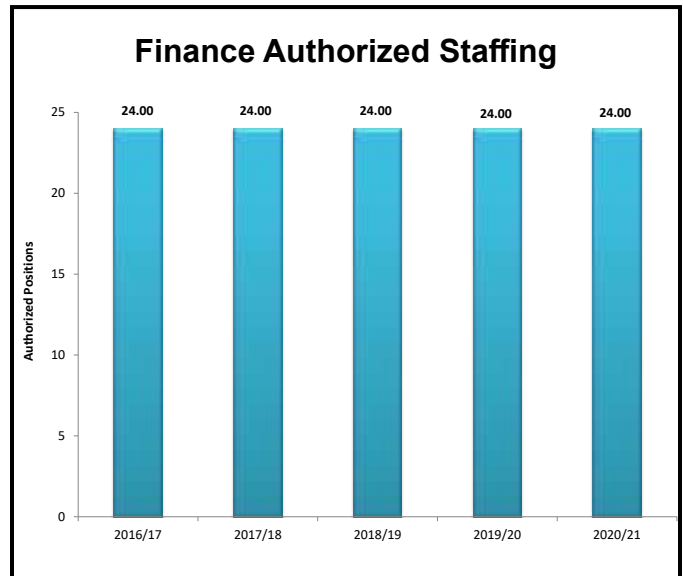
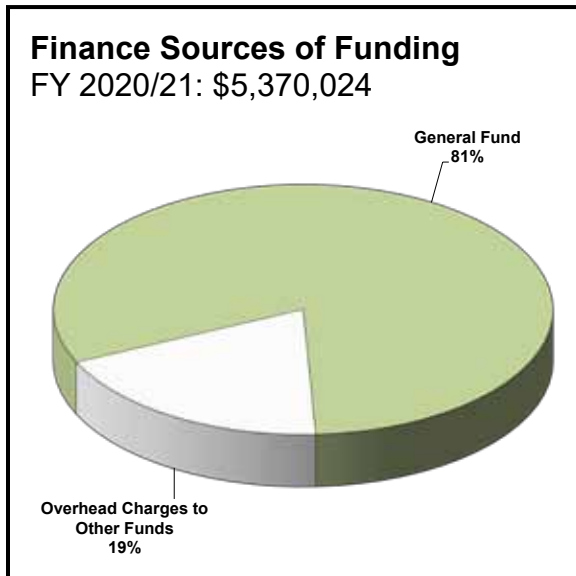
2. Led Rent Review Program Fee Administration, performing in-house administration at an annual savings of over \$100,000, while supporting an ordinance change to only bill landlords with five or more rental units.
3. Enhanced the outreach campaign to encourage more businesses to use the City's online business tax application and renewal offerings in coordination with Economic Development and the City Manager's office. Online business tax account registration and renewal are easier and safer for businesses, and allows more efficient use of staff time.
4. Implemented teleworking policy to continue to provide essential services during the COVID-19 pandemic.

Objectives FY 2020/21

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

Performance Measurement

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|--|-------------------|-------------------|---------------------|-------------------|
| Number of bids/RFPs issued | 57 | 60 | 66 | 72 |
| Percent of Business Tax certificates issued online | 40% | 45% | 44% | 50% |



Finance: Historical Expenditures/Budget, by Category

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|-------------------------------|---------------------|---------------------|--------------------------|--------------------------|------------------------|------------------------|
| Salaries & Benefits | \$ 3,771,334 | \$ 3,958,596 | \$ 4,356,877 | \$ 4,267,211 | \$ 4,465,174 | \$ 4,597,747 |
| Operating Expenditures | 653,636 | 654,512 | 574,513 | 737,553 | 639,604 | 480,765 |
| Capital Expenditures | 2,037 | 9,537 | 3,671 | 5,000 | 6,500 | 1,500 |
| Indirect Expense Allocation** | 293,307 | 312,258 | 312,936 | 312,358 | 312,939 | 290,012 |
| Totals | \$ 4,720,314 | \$ 4,934,903 | \$ 5,247,997 | \$ 5,322,122 | \$ 5,424,217 | \$ 5,370,024 |

% increase/(decrease), including all funds, from FY 2019/20 Adopted Budget -1.0%

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

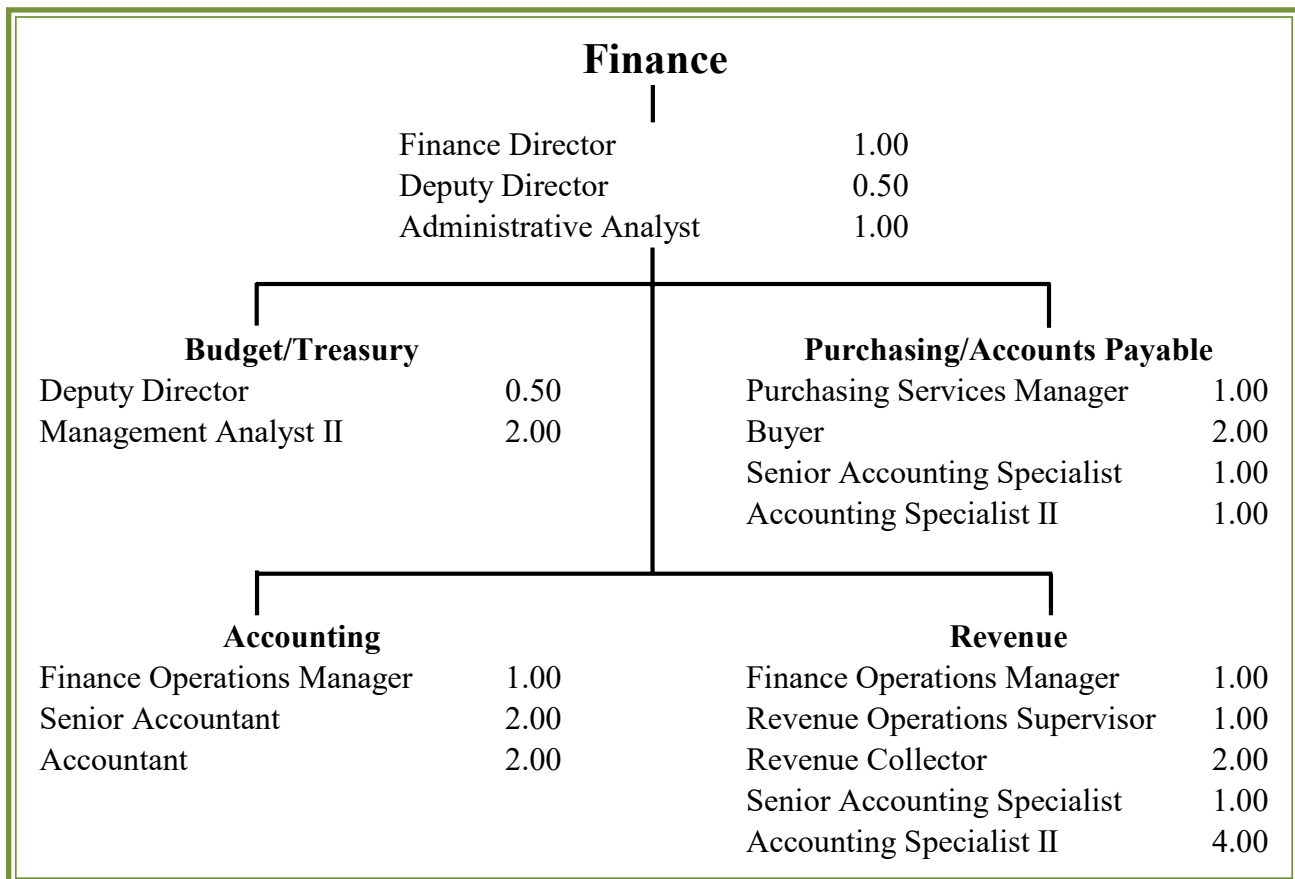
** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.

Department Budgets | Finance

Major Changes

- Operating expenditures are decreasing by \$158,839 (or -24.8%) mainly due to the reduction of contractual services.
- Capital expenditures are decreasing by \$5,000 (or -76.9%) mainly due to the removal of one-time equipment purchases.
- Indirect expense allocation is decreasing by 7.3% due to a temporary decrease in Information Technology costs.

Staffing by Function-FY 2020/21



Regular Full-Time Equivalents: 24.00

Human Resources

Mission:

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

Major Services

Employee and Labor Relations

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

Citywide Policy Development

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

Employee and Organizational Development and Training

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

Recruitment, Examination, Classification, and Compensation

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

Benefits and Payroll Administration

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

Department Overview

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



Department Budgets | Human Resources

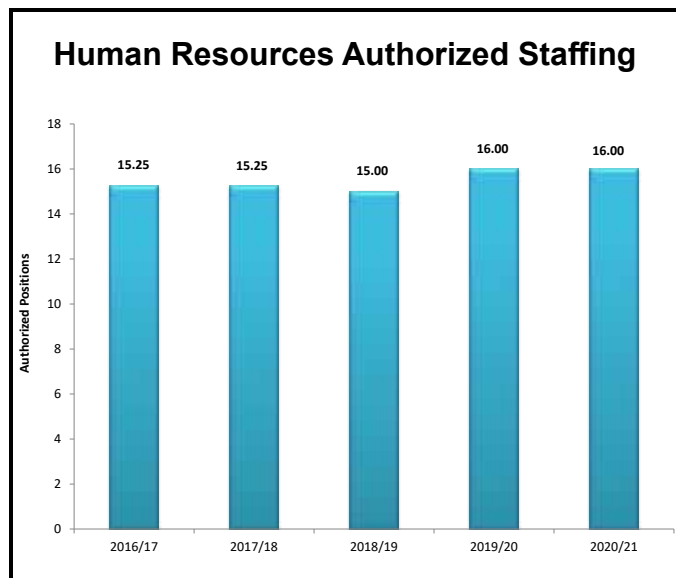
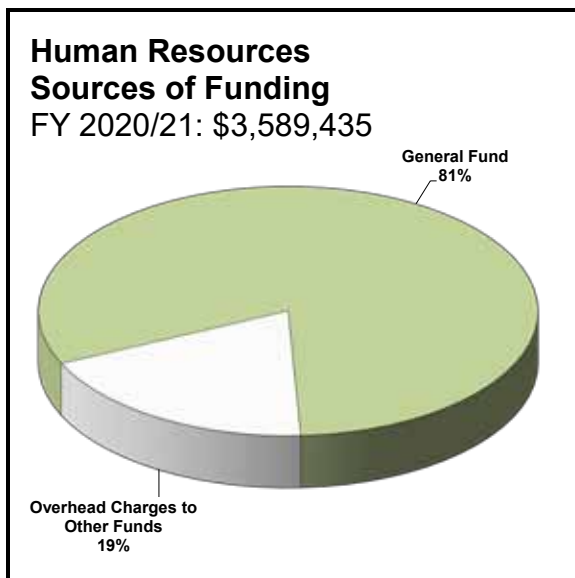
Accomplishment Highlights FY 2019/20

1. Implemented Emergency Family Medical Leave Expansion Act and Emergency Paid Sick Leave Act provisions as provided for in the Families First Coronavirus Response Act.
2. Commenced implementation of a paperless HR recordkeeping system.
3. Implemented successor MOUs effective 7/1/19 through 6/30/21 for the nine bargaining units.
4. Developed and implemented a revised LIFT Leadership Training Academy focused on enhancing first line supervisor skills.



Objectives FY 2020/21

1. Complete revision of City's Personnel Rules in partnership with City's nine bargaining units.
2. Conduct and complete contract bargaining with the City's nine bargaining units.
3. Implement PeopleSoft software upgrade.
4. In partnership with the interested bargaining units, facilitate establishment of an employee funded Retiree Health Savings Plan.



Performance Measurement

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|--|-------------------|-------------------|---------------------|-------------------|
| % of employees participating in a 457(b) deferred compensation plan for retirement savings | 75% | 80% | 75% | 80% |
| % of employees who have received a formal evaluation in the last 12 months | 76% | N/A ¹ | N/A ¹ | 80% |
| Average days between prospective police recruit application and issuance of offer letter (police recruit) | 198 ² | 150 | TBD | 130 |
| Average days between requests to fill position and issuance of offer letter (all non-police officer positions) | 151 | 140 | TBD | 120 |

¹ Measure every other year by employee survey..

² 24 Police Officers were hired in FY 2018/19 (an increase of 15 more Police Officers than were hired in FY 2017/18). The increase in hires in FY 2018/19 resulted in an increase of average days between application and issuance of offer letter due to the additional time that was needed to complete the various hiring process steps (e.g., backgrounding).

Human Resources: Historical Expenditures/Budget, by Category

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|-------------------------------|---------------------|---------------------|--------------------------|--------------------------|------------------------|------------------------|
| Salaries & Benefits | \$ 2,338,496 | \$ 2,504,620 | \$ 2,751,347 | \$ 3,102,322 | \$ 3,071,532 | \$ 3,095,413 |
| Operating Expenditures | 238,865 | 313,706 | 418,471 | 372,971 | 347,380 | 319,880 |
| Capital Expenditures | - | - | - | - | - | - |
| Indirect Expense Allocation** | 148,844 | 151,093 | 167,065 | 167,065 | 167,065 | 174,142 |
| Totals | \$ 2,726,205 | \$ 2,969,419 | \$ 3,336,883 | \$ 3,642,358 | \$ 3,585,977 | \$ 3,589,435 |

% increase/(decrease), including all funds, from FY 2019/20 Adopted Budget 0.1%

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

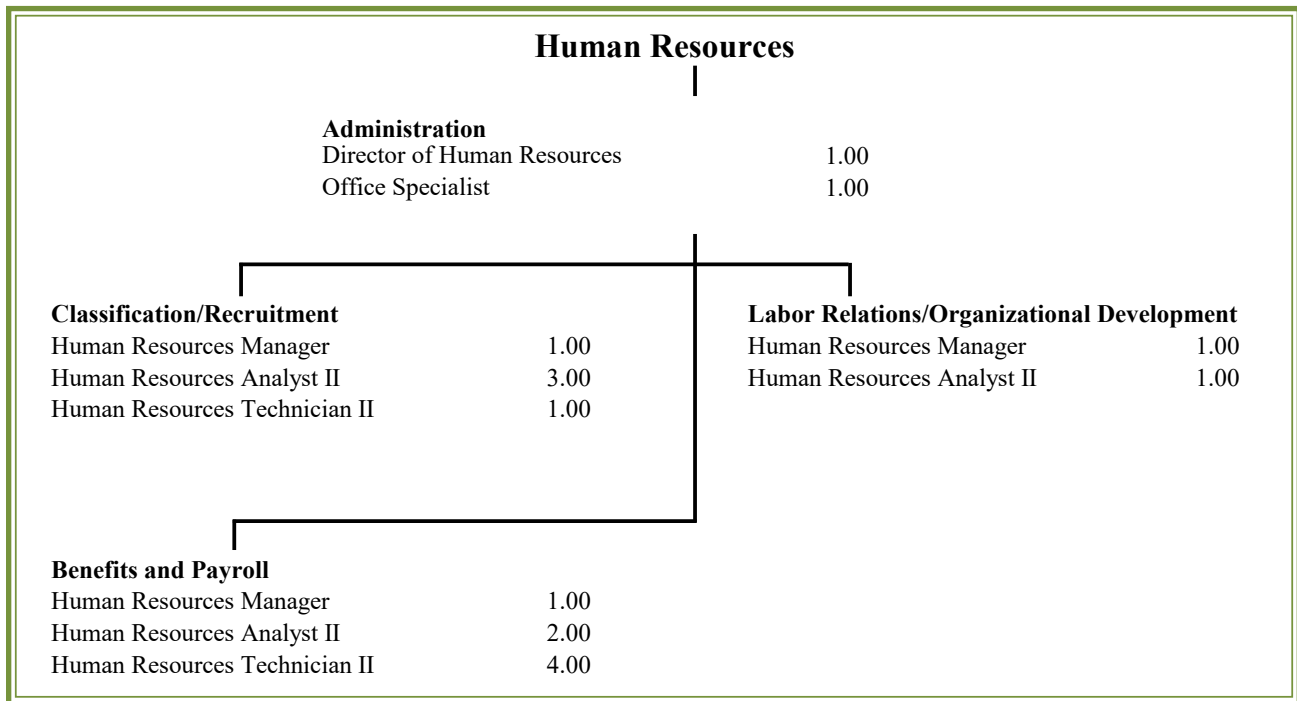
** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.

Department Budgets | Human Resources

Major Changes

- Operating expenditures are decreasing by \$27,500 (or -7.9%) mainly due to a decrease in contractual services one-time costs.

Staffing by Function-FY 2020/21



Regular Full-Time Equivalents: 16.00

Information Technology Services

Mission:

To provide a customer service focus and approach to deliver the best technology solutions that meet the City’s business objectives for computers, data security, telecommunications, mapping, and critical business systems for the organization’s employees and the public by continuous improvement, innovative problem-solving, adherence to standardized information technology best practices, and collaborative solutions.

Major Services

Customer Support Services

Provide and deliver professional, helpful, responsive, high quality services to meet our customers’ needs by resolving problems or completing requests for service or products as efficiently as possible.

Infrastructure Services

Ensure a fast, reliable, and secure communication infrastructure for our computers, telecommunications, data network, for City staff to provide essential services to their customers.

Enterprise Systems

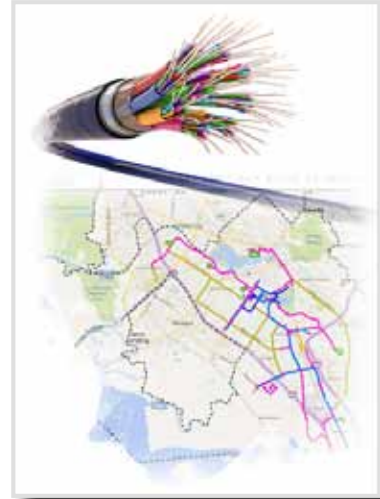
Enhance Workforce productivity for the City by providing leadership in acquiring and deploying high quality, cost-effective, and timely solutions.

Geographic Information Systems (GIS)

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

Department Overview

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



Accomplishment Highlights FY 2019/20

1. Completed the City's desktop and email application deployment (Windows 10, Exchange, Outlook, and Office 365). The project included planning and migrating 969 desktops and laptops to the latest versions of desktop and email software as well as creating and providing an online training web portal for users.
2. In partnership with the Police Department (PD), Information Technology Services assisted in developing the scope of work and Request for Proposal (RFP) for a Content Management System (CMS), with the intent of using the solution for the rest of the City, not just the PD. A CMS system offers more flexibility and control over the design and management of the website. The City selected Granicus as it offered both the control the City needed and a highly customizable front-end to provide the City's residents and visitors a wonderful experience, without the overhead and maintenance of a traditional CMS.
3. In partnership with the Police Department and City of Union City, the Information Technology Services Department released an RFP to replace the current Computer Aided Dispatch (CAD) and Records Management System (RMS). The CAD/RMS solution is mission critical. Timely replacement of the solution is important because failure or disruption of CAD/RMS services could have adverse impact to officers in the field and/or citizens. The new solution will have enhanced features and integration tools to provide data feeds from other applications that critical to CAD/RMS.
4. There are many online threats including spyware, ransomware, and viruses that can potentially take advantage of software vulnerabilities found in operating systems and vendors' application software. In order to help ensure that the City's server and workstations are timely patched to mitigate and/or prevent these risks, ITS deployed Microsoft's System Center Configuration Manager (SCCM) to aid in this effort. In addition to software patching, SCCM allows ITS to remotely install new software onto users' workstations and laptops.
5. In partnership with the CLT, ITS selected a strong, multi-faceted constituent management platform for the residents and City Departments to report issues and give City employees the ability to track customer inquiries and actions taken. The CRM solution will result in increased efficiency by eliminating siloed systems, minimizing duplicate staff research, and enabling easier follow-up. In addition, citizens who create an account will be able to track their open tickets, requests, and inquiries. The City of Fremont App went live on May 1, 2020.

6. GIS continues to review and correct existing Census (LUCA) address and street data covering Fremont area for the US Census Bureau. In addition to the review, information on new addresses and new streets was provided as well as the adjustment or correction of Census Tract and Census Block Group boundaries.

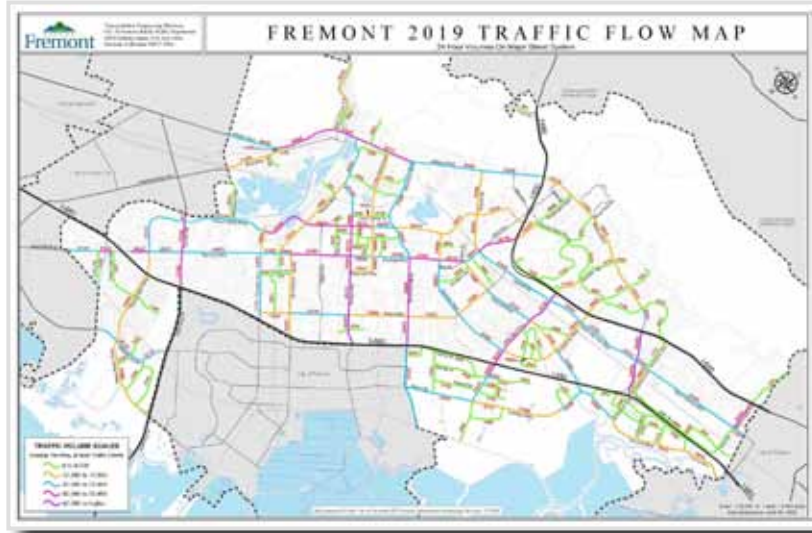
Objectives FY 2020/21

1. Implement a new, easy-to-use system to enable the public and City employees to reserve park and building facilities on-line as well as register for classes. The system must be robust to handle the possibility of future services, such as assisting the Fremont Unified School District to manage their facilities.
2. In partnership with the Fire Department and City Manager's Office, the Information Technology Services Department will be implementing a robust website with Content Management capabilities, which will help improve the User Experience for the City's residents. The new website will be more intuitive to navigate, search features will be greatly enhanced, content will be fresh and current, and it will integrate with the CRM solution.
3. In partnership with Community Development, Information Technology Services is moving the on-site permitting, inspection, and land-use system, Accela, to the Microsoft's Azure cloud. Moving Accela to the cloud will allow for faster system updates, thus ensuring the City's residents and professionals utilizing the system always have the latest features.
4. In partnership with Public Works, the Information Technology Services Department will update the work order management system to provide improved asset tracking, mobile access, enhanced geo-location services, and CRM integration that will translate into improved services for Fremont's residents.
5. The Council Chambers audio visual (AV) system is an aging analog system which currently provides poor broadcast quality. ITS plans to convert the existing technology from analog to digital. This will allow sharing of media and AV functionality between the existing Council Chambers room and a new proposed Civic Center Plaza building.
6. Currently, Fremont's fire stations' networks are served via a 100 Mbps Comcast connection. The connection is considered slow compared to today's high-speed offerings that are available via fiber. While fiber is the preferred "transport", unfortunately, it is expensive to install and involves digging up the ground. As an alternative, Siklu Wi-Fi offers high speed (up to 10Gbps) bandwidth over the air. This project involves the installation of Siklu Wi-Fi access points on the roof top of the fire stations. The Siklu access points will point to a City facility where high speed fiber is available for connectivity to the City's network and resources.
7. One of ITS goals is to develop a long-term strategic plan to develop the City's fiber network infrastructure. City Council, City Management, and ITS realizes the economic benefits of having a City owned fiber infrastructure. Current and future technologies will undoubtedly require fast and reliable communications between host and end devices. Fiber fulfills this requirement and can serve the foundation for Smart City initiatives including IoT (Internet of Things), driverless vehicles, traffic signal management, public Wi-Fi, smart lighting, security cameras, etc.

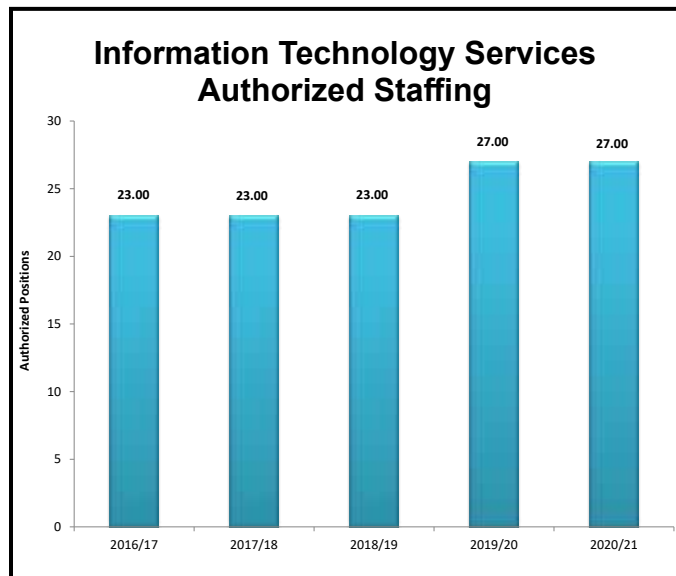
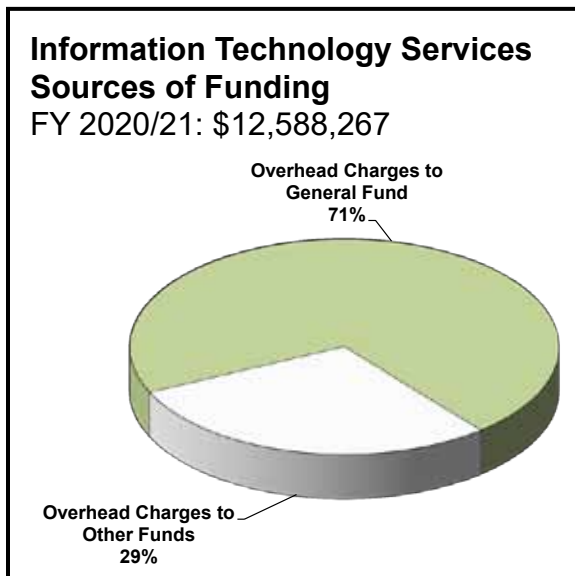


Department Budgets | Information Technology Services

8. In partnership with the City Manager’s Office, the Information Technology Services Department will be implementing a contemporary website using Granicus’ government CMS (content management system). The New Website will take advantage of advanced design and feature, which will streamline information delivery, mobile optimization (it will adapt to any mobile device’s screen), enhanced search capabilities and prominently display the City’s citizen/ community’s most important services. In addition, the flexible CMS will allow the City to quickly revamp, revise, or redo any portion of the website to meet the Citizen’s changing needs, thus continuously improving customer service. The new website will also seamlessly integrate with the new CRM solution for a “one-stop shopping” user experience.



9. GIS has developed a City Staff and Public online mapping applications for locating Small Cell Equipment installed on public street lights. The data will be generated from the permit application process in Accela. The map will show the wireless carrier equipment owner and pertinent data associated to the permit. GIS was planning to unveil the online mapping applications beginning May 1, 2020, but that will be pushed back to January 1, 2021 due to the COVID pandemic.



Performance Measurement

| Measure | FY 2018/19 Actual | FY 2019/20 Target | FY 2019/20 Estimate | FY 2020/21 Target |
|--|-------------------|-------------------|---------------------|-------------------|
| Percent of service desk calls resolved at first point of contact (when call is placed to the ITS Service Desk) | 80% | 80% | 82% | 80% |
| Percent of network availability as measured using a monitoring tool uptime algorithm | 99% | 99% | 99% | 99% |
| Percent of service tickets resolved within the stated service level agreements (SLAs) for the type and criticality of each request | 80% | 80% | 85% | 83% |
| Percent of requests for GIS Street Naming and Addressing projects completed within agreed-upon time frames | 80% | 80% | 86% | 84% |

Information Technology Services: Historical Expenditures/Budget, by Category

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Estimated Actual | 2019/20* Adjusted Budget | 2019/20 Adopted Budget | 2020/21 Adopted Budget |
|-------------------------------|---------------------|---------------------|--------------------------|--------------------------|------------------------|------------------------|
| Salaries & Benefits | \$ 4,169,367 | \$ 4,243,173 | \$ 4,544,571 | \$ 5,364,341 | \$ 5,305,447 | \$ 5,717,444 |
| Operating Expenditures | 2,111,549 | 2,492,063 | 3,304,065 | 3,274,684 | 3,097,468 | 3,452,744 |
| Capital Expenditures | 621,328 | 1,420,077 | 2,108,110 | 2,846,660 | 2,775,764 | 2,801,907 |
| Indirect Expense Allocation** | 601,037 | 620,575 | 659,007 | 659,007 | 659,007 | 616,172 |
| Totals | \$ 7,503,281 | \$ 8,775,888 | \$ 10,615,753 | \$ 12,144,692 | \$ 11,837,686 | \$ 12,588,267 |

% increase/(decrease), including all funds, from FY 2019/20 Adopted Budget 6.3%

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

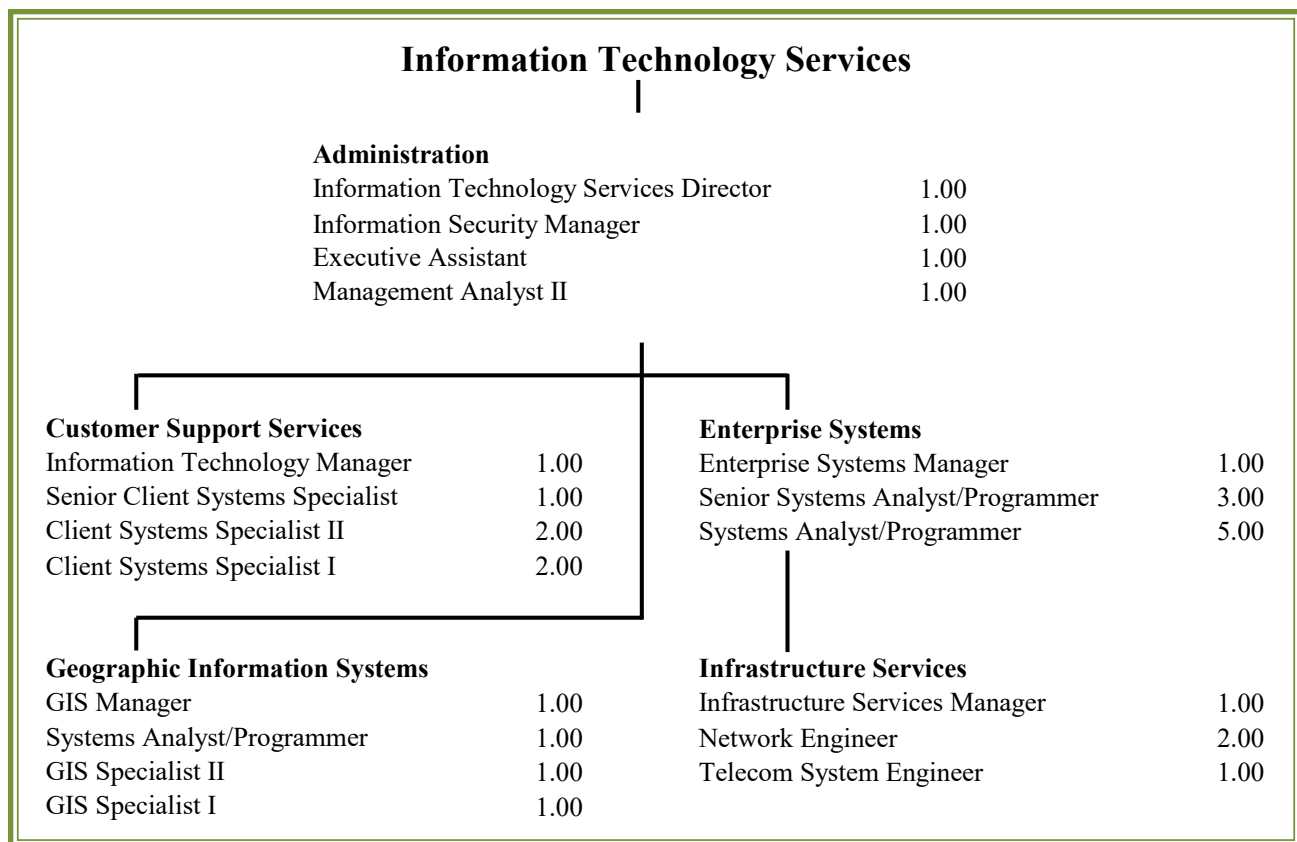
** Indirect expense allocation displays the department's share of the City's total costs for vehicle replacement, workers' compensation costs, and general liability insurance.

Department Budgets | Information Technology Services

Major Changes

- The FY 2020/21 Information Technology Services budget is \$750,581 (or 6.3%) more than the FY 2019/20 adopted budget.
- Salary and benefits are increasing by 7.8% due to changes in the CalPERS retirement benefit costs.
- Operating expenditures are increasing by \$355,276 (or 11.5%) mainly due to increases in contractual services.
- Indirect expense allocation is decreasing by -6.5% mainly due to a decrease in Risk Management costs.

Staffing by Function-FY 2020/21



Regular Full-Time Equivalents: 27.00

Staffing

Regular Position Summary

Overview

The total authorized regular staffing level of 962.31 for FY 2020/21 has increased by 6.25 full time equivalent (FTE) positions from the FY 2019/20 level. While there is an overall increase in staffing, many departments continue to operate at a low level when compared to historical staffing ratios.

The FY 2020/21 staffing increases serve to enhance public safety response capability and provide additional support for senior services.

The City Clerk's Office staffing increase of 0.3 FTE includes a funding shift decrease of 0.7 FTE for an Assistant City Manager and increases of 0.75 FTE for an Assistant City Clerk and 0.25 FTE for a Deputy City Manager.

The City Manager's Office staffing decrease of 2.8 FTE includes the elimination of a 1.0 FTE Land Use Initiatives Manager, the transfer of a 1.0 FTE Homeless Services Manager to the Human Services Department, and funding shift increases of 0.7 FTE for an Assistant City Manager and 0.25 FTE for a Deputy City Manager, and decreases of 0.75 FTE for an Assistant City Clerk and 1.0 FTE for a Management Analyst.

| | <u>2015/16</u> | <u>2016/17</u> | <u>2017/18</u> | <u>2018/19</u> | <u>2019/20*</u> | <u>2020/21</u> |
|--|----------------|----------------|----------------|----------------|-----------------|----------------|
| <u>PUBLIC SAFETY</u> | | | | | | |
| Fire | 158.00 | 159.00 | 160.00 | 161.00 | 162.00 | 162.00 |
| Police | 303.50 | 306.50 | 311.50 | 314.50 | 317.50 | 320.50 |
| TOTAL | 461.50 | 465.50 | 471.50 | 475.50 | 479.50 | 482.50 |
| <u>OTHER COMMUNITY SERVICES</u> | | | | | | |
| Community Development | 68.05 | 71.05 | 76.05 | 80.25 | 81.25 | 81.55 |
| Community Services | 90.76 | 91.01 | 92.01 | 94.01 | 96.66 | 97.06 |
| Economic Development | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.50 |
| Human Services | 60.55 | 61.55 | 64.55 | 65.40 | 64.73 | 68.98 |
| Public Works | 121.53 | 124.35 | 127.35 | 129.65 | 136.00 | 136.30 |
| TOTAL | 344.89 | 351.96 | 363.96 | 373.31 | 382.64 | 388.39 |
| <u>ADMINISTRATIVE SYSTEMS</u> | | | | | | |
| City Manager's Office | 9.80 | 10.80 | 10.80 | 12.05 | 13.05 | 10.25 |
| City Attorney | 9.92 | 9.92 | 9.92 | 9.92 | 9.92 | 9.92 |
| City Clerk | 3.95 | 3.95 | 3.95 | 3.95 | 3.95 | 4.25 |
| Finance | 24.00 | 24.00 | 24.00 | 24.00 | 24.00 | 24.00 |
| Human Resources | 14.25 | 15.25 | 15.25 | 15.00 | 16.00 | 16.00 |
| Information Technology Services | 23.00 | 23.00 | 23.00 | 23.00 | 27.00 | 27.00 |
| TOTAL | 84.92 | 86.92 | 86.92 | 87.92 | 93.92 | 91.42 |
| CITYWIDE TOTAL | 891.31 | 904.38 | 922.38 | 936.73 | 956.06 | 962.31 |

* Total number of positions anticipated at the end of June 2020.

Staffing | Regular Position Summary

The Community Development Department staffing increase of 0.3 FTE includes a reduction of 0.7 FTE funding shift for a Geographic Information systems (GIS) Programmer and a 1.0 FTE addition of a Management Analyst to oversee the City's permit system.

The Community Services Department staffing increase of 0.4 FTE includes a funding shift for a Geographic Information systems (GIS) Programmer.

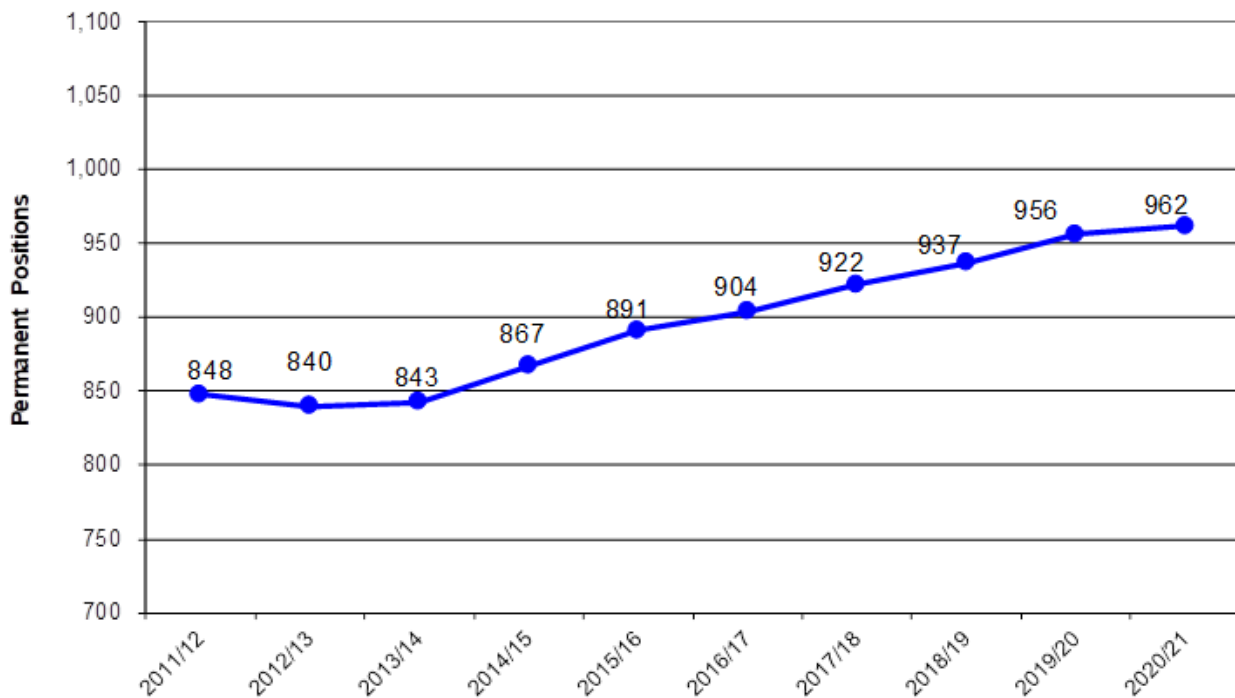
The Economic Development Department staffing increase of 0.5 FTE includes a funding shift for a Management Analyst.

The Human Services Department staffing Increase of 4.25 FTEs includes the elimination of a 0.75 FTE Office Specialist position and 1.0 FTE Management Analyst position and the addition of a 1.0 FTE Senior Office Specialist position, as the management duties for the Rent Review Program have transferred to the Community Development Block Grant (CDBG) Administrator. With the opening of the new Age Well Center in Warm Springs, 4.0 FTE positions were added, including a 1.0 FTE Senior Center Manager, 1.0 FTE Program Coordinator, 1.0 FTE Office Specialist, and 1.0 FTE Chef. A 1.0 FTE Homeless Services Manager was also transferred from the City Manager's Office.

The Police Department staffing increase of 3.0 FTEs represents the addition of two Parking Compliance Officers and one Community Services Officer to initiate a citywide parking compliance program.

The Public Works Department staffing increase of 0.3 FTE includes a funding shift for a Geographic Information systems (GIS) Programmer.

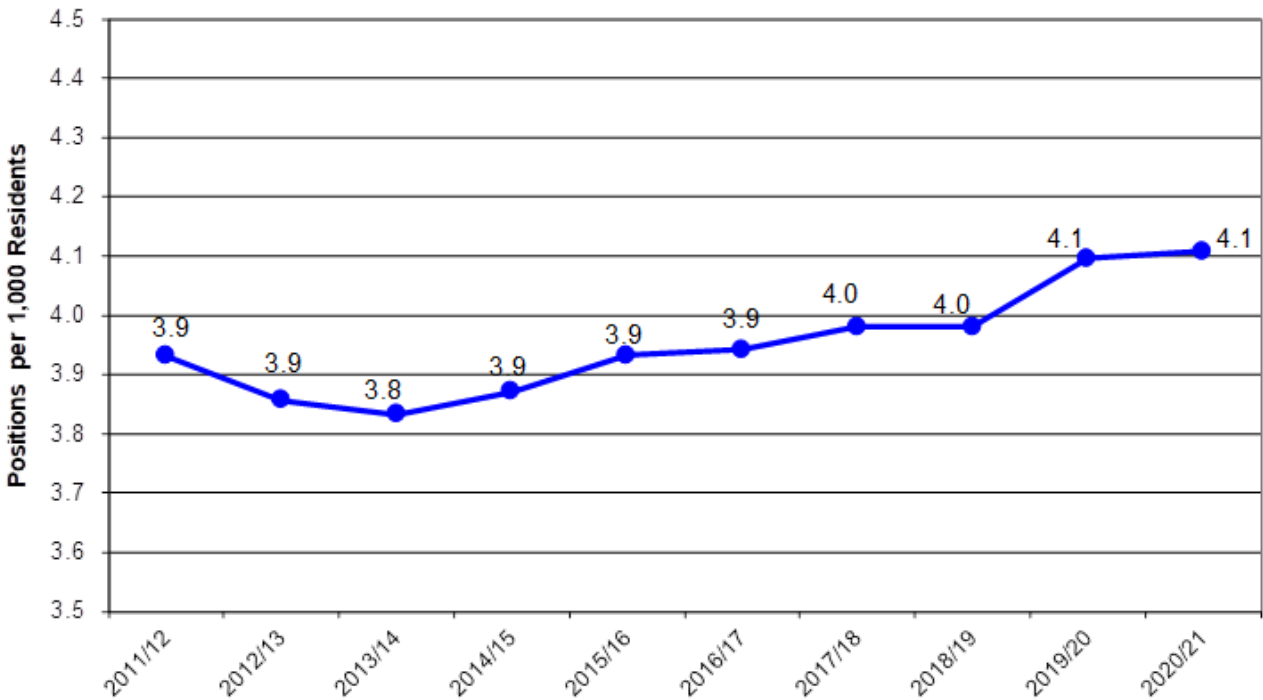
Budgeted Positions: FY 2011/12 - FY 2020/21



Historical Perspective

City staffing has remained relatively constant over the past 10 years, growing slightly to the modest level of 4.1 FTEs per 1,000 residents, virtually unchanged from FY 2011/12. Fremont continues to be one of the lowest staffed cities on a per capita basis in Alameda County. The chart below shows Fremont has exercised fiscal discipline when adding back staff as the economy recovered from the last recession.

City Workforce per 1,000 Residents: FY 2011/12 - FY 2020/21



The FY 2020/21 budget continues the City’s modest staffing and related service levels even though the FY 2020/21 overall staffing level has been increased by 6.25 FTEs compared to FY 2019/20. The staffing increases serve to enhance public safety response capability and provide additional support for senior services.

The Staffing Level Comparison table on the next page reveals that the City maintains an extremely low ratio of budgeted position to residents. Fremont’s low staffing ratio is driven by resource limitations, yet continues to work due to prudent planning and efficient City operations. Fremont has less per capita revenue to pay for basic public safety and maintenance services than other larger California cities, its neighboring cities, and other cities known for their high quality of life. Through FY 2019/20, the City of Fremont continues to have one of the lowest per capita staffing levels in the area.

Staffing | Regular Position Summary

Staffing Levels Relative to Other Communities

Positions per 1,000 Residents: FY 2019/20

| City | 2019 Population | Citywide Positions | Positions per 1,000 Residents |
|-------------|-----------------|--------------------|-------------------------------|
| Oakland | 432,897 | 4,244 | 9.80 |
| Palo Alto | 69,370 | 631 | 9.10 |
| Santa Clara | 128,717 | 812 | 6.31 |
| San Jose | 1,043,058 | 5,987 | 5.74 |
| Newark | 48,712 | 223 | 4.58 |
| Pleasanton | 80,492 | 368 | 4.57 |
| Sunnyvale | 155,567 | 673 | 4.33 |
| Union City | 74,916 | 312 | 4.16 |
| Livermore | 91,039 | 377 | 4.14 |
| Fremont | 233,404 | 953 | 4.08 |

Source: FY2019/20 published city budgets, financial reports and California Department of Finance Population Estimates for 2019

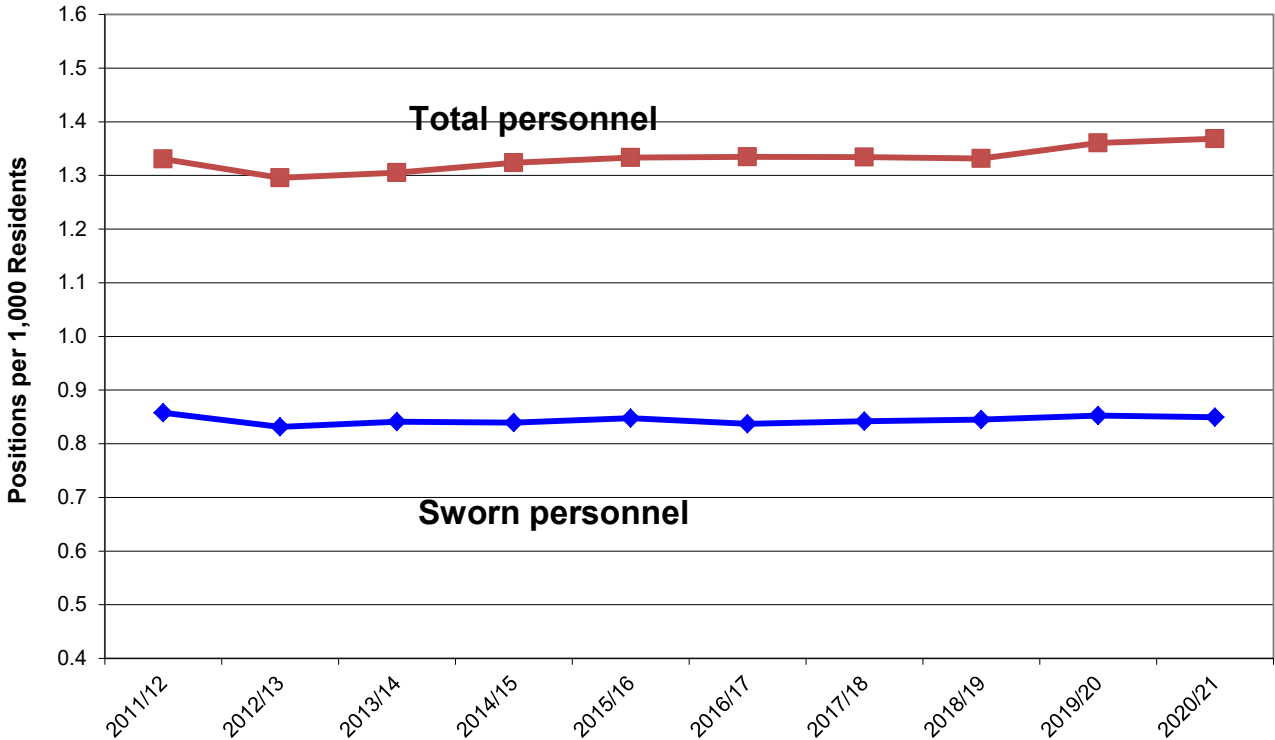
Note: Services provided by each community surveyed, and respective funding arrangements, vary widely among cities. The table reflects staffing levels in various communities, with the following adjustments to improve comparability with Fremont:

1. **Oakland:** total positions reduced by the number of positions supporting library services, city auditor, and race & equity (not provided by the City of Fremont)
2. **Palo Alto:** total positions reduced by the number of positions supporting utility, water, wastewater, solid waste services, library services, and city auditor (not provided by the City of Fremont)
3. **Santa Clara:** total positions reduced by the number of positions supporting library services, city auditor, water & sewer utilities, and electric utilities (not provided by the City of Fremont)
4. **San Jose:** total positions reduced by the number of positions supporting airport, library, city auditor, independent police auditor, and retirement services (not provided by the City of Fremont)
5. **Newark:** although no adjustment has been made, it is noteworthy that fire protection services for Newark are provided by the Alameda County Fire Department (ACFD); therefore there are no staff budgeted by Newark for this function
6. **Pleasanton:** total positions reduced by the number of positions supporting library, water, and sewer storm water services (not provided by the City of Fremont)
7. **Sunnyvale:** total positions reduced by the number of positions supporting library, NOVA workforce services, water, wastewater, and solid waste services (not provided by the City of Fremont)
8. **Union City:** although no adjustment has been made, it is noteworthy that fire protection services for Union City are provided by the Alameda County Fire Department (ACFD); therefore there are no staff budgeted by Union City for this function
9. **Livermore:** total positions reduced by the number of positions supporting library, water, and airport services (not provided by the City of Fremont)

Police

Police Department staffing has increased by 3.0 FTE, including two Parking Compliance Officers and one Community Services Officer to initiate the citywide parking compliance program. Sworn staffing has remained unchanged for FY 2020/21, at a per capita staffing level of 0.85 sworn officers per 1,000 residents. This level of police officer coverage per thousand residents has remained relatively level over the last ten years. The service level is illustrated by the graph below.

Police Positions per 1,000 Residents: FY 2011/12 - 2020/21



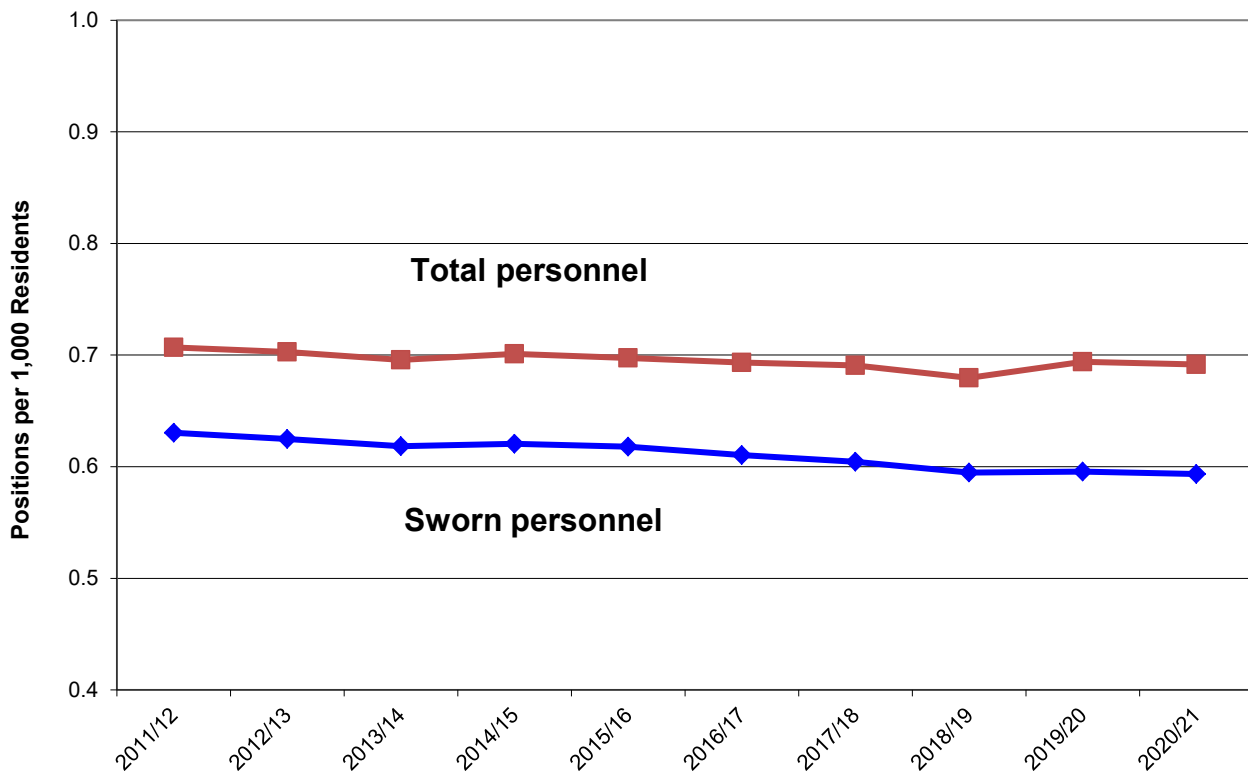
Staffing | Regular Position Summary

Fire

Fire Department staffing has remained unchanged for FY 2020/21. Sworn staffing has also remained unchanged for FY 2020/21 at 0.59 firefighters per 1,000 residents. As illustrated by the graph below, the level of staffing has remained relatively constant over the last ten years.

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

Fire and Emergency Services Positions per 1,000 Residents: FY 2011/12 - 2020/21



Maintenance

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

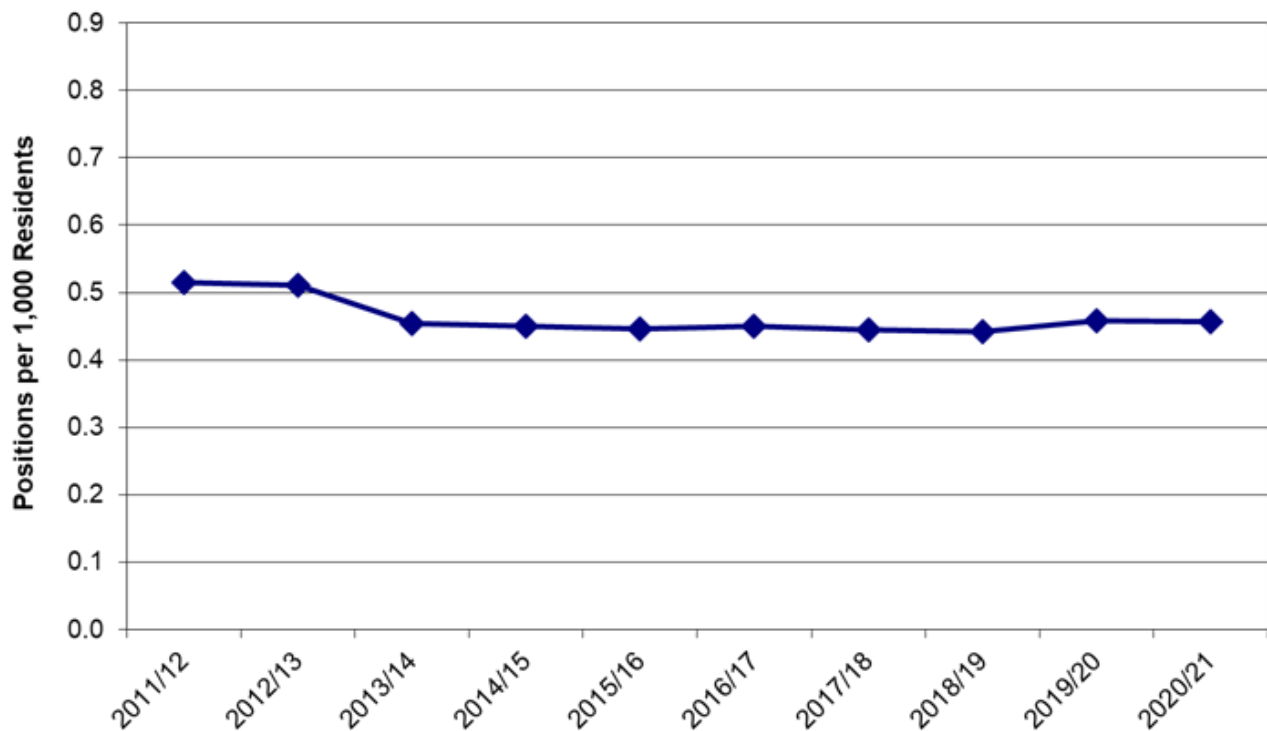
Maintenance demands related to public buildings, streets, and parks have grown in the last 25 years. The following table illustrates this growth:

FY 2020/21 Maintenance Statistics

| Asset | FY 1995/96 | FY 2020/21 | Percent Change |
|---------------------|-----------------|------------------|----------------|
| Public Buildings | 581,500 sq. ft. | 907,070 sq ft | 56% |
| Streets | 778 lane miles | 1,081 lane miles | 39% |
| Trees Along Streets | 35,000 trees | 50,000 trees | 43% |
| Park Land | 810 acres | 1219 | 50% |

The staffing level of 0.45 maintenance workers per 1,000 residents has remained stable since FY 2013/14 when the City out-sourced its median maintenance activities.

Maintenance Workforce per 1,000 Residents: FY 2011/12 - 2020/21



This page intentionally left blank

Policies and Glossary

Budget Practices

- Budget Process and Calendar.....241
- Citizen Participation.....242
- Other Major Planning Processes.....243
- Basis of Budgeting.....244
- Basis of Budgetary Accounting245
- Operating/Capital Expenditure Accountability.....246

Long-Term Financial Planning

- Long-Term Financial Planning246
- Cash Management.....247
- Risk Management247
- Pension and Post-employment Benefits.....247

Reserve or Stabilization Accounts

- Reserve or Stabilization Accounts248
- General Fund Contingency Reserve248
- General Fund Budget Uncertainty Reserve249
- Development Cost Center Contingency Reserve.....249
- Development Cost Center Technology and System Improvement Reserve249
- Development Cost Center Unreserved Fund Balance249
- Human Services Special Revenue Fund Contingency Reserve.....250
- Integrated Waste Management Disposal Differential Reserve.....250
- Integrated Waste Management Unallocated Fund Balance250
- Integrated Waste Management Vehicle Replacement Reserve250
- Urban Runoff Clean Water Program Contingency Reserve.....251
- Urban Runoff Clean Water Program Unallocated Fund Balance.....251
- Recreation Cost Center Contingency Reserve.....251
- Recreation Cost Center Operating Improvement Reserve.....251

Cost Center Spending Authorizations

- Recreation Cost Center Spending Authorization252
- Development Cost Center Spending Authorization.....252
- Development Cost Recovery252

Policies and Glossary

Interfund Loans and Debt Management

- Interfund Loans.....252
- Debt Management.....254

Unfunded Liabilities

- Pension Liability Funding Policy.....260

Glossary of Budget Terms

- Glossary of Budget Terms.....261

Policies and Practices

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

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

Budget Practices

Budget Process and Calendar

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

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

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

Policies and Glossary | Policies and Practices

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

Budget Process Calendar

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

Citizen Participation

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

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

The City Council heard a presentation of the City Manager’s proposed FY 2020/21 budget at a televised meeting on May 12, 2020. Televised public hearings were held on June 2 and June 9, 2020.

Other Major Planning Processes

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

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

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

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

Including maintenance in the capital budgeting process is intended to overtly balance the planning for capital improvements with funding needs to maintain existing infrastructure. The amount of General Fund to be transferred to the CIP is determined in the annual Operating Budget process and may vary annually from the amount projected as revenue in the CIP. However, the CIP expenditure appropriation does not change without specific City Council action. The process for developing the FY 2019/20-2023/24 CIP began during the summer of 2018. Appropriations reflect any changes in other City funding capabilities. Conversely, the capital projects adopted in the FY 2019/20-2023/24 CIP inform the FY 2020/21 Operating Budget.

Basis of Budgeting

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

Revenues: The City receives revenues from a variety of sources. Property tax and sales tax comprise approximately 75% of the General Fund. The City receives the balance of its revenues from local taxes, fees, charges for services, and transfers from other funds for General Fund services. Revenue projections for the coming budget year are based on the estimated actual revenue projected for the current year, historical trends, and anticipated changes in economic activity.

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

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

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

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

Starting with the adopted budget for the prior year,

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

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

Basis of Budgetary Accounting

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

The City uses a “fixed budget” presentation which establishes a spending cap at the fund level, with departmental budgetary guidelines. Department budgets cannot be exceeded without special authorization (see Budget Practices at page 239). The proposed operating budget for the 2020/21 fiscal year was adopted on June 9, 2020. The fiscal years before FY 2020/21 shown in the operating budget are for contextual purposes only and are not adopted by the City Council in its budget resolution for FY 2020/21.

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

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

In the Required Supplementary Information section of the CAFR, the City compares actual revenues and expenditures for the accounting period to both the originally adopted budget and the final budget (the adopted budget with any mid-year adjustments) for estimated revenues and expenditure appropriations. These comparisons, made for the General Fund, the Development Cost Center Fund, the Recreation Services Fund, the Human Services Fund, and the Inclusionary Housing In-lieu Funds show the City’s compliance with the expenditure caps at the legal level of control. A copy of the City’s CAFR for the fiscal year ended June 30, 2019, may be obtained on the City’s website at www.fremont.gov, or by contacting the City’s Finance Department. The CAFR for the fiscal year ending June 30, 2020, will be available no later than December 31, 2020.

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

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

Operating/Capital Expenditure Accountability

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

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

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

Long-Term Financial Planning

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

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

Cash Management

Cash temporarily idle during the year is invested in obligations of the U.S. Treasury and agencies of the federal government, commercial paper, corporate bonds, bankers acceptances, qualifying mutual funds, time deposits, money market accounts, and governmental investment pools. For financial reporting purposes, investment income includes appreciation/depreciation in the fair value of investments. These unrealized investment gains and losses are not included in the budget. Pursuant to State law, the City's investment policy is adopted by the City Council annually.

Risk Management

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

Pension and Other Post-employment Benefits

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

Reserve or Stabilization Accounts

Reserves accumulated during years when revenues exceed expenditures allow the City to more gradually adjust spending in response to economic downturns. The General Fund maintains two reserves: the Contingency Reserve and the Budget Uncertainty Reserve. The City also maintains reserves for fee-based cost center operations and certain other special revenue funds, including the following:

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

General Fund Contingency Reserve

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

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

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

General Fund Budget Uncertainty Reserve

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

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

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

Development Cost Center Contingency Reserve

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

Development Cost Center Technology and System Improvement Reserve

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

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

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

Development Cost Center Unreserved Fund Balance

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

Human Services Special Revenue Fund Contingency Reserve

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

Integrated Waste Management Disposal Differential Reserve

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

Integrated Waste Management Unallocated Fund Balance

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

Integrated Waste Management Vehicle Replacement Reserve

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

Urban Runoff Clean Water Program Contingency Reserve

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

Urban Runoff Clean Water Program Unallocated Fund Balance

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

Recreation Cost Center Contingency Reserve

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

Recreation Cost Center Operating Improvement Reserve

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

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

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

Cost Center Spending Authorizations

Recreation Cost Center Spending Authorization

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

Development Cost Center Spending Authorization

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

Development Cost Recovery

The multiplier rate was established in the 1992/93 fiscal year to recover all department costs associated with an employee's direct chargeable hours on a project. The multiplier concept replaced the flat rate charging system that applied an average departmental charge for all employees. The two principal components of the multiplier rate are the direct chargeable hours and the departmental budget. Direct chargeable hours are specifically attributed to a particular project and exclude hours that are not associated with a project. Chargeable hours are determined based on an estimated percentage of employee-dedicated hours to a chargeable area. The multiplier used to calculate billing rates for planning and engineering services provided by the Development Cost Center was updated to 3.25 in FY 2014/15 and could be subsequently modified.

Interfund Loans and Debt Management

Interfund Loans

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

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

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

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

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

Debt Management

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

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

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

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

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

I. Purposes for Which Debt May Be Issued

A. Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land, to be owned and operated by the City.

1. Long-term debt financings are appropriate when any of the following conditions exist:

- The project is included in the City’s five-year capital improvement program (CIP) and is in conformance with the City’s General Plan.

- The project to be financed, if not included in the CIP, is necessary to provide essential services or is mandated by state or federal requirements.
 - The project to be financed will provide benefit to the community over a period equal to or exceeding the term of the financing.
 - Total debt does not constitute an unreasonable burden to the City and its taxpayers and ratepayers.
 - The debt is used to refinance outstanding debt to produce debt service savings or to realize the benefits of a debt restructuring.
2. Long-term debt financings will not be considered appropriate for current operating and routine maintenance expenses.
 3. The City may use long-term debt financings subject to the following conditions:
 - The project to be financed must be approved by the City Council.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
 - The City estimates that sufficient revenues will be available to service the debt through its maturity.
 - The City determines that the issuance of the debt will comply with applicable state and federal law.

B. Short-term debt. Short-term debt may be issued for the following purposes:

1. To fund cash flow deficits in a fiscal year arising from a timing mismatch between revenues and expenditures.
2. To provide interim financing in anticipation of long-term debt issuance, property sale proceeds, grants, or other sources of funding to retire the short-term debt.
3. To finance the acquisition of shorter-lived capital assets such as fire apparatus or solar panel arrays.

C. Pooled Financings. Pooled financings with other government agencies will be considered, as appropriate.

D. Financings on Behalf of Other Entities. The City may find it beneficial to issue debt on behalf of other governmental agencies or private third parties to further the public purposes of the City. In such cases, the City shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with this Debt Policy.

II. Types of Debt

For purposes of this Debt Policy, “debt” shall be interpreted broadly to mean bonds, notes, certificates of participation, financing leases, or other financing obligations, but the use of such term in this Debt Policy shall be solely for convenience and shall not be interpreted to characterize any such obligation as an indebtedness or debt within the meaning of any statutory or constitutional debt limitation where the substance and terms of the obligation comport with exceptions thereto.

The following types of debt are allowable under this Debt Policy:

General Obligation Bonds – Bonds secured by a promise to levy ad valorem property taxes in an unlimited amount as necessary to pay annual debt service. General obligation bonds must be approved by a two-thirds vote of the qualified electors, and the bonds may only be used to finance the acquisition or improvement of real property. Because they are secured by the property tax levy, general obligation bonds are considered by investors to have the highest credit quality and consequently bear the lowest interest rates.

Revenue Bonds – Bonds may be secured by revenues generated by the facility that is financed, dedicated user fees, or another source of dedicated revenues such as a voter-approved additional sales (transactions) tax. Voter approval may not be required if debt service is paid solely from a special fund consisting of enterprise or other legally-restricted revenues.

Lease Revenue Bonds, Certificates of Participation, and Lease-Purchase Transactions – The City enters into a tax-exempt lease with a nonprofit corporation, joint powers authority, leasing company, bank, or other lessor. The lessor acquires the leased asset (which could include real property or equipment), either by purchasing it from a third party or by leasing it from the City. If applicable, the lessor, with the assistance of the City, undertakes the acquisition and/or construction of the financed project and leases the leased asset back to the public agency pursuant to a financing lease. The lessor’s rights to receive payments under the financing lease are sold to investors and the proceeds of the sale are used to pay the costs of acquiring and/or constructing the financed asset. The lease financing structure may be used to finance the cost of acquiring land and equipment and constructing improvements, and the leased asset does not have to be the asset being acquired or constructed. Lease financing does not require voter approval, but generally bears a higher interest rate than general obligation debt due to a perceived higher risk of default.

Special Assessment Bonds or Special Tax (Mello-Roos) Bonds – The City may establish special assessment districts or community facilities districts to finance acquisition or construction of real or personal property. A two-thirds majority vote of property owners or residents within a community facilities district is required to approve a special tax and to issue bonds. A majority vote of property owners in a special assessment district (weighted based on proportional benefit from the financed project) is required to approve an assessment. In the case of a special assessment district the assessment amount is proportional to the benefit attributable to the property owner. In a community facilities district the special tax is levied pursuant to a rate and method of apportionment that defines the special tax formula for each property type. In the event of a default by a property owner in the payment of its assessment or special tax, the lien of the assessment or special tax has the same priority as property taxes. Bondholders rely on the

special taxes/assessments and, typically, a commitment by the City to foreclose on delinquent properties to collect delinquent special taxes/assessments, and have no recourse to the City's General Fund.

Tax and Revenue Anticipation Notes (TRANs) – TRANs are issued to fund cash flow deficits in a fiscal year arising from a timing mismatch between revenues and expenditures. Typically, TRANs would be issued at the beginning of the fiscal year with repayment coming from any funds received during that fiscal year. TRANs can mature in either the same fiscal year as issued or in the following fiscal year.

Bond or Grant Anticipation Notes (BANs/GANs) – Notes are issued to provide temporary financing, to be repaid by long-term financing or grant proceeds.

The City may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

III. Relationship of Debt to the City's Capital Improvement Program and Budget

The City is committed to long-term capital planning. The project priority process used in developing the city's five-year capital improvement program (CIP), including criteria for evaluating projects and project viability, is reviewed by the City Council as part of the biennial update of the CIP.

The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's capital budget and the CIP.

The City shall integrate its debt issuances with the goals of its CIP by timing the issuance of debt to ensure that facilities and equipment are available when needed in furtherance of the City's public purposes.

The City shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues and avoid the use of debt financing for these purposes.

IV. Policy Goals Related to Planning Goals and Objectives

The City is committed to long-term financial planning, maintaining appropriate reserve levels and employing prudent practices in governance, management and budget administration. The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's annual operating budget and CIP.

It is a policy goal of the City to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City will maintain open communications with rating agencies, investors, and other market participants to enhance the market value of the City's outstanding debt and minimize borrowing costs.

The City will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the City to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 3% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

V. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the City shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The City will periodically review the requirements of and will remain in compliance with the following:

- Any continuing disclosure undertakings under SEC Rule 15c2-12;
- Any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues;
- Any covenants and reporting requirements specified in financing documents; and
- The City's investment policies as they relate to the investment of bond proceeds.

It is the policy of the City to ensure that proceeds of debt are spent only on lawful and intended uses. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the City will submit written requisitions for such proceeds. The City will submit a requisition only after obtaining the signature of the Finance Director or designee. In those cases where it is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the Finance Director shall retain records of all expenditures of proceeds through the final payment date for the debt.

VI. Debt Issuance Considerations

A. Funding Methods for Capital Projects. Before pursuing debt issuance for a project, consideration should be given to the full range of available funding options which may include pay-as-you-go and interfund borrowing.

1. Pay-as-you-go

With a pay-as-you-go approach, the City uses available cash to pay for projects. Funding sources can include the City's General Fund, special revenue funds, and capital project funds, user charges, impact fees, grants, private contributions, or capital replacement funds set up specifically to pay for capital improvements or replacements.

2. Interfund Borrowing

Interfund loans may be appropriate for financing priority needs on a case-by-case basis. The City's Interfund Loans Policy specifies the terms and conditions under which the City Manager may approve interfund loans and advances.

B. Debt Limits.

1. Legal Restrictions

City staff will work with bond counsel and the financial advisor to ensure that any proposed debt issuance is consistent with federal and State law, the City's municipal code and policies, contractual obligations of the City, and any applicable bond referenda approved by voters.

California Government Code Section 43605 limits the issuance of general obligation bonds to no more than 15% of the City's gross assessed valuation. For measurement purposes, the City converts assessed valuation data from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted.

2. Financial Restrictions

Debt service supported by the General Fund will not exceed 7% of total budgeted General Fund expenditures and transfers out.

The General Fund may be used to provide back-up liquidity to improve the viability of a self-supported debt issue, but only if the General Fund is not exposed to significant risk of loss of assets or impairment of liquidity. This evaluation of risk will consider such things as the following:

- Volatility and collection risk of the revenue source identified for repayment of the debt; and
- The likelihood that the General Fund will be reimbursed within one year for any payments it might potentially need to make in its role as back-up guarantor.

If the City Council determines the risk of loss of assets or impairment of liquidity to the General Fund to be relatively minimal, self-supported debt service for debt that relies on the General Fund as a back-up guarantor will not exceed 7% of budgeted General Fund expenditures and transfers out. This limitation is separate from and in addition to the debt limitations for General Fund supported debt service described above.

C. Debt Structuring Practices.

The amortization schedule and use of optional redemption features will reflect the anticipated availability of funds for debt service and redemption, as well as the potential trade-offs between the City's operational flexibility and the cost of funds.

Debt shall be issued as fixed rate debt unless the City makes a determination that a variable interest rate would be beneficial in a specific circumstance (e.g., interim financing, potential change in taxability, redemption flexibility, debt service savings).

The City will seek credit enhancements, such as letters of credit or bond insurance, when necessary or advantageous.

D. Debt Issuance Practices.

The City will engage an independent municipal advisor to assist with each debt issuance. All financing professionals and service providers will be selected in accordance with the procurement provisions in the City's municipal code.

Whenever the City anticipates incurring debt to finance a project and advancing project costs (e.g., project development costs, architectural costs, studies, etc.) before the debt proceeds are available, the City will adopt a resolution declaring its intent to reimburse itself for those costs.

Costs incurred by the City, such as bond counsel and financial advisor fees, printing, underwriters' discount, and project design and construction costs, will be charged to the bond issue to the extent allowable by law.

The City will generally conduct financings on a competitive basis; however, negotiated financings may be used when market volatility is a concern, or the financing mode, size, security or structure warrants a negotiated sale.

E. Use of Derivatives.

A derivative - or swap - is a financial instrument created from or whose value depends upon (is derived from) the value of one or more separate assets or indices of asset values. As used in public finance, derivatives may take the form of interest rate swaps, futures and options contracts, options on swaps, and other hedging mechanisms such as rate locks.

Prior to considering a swap or other derivative product, the City should first determine whether staff has the appropriate expertise and resources to understand and monitor the transactions, prepare necessary financial reports and audit footnotes on an ongoing basis, as well as manage the variable rate instruments and liquidity facilities associated with the derivative product. If the City determines that the appropriate expertise and resources are available, it should develop a comprehensive derivatives policy prior to entering into its first derivatives transaction.

Unfunded Liabilities

Pension Liability Funding Policy

The annual pension contributions calculated by CalPERS reflect actuarial methods that result in steadily increasing retirement costs in the near term and higher absolute costs over the long term. To slow or eliminate growth in annual retirement contributions over the next decade and reduce the City's overall retirement costs, the City Council has directed the City Manager to incorporate an additional pension contribution payment into development of the proposed operating budget each year using a minimum additional contribution equal to 10% of the unfunded liability contributions specified by CalPERS, with a larger additional contribution contingent on availability of funds. (Adopted by City Council on November 21, 2017)

Glossary of Budget Terms

Adopted Budget

The adopted budget is the annual City operating budget approved by the City Council for the fiscal year.

Agency Fund

Agency funds are used to account for assets held by the City on behalf of others as their agent. Agency funds are custodial in nature (i.e., assets equal liabilities) and do not involve the measurement of results of operations. Agency funds are not included in the annual operating budget, but are included in the comprehensive annual financial report.

Annual Operating Contingency

An account, appropriated in the adopted budget used at the discretion of the City Manager to fund emergency or extraordinary items.

Appropriation

An authorization by the City Council to make expenditures and to incur obligations for a specific purpose within a specific time frame.

Assessed Valuation

A dollar value placed on real estate or other property by Alameda County as a basis for levying property taxes.

Audit

Scrutiny of the City's accounts by an independent auditing firm to determine whether the City's financial statements are fairly presented in accordance with generally accepted accounting principles.

Balanced Budget

The budget for a fund is balanced when total budgeted resources, including revenues, transfers in from other funds, and unallocated fund balance from previous years, meet or exceed total budgeted use of resources, including expenditures and transfers out to other funds.

Base Budget

Under traditional budgeting, the base budget is that amount carried over from one year to the next. Each year, approved amounts may be added to or subtracted from the base budget.

Beginning Balance

Unencumbered resources available in a fund from the prior fiscal year after payment of prior fiscal year expenditures.

Bond

Capital raised by issuing a written promise to pay a specified sum of money, called the face value or principal amount, with interest at predetermined intervals.

Budget

A fiscal plan of financial operation listing an estimate of proposed expenditures and the proposed means of financing them. The budget must be approved by the City Council prior to the beginning of the fiscal year.

Budget Principles

Principles used by the City Council and staff to guide development of budgets. For the City of Fremont, these principles fall into three primary categories: General Fund Preservation, Reduce the Cost of Doing Business, and Revenue Generation.

California Public Employees' Retirement System (CalPERS)

The retirement system, administered by the State of California, to which all regular City employees belong.

Capital Asset/Capital Outlay

Land, infrastructure, and equipment used in operations that have initial useful lives greater than one year. The City has set the capitalization threshold for reporting infrastructure capital assets at \$25,000, and for all other capital assets at \$5,000. Expenditures made for capital assets are commonly referred to as "Capital Outlay," and are shown in either the CIP (see next page) or department budgets depending on whether the capital asset to be acquired is part of the City's long-term capital improvement program or needed for daily departmental operations.

Capital Budget

A plan of proposed capital outlays and the means of financing them for the current fiscal year period. For a five-year capital budget, the third through fifth year of the Capital Improvement Program is adopted-in-concept.

Capital Improvement Program (CIP)

The five-year financial plan for improving assets and integrating debt service and capital assets maintenance, adopted in a separate budget document and updated every two years.

Certificates of Participation (COPs)

A lending agreement, similar to lease revenue bonds, secured by a lease on the acquired asset or other assets of the City.

Consumer Price Index (CPI)

An indicator of inflation, used in some salary-increase or other calculations.

Cost Center

Cost centers are funds established to account for the transactions and activities related to specific City services, and the fees are used for the benefit of the fee payers. The Development Cost Center, for example, is a fund that accounts for services related to planning, engineering, and inspection of public and private development construction projects.

Debt Service

Payment of the principal and interest on an obligation resulting from the issuance of bonds, notes, or certificates of participation (COPs).

Deficit

An excess of expenditures over revenues (resources).

Department

An organizational unit comprised of divisions or functions. It is the basic unit of service responsibility encompassing a broad mandate of related activities.

Encumbrances

A legal obligation to pay funds for expenditures yet to occur, such as when a purchase order has been issued but the related goods or services have not yet been received. Encumbrances cease to exist when the obligations are paid or terminated.

Expenditure

The actual spending of governmental funds.

Fiscal Year

A twelve-month period of time to which a budget applies. In Fremont, the fiscal year is July 1 through June 30.

Fund

An independent fiscal and accounting entity with a self-balancing set of accounts, used to record all financial transactions related to the specific purpose for which the fund was created.

Fund Balance

The difference between fund assets and fund liabilities.

Gann Limit

State of California legislation that limits a City's appropriations growth rate to changes in population and either the change in California per capita income or the change in the local assessment roll due to non-residential new construction.

General Fund

The primary fund of the City used to account for all revenues and expenditures of the City not legally restricted as to use. This fund is used to accumulate the cost of the City's general operations.

GASB

Governmental Accounting Standards Board. This is the organization that establishes generally accepted accounting principles (GAAP) for state and local governments.

General Obligation Bond

Bonds backed by a voter-approved property tax increase, used to acquire and improve real property.

Grant

A contribution or gift of cash or other assets from another governmental entity or foundation to be used or expended for a specific purpose, activity, or facility. An example is the Community Development Block Grant (CDBG) provided by the federal government.

Hotel/Motel Occupancy Tax

A tax imposed on travelers who stay in temporary lodging facilities within the City. Also referred to as a Transient Occupancy Tax.

Infrastructure

Facilities on which the continuance and growth of the community depend, such as roads, sidewalks, parks and public buildings.

Interfund Transfers

Moneys transferred from one fund to another, such as from a fund receiving revenue to the fund through which the resources are to be expended.

Internal Service Fund

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

Lease Revenue Bonds

A lending agreement, similar to certificates of participation, secured by a lease on the acquired asset or other assets of the City.

Local Improvement District (LID) Bonds

Bonds paid for by special assessments on benefitted property for specific public capital improvements, generally infrastructure.

Materials, Supplies and Services

Expenditures for items that are ordinarily consumed within a fiscal year.

Memoranda of Understanding (MOUs)

The documented agreements resulting from labor negotiations between the City of Fremont and its various bargaining units.

Multi-year Forecast

The Finance Department's three-year forecast of revenues and expenditures.

Non-departmental

Appropriations of the General Fund not directly associated with a specific department. Expenditure items and certain types of anticipated general savings are included.

Object Code

A four-digit number describing a revenue or expenditure.

Objectives

The expected results or achievements of a budget activity.

Operating Budget

Annual appropriation of funds for ongoing program costs, including salaries and benefits, services and supplies. This is the primary means by which most of the financing, acquisition, spending and service delivery activities of the City are controlled. Reserves and contingencies are also components of Fremont's operating budget.

Operating Transfer

Amounts transferred between funds; not considered a revenue or expense. For example, legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended are shown as operating transfers.

Ordinance

A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries.

Other Post-employment Benefits (OPEB)

Post-employment benefits are those benefits other than pension benefits, including post-employment healthcare (retiree medical) and other non-pension benefits.

Overhead

Charges to various funds to cover the cost of administrative services, rent, custodial services, etc.

Performance Measurement

A process for collecting and reporting information regarding performance. It can involve looking at processes/strategies in place, as well as whether outcomes are in line with the intent of the activity.

Performance Measures

Quantitative measures that provide information about products, services, and the processes that produce them. They are a tool to help understand, manage, and improve the services an organization provides.

Proposed Budget

The proposed budget is the budget that is sent to the City Council by the City Manager. The proposed budget, including changes made by the City Council during its review, is approved and then becomes the adopted budget.

Proprietary Funds

City of Fremont activities that operate in a manner similar to private enterprises. Revenues are derived from fees charged to users, and the programs are largely cost-covering. Also referred to as Enterprise Funds.

Resolution

A special order of the City Council, with a lower legal standing than an ordinance.

Revenues

Revenues include tax proceeds and compensation received for specific services to the public (external revenues), as well as revenues received from other funds (internal revenues).

Salaries and Benefits

A budget category that generally accounts for salaries of regular and temporary employees, overtime, and employee benefits, such as medical, dental, pension, and retiree healthcare.

Special Revenue Fund

This fund type is used to account for City revenues from sources that, by law or administrative action, are designated to finance particular functions or activities of government.

Transfers In and Transfers Out

Movement of revenue out of one fund and into another. The recipient fund uses the money to cover the cost of services provided (such as when the General Fund transfers money to the Recreation Cost Center) or to cover the cost of fee-funded activities provided for the benefit of the general public (such as when the General Fund transfers money to the Development Cost Center).

This page intentionally left blank

RESOLUTION NO. 2020-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREMONT APPROVING AND ADOPTING A BUDGET FOR THE FISCAL YEAR JULY 1, 2020 THROUGH JUNE 30, 2021

WHEREAS, the City Manager has prepared a municipal budget for the fiscal year ending June 30, 2021, entitled “City of Fremont, Fiscal Year 2020/21 Proposed Operating Budget” (“Proposed Budget”), a copy of which is on file in the office of the City Clerk; and

WHEREAS, the City Council has examined the Proposed Budget, has conferred with the City Manager and appropriate staff in public sessions, and has deliberated and considered the Proposed Budget during public hearings.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FREMONT
RESOLVES AS FOLLOWS:

SECTION 1. The City Manager is hereby directed to prepare the final budget, in substantial conformance with the Proposed Budget, and as directed by the City Council, for the fiscal year July 1, 2020 through June 30, 2021. The final budget shall be the “City of Fremont, Fiscal Year 2020/21 Adopted Operating Budget.” The final budget may be referred to as “the Budget,” and a copy of the Budget shall be filed in the office of the City Clerk. The Budget is hereby adopted and approved.

SECTION 2. The City Manager is hereby authorized to implement the Budget as set forth in this resolution. The City Manager may delegate the authority to implement this resolution to the Finance Director, or other designated City employees.

SECTION 3. The City Manager is authorized to transfer appropriations as needed from savings available in any account in the Budget to any other accounts within the same fund to meet overall Budget requirements.

SECTION 4. The City Manager is authorized to transfer among various funds amounts designated as “Transfers” in the Budget in increments and at intervals determined by the City Manager.

SECTION 5. The City Manager is authorized to increase appropriations for fiscal year 2020/21 expenditures in an amount not to exceed the amount of funds encumbered, but not yet expended, from fiscal year 2019/20. The actual amount of the increased appropriation due to encumbrances will be reported to the City Council as part of the fiscal year 2019/20 year-end financial report.

SECTION 6. When revenue estimates for the Development Services cost center exceed the amount identified in the Budget due to increases in development and fee activity as verified by the Finance Director, the City Manager is authorized to increase appropriations for fiscal year 2020/21 expenditures in an amount not to exceed the amount of increased revenue. Approval of increased appropriations shall be made in writing by the City Manager, filed with the Finance Director, and reported to the City Council as part of the fiscal year 2020/21 year-end financial report. The multiplier used to calculate billing rates for planning services and engineering services provided by

the Development Services cost center will be 3.25.

SECTION 7. When revenue estimates for the Recreation cost center exceed the amount identified in the Budget due to increases in recreation fee activity as verified by the Finance Director, the City Manager is authorized to increase appropriations for fiscal year 2020/21 expenditures in an amount not to exceed the amount of increased revenue. Approval of increased appropriations shall be made in writing by the City Manager, filed with the Finance Director, and reported to the City Council as part of the fiscal year 2020/21 year-end financial report.

SECTION 8. When revenue estimates exceed the amount identified in the Budget due to increases in grant or fee revenues as verified by the Finance Director, the City Manager is authorized to increase appropriations for fiscal year 2020/21 expenditures in an amount not to exceed the amount of increased revenue. Approval of increased appropriations shall be made in writing by the City Manager, filed with the Finance Director, and reported to the City Council as part of the fiscal year 2020/21 year-end financial report.

SECTION 9. When higher than anticipated revenue activity in the General Fund results in increased costs to directly support that activity (e.g., automated traffic enforcement), the City Manager is authorized to increase appropriations for fiscal year 2020/21 expenditures in an amount not to exceed the amount of increased revenue. Approval of increased appropriations shall be made in writing by the City Manager, filed with the Finance Director, and reported to the City Council as part of the fiscal year 2020/21 year-end financial report.

SECTION 10. The City Manager is authorized to appropriate and transfer funds from the General Fund, or other funds from which personnel costs are budgeted, to the Risk Management Fund in the amounts necessary to maintain adequate funding of the workers' compensation and general liability reserves based on the actuarial valuation reports for these programs as of June 30, 2020, to the extent that the necessary amounts are available as unencumbered ending fund balance.

SECTION 11. The City Manager is instructed to use restricted funding sources in accordance with the requirements of the funding sources prior to using funds with unrestricted resources in order to allow the City the greatest flexibility in meeting its financial obligations.

SECTION 12. Each Councilmember is authorized \$6,500, and the Mayor is authorized \$20,000, for Council travel and expense reimbursement, to be utilized in accordance with the Council Travel Budget and Expense Reimbursement Policy.

SECTION 13. The City Manager is instructed to implement all policies contained in the "Policies" section of the Budget.

SECTION 14. This resolution shall take effect immediately upon its adoption.


ADOPTED, June 9, 2020, by the City Council of the City of Fremont, by the following vote:

AYES: Mayor Mei; Vice Mayor Jones; Councilmembers Bacon, Salwan, Keng, Kassan and Saho

NOES: None

ABSENT: None

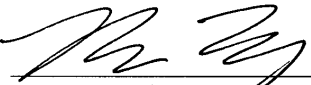
ABSTAIN: None



Mayor

ATTEST:


City Clerk

APPROVED AS TO FORM:


Sr. Deputy City Attorney

This page intentionally left blank

RESOLUTION NO. 2020-25

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREMONT
ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR
2020/21 FOR THE CITY OF FREMONT**

WHEREAS, Article XIIB of the California Constitution (enacted with the passage of Proposition 4 in 1979; with modifications under Proposition 111, passed by the voters of California in June 1990; and implemented by California Government Code Sections 7900, and following), specifies appropriations of governmental entities may increase by an amount not to exceed the change in population and the change in either the California per capita income or the change in non-residential assessed valuation due to new construction within the City; and

WHEREAS, documentation used in the determination of the fiscal year 2020/21 appropriations limit has been available to the public prior to City Council’s determination in this matter, as required by Government Code Section 7910.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FREMONT RESOLVES AS FOLLOWS:

SECTION 1. Pursuant to the appropriations limit formula set forth by Government Code Sections 7900-7913, the City Council does hereby establish the appropriations limit for fiscal year 2020/21 for the City of Fremont as \$766,045,734, as documented in Exhibit A, attached hereto and incorporated herein by reference as though fully set forth.

SECTION 2. The City Council of the City of Fremont adopts as the adjustment factors for use in determining the fiscal year 2020/21 appropriations limit the following:

Population Factor: The percentage change in the City’s population from January 1 of the preceding calendar year to January 1 of the current calendar year as provided in the State of California Department of Finance “Price and Population Information” publication, dated May 2020.

//

//

//

Per Capita Personal Income: The percentage change in California per capital personal income from the preceding year as provided in the State of California Department of Finance “Price and Population Information” publication, dated May 2020.


ADOPTED, June 9, 2020, by the City Council of the City of Fremont, by the following vote:

AYES: Mayor Mei; Vice Mayor Jones; Councilmembers Bacon, Salwan, Keng, Kassan and Saho


NOES: None

ABSENT: None

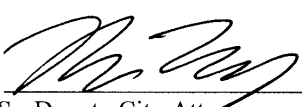
ABSTAIN: None



Mayor

ATTEST:


City Clerk

APPROVED AS TO FORM:


Sr. Deputy City Attorney

Exhibit A to Resolution No. 2020-25

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

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

multiplied by

either

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

or

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

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

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

On May 1, 2020, the State Department of Finance notified each city of the population change factor and the per capita personal income factor to be used in determining the appropriations limit. The percentage change in per capita income is 3.73%. The calculation as applied to the City of Fremont for FY 2020/21 is as follows:

The population change on January 1 of the previous year (233,404) compared to the population on January 1, 2020 (234,220) is 816, or a 0.35% increase.
 The change in per capita personal income is 3.73%.
 The factor for determining the year-to-year increase is computed as:

$$\frac{0.35 + 100}{100} \times \frac{3.73 + 100}{100} = 1.0409$$

Applying this year’s factor of 1.0409 to last year’s limit of \$735,945,561 yields the appropriations limit for FY 2020/21 of \$766,045,734.

Based on an operating budget of \$213,409,000, Fremont is not at risk of exceeding the

appropriations limit. The appropriations limit is adopted by the City Council concurrently with the adoption of the FY 2020/21 operating budget.