



# Fiscal Year 2021/22 Adopted Operating Budget



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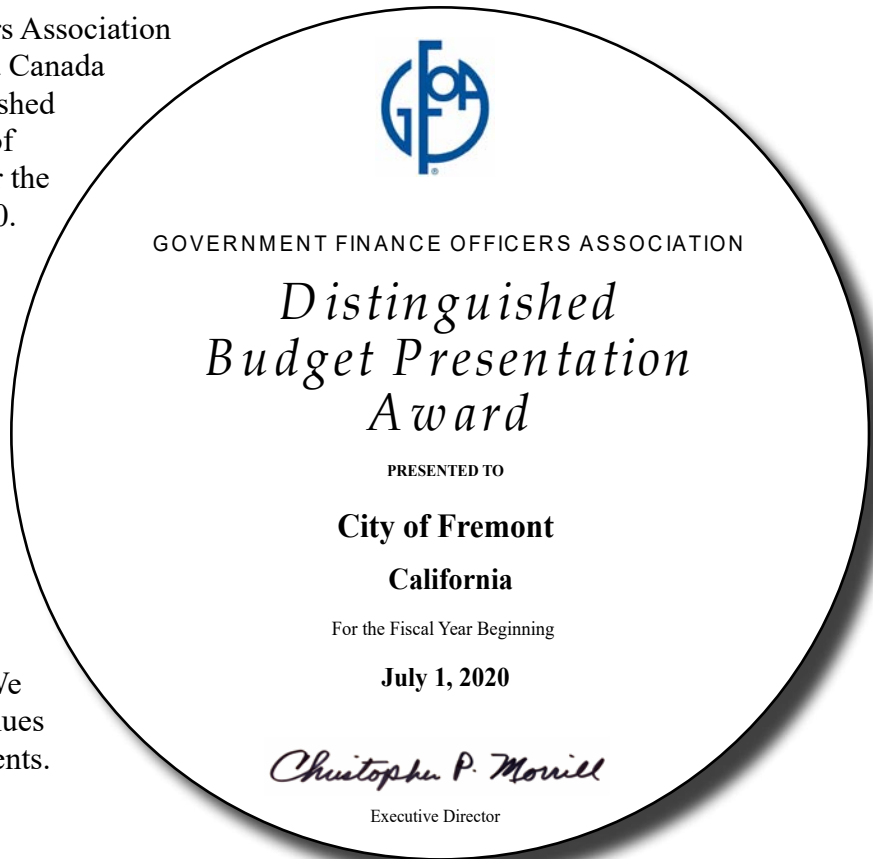
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The Government Finance Officers Association (GFOA) of the United States and Canada presented an award for Distinguished Budget Presentation to the City of Fremont for its annual budget for the fiscal year beginning July 1, 2020.

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-fourth 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:

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# 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

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### *Capital Budget Summary*

The Capital Improvement Program (CIP) is adopted biannually and includes appropriations for projects for Fiscal Years 2021/22 through 2022/23. 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.

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# Budget Overview

## Honorable Mayor and Members of the City Council:

As I present the Fiscal Year 2021/22 Operating Budget for your consideration, we are just beginning to emerge from the most severe public health emergency most of us have ever experienced. The Novel Coronavirus 2019 (COVID-19) pandemic has cost lives and livelihoods, and to at least some extent will permanently change how we work, shop, and socialize.

In many respects, our City was well-positioned to absorb the immediate impact of the public health restrictions that shut down businesses, kept residents and workers at home, and consequently reduced several of our most important sources of revenue. The City Council's prudent decision to increase reserve levels as part of last year's adopted budget allowed the City to forego major service reductions, and our diversified tax base has protected us from the kind of devastating revenue losses that some other agencies have had to address. The budget balancing actions we included in the current year's budget enabled us to temporarily maintain core services in support of our residents and businesses without further reducing our reserves.

Although we've experienced unprecedented revenue losses, the fiscal recovery funds provided through the American Rescue Act will allow us to restore service delivery to pre-COVID levels over the next several years, but the extent to which we can move beyond that to expand or enhance services will depend on how rapidly the economy rebounds.

Including the fiscal recovery funds, total General Fund budgeted resources in the coming fiscal year are estimated to be adequate to support total budgeted expenditures of \$231.4 million. Reflecting the continuing economic impact of the COVID-19 pandemic, FY 2021/22 ongoing revenues are just 0.5% higher than the FY 2020/21 adopted budget and \$1.5 million lower than the current year's estimated actual expenditures.

The budget incorporates the City Council's and community's highest priorities: maintaining essential services and functions, continuing our COVID-19 response efforts for residents and businesses, addressing and preventing homelessness, and improving the City's neighborhoods and business districts.

In this message, I will highlight the following:

- FY 2021/22 Fiscal Outlook
- Economic Update
- Key Budget Assumptions
- Restoring Services
- Major City Initiatives

## Budget Overview

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### FY 2021/22 Fiscal Outlook

The FY 2021/22 Operating Budget has been developed on the assumption that the gradual recovery from the public health emergency we've experienced over the past year will continue to depress certain sectors of our local economy during the next fiscal year. As a result, the proposed uses of funds exceed projected ongoing revenues in the General Fund by over \$19 million.

At the same time, the federal government has provided the City with the opportunity to restore services that were reduced due to pandemic-related revenue losses through the American Rescue Act Local Fiscal Recovery Fund. The City has been allocated \$22.1 million of fiscal recovery funds in FY 2020/21 and will receive a second allocation of the same amount in mid-2022.

General Fund revenues are projected to finish FY 2020/21 at approximately the same level as in FY 2018/19, but that's only because a \$13 million increase in property tax is offsetting an equivalent amount of reductions in sales tax, hotel tax, and business tax. The City's fee-based Recreation Fund has been hard hit as well, with the loss of a year of recreation classes and facilities rentals, and the closure of the Aqua Adventure water park.

Our plan for FY 2021/22 is to stabilize the Recreation Fund with a portion of the fiscal recovery funds and use the balance to restore services in the General Fund. We'll apply the second installment of fiscal recovery funds to maintain General Fund services in the following two fiscal years.

Property tax and sales tax are the City's most significant revenue sources. Property tax revenues are estimated to total \$112.8 million in FY 2020/21, and staff projects those revenues will increase to \$116.3 million in FY 2021/22, an increase of 3.1%. 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 2021/22 tax roll is an increase of 1%. An estimated increase in value from changes in ownership of 2.1% is based on property transfer tax data for calendar year 2020. Although new construction activity, particularly in the Warm Springs Innovation District, continues to add value, the estimate assumes that all of that will be offset by temporary pandemic-related reductions to commercial properties and business personal property.

Sales tax revenues are estimated to total \$57.8 million in FY 2020/21, decreasing to \$56.2 million in FY 2021/22. The projected strong performance in FY 2020/21 and subsequent decline stems from \$3.1 million of one-time new auto sales revenue and online retail activity. Without those one-time distortions, sales tax revenues would be estimated to grow approximately 2.7% from the prior year. The largest contributions to sales tax growth continue to come from auto sales and online sales transactions allocated through the County sales tax pool.

The source of General Fund revenue most heavily impacted by the COVID-19 pandemic is hotel tax. With occupancy rates remaining in the 30%-40% range, the estimate for FY 2020/21 hotel tax revenue has dropped to \$2.8 million, a 52% decline from the prior year actual amount of \$5.9 million. The hospitality industry is projected to be among the slowest to recover, and the FY 2021/22 hotel tax revenue estimate is \$3.4 million.

Although less affected than hotel tax, business tax revenue has also dropped significantly. Because businesses pay tax based on their prior calendar year gross revenue or payrolls, we're seeing the



results of last year's business restrictions in this year's revenues – an estimated decline of over 10% – which will carry over to FY 2021/22 for those businesses that pay their taxes in the second half of the calendar year. The FY 2021/22 business tax estimate of \$10.6 million is just slightly above the current year estimate, but \$1 million less than pre-pandemic receipts.

The FY 2021/22 Operating Budget maintains the General Fund Contingency Reserve at 16.7% of budgeted expenditures and transfers out, or \$38.6 million, a level consistent with City Council policy and the recommended practice of the Government Finance Officers Association of the United States and Canada. The General Fund Budget Uncertainty Reserve is projected to end FY 2020/21 at its current level of \$5.5 million and will be available to address unanticipated revenue shortfalls in FY 2021/22.

### Economic Update

The national economy appears to be recovering from the pandemic-related recession. Growth in the mid-6% range is projected for 2021, slowing into a still robust mid-3% range for 2022. The labor market continues to improve, and consumer confidence has rebounded.

The advance estimate for the first quarter of 2021 reports that gross domestic product (GDP) grew 6.4%, which follows on a 4.3% increase in the fourth quarter of 2020. The seasonally adjusted unemployment rate edged up to 6.1% in April 2021, little changed from 6.0% in March. The press release from the most recent meeting of the Federal Reserve Open Market Committee on April 28 notes that “Amid progress on vaccinations and strong policy support, indicators of economic activity and employment have strengthened.”

According to Lynn Franco, Director of The Conference Board Consumer Research Center, “Consumer confidence has rebounded sharply over the last two months and is now at its highest level since February 2020. . . . Consumers were more upbeat about their income prospects, perhaps due to the improving job market and the recent round of stimulus checks. . . . Vacation intentions posted a healthy increase, likely boosted by the accelerating vaccine rollout and further loosening of pandemic restrictions.”

### 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 2021/22 budget:

1. The local economy will continue to recover during FY 2021/22, resulting in total General Fund ongoing resources (revenues and transfers in) increasing by 0.5% over estimated actual resources in FY 2020/21.
2. U.S. Treasury interim guidance on the recognition and use of American Rescue Act local fiscal recovery funds, released on May 10, 2021, will allow the City to recognize the full amount of its FY 2020/21 allocation and apply it to stabilize the Recreation Fund and restore services in the General Fund.

## Budget Overview

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3. Total General Fund use of resources (expenditures and transfers out) is proposed to be 6.9% higher than the estimated actual amounts for FY 2020/21. The costs of the FY 2021/22 adopted budget will be covered by projected ongoing resources and fiscal recovery funds held as unreserved fund balance, without requiring the use of reserves to balance the budget.
4. As the City's employee groups have all agreed to extend the current memoranda of understanding (MOUs) through June 30, 2022, the FY 2021/22 budget includes no salary or benefit adjustments.
5. In accordance with City Council policy, an additional pension contribution of \$2.8 million to more rapidly pay down the City's unfunded liability has been incorporated into the adopted General Fund budget.
6. Total expenditures in the FY 2021/22 budget include a savings assumption of \$6.0 million (approximately 2.7% of total budgeted expenditures and transfers out in FY 2021/22) to reflect the City's historical experience of under-spending total allocated resources, primarily due to salary savings from vacant positions.
7. The FY 2021/22 budget restores General Fund CIP transfers for streets, sidewalks, and facilities maintenance, parks and street medians capital replacement, and capital improvements to achieve compliance with ADA standards. These transfers were suspended in FY 2020/21 as a budget balancing measure.
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 2021/22 budget does not include funding to restore the General Fund Budget Uncertainty Reserve, which is projected to remain at its current balance of \$5.5 million. Restoring that reserve to its pre-pandemic level of \$8.3 million will be considered a top priority.

## Restoring Services

In the face of unprecedented revenue losses, the FY 2020/21 General Fund Operating Budget was balanced through a combination of temporary expenditure reductions that allowed us to maintain core services in the near term, but that could have had potentially adverse impacts if sustained. Most of these reductions have been restored in the FY 2021/22 budget.

General Fund budget development for FY 2021/22 began in January 2021 with preparation of a proposed budget that would restore services to their pre-pandemic levels but with no service additions or enhancements. The proposed budget assumes the current year staffing configuration, removes any one-time expenditures, then adjusts for contractual obligations and debt service requirements. As the City's employee groups have all agreed to extend their current MOUs through June 30, 2022, the FY 2021/22 budget includes no salary or benefit adjustments. The proposed 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.

Budget balancing measures eliminated or restored include:

- Relaxation of the hiring freeze on non-essential vacant positions and elimination of delayed recruitments;
- Restoration of funding for police overtime and for part-time and temporary staff;
- Full funding of annual contributions to the City's information technology and vehicle replacement internal service funds;
- Reinstatement of the annual transfers to the capital improvement fund for ongoing maintenance activities and ADA-compliant upgrades for streets and sidewalks, parks and street medians, and public buildings; and
- Establishment of funding for the special events sponsorship program.

The revenue estimates for the current year and for FY 2021/22 assume that the remaining public health restrictions will continue to be relaxed so that our local businesses, particularly in the restaurant, retail, and entertainment segments, can begin to re-establish themselves and stabilize operations. Accordingly, revenue projections for sales tax and business tax assume a gradual recovery to pre-pandemic levels over the next several years. Because business travel may be permanently affected by the shift to teleworking and the proliferation of online meeting tools, hotel tax revenues are expected to improve more slowly.

The projected General Fund ongoing revenues of \$215.0 million for FY 2021/22 fall well below the adopted expenditures and transfers out of \$231.4 million. Adding in the additional set-aside of \$3.0 million needed to maintain the General Fund Contingency Reserve at its Council-adopted policy level, a total of \$19.3 million of fiscal recovery funds will be applied to balance the budget. To account for uncertainty in our revenue and expenditure projections, any fiscal recovery funds recognized as revenue in the General Fund but not needed to balance the budget will be held in the Budget Uncertainty Reserve.

Although the FY 2021/22 General Fund budget does not add any new ongoing programs or capital projects, the proposed budget does include funding for operations at the new Age Well Center in Warm Springs and activation of the new Downtown Event Center.

With federal help, we'll likely get through the pandemic crisis intact. But even post-recovery our current sources of revenue will be challenged to support our current per-capita staffing levels or maintain our current complement of streets, parks, and public facilities, let alone construct and operate new facilities. And, through our community outreach efforts, we know that residents and businesses are looking for additional City action on homelessness, traffic congestion, and a variety of other concerns. We're fortunate that our community has the resources needed to fund these services, but transforming those resources into City revenues will require public action in support of a voter-approved ballot measure.

## Budget Overview

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### 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 several significant development areas in Fremont that will help bolster the Fremont economy and position the City for long term growth. 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 projects serve as catalysts to much greater private sector investment and are important elements of our tax revenue diversification strategy and will assist the City's recovery from the impacts of the pandemic.

### Warm Springs/South Fremont

The Warm Springs/South Fremont area is critically important to the City because of a unique convergence of forces, including the Tesla Factory and approximately 15,000 people the company employs as well as the Warm Springs/South Fremont BART station, which 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. The City is nearing completion on a \$41 million West Access Bridge, connecting the BART station to new residential and commercial development and the Tesla factory. The City is currently designing a pedestrian crossing dubbed "Innovation Bridge" over I-880, further connecting the station to the broader Bayside Technology Park area, with multiple funding sources for the project being identified.



Innovation Bridge

Several master plan developments are entitled for the Warm Springs Innovation District, with many already well under development. These projects collectively provide extensive public benefits, including a new network of complete streets, a new elementary school, urban parks 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. 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 has also expanded its business activities in Warm Springs 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. 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.



Warm Springs Development



Tesla Fremont Factory

In late 2019, Washington Hospital partnered with UCSF on the acquisition of an 88,000 square-foot facility which formerly housed Unigen Corporation. The two hospital networks are jointly proposing to locate an outpatient care center that includes a partnership with a UCSF research and teaching hospital in the existing building. Washington Hospital received Conditional Use Permit approvals for their outpatient center in March 2020, adding to the diverse mix of uses in the Warm Springs Innovation District and creating 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 physically located in the area. The study revealed an opportunity to establish activities in the district that support growth-stage hardware companies. Successes in attracting advanced technology tenants to the district include Resilience, a biopharmaceutical manufacturer; Raxium, a manufacturer of holographic displays; as well as the expansion of Seagate and Underwriters Laboratories (UL), who have each doubled their footprint in the last two years.

## Budget Overview

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### Downtown/Capitol Avenue

With its ideal Silicon Valley location, Downtown Fremont is poised to become a vibrant, mixed-use district that will serve as a destination for the City and the region. This 110-acre, centrally located district is bounded by Fremont Boulevard, Mowry Avenue, Paseo Padre Parkway, and Walnut Avenue. Land use designations and revenue-neutral 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 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 Downtown Community Plan and associated environmental and planning documents provide a foundation for development to expand over time from approximately 1.25 million square feet to 5.2 million square feet of higher density multifamily residences, offices, as well as retail, entertainment, open space, and cultural arts organized around the main street, Capitol Avenue.



Fremont Downtown

Some elements of the plan have been completed; for example, Locale @ State Street, a public-private partnership between the City, TMG Partners, Sares Regis and SummerHill, was completed in 2019. The project includes 157 ownership housing units, including condos, stacked flats, and row homes, as well as 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 with the first two leases confirmed: SLIVER Pizzeria and RawASF.

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, MIG Real Estate and Fremont Bank. The 275-unit apartment project by Fore Properties is slated for completion this summer, and the approximately 250-unit apartment mixed-use project by MIG Real Estate and approximately 30,000-square-foot new Fremont Bank office headquarters were recently approved. The latter two 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 Downtown Event Center, Phase 1 of a longer-term Civic Center Complex project, located in the heart of the Downtown on Capitol Avenue, is under construction and nearing completion. It will provide a public realm designed to include a gathering place for governmental and community activities. The project was approved by the City Council in April 2018. Construction broke ground in October 2019 and the project is anticipated to be completed by October 2021.

In addition to the City and private sector-led investment, Fremont's Downtown 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. MIG Real Estate is the first developer to take advantage of this program, purchasing a project site that had previously been entitled by Bay Rock Development.



Fremont Downtown



## Budget Overview

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**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.

### Sector 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 nearly \$1 billion over the past decade to expand its Ardenwood operation over the past decade and now employs more than 700 people. In the Warm Springs Innovation District, Resilience is building out a large pharmaceutical 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 as well, 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 **Enphase Technology**. **Enovix**, a lithium-ion battery technology company, is building out a production-volume factory in Fremont, **making the City home to the only two battery manufacturing operations in the entire State**. 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. Economic development staff have also worked closely with **East Bay Community Energy** to support its efforts in advancing microgrid technology demonstrations and expanding commercial fleet electrification at Fremont companies, 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** as well as electric and **autonomous vehicles (AVs)**. Fremont is now home to over a half dozen companies working on the development

of AVs including **Waymo**, **Zoox**, and **Pony.ai**. Computer networking companies in Fremont 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 (AC WIB)** and is taking a leadership role in strengthening existing relationships with workforce partners.

This year, the City led a public-private partnership between Ohlone College, AC WIB, Work2Future, and local Fremont company Evolve Manufacturing. The initial pilot program included 21 participants receiving eight weeks of paid work experience at Evolve Manufacturing and six weeks of concurrent virtual skills development training via Ohlone College's Smart Manufacturing Technology Program.



Pacific Commons South UPS

## Budget Overview

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### Business Growth and Real Estate Development

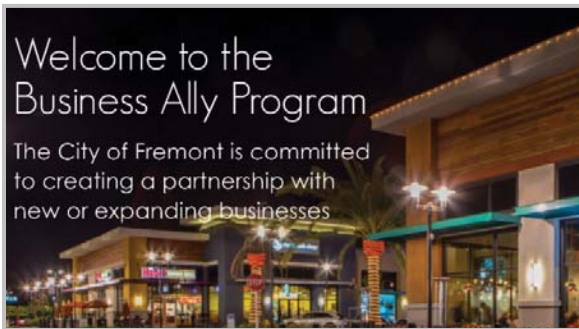
Strong business growth and a robust real estate market also continue to drive demand for new commercial/industrial space in Fremont. **Pacific Commons South**, one of the largest industrial developments in Bay Area history is well underway with its second phase of development, with the project expected to be completed early next year. 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. Other tenants include Facebook, Cepheid, Bloom Energy, and Amazon.

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** recently completed construction of a Class A industrial project on a site it purchased in 2019. 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, such as Personalis, Inc.'s expansion from Menlo Park. 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.

### Small Business

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, and educational



workshops/seminars in collaboration with **SBDC**, **the National Main Street Association**, and other partners. Nurturing future innovators is a critical part of the economic development program. The City continues to work with Fremont's **Startup Grind** chapter to nurture future innovators and find creative ways to continue the work that has earned broad recognition for attracting high caliber thought leaders and addressing topics of local interest.



The social and financial impacts of COVID-19 have affected the livelihood of Fremont's businesses and their employees for over a year. Nowhere are these impacts more immediately visible than in the City's small business retailers and main street businesses. City Economic Development staff continue emergency programs put in place to respond to the immediate crisis, including keeping a COVID-19 business assistance webpage and hotline for Fremont businesses up to date as information and resources become available. The City also continues partnerships with the **Fremont Chamber of Commerce** and representatives of local business districts to respond to business needs and share timely updates. The City developed a **Small Business Emergency Grant** program that provided 125 small businesses direct emergency financial assistance in grants valued at \$5,000 or \$10,000. Staff monitor other opportunities, and where possible provided matching funding to extend the program in Fremont, including through the Alameda County Small Business Grant program. Fremont provided \$90,000 in matching funds to this program, ultimately unlocking \$700,000 in funding for 140 Fremont small businesses.

The City also assisted businesses with enhanced digital marketing including an online gift card marketplace specifically for businesses in Fremont known as **Gift Fremont**. The marketplace provided incentives to community members to support participating retailers and provided retailers with enhanced digital marketing. In addition to the City's initial matching contribution, several corporations also provided matching funds for the program, including Facebook, Seagate, Pacific Commons, and Crossroads Shopping Centers. Other Staff efforts include promoting Small Business Week on City platforms and providing individual marketing assistance to businesses. Accomplishments related to these efforts are detailed in the Economic Development Department budget narrative.



In addition to direct assistance to businesses, the City passed several ordinances aimed at lowering the financial impact to small and medium businesses, including a commercial eviction moratorium, a delivery fee cap ordinance for restaurants and third-party app providers, and the waiving of late fees and interest on Fremont business taxes. 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 small business owners, commercial property managers, auto dealerships, manufacturers, real estate developers.

Staff were engaged in several regional economic recovery discussions, including through the East Bay Economic Development Alliance, and the Silicon Valley Recovery Roundtable, leading to many local, regional, and state policy recommendations. Within Fremont, Economic Development Staff partnered with the Chamber and business district representatives to co-lead a Small Business Task Force.

# **Budget Overview**

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## **Business and Economic Opportunity Recovery Framework**

As pandemic conditions are expected to improve and economic conditions potentially normalize, the Economic Development Department has developed a Business and Economic Recovery Framework comprised of three focus areas, including small business support, workforce development, and tax base recovery. Staff shared the recovery strategy with City Council at a special Work Session in the spring of 2021 and outlined a series of strategies and guiding principles upon which the City will base its recovery efforts. The strategies include:

1. Supporting Small Business Recovery
  - Enhanced communications and engagement with the small business community
  - Increased technical assistance from the city and partners to small businesses
  - Continued collaboration with partners
  - Evaluation of emergency small business support programs for long term implementation
2. Leveraging Inclusive Workforce Development Opportunities
  - Focus on employer workforce needs
  - Raise awareness of manufacturing jobs among the current and future workforce
  - Advice on inclusive strategies
  - Expand on existing partnerships
  - Identify and leverage funding sources
3. Helping to Rebuild a Resilient Tax Base for the City
  - Continue to advise on fiscal impact of major development permits and land use change decisions
  - Promote key industry sectors through strategic policies, marketing, and streamlined processes
  - Establish fees and regulatory processes so they encourage investment
  - Cultivate and expand external partnerships to further strengthen Fremont's economy
  - Support growth of existing Fremont businesses while assisting new ones who choose to locate in Fremont
  - Generate awareness and promote Fremont as a place to invest and do business

Going forward, the City will implement this recovery strategy and continue to find ways to support 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 travel demands, 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 federal, State and regional sources, competitive grants, and local traffic impact fees.

- Significant regional transportation capacity projects were completed in 2020 including the 10-mile extension of BART into San Jose (Warm Springs to Berryessa) and the widening of northbound I-680 through Fremont and over the Sunol Grade. Future regional transportation projects that are making progress include the Route 262 (Mission Boulevard) Cross-Connector Upgrade Project between I-880 and I-680, as well as the new Irvington BART Station.
- In Warm Springs, the new \$41 million West Access Bridge and Plaza will be open in late 2021 and will connect the west side of the Warm Springs BART station to the newly developing urban community and the Tesla factory.



- Grant funding from Measure BB, State, and federal sources has been allocated to the City to continue planning and design work on many new major transportation projects including: freeway interchange modernization projects at I-680/Mission, I-680/Washington, I-680/Auto Mall, and I-880/Decoto; new bike/ped freeway crossings at I-680/Sabercat Trail, I-880/Innovation District, and I-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, Downtown and Irvington areas.
- 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 and will start construction in Fall 2021. 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.

## Budget Overview

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**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 City 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 2021, Councilmembers established four top priority areas to guide the City’s legislative focus. The priority areas include:

- **Budget, financial health and increase the tax base;** Restore funding for services that have been defunded in the past (e.g., maintenance); keep essential services and functions operating.
- **Continue our response to COVID-19;** Help businesses, property owners, residents; focus on economic recovery, help ensure equity in and access to testing, contact tracing and vaccinations.
- **Continue to address homelessness;** Make full use of the Navigation Center when pandemic conditions allow, explore having a safe place for parking and address homeless prevention.
- **Neighborhood improvement;** Beautification of commercial districts; focus on a few key areas

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.

Most recently, the City has been actively working with its federal legislative advocates and federal representative offices to track federal funding opportunities for local projects under Fiscal Year 2022 appropriations. This year, Congress reinstated an earmark process after a decade-long ban to provide earmark requests for local governments and nonprofits in accordance with important transparency and accountability measures. The City submitted five projects under the Community Project Funding process and six projects under the Highway and Transit Member Project Designations process. Projects were submitted to the City’s Congressional representatives for Districts 15 and 17.

### Conclusion

Fremont prides itself on being a fiscally responsible, lean organization, making the most of the resources entrusted to us. This adopted budget combines our ongoing revenues with federal fiscal recovery funds to maintain essential services and restore critical investments in our infrastructure and capital assets.

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 continue to carry us through these challenging times.

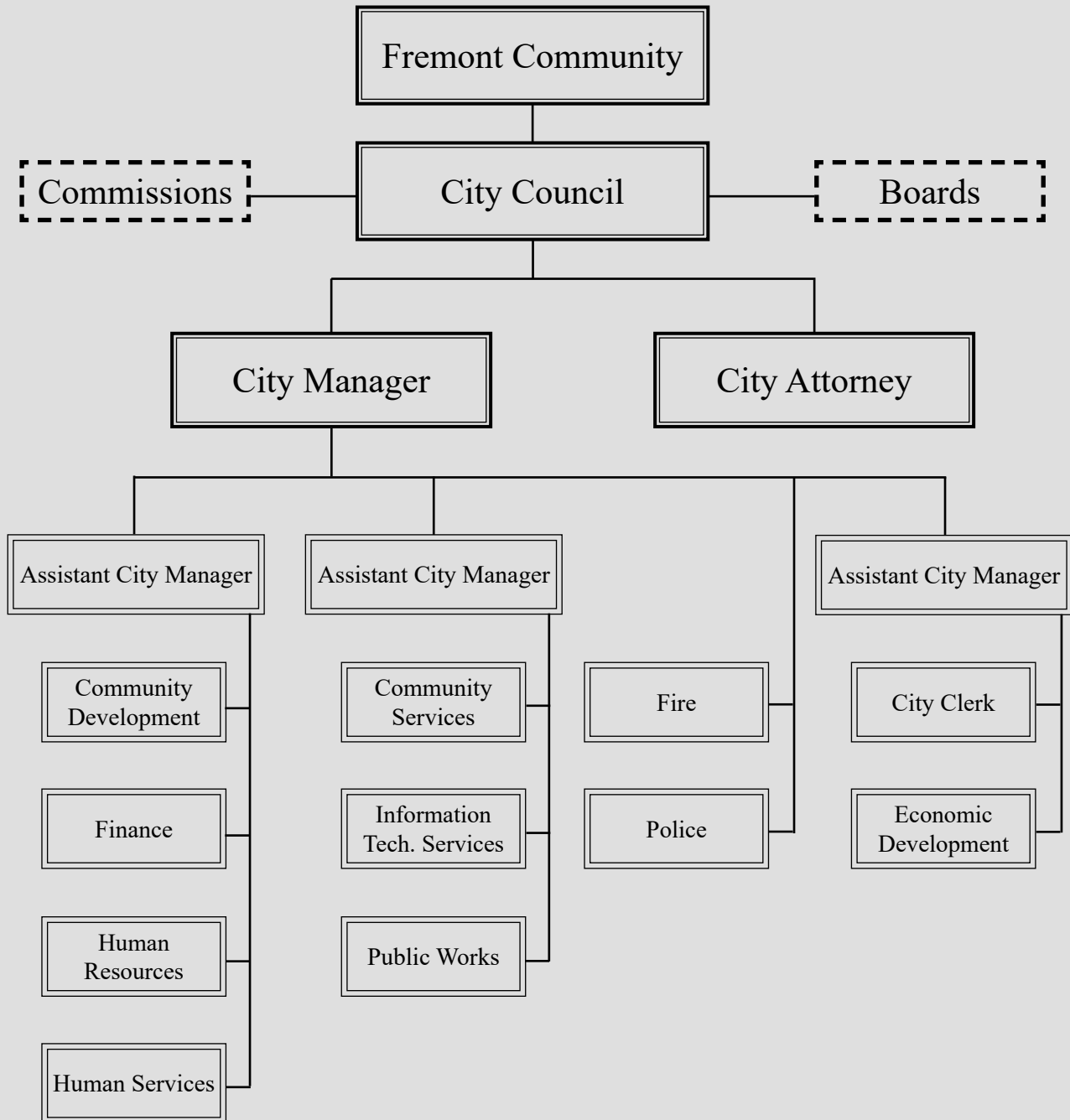
A handwritten signature in black ink that reads "Mark Danaj". The signature is written in a cursive, flowing style.

Mark Danaj  
City Manager

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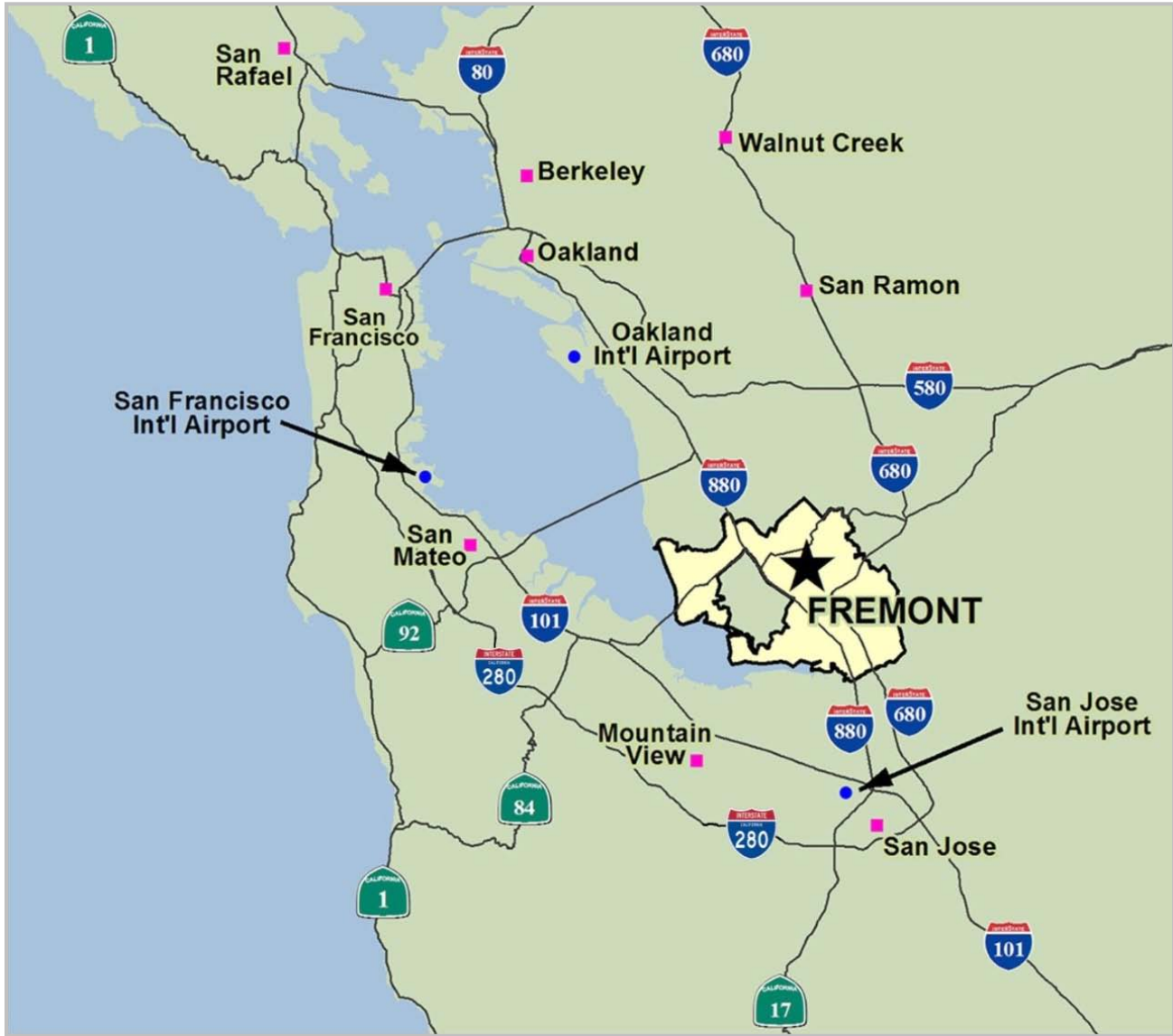
# Summary Information

## City of Fremont Organization Chart Fiscal Year 2021/22





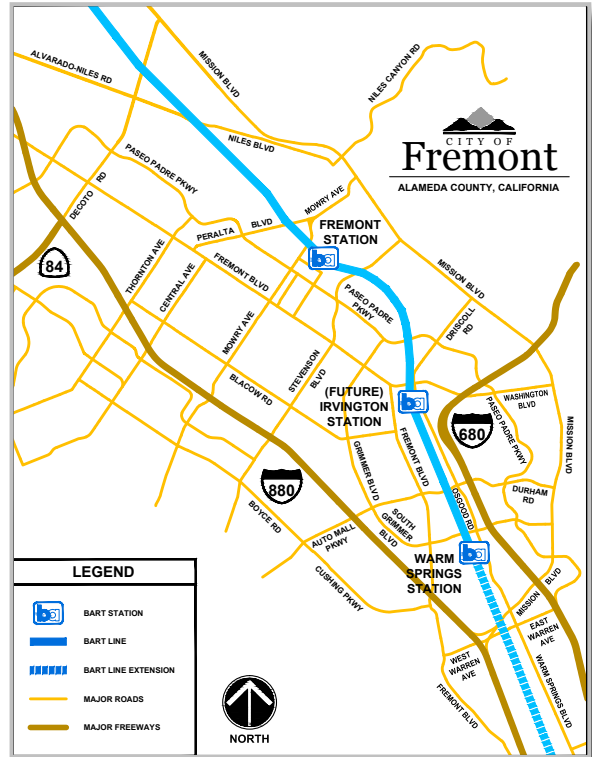
## City of Fremont, California Regional View



## City of Fremont Profile

### History

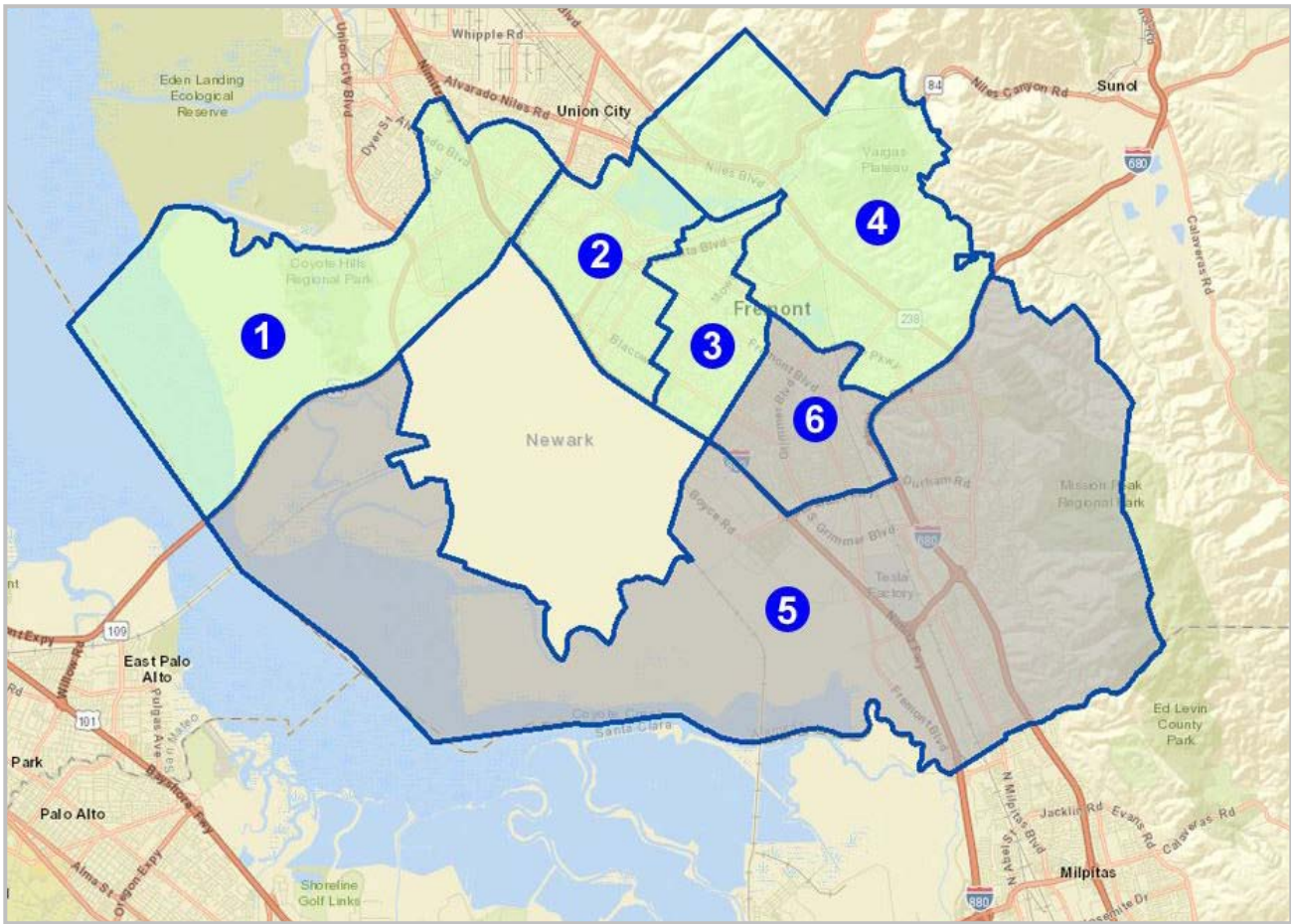
Fremont’s rich heritage can be traced to the Ohlones, natives of the land, and to the Spanish priests who established Mission San Jose, the first Spanish mission located inland. Since those early days, Fremont’s rich soil, central location, and excellent climate have continued to attract newcomers to 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](http://www.Fremont.gov/DistrictElectionsMap).

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) each elected a City Councilmember, and all voters voted 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 234,239, 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 <sup>2</sup>	
1956	22,443
1960	43,634
1970	102,321
1980	127,454
1990	173,116
2000	203,413
2010	214,089
2021	234,239

## 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

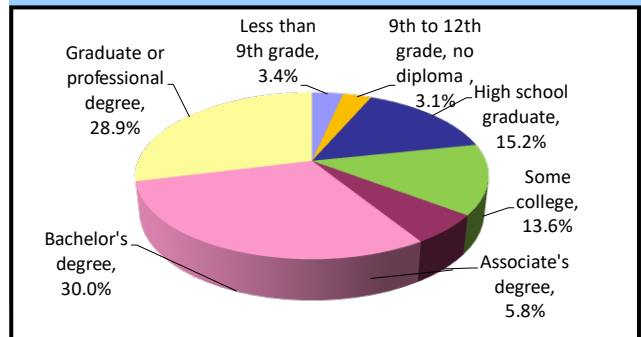
Climate<sup>3</sup>

Average Temperature: 60°F (15.6°C)

Average Annual Precipitation: 15.19"

Full-time Employees FY 2021/22 <sup>1</sup>	
Community Development	81.55
Community Services	98.06
Economic Development	4.00
Fire	162.00
General Government	91.92
Human Services	72.10
Police	319.50
Public Works	136.30
<b>Total</b>	<b>965.43</b>

## Level of Educational Attainment (of people 25 years and older)<sup>4</sup>

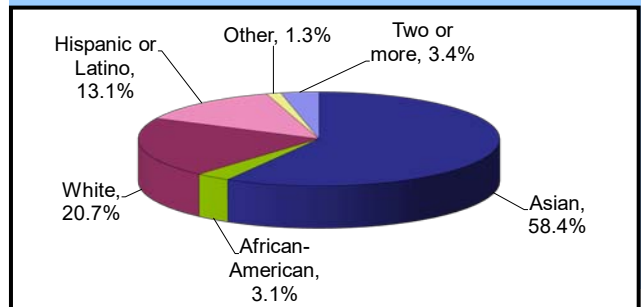


Median Age<sup>4</sup>: 38.2

Mean Household Income: \$133,354

## Racial Composition<sup>4</sup>

(Hispanic/Latino may be of any race)

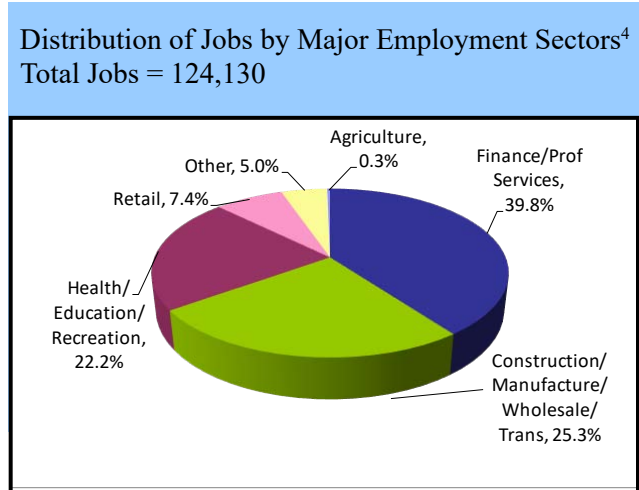


# Summary Information | City of Fremont Profile

## Business

Major Employers (listed in alphabetical order)<sup>5</sup>

- Boehringer Ingelheim
- Boston Scientific
- City of Fremont
- FM Industries
- Jabil
- Kaiser Permanente Medical Group
- Lam Research
- Magnum Drywall
- Mentor Graphics
- Microgenenics
- Ohlone College
- Palo Alto Medical Foundation
- Seagate
- Sonic Manufacturing Technologies
- Stryker
- Synnex Corporation
- Tailored Brands
- Tesla, Inc.
- 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
- 6 junior high schools
- 6 high schools
- 6 other programs/schools

Percentage of students meeting the SAT College and Career Readiness Benchmarks<sup>6</sup>

	Reading and Writing	Math
<b>Benchmarks</b>	<b>480</b>	<b>530</b>
FUSD	91.26%	82.27%
County	77.29%	62.52%
State	67.31%	47.92%

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



## 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:

<sup>1</sup> FY 2021/22 Adopted Operating Budget, City of Fremont

<sup>2</sup> California State Department of Finance

<sup>3</sup> The Weather Channel

<sup>4</sup> US Census Bureau

<sup>5</sup> City of Fremont, Economic Development Department

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

<sup>7</sup> Ohlone College, Office of College Relations

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### 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 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 Service Funds	Special Revenue Funds	Capital Funds	Total
<b>Sources</b>					
Beginning Unreserved Fund Balance	\$ 20,023	\$ 36,876	\$ 105,344	\$ 73,396	\$ 235,639
Revenues					
Taxes:					
Property Tax	116,312	-	2,873	-	119,185
Sales Tax	56,178	-	1,615	-	57,793
Business Tax	10,608	-	-	-	10,608
Hotel/Motel Tax	3,368	-	-	-	3,368
Property Transfer Tax	2,037	-	-	-	2,037
Paramedic Tax	1,241	-	-	-	1,241
Franchise Fees	10,720	-	-	-	10,720
Charges for Services	5,569	37,000	14,586	300	57,455
Fines	966	-	-	-	966
Use of Money and Property	1,119	776	621	1,829	4,345
Intergovernmental	326	69	19,882	17,288	37,565
Other Revenues	135	2,431	8,676	20,388	31,630
Total Revenues	208,579	40,276	48,253	39,805	336,914
Transfers In	6,446	4,353	2,776	5,000	18,575
<b>Total Sources</b>	<b>235,048</b>	<b>81,505</b>	<b>156,373</b>	<b>118,201</b>	<b>591,128</b>
<b>Uses</b>					
Expenditures					
General Government	18,258	-	-	-	18,258
Police	100,989	-	924	-	101,913
Fire	58,838	-	42	-	58,880
Maintenance (Streets/Facilities)	18,796	-	-	1,675	20,471
Maintenance (Parks/Street Medians/Landscape)	9,975	2,031	2,556	-	14,562
Human Services	4,479	1,764	28,933	-	35,176
Code Enforcement/Community Development Admin	1,762	-	712	-	2,474
Housing	-	-	4,959	-	4,959
Environmental Services	-	-	11,823	-	11,823
Engineering	-	14,130	-	-	14,130
Planning	-	5,211	-	-	5,211
Building and Safety	-	11,392	-	-	11,392
Recreation	-	9,527	-	-	9,527
Homeless Services	-	-	2,395	-	2,395
Non-departmental	3,591	2,247	-	-	5,838
Capital	-	39	-	21,515	21,554
Less: Citywide Savings	(6,000)	-	-	-	(6,000)
Debt Service	8,534	-	3,532	-	12,066
Total Expenditures	219,222	46,341	55,876	23,190	344,629
Transfers Out	12,130	3,588	1,730	2,031	19,479
<b>Total Uses</b>	<b>231,352</b>	<b>49,929</b>	<b>57,606</b>	<b>25,221</b>	<b>364,108</b>
<b>Ending Fund Balance</b>					
Reserved Fund Balance	44,798	15,205	6,209	-	66,212
Unreserved Fund Balance	-	33,102	98,946	81,491	213,540
<b>Total Ending Fund Balance</b>	<b>\$ 44,798</b>	<b>\$ 48,307</b>	<b>\$ 105,155</b>	<b>\$ 81,491</b>	<b>\$ 279,751</b>

## Citywide Position Changes Overview

The total authorized regular staffing level of 965.43 for FY 2021/22 has increased by 2.0 full time equivalent (FTE) positions from the FY 2020/21 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 2021/22 staffing increases serve to support Environmental Services’ stormwater response capability and improve homeless services and mental health and other wrap-around services to the community.

The Community Services Department staffing increase of 1.0 FTE includes an Environmental Specialist I to support mandatory stormwater activities due to enhanced regulations.

The Human Services Department staffing increase of 2.0 FTEs includes conversion of two temporary positions to 1.0 FTE Human Services Specialist I position for the CleanStart Mobile Hygiene Program and 1.0 FTE Counselor position at the Family Resource Center (FRC) as the primary service provider for the CalWORKs contract.

The Police Department staffing decrease of 1.0 FTE represents the elimination of one Police Records Specialist position.

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
<b><u>PUBLIC SAFETY</u></b>						
Fire	159.00	160.00	161.00	162.00	162.00	<b>162.00</b>
Police	306.50	311.50	314.50	317.50	320.50	<b>319.50</b>
<b>TOTAL</b>	<b>465.50</b>	<b>471.50</b>	<b>475.50</b>	<b>479.50</b>	<b>482.50</b>	<b>481.50</b>
<b><u>OTHER COMMUNITY SERVICES</u></b>						
Community Development	71.05	76.05	80.25	81.25	81.55	<b>81.55</b>
Community Services	91.01	92.01	94.01	96.01	97.06	<b>98.06</b>
Economic Development	4.00	4.00	4.00	4.00	4.00	<b>4.00</b>
Human Services	61.55	64.55	65.40	64.73	70.10	<b>72.10</b>
Public Works	124.35	127.35	129.65	136.00	136.30	<b>136.30</b>
<b>TOTAL</b>	<b>351.96</b>	<b>363.96</b>	<b>373.31</b>	<b>381.99</b>	<b>389.01</b>	<b>392.01</b>
<b><u>ADMINISTRATIVE SYSTEMS</u></b>						
City Manager's Office	10.80	10.80	12.05	13.05	10.75	<b>10.75</b>
City Attorney	9.92	9.92	9.92	9.92	9.92	<b>9.92</b>
City Clerk	3.95	3.95	3.95	3.95	4.25	<b>4.25</b>
Finance	24.00	24.00	24.00	24.00	24.00	<b>24.00</b>
Human Resources	15.25	15.25	15.00	16.00	16.00	<b>16.00</b>
Information Technology Services	23.00	23.00	23.00	27.00	27.00	<b>27.00</b>
<b>TOTAL</b>	<b>86.92</b>	<b>86.92</b>	<b>87.92</b>	<b>93.92</b>	<b>91.92</b>	<b>91.92</b>
<b>CITYWIDE TOTAL</b>	<b>904.38</b>	<b>922.38</b>	<b>936.73</b>	<b>955.41</b>	<b>963.43</b>	<b>965.43</b>

Note: Total number of positions anticipated at the end of June 2021 shown for FY 2020/21.

## Summary Information | City Debt Summary

### 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 2021/22, and future annual debt service requirements.

#### Changes in Outstanding Debt

	Amounts Outstanding 6/30/2020	Incurred or Issued	Matured or Retired	Amounts Outstanding 06/30/2021	Amounts Due Within One Year	Amounts Due in More than One Year
<b>General Obligation Bonds</b>						
2012 Fire Safety Bonds Maturity – 08/01/2032	\$ 5,740,000	\$ -	\$ (365,000)	\$ 5,375,000	\$ 375,000	\$ 5,000,000
2013 Fire Safety Bonds Maturity – 08/01/2034	17,360,000	-	(885,000)	16,475,000	920,000	15,555,000
2017 Fire Safety Bonds Maturity – 08/01/2038	11,465,000	-	(400,000)	11,065,000	415,000	10,650,000
<b>Total General Obligation Bonds</b>	<b>34,565,000</b>	<b>-</b>	<b>(1,650,000)</b>	<b>32,915,000</b>	<b>1,710,000</b>	<b>31,205,000</b>
<b>General Fund Lease Obligations</b>						
2017B Lease Revenue Bonds Maturity – 10/01/2038	18,565,000	-	(625,000)	17,940,000	660,000	17,280,000
2019 Lease Revenue Bonds Maturity – 10/01/2038	73,365,000	-	(4,265,000)	69,100,000	4,650,000	64,450,000
<b>Total General Fund Lease Obligations</b>	<b>91,930,000</b>	<b>-</b>	<b>(4,890,000)</b>	<b>87,040,000</b>	<b>5,310,000</b>	<b>81,730,000</b>
<b>General Fund Loans</b>						
2017 PG&E On-Bill Financing Program Maturity – 06/01/2021	272,728	-	(272,728)	-	-	-
<b>Total City Long-term Debt</b>	<b>\$ 126,767,728</b>	<b>\$ -</b>	<b>\$ (6,812,728)</b>	<b>\$ 119,955,000</b>	<b>\$ 7,020,000</b>	<b>\$ 112,935,000</b>

## Summary Information | City Debt Summary

### Budgeted Debt Service - FY 2021/22

	Principal	Interest	Fees	Total
<b>General Obligation Bonds</b>				
2012 Fire Safety Bonds	\$ 375,000	\$ 161,225	\$ 525	\$ 536,750
2013 Fire Safety Bonds	920,000	661,563	750	1,582,313
2017 Fire Safety Bonds	415,000	443,225	1,000	859,225
<b>Total General Obligation Bonds</b>	<b>1,710,000</b>	<b>1,266,013</b>	<b>2,275</b>	<b>2,978,288</b>
<b>General Fund Lease Obligations</b>				
2017B Lease Revenue Bonds	660,000	695,113	2,100	1,357,213
2019 Lease Revenue Bonds	4,263,741	2,909,826	3,000	7,176,567
<b>Total General Fund Lease Obligations</b>	<b>4,923,741</b>	<b>3,604,939</b>	<b>5,100</b>	<b>8,533,779</b>
<b>Family Resource Center Lease Obligations</b>				
2019 Lease Revenue Bonds	386,259	167,824	-	554,083
<b>Total Budgeted Debt Service</b>	<b>\$ 7,020,000</b>	<b>\$ 5,038,775</b>	<b>\$ 7,375</b>	<b>\$ 12,066,150</b>

### Annual Debt Service Requirements

Year Ending June 30	General Obligation Bonds		General Fund Lease Obligations		Family Resource Center Lease Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
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	-	-
<b>Total</b>	<b>\$ 32,915,000</b>	<b>\$ 10,416,213</b>	<b>\$ 83,490,394</b>	<b>\$ 29,149,504</b>	<b>\$ 3,549,606</b>	<b>\$ 693,927</b>

## Summary Information | City Debt Summary

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### 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 \$32,915,000 of outstanding debt subject to the legal debt limit and a legal debt limit of \$2,162,745,033 the City is not at risk of exceeding this limit.

#### Computation of Legal Debt Margin as of June 30, 2021

Assessed Valuation (net) <sup>1</sup>	\$ 57,673,200,882
25% of Assessed Valuation	14,418,300,221
<b>Debt Limit: 15% of Assessed Valuation</b>	<b><u>2,162,745,033</u></b>
Less Outstanding Debt (subject to legal debt limit)	(32,915,000)
<b>Legal Debt Margin</b>	<b><u>\$ 2,129,830,033</u></b>

<sup>1</sup> Source: Auditor-Controller of Alameda County, Certificate of Assessed Valuation, Fiscal Year 2020/21.

### Debt Management Policy General Fund Debt Service Limit

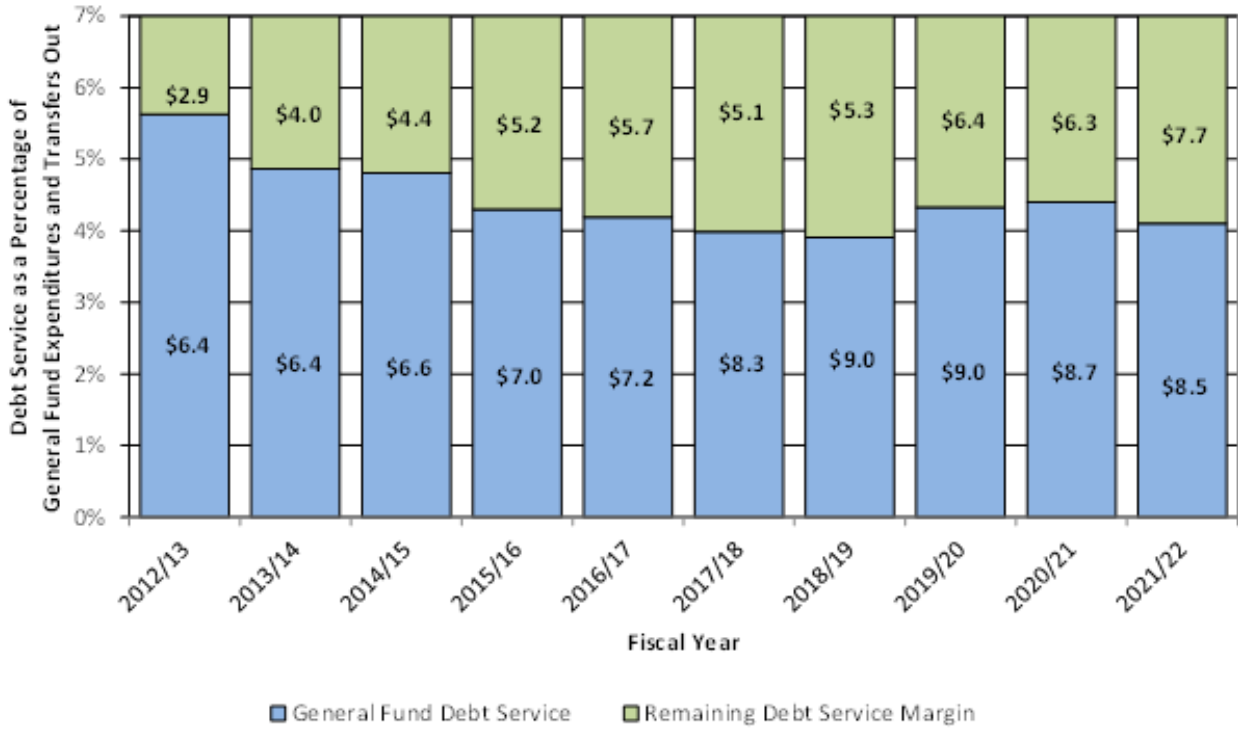
The City of Fremont's Debt Management Policy, adopted by the City Council on April 4, 2017, requires that debt service supported by the General Fund will not exceed 7% of total General Fund budgeted expenditures and transfers out. With FY 2021/22 debt service supported by the General Fund estimated at \$8,528,679, and a debt service limit of \$16,194,850, 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	\$ 231,355,000
Debt Management Policy Limit of 7%	16,194,850
Less Debt Service Supported by the General Fund	<b><u>(8,528,679)</u></b>
<b>Debt Service Margin</b>	<b>\$ 7,666,171</b>

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

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

*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 7, 2021, 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 5.73%. The calculation as applied to the City of Fremont for FY 2021/22 is as follows:

The population change on January 1 of the previous year (233,132) to the population on January 1, 2021 (234,239) is 1,107, or a 0.47% increase.

The change in per capita personal income is 5.73%.

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

$$\frac{0.47 + 100}{100} \quad \times \quad \frac{5.73 + 100}{100} \quad = \quad 1.0623$$

## Summary Information | Appropriations Limit

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Applying this year's factor of 1.0623 to last year's limit of \$766,045,734 yields the Appropriations Limit for FY 2021/22 of \$813,770,383.

Based on an operating budget of \$231,355,000 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 2021/22 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

## Summary Information | Performance Measurement

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### Performance Measurement

The City implemented performance measurement beginning with the FY 2012/13 budget.

#### City Attorney

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2021/22 Estimate	FY 2021/22 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%	100%	100%	100%
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 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Percent of time the Agenda packet is posted and distributed no later than 4 days prior to each City Council meeting	59%	90%	56%	90%
Number of complaints received regarding Public Records Requests (PRR)	7	0	2	0

## Summary Information | Performance Measurement

### City Manager

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Percent of residents that agree that Fremont is a “good” or “excellent” place to live <sup>1</sup>	N/A	77%	N/A	N/A
Percent of employees that feel “prepared” and “trained” to do their jobs <sup>2</sup>	N/A	87%	N/A	N/A
Number of social media accounts <sup>3</sup> maintained by the City	33	34	34	35
Number of likes, followers and subscribers of the social media accounts	222,500	189,977	247,141	282,000
<p><sup>1</sup> The community survey is a biennial survey. Due the onset of the COVID-19 pandemic, the survey did not occur FY 2020/21. The next one is anticipated to take place in within the next two years.</p> <p><sup>2</sup> The employee survey is a biennial survey. Due the onset of the COVID-19 pandemic, the survey did not occur FY 2020/21. The next one is anticipated to take place in within the next two years.</p> <p><sup>3</sup> Social media accounts refer to the Facebook, Twitter, Youtube, Google+, Instagram, Nextdoor, and Fremont Open City Hall platforms.</p>				

### Community Development

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Reduce waits for public counter assistance to a maximum of 15 minutes	90%	90%	90%	90%
Achieve entitlement processing schedules	90%	90%	90%	90%
Achieve building permit processing schedules	85%	90%	80%	90%

## Summary Information | Performance Measurement

### Community Services

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Increase Recreation program registrants over prior year	20,000 <sup>4</sup>	32,000	3,500 <sup>5</sup>	20,000 <sup>6</sup>
Increase number of creek clean-up volunteers	775	900	125 <sup>3</sup>	500
<p><sup>4</sup>All Spring/Summer classes were cancelled, and most Winter Classes cancelled due to COVID-19 pandemic.</p> <p><sup>5</sup>Reduced amount due to COVID-19 pandemic.</p> <p><sup>6</sup>Reduced amount due to COVID-19 pandemic – assumes some restrictions continuing and loss of customers will update as more info available.</p>				

### Economic Development

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Number of businesses assisted by Economic Development Department	140	100	754	200
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*	15	15	20	15
Number of business appreciation visits and establishment of baseline for percentage of visits that lead to subsequent follow-up/interaction with City	40	50	37**	35**
<p>* The pandemic greatly increased the number of inbound requests for assistance EDD has received from businesses and has necessitated a significant allocation of staff resources.</p> <p>** Due to COVID-19, the business visit program has shifted to an online format focused on helping Fremont businesses navigate the pandemic.</p>				



## Summary Information | Performance Measurement

### Finance

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Number of bids/RFPs issued	75	80	81	85
Percent of Business Tax certificates issued online	40%	45%	47%	50%

### Fire

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
911 calls processed within 1:30 minutes	90%	90%	90%	90%
Crew responding within 2:00 minutes of dispatch	85%	90%	90%	90%
Crew travels to incident within 4:00 minutes of dispatch	56%	90%	90%	90%
FFD Paramedic on scene of a medical emergency within 7:30 minutes from 911 call	84%	90%	90%	90%
Fire Engine arrives at the scene of a fire within 7:30 from 911 call	73%	90%	90%	90%
Ladder Truck arrives at the scene of a fire or rescue within 11:30 from 911 call	87%	90%	90%	90%
Vegetation fire is confined to one acre or less	92%	90%	90%	90%
Structure fire is contained to the room of origin	88%	90%	90%	90%
Patient extricated from a vehicle collision within 30 minutes	100%	90%	90%	90%

## Summary Information | Performance Measurement

### Fire (continues)

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Provide sufficient amount of quality training to maintain operational readiness	31 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 54% compliance, down from 81% in CY 2019	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 22% of Haz Mat Facility, (vs. 25%) and 100% of 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% of 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.				

## Summary Information | Performance Measurement

### Human Resources

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
% of employees participating in a 457(b) deferred compensation plan for retirement savings	75%	80%	73%	80%
% of employees who have received a formal evaluation in the last 12 months	N/A <sup>7</sup>	N/A <sup>7</sup>	N/A <sup>7</sup>	N/A <sup>7</sup>
Average days between prospective police officer application and issuance of offer letter (police officer <sup>8</sup> )	136	130	TBD	125
Average days between application and issuance of offer letter (all non-sworn police positions)	222 <sup>9</sup>	120	TBD	183
<p><sup>7</sup> Measure every other year by employee survey. The Citywide employee survey has been postponed in FY 2020/21 and FY 2021/22 and plan to conduct a Citywide employee survey in FY 2022/23.</p> <p><sup>8</sup> 20 Police Officers were hired in FY 2019/20.</p> <p><sup>9</sup> The average number of days to fill a position in FY 2019/20 increased by 71 days from FY 2018/19 due to various factors and/or delays that were outside the control of Human Resources. The average number of days to fill a non-sworn police position in FY 2018/19 was 151 days.</p>				

## Summary Information | Performance Measurement

### Human Services

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Percent of Long-term SparkPoint Clients achieving economic mobility <sup>10</sup>	75%	75%	72%	75%
Percent of senior clients that improve their understanding of how to take their medication <sup>11</sup>	100%	80%	85%	80%
Percent of youth who improved in their social emotional health and were observed as stable after receiving counseling services <sup>12</sup>	75%	75%	75%	75%

<sup>10</sup> 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%.

<sup>11</sup> As measured by a pre and post test administered by a public health nurse.

<sup>12</sup> Measured by clinicians using the Child and Adolescent Needs and Strengths Assessment, an evidenced based instrument that measures client change over time.

### Information Technology Services

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Percent of service desk calls resolved at first point of contact (when call is placed to the ITS Service Desk)	82%	80%	89%	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	85%	80%	86%	83%
Percent of requests for GIS Street Naming and Addressing projects completed within agreed-upon time frames	86%	80%	89%	84%

## Summary Information | Performance Measurement

### Police

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Incidence of residential burglaries*	250 <sup>13</sup> (single/multiple residences only)	Sustain present level or further reduction from previous year	290 <sup>14</sup> (single/multiple residences only)	N/A
	550 <sup>13</sup> (all burglaries)		864 <sup>14</sup> (all burglaries)	N/A
Incidence of violent crimes and property crimes*	400 <sup>13</sup> (violent crimes)	Sustain present level or further reduction from previous year	407 <sup>14</sup> (violent crimes)	Sustain present level or further reduction from previous year
	4,543 <sup>13</sup> (property crimes)		5,755 <sup>14</sup> (property crimes)	
Minimize the number of injury collisions as compared to the previous year.	587 <sup>13</sup>	Reduction from previous year	378 <sup>14</sup>	Reduction from previous year
Enrollment of all employees in a baseline medical analysis exam or wellness initiative	26%	Increase from previous year	50%	100%
Increase staffing levels to full allocations for the positions of Police Officer and Communications Dispatcher	93%	Increase from previous year	97%	100%
<p>* Figures reported by Uniform Crime Reporting (UCR) calendar year.</p> <p><sup>13</sup>Calendar Year 2019.</p> <p><sup>14</sup>Calendar Year 2020.</p>				

## Summary Information | Performance Measurement

### Public Works

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Percent of preventative maintenance repairs Fleet services performed on-schedule (e.g., completed within two weeks of scheduled service)	68%	75%	70%	75%
Number of “clean fuel” vehicles in City fleet	65	68	68	74
Number of persons severely or fatally injured in traffic crashes Note: Baseline condition is 37 in 2015 (8 fatalities)	27 in Calendar Year 2019 (7 fatalities)	Continuous improvement	16 in Calendar Year 2020 (4 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	88% / 96%	Continuous improvement	53% / 92%	90% / 95%

## 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

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### 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 Initiate and substantially complete the Housing Element Update (due to be completed by Fall 2022) for the next cycle from 2023-2031.  |    |
| 2 Issue Notice of Funding Availability (NOFA) for new projects to increase and/or preserve the supply of affordable housing.  |    |
| 3 Continue to work with affordable housing developers to move hundreds of affordable units already in the development pipeline to completion.   |    |
| 4 Work with other City Departments to implement Safe Parking projects.  |    |
| 5 Continue to support the City's efforts to address homelessness issues.  |    |
| 6 Seek opportunities for possible acquisition of hotel/motel rooms to utilize for shelter for the homeless in connection with the State's Project Homekey program.  |   |
| 7 Complete a comprehensive update of City regulations related to projects that include residential development.   |  |
| 8 Complete a short-term rental ordinance.   |  |
| 9 Continue to maintain a high level of service in responding to citizen complaints and achieving timely and effective results on code enforcement cases.  |  |
| 10 Facilitate installation of public artwork at the Warm Springs Plaza.   |   |
| 11 Facilitate installation of public artwork in the Ardenwood Technology Park Art District.   |   |
| 12 Continue to provide the public with the latest updates in Community Development through newsletters, City News Briefs, the City's Notify Me email lists, social media, department webpages, and printed materials. |   |
| 13 Continue to explore how to best provide services to our public and customers with the changing public health conditions.   |  |
| 14 Train staff and educate development community on new building "reach codes" approved by City Council.  |  |
| 15 Complete the update to the Climate Action Plan and begin implementation efforts.   |  |
| 16 In partnership with East Bay Community Energy, pursue collective procurement of solar + storage energy systems for City of Fremont critical facilities.  |  |
| 17 Collaborate with Public Works to identify external funding opportunities for a robust electric vehicle infrastructure project at City facilities that will support fleet vehicle electrification.                  |  |
| 18 Update fees for fire permits to ensure the program is 100% fee-supported.  |  |
| 19 Increase citation amounts for planning and building code violations to the extent allowed by State law as a way to incentivize compliance.   |  |
| 20 Continue to rapidly digitize approved paper plan sets so permit history can be quickly available in digital format.  |   |

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    |

**COMMUNITY DEVELOPMENT DEPARTMENT (continued):**

- |  |   |
|--|---|
| 21 Continue digitizing microfiche permit archives so all permit history can be quickly available in digital format.  |  |
| 22 Continue to improve permitting processes to fully implement Electronic Plan Review (ePR) for entitlement and construction permits.  |  |
| 23 Implement a credit card convenience fee for building permits to offset the rising costs of third party fees charged to the City on credit card  |  |
| 24 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 online services to enable faster access to City services. |  |

**COMMUNITY SERVICES DEPARTMENT:**

- |  |  |
|--|--|
| 1 Complete the grand opening celebration for the new Downtown Event Center and Plaza.  |     |
| 2 Develop Marketing Plan for Recreation 189 Cost Center and return to FY 2018/19 registration levels by end of FY 2021/22.   |     |
| 3 Establish a new Active Adult Programming Health and Wellness Section to meet the unmet need identified in the Parks and Recreation Master Plan statistically valid community survey. |     |
| 4 Update Recreation Facility Use Policy as part of Facility Standardization Initiative.  |     |
| 5 Continue with playground safety and maintenance resurfacing program.   |     |
| 6 Develop an aging park playground replacement strategy focusing on sustainability, inclusivity, and equitability of our parks system.   |      |
| 7 Evaluate entire parks system concrete pathway inventory with current conditions and develop removal and repair strategy.   |      |
| 8 Continue to respond to citywide tree service requests and develop a parks tree canopy planting plan, incorporating volunteer opportunities.  |      |
| 9 Continue to work with procuring and creating operating procedures to move forward with new asset management system, to replace Mainstar Maintenance Operating System.                |     |
| 10 Continue to evaluate the financial sustainability of District 88 for restructuring, to match annual assessments to costs.   |      |
| 11 Implement SB 1383 (Short-Lived Climate Pollutant Plan) compliance activities to meet organics recycling and edible food recovery targets.   |     |
| 12 Evaluate strategic locations to install cameras, to deter illegal dumping.  |   |
| 13 Implement mobile sanitation collection program to address illicit waste discharges from RV vehicles being used for habitation on City streets.                                      |   |
| 14 Complete construction for the new Dusterberry Neighborhood Park.  |     |
| 15 Complete and adopt at City Council the Parks and Recreation Master Plan.  |       |
| 16 Complete and adopt at City Council the Urban Forestry Management Plan.  |       |











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# Summary Information | Citywide Goals and Objectives
















## Objectives Summary

- |   |   |
|---|---|
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### COMMUNITY SERVICES DEPARTMENT (continued):

- 17 Conduct two City Tree Contractor Certification Program trainings.   
- 18 Begin exploratory work to purchase new park land(s) to increase the City's overall park land inventory by up to 15 additional acres to address the City's Park Master Plan goals.    
- 19 Complete Lease Agreement for Mission Peak and Stanford Staging Area.  
- 20 Continue successful implementation of contract services to sustain the City's healthy quality of life. 

### ECONOMIC DEVELOPMENT DEPARTMENT:




































- 1 Begin implementing a post-COVID 19 economic recovery strategy focused on three key pillars to building a healthy and equitable economy in Fremont.    
- 2 Continue to expand activities and partnerships to support the small business environment in Downtown and neighborhood commercial districts.    
- 3 Promote commercial development and leasing activity of essential industries that are less vulnerable to economic shocks and support the City's fiscal health.   
- 4 Enhance communication and marketing between the City of Fremont and its business and community stakeholders by attending and participating in industry events and leveraging new and existing digital tools.    

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

- |   |   |
|---|---|
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**FIRE DEPARTMENT:**

- |  |  |
|--|--|
| 1 Continue to provide COVID-19 vaccines in partnership with Haller's Pharmacy.   |        |
| 2 Host a Hazardous Materials Technical Reference course for the Special Operations Task Force.   |        |
| 3 Continue to monitor, refine, and advance our CSFM and CalEPA inspection programs, to further improve compliance with our inspection obligations.                     |        |
| 4 Finalize the remaining Hazardous Materials Program deficiencies identified during the 2019 CalEPA triennial audit.   |        |
| 5 Expand cross training and cooperation with Building Department Fire Inspectors on new construction projects and acceptance testing.                                  |        |
| 6 Complete a five-year update of the City's Local Hazard Mitigation Plan.  |      |
| 7 Develop functional annexes to the City's Emergency Operations Plan.  |    |
| 8 Implement Disaster Service Worker training for all City employees.   |    |
| 9 Conduct specialized training for City employees assigned to staff the City's EOC during disasters and emergencies.   |    |
| 10 Continue to work with Fire Department's Human Relations Committee on diversity and inclusion initiatives.   |   |
| 11 Continue to ensure equity in training and career development opportunities.   |    |
| 12 Further develop the Department's recruitment and community engagement programs.   |   |
| 13 Continue to initiate annual comprehensive medical examinations and cancer awareness to decrease the threat posed by occupational exposures.                         |    |
| 14 Continue to seek opportunities to enhance the health and well-being of our personnel.   |    |
| 15 Seek grant funding for Wellness and Fitness program through the Assistance to Firefighters Grant.   |    |
| 16 Conduct a lateral firefighter recruit academy for nine firefighters.  |   |
| 17 Conduct Engineer, Captain, and Battalion Chief academies in preparation for promotional exam processes.   |   |
| 18 Recruit and fill the Deputy Fire Marshal & Hazardous Materials Program Manager positions within the Fire Prevention Bureau.   |   |
| 19 Request additional Fire Prevention position(s) to address the addition of 50+ multi-family residential infill developments, containing over 8,700 new living units. |   |
| 20 Reinstate continuous quality assurance and improvement within operations, training, and EMS.  |    |



































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# Summary Information | Citywide Goals and Objectives

## Objectives Summary

- |   |   |
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|  Public facilities and programs for recreation                             |  Creating an aging friendly community    |

### HUMAN SERVICES DEPARTMENT:

- |  |  |
|--|--|
| 1 Continue implementation of Keep Fremont Housed Rent Relief Program.  |      |
| 2 Continue implementation and integration of telehealth as a viable and efficient platform for youth and adult clients.  |      |
| 3 Continue to operationalize and improve the effectiveness of the Rent Review Board.   |   |
| 4 Implement specific strategies and actions steps outlined in Year Four of the FRC's 5-year Strategic Plan 2018-2023.  |   |
| 5 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.  |     |
| 6 Continue offering online Senior Center classes, as gathering in large groups for seniors may continue.   |     |
| 7 Continue to coordinate a comprehensive SparkPoint program at the Fremont Family Resource Center (FRC).   |      |
| 8 Continue <a href="http://www.fremont.gov/workforcetraining">www.fremont.gov/workforcetraining</a> and other collaborative pilots and initiative with Economic Development, local corporations, and the Ohlone Career Center. |      |
| 9 Increase the financial assets of low-income families through the FRC's VITA program.   |      |
| 10 With federal HOME and CARES funds, assist up to 25 families to remain in their homes and enable them to return to financial stability.  |     |
| 11 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.  |      |
| 12 Oversee the City's Homeless and Housing fund as well as HEAP, HHAP, PLHA, and CDBG CARES funding focused on mitigating the impacts of homelessness and COVID-19, respectively.  |     |
| 13 Continue to increase and strengthen diversified funding streams for the Humans Services Department to offset projected loss of revenue.   |     |

















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## Objectives Summary

- |   |   |
|---|---|
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### POLICE DEPARTMENT:

- 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 that coincides with peak injury collision rates. Continue to emphasize pedestrian safety and work Traffic Engineering regarding commuter traffic concerns. Continue our partnership with Traffic Engineering on Vision Zero initiatives and with Transportation Engineering on Fremont's Mobility Action Plan.  
- 3 The Personnel Unit will continue efforts to fill Police Officer and Dispatch vacancies and focus on other critical positions within the department.  
- 4 Train officers on POST PSP and CPT Compliance and complete training objectives outlined in the department training plan.  
- 5 Centralize all department training documentation and make it publicly available under the Transparency portal on the Police Department's website.  
- 6 Establish and operate a Real-Time Information Center to serve patrol and investigative operations.  
- 7 Utilize grant funds to add another Crisis Intervention Specialist in conjunction with Human Services to the Mobile Evaluation Team (MET).  
- 8 Roll-out two grant-funded wellness initiatives to employees and maximize participation to expand no-cost wellness education projects for employees.  

### PUBLIC WORKS DEPARTMENT:

- 1 Work with Mobility Commission to help implement key recommendations from the Mobility Action Plan.  
- 2 Begin implementation of the new 5-year action plan update for the Vision Zero traffic safety program.  
- 3 Continue efforts to modernize the Citywide traffic signal system and complete the Fremont Boulevard Safe and Smart Corridor project.  
- 4 Secure funding to make progress on transitioning City vehicle and building infrastructure to "clean energy" sources.  
- 5 Complete construction on: Niles Boulevard and Fremont Boulevard, and start construction on the Centerville Complete Streets project.  
- 6 Work with regional partners to identify construction funding for the Irvington BART Station, I-880/Innovation Bridge and Trail, Sabercat Trail Extension at I-680, and Decoto Complete Streets projects; and continue design work to upgrade State Route 262, enhance freeway interchanges, develop the Centerville Quiet Zone project, and implement new trails in the Dumbarton to Quarry Lakes, East Bay Greenway, and Niles Canyon corridors.  

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                      |
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### ADMINISTRATIVE DEPARTMENTS:





















- 1 Pursue efforts that assist City departments and Council to reconcile the budget with the fiscal impacts 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 2021/22 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 2021 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 Assist staff with updating and amending standard contract forms and City ordinances to comply with state law and updates to the Municipal Code for Parks and Recreation Areas. 
- 10 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. 
- 11 Continue to provide Brown Act and Public Records Act advice and training to City boards, commissions and employees. 
- 12 Continue to provide assistance to Council and City Departments during the Coronavirus emergency by responding to emerging issues. 
- 13 Assist continuing support for homelessness, navigation center and additional development of affordable housing. 
- 14 Implementation of multiple agreements and ensure compliance with all Federal Rental Assistance grant conditions for tenants and landlords as a result of COVID 19 pandemic. 
- 15 Assist Finance on financing matters and plans to refund the 2012 and 2013 GO Bonds. 
- 16 Assist with the negotiation of the Mission Peak lease. 
- 17 Assist staff with the adoption of the Parks Master Plan and a credit card convenience fee for online transactions with the City. 

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
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**ADMINISTRATIVE DEPARTMENTS (continued):**

- 18 Support City Council priorities and City development and transportation projects. 
- 19 Ensure open access to information, documents, and the legislative process that increase transparency in City government. 
- 20 Achieve and maintain prompt responses across all City departments for routine public records requests. 
- 21 Continue to efficiently and accurately manage the electronic preparation and distribution of agenda packets. 
- 22 Monitor the changing postal service environment and accommodate changes as needed to the mail room during the fiscal year. 
- 23 Continue to work with City departments to review and update Records Retention Schedule, to ensure the schedules are current. 
- 24 Continue to emphasize and encourage public use of the City's online business tax offerings.  
- 25 Implement new Tyler Cashiering system and enhance its integration with existing Tyler Munis Financial Management System, Accela permit, and HdL business tax systems. Deploy Tyler Citizen Self Service, which will enable customers to pay Accounts Receivable invoices online.  
- 26 Develop rules and policies to facilitate COVID-19 related service delivery recovery and process improvements for City of Fremont staff. 
- 27 Negotiate successor MOU's with the City of Fremont's nine bargaining units. 
- 28 Complete revisions of City's Personnel Rules, in partnership with City's nine bargaining units. 
- 29 Develop City Fiber Master Plan to develop the City's fiber network infrastructure. 
- 30 Implement a contemporary website using Granicus' government CMS (content management system). 
- 31 In partnership with the City of Fremont Police Department and the City of Union City Police Department, ITS will commence the first phase of implementing a new, intelligence driven, fully integrated CAD and RMS software system. 
- 32 To improve the City's cybersecurity platform. 
- 33 GIS has developed a City Staff and Public online mapping applications for locating Small Cell Equipment installed on public streetlights. The data will be generated from the permit application process in Accela. 
- 34 Address the City's aging telephone system by replacing/upgrading the system with a state-of-the art modern VoIP telephone system. 
- 35 In partnership with Public Works and Community Services, ITS will update the work order 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.

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# 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 2021/22 General Fund budget, including budget assumptions, expenditure and revenue highlights, transfers to other funds, reserves, and a multi-year forecast.

Although we've experienced unprecedented revenue losses as a result of the COVID-19 pandemic, the fiscal recovery funds provided through the American Rescue Act will allow us to restore service delivery to pre-COVID levels over the next several years.

The table on the next page shows that total General Fund budgeted resources in the coming year, including \$20.0 million of fiscal recovery funds that will be recognized as revenue in FY 2020/21, are estimated to be adequate to support total budgeted expenditures of \$231.4 million. Reflecting the continuing economic impact of the COVID-19 pandemic, FY 2021/22 ongoing revenues are just 0.5% higher than the FY 2020/21 adopted budget and \$1.5 million lower than the current year's estimated actual expenditures.

Although the FY 2021/22 General Fund budget does not add any new ongoing programs or capital projects, the proposed budget does include funding for operations at the new Age Well Center in Warm Springs and activation of the new Downtown Event Center.

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 2021/22 (Thousand of Dollars)

	Adopted FY 20/21	Est Actual FY 20/21	Adopted FY 21/22
<b>Sources</b>			
Beginning Unreserved Fund Balance	\$ -	\$ 1,429	\$ 20,023
Revenues			
Taxes:			
Property Tax	113,175	112,843	116,312
Sales Tax	52,253	57,792	56,178
Business Tax	11,963	10,459	10,608
Hotel/Motel Tax	6,060	2,807	3,368
Property Transfer Tax	1,600	1,966	2,037
Paramedic Tax	1,135	1,234	1,241
Franchise Fees	9,818	10,617	10,720
Charges for Services	6,456	5,853	5,569
Fines	2,173	966	966
Use of Money and Property	1,464	1,139	1,119
Intergovernmental	431	20,361	326
Other Revenues	77	344	135
Total Revenues	206,605	226,381	208,579
Transfers In	7,571	7,571	6,446
<b>Total Sources</b>	<b>214,176</b>	<b>235,381</b>	<b>235,048</b>
<b>Uses</b>			
Expenditures			
General Government	17,688	17,084	18,258
Police	95,318	92,316	100,989
Fire	56,497	56,613	58,838
Maintenance (Streets/Facilities)	18,474	16,421	18,796
Maintenance (Parks/Street Medians)	9,756	9,293	9,975
Human Services	4,334	4,367	4,479
Code Enforcement/Community Development Admin	1,855	1,672	1,762
Non-departmental	3,671	1,677	3,591
Less: Citywide Savings	(11,193)	-	(6,000)
Debt Service	8,662	8,662	8,534
Total Expenditures	205,062	208,105	219,222
Transfers Out	8,347	8,346	12,130
<b>Total Uses</b>	<b>213,409</b>	<b>216,451</b>	<b>231,352</b>
<b>Ending Fund Balance</b>			
Reserved Fund Balance	35,639	41,101	44,798
Unreserved Fund Balance	1,558	20,023	-
<b>Total Ending Fund Balance</b>	<b>\$ 37,197</b>	<b>\$ 61,124</b>	<b>\$ 44,798</b>

#### Notes:

American Rescue Act fiscal recovery funds are shown as Intergovernmental Revenue: \$20.0 million in FY 2020/21 and \$22.1 million in FY 2022/23.

## 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 2021/22 budget:

**1. The local economy will continue to recover during FY 2021/22.**

Total General Fund ongoing resources (revenues and transfers in) are projected to increase by 0.5% over estimated actual resources in FY 2020/21.

**2. The City will recognize the full amount of its FY 2020/21 fiscal recovery funds allocation.**

U.S. Treasury guidance on the recognition and use of American Rescue Act local fiscal recovery funds will allow the City to recognize the full amount of its FY 2020/21 allocation and apply it to stabilize the Recreation Fund and restore services in the General Fund in FY 2021/22.

**3. Total General Fund use of resources (expenditures and transfers out) is 6.9% higher than the estimated actual amounts for FY 2020/21. The costs of the FY 2021/22 budget will be covered by projected ongoing resources and fiscal recovery funds held as unreserved fund balance, without requiring the use of reserves to balance the budget.**

As the City's employee groups have all agreed to extend the current memoranda of understanding (MOUs) through June 30, 2022, the FY 2021/22 budget includes no salary or benefit adjustments.

In accordance with City Council policy, an additional pension contribution of \$2.8 million to more rapidly pay down the City's unfunded liability has been incorporated into the proposed General Fund budget.

**4. Total expenditures in the FY 2021/22 budget include a savings assumption of \$6.0 million (approximately 2.7% of total budgeted expenditures and transfers out in FY 2021/22) to reflect the City's historical experience of under-spending total allocated resources, primarily due to salary savings from vacant positions.**

Managers continue to contain operational costs wherever possible, and normal turnover within the City's 965-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.

**5. The FY 2021/22 budget restores General Fund CIP transfers for streets, sidewalks, and facilities maintenance, parks and street medians capital replacement, and capital improvements to achieve compliance with ADA standards.**

These transfers were suspended in FY 2020/21 as a budget balancing measure.



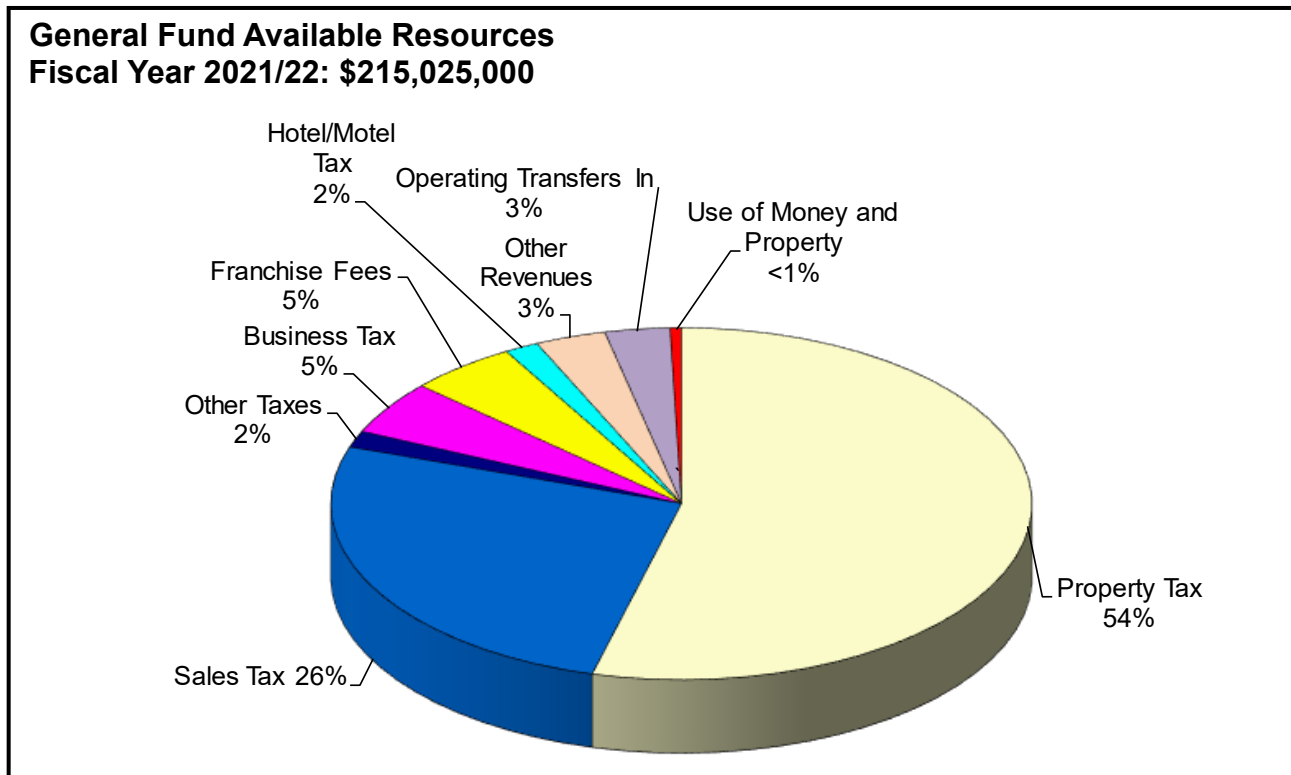
## General Fund | General Fund Summary

- 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 higher for FY 2021/22 than for the prior year, the reserve requirement is increasing by \$3.0 million.

- The FY 2021/22 budget does not include funding to restore the General Fund Budget Uncertainty Reserve, which is projected to remain at its current balance of \$5.5 million.

Restoring the Budget Uncertainty Reserve to its pre-pandemic level of \$8.3 million will be considered a high priority.



## Resources

General Fund resources include revenues and transfers into the General Fund from other funds. Total budgeted resources of \$215.0 million and unreserved fund balance (fiscal recovery funds) will be adequate to support total budgeted expenditures of \$231.4 million, so the budget is balanced with no need to use reserves.

Property tax revenues are estimated to total \$112.8 million in FY 2020/21, and staff projects those revenues will increase to \$116.3 million in FY 2021/22, an increase of 3.1%. 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 2021/22 tax roll is an increase of 1%. An estimated increase in value for FY 2021/22 from changes in ownership of 2.1% is based on property transfer tax data for calendar year 2020. An additional estimated increase of 1% for the value of new construction reflects the continuing development activity in Warm Springs and other areas of the City. As the pandemic-related public health restrictions adversely impacted the value of business machinery and equipment and commercial properties during calendar year 2020, the forecast assumes the County Assessor will temporarily reduce their value, offsetting the 1% for new construction. Property taxes make up 54.1% of estimated FY 2021/22 General Fund resources.

Sales tax revenues are estimated to total \$57.8 million in FY 2020/21, decreasing to \$56.2 million in FY 2021/22. The projected strong performance in FY 2020/21 and subsequent decline stems from \$3.1 million of one-time new auto sales revenue and online retail activity. Without those one-time distortions, sales tax revenues would be estimated to grow approximately 2.7% from the prior year. The largest contributions to sales tax growth continue to come from auto sales and online sales transactions allocated through the County sales tax pool. Sales tax revenues comprise 26.1% of General Fund resources.

Business taxes are projected to yield \$10.5 million in FY 2020/21, increasing by 1.4% to \$10.6 million in FY 2021/22. Because businesses pay tax based on their prior calendar year gross revenue or payrolls, we're seeing the results of last year's business restrictions in the FY 2020/21 revenues – an estimated decline of over 10% – which will carry over to FY 2021/22 for those businesses that pay their taxes in the second half of the calendar year. Business tax makes up 4.9% of General Fund resources.

With occupancy rates remaining in the 30%-40% range, the estimate for FY 2020/21 hotel/motel tax revenue has dropped to \$2.8 million, a 52.5% decline from the prior year actual amount of \$5.9 million. FY 2021/22 hotel/motel tax revenues are estimated to reach \$3.4 million, an increase of 20.0% from the prior year level, and contributing 1.6% 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 2020/21 estimate shows a 1.9% increase from the prior year, with another 1.0% increase estimated for FY 2021/22. The estimated FY 2021/22 franchise fees revenue of \$10.7 million represents 5.0% of General Fund resources.

## General Fund | General Fund Summary

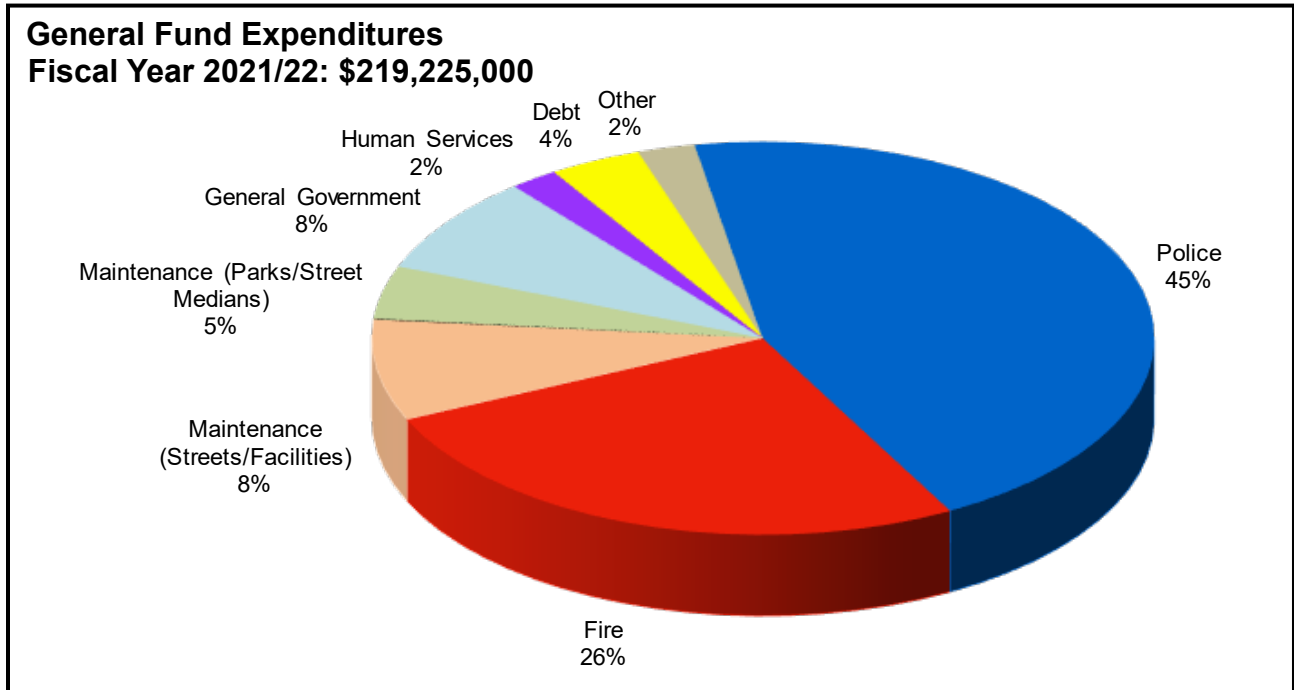
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### Change in General Fund Resources FY 2020/21 to FY 2021/22 (\$ millions)

Revenues	FY 2020/21 Budget	FY 2021/22 Budget	Difference
Property Tax	\$ 113.2	\$ 116.3	\$ 3.1
Sales Tax	52.2	56.2	4.0
Franchise Fees	9.8	10.7	0.9
Business Tax	12.0	10.6	(1.4)
Hotel/Motel Taxes	6.1	3.4	(2.7)
Other Revenues	13.3	11.4	(1.9)
Ongoing Revenues Subtotal	206.6	208.6	2.0
Transfers In	7.6	6.4	(1.2)
<b>Total Budgeted Resources</b>	<b>\$ 214.2</b>	<b>\$ 215.0</b>	<b>\$ 0.8</b>

The Change in General Fund Resources table includes a line for “other revenues,” which includes charges for services, interest earnings, law enforcement fines, paramedic tax, property transfer tax, and state reimbursements for mandated services. After adjusting for one-time revenue items in FY 2020/21, most of these items are anticipated to remain relatively flat in FY 2021/22 compared with the prior year.

The General Fund receives overhead 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 and human services). In FY 2020/21, transfers from other funds are expected to total \$7.6 million, including a \$1.0 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 2021/22, transfers from other funds are expected to decrease to \$6.4 million, or 3.0% of available resources. The reduction from the prior year reflects the net effect of a one-time transfer of \$1.0 million from the Fire Impact Fee Fund to offset debt service payments and elimination of the overhead transfer from the Recreation Cost Center. Eliminating the overhead transfer ultimately has no effect on the General Fund, however, as the General Fund operating subsidy to the Recreation Cost Center has been reduced by an equivalent amount.



## Expenditures

The \$231.4 million budgeted for expenditures and transfers out in FY 2021/22 is 8.4% higher than the FY 2020/21 adopted budget, and 6.9% higher than the estimated actual expenditures for FY 2020/21.

As displayed in the Budget by Department chart on page 71, the proposed budget maintains the City Council’s long-time funding priorities by allocating 84% 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 92% when overhead costs required to support these functions are allocated.

In the face of unprecedented revenue losses, the FY 2020/21 General Fund Operating Budget was balanced through a combination of temporary expenditure reductions that allowed us to maintain core services in the near term, but that could have had potentially adverse impacts if sustained. Most of these reductions have been restored in the FY 2021/22 proposed budget. Basic City services, such as police, fire, and maintenance, are labor-intensive. Therefore, the City’s budget is typically driven by labor-related costs, including salaries, retirement system contributions, and health benefits. However, in FY 2020/21 the City’s employee groups agreed to extend their existing labor agreements through June 30, 2022, with no compensation or benefit increases. As a result, the majority of the 8.4% increase for FY 2021/22 reflects budget balancing measures that have been eliminated or restored including:

- Relaxation of the hiring freeze on non-essential vacant positions and elimination of delayed recruitments;
- Restoration of funding for police overtime and for part-time and temporary staff;

## General Fund | General Fund Summary

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- Full funding of annual contributions to the City’s information technology and vehicle replacement internal service funds;
- Reinstatement of the annual transfers to the capital improvement fund for ongoing maintenance activities and ADA-compliant upgrades for streets and sidewalks, parks and street medians, and public buildings; and
- Establishment of funding for the special events sponsorship program.

### 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.

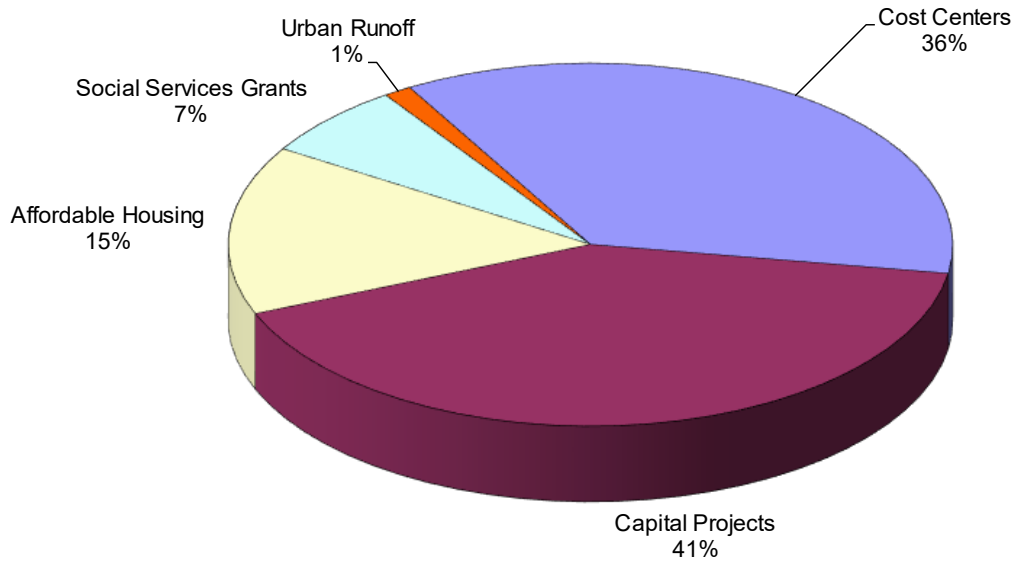
### Budgeted Expenditures

• Annual Operating Contingency Account	\$1,000,000
• Employee Leave Cash-Out	1,200,000
• Property Tax Administration Fee	549,000
• Fremont Library Additional Hours	542,126
• Special Events Sponsorship	250,000
• Tuition Reimbursement	50,000
<b>Non-Departmental Budget</b>	<b>\$3,591,126</b>

### Transfers Out to Other Funds

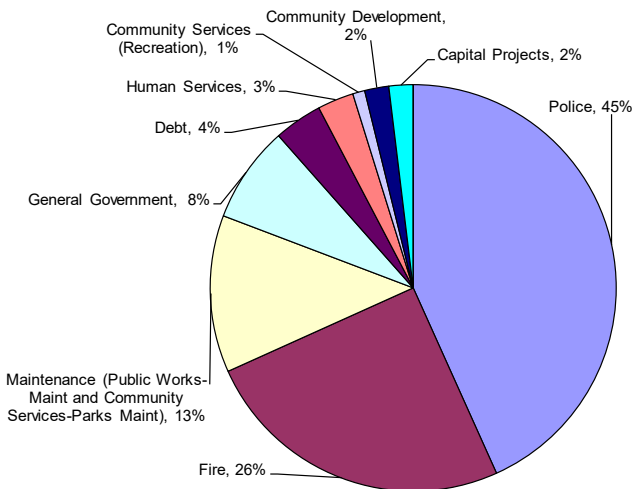
In addition to direct expenditures, the General Fund transfers resources to other funds to support activities that cannot be supported through fees, grants, or charges for service. These activities normally include capital projects, cost center operations, affordable housing and homeless services, the 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.

**General Fund Transfers Out  
Fiscal Year 2021/22: \$12,130,000**

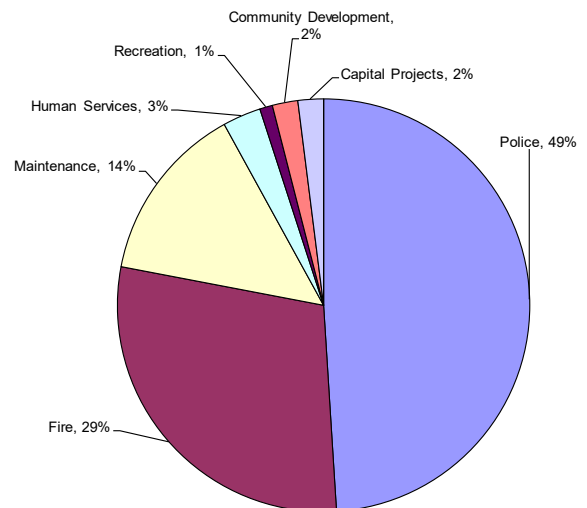


**FY 2021/22  
General Fund Budgeted Expenditures and Transfers Out**

Distributed by Department



Distributed by Function



**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, 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 revenue shortfall in FY 2019/20 resulting from the COVID-19 pandemic and shelter-in-place order, offset by operational savings and federal and State reimbursements, consumed \$2.8 million of the \$8.3 million Budget Uncertainty Reserve, leaving a balance of \$5.5 million at the start of FY 2020/21. As FY 2020/21 resources are anticipated to cover expenditures, the FY 2021/22 budget assumes \$5.5 million will remain available at year-end.

The table below summarizes the FY 2021/22 projected funding levels for each reserve. The General Fund Contingency Reserve will be established at \$38.6 million.

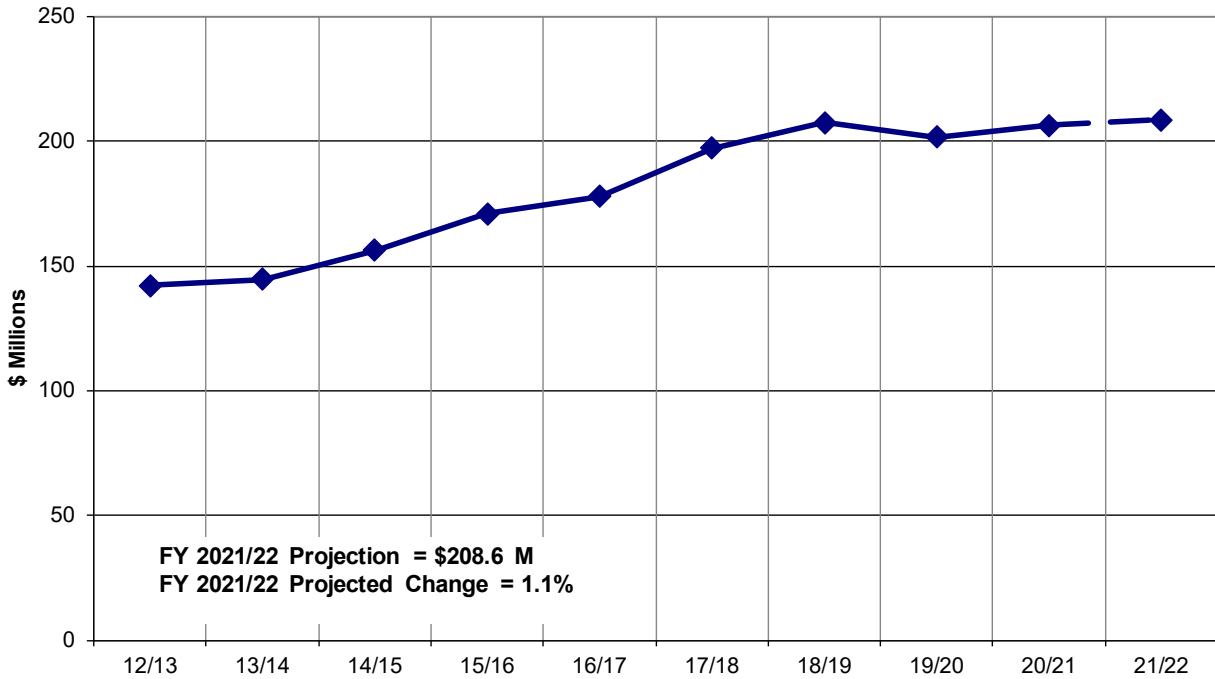
**General Fund Reserves (\$ thousands)**

	FY 2020/21 Balance	FY 2021/22 Increase	FY 2021/22 Projected Use	FY 2021/22 Balance
Contingency Reserve	\$35,639	\$ 2,997	\$ -	<b>\$38,636</b>
Budget Uncertainty Reserve	5,462	0	-	<b>5,462</b>
Total General Fund Reserves	\$41,101	\$ 2,997	\$ -	<b>\$44,098</b>

## General Fund Revenues Overview

Total FY 2021/22 General Fund revenues (excluding transfers in from other funds) are projected at \$208.6 million, which is \$2.1 million, or 1.1%, more than total estimated revenues for FY 2020/21 (excluding the one-time receipt of fiscal recovery funds in FY 2020/21).

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



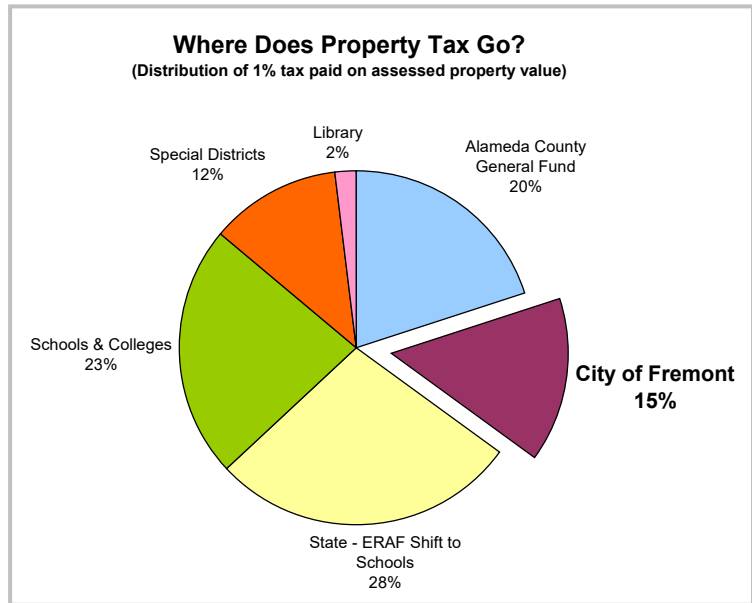
This section provides additional background and forecast information for the following five key General Fund revenue categories that together make up over 90% of General Fund ongoing revenues:

- 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 changes in ownership or new construction. The County Assessor may also temporarily reduce a property's assessed value if the market value falls below the Proposition 13 level (often referred to as a "Proposition 8" adjustment), but is required to restore the Proposition 13 assessment in subsequent years if the market value increase to that level or above. 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 55.8% of total FY 2021/22 projected revenues, or \$116.3 million.

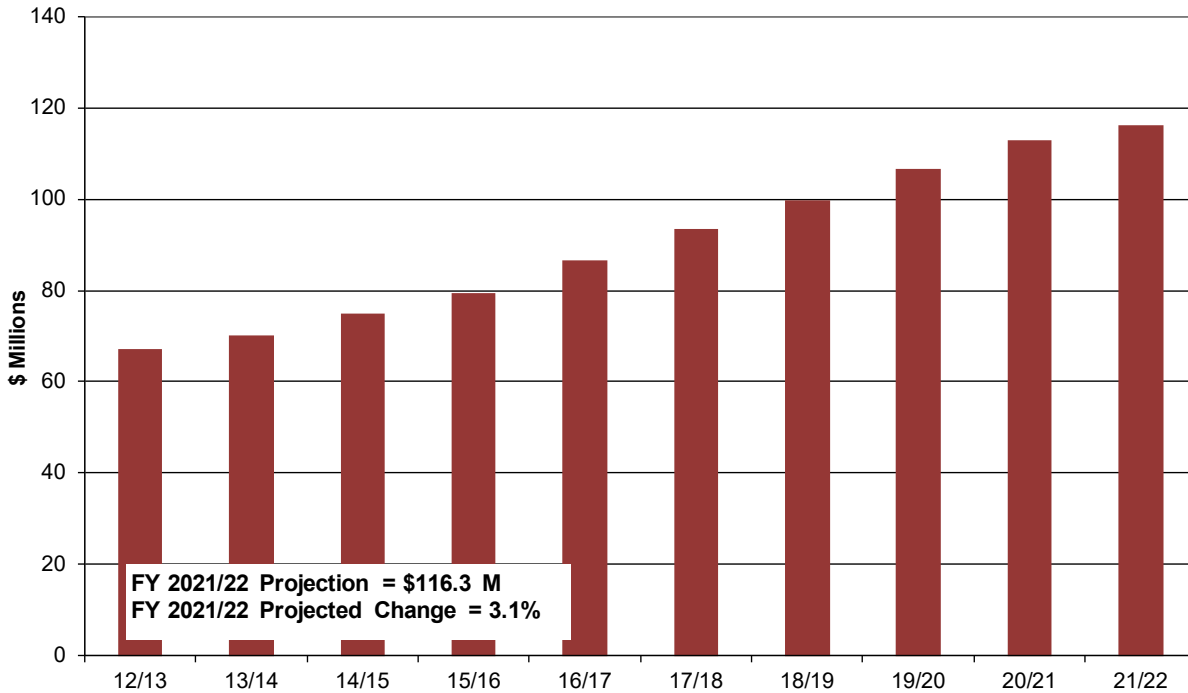


The City of Fremont receives approximately 15 cents of every dollar of property tax paid. Alameda County and the schools, including Fremont Unified School District, receive most of the revenue from property taxes assessed on property located in the City.

**Forecast:** Property tax revenues are estimated to total \$112.8 million in FY 2020/21. Staff projects property tax revenues for FY 2021/22 will increase to \$116.3 million. The assessed valuation for secured property is based on the value as of January 1, 2021. The change in total property tax from FY 2020/21 to FY 2021/22 is an increase of 3.1%.

**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, new construction, and temporary reductions or restorations of value by the County Assessor.

Property Tax History and Forecast



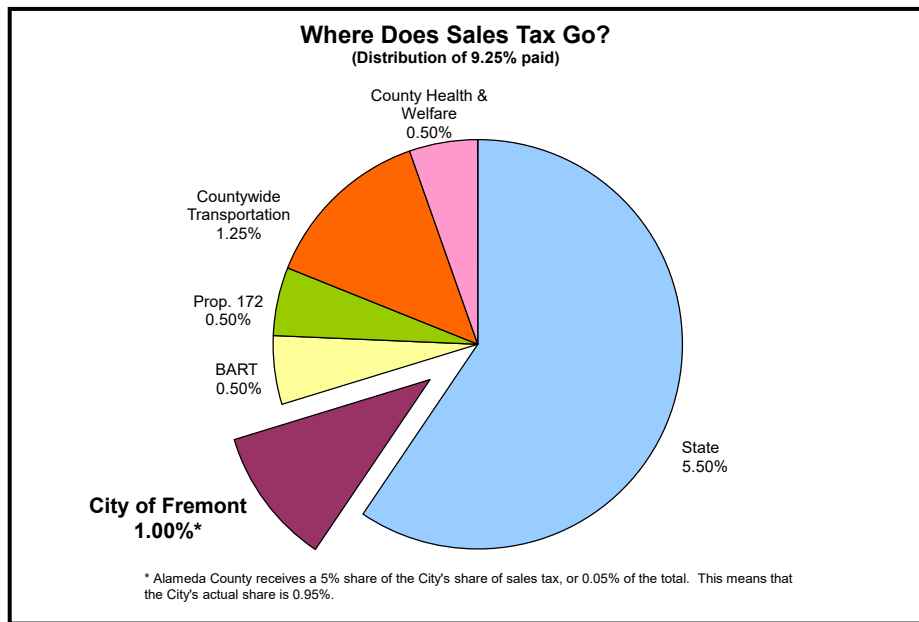
Under Proposition 13, assessed values of all real property adjust with the California Consumer Price Index (CCPI), with a 2% limit, unless there is a change in ownership or new construction. The CCPI adjustment for the FY 2021/22 tax roll is an increase of 1.036%. An estimated increase in value for FY 2021/22 from changes in ownership of 2.1% is based on property transfer tax data for calendar year 2020. An additional estimated increase of 1% for the value of new construction reflects the continuing development activity in Warm Springs and other areas of the City. As the pandemic-related public health restrictions adversely impacted the value of business machinery and equipment and commercial properties during calendar year 2020, the forecast assumes the County Assessor will temporarily reduce their value, offsetting the 1% for new construction.

# General Fund | General Fund Revenues

## Sales and Use Taxes

**Description:** 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. Auto sales, business-to-business transactions, and web-based purchases distributed through the County pool make up more than 70% of total sales tax revenue.

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 26.9% of FY 2021/22 General Fund revenues.



Projection Component	FY 2020/21 Estimated	FY 2021/22 Projected	Difference
Sales and Use Tax	\$56.0 million	54.3 million	-\$1.7 million
Proposition 172 Sales Taxes	1.8 million	1.9 million	0.1 million
Total	\$57.8 million	\$56.2 million	-\$1.6 million

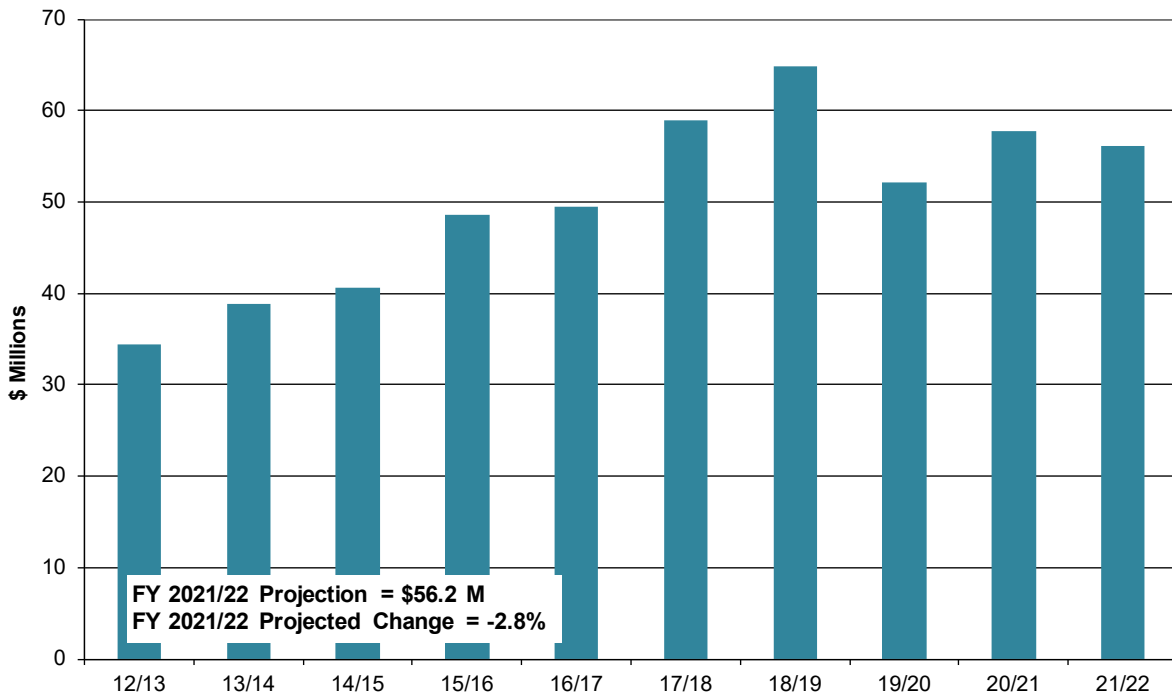
**Forecast:** For projection purposes, sales tax revenue has two components: revenue generated by taxable sales activity occurring during the fiscal year, and Proposition 172 sales tax revenue, which is dedicated to funding public safety activities. The following table relates the component projections to the total.

Current year sales tax revenues are expected to reach \$56.0 million, an 11.3% increase over FY 2019/20, a year in which revenues fell 20.2% largely as a result of the pandemic. Based on information from the City’s sales tax consultant, approximately \$3.1 million of current year revenue relating to new auto sales and online sales is one-time in nature. The FY 2021/22 budget estimates \$54.3 million of sales tax revenue, or \$1.7 million (3.0%) lower than FY 2020/21. Without the estimated \$3.1 million of one-time revenue in FY 2020/21, the annual growth would be 2.7%.

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 2020/21, the City’s share is expected to be approximately \$1.8 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 2021/22, the Proposition 172 component of the City’s sales tax revenues is projected to increase slightly to almost \$1.9 million.

The graph below displays the sales tax revenue history and forecast.

**Sales Tax History and Forecast**

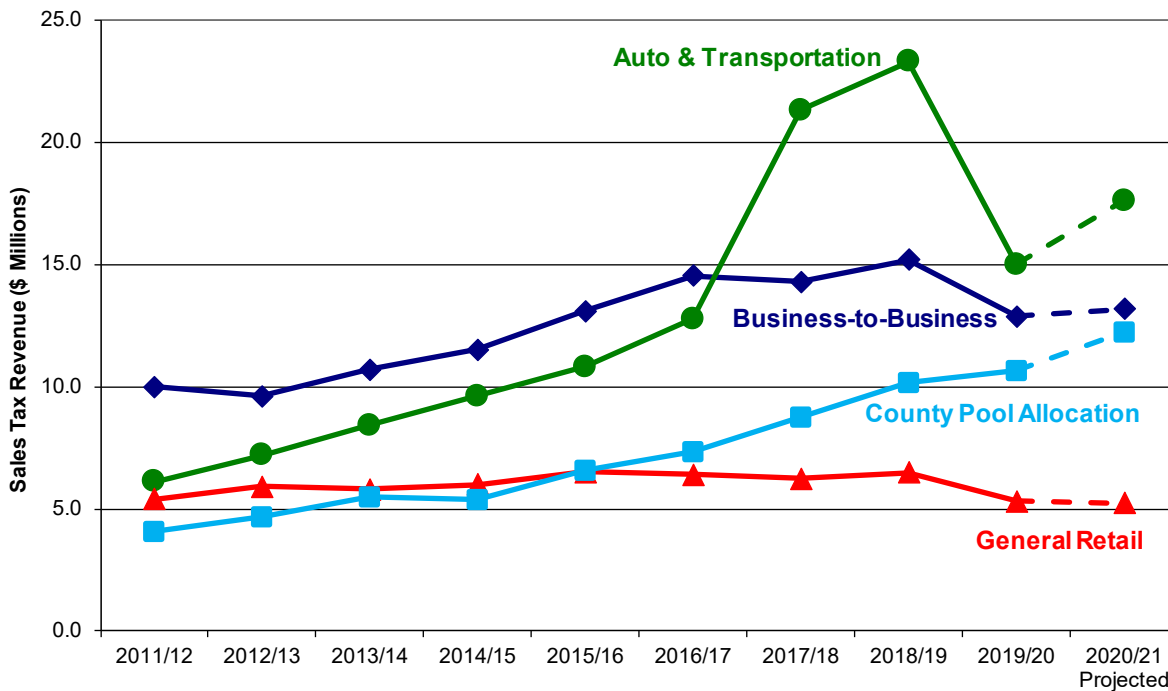


## General Fund | General Fund Revenues

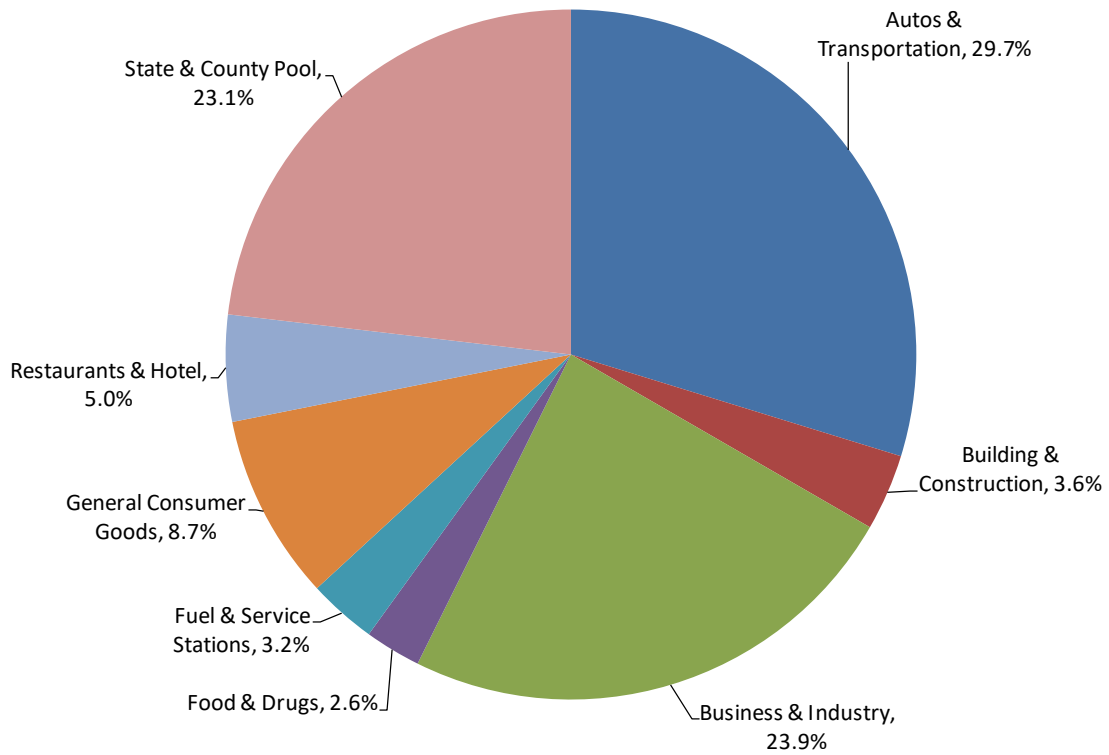
**Key Factors in the Forecast:** The City has a well-diversified sales tax base, but the public health restrictions that continued through FY 2020/21 have slowed the recovery in sales tax revenue, particularly in the restaurants and hotels, fuel and service stations, and retail sectors. However, those reductions have been more than offset by a substantial increase in County pool revenues reflecting the implementation of the U.S. Supreme Court “Wayfair” decision, which requires out of state online resellers to collect the local sales tax, and the pandemic-related surge in online consumer activity, along with an unanticipated one-time surge in new auto sales. The forecast assumes a strengthening recovery in FY 2021/22, and the last two years of the forecast assume annual growth of approximately 4%, somewhat below the pre-COVID rate.

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.

### Evolving Composition of Major Sales Tax Revenue Resources



Sales Tax Base Composition Calendar Year 2020



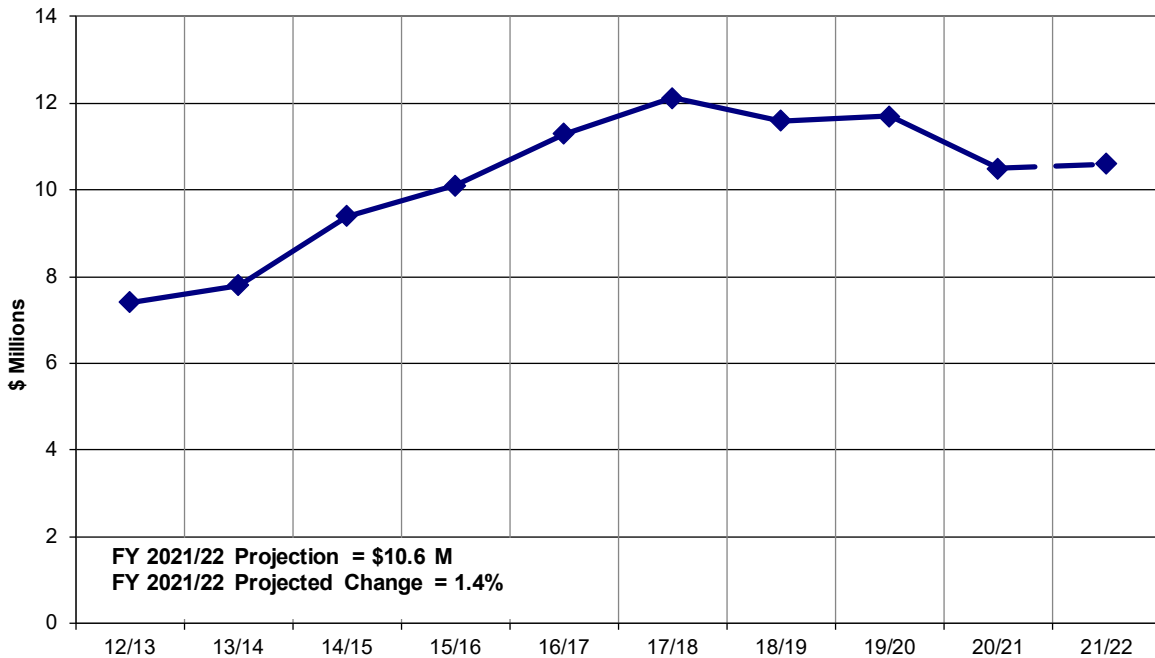
## Business Taxes

**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 \$10.5 million in FY 2020/21, a decrease of 10.4% from the prior year. The FY 2021/22 business tax estimate is \$10.6 million, an increase of 1.4%. Business tax makes up 5.1% of General Fund revenues.

**Key Factors in the Forecast:** Because businesses pay tax based on their prior calendar year gross revenue or payrolls, business tax revenue will remain suppressed in FY 2021/22, but will then recover in FY 2022/23.

### Business Tax History and Forecast



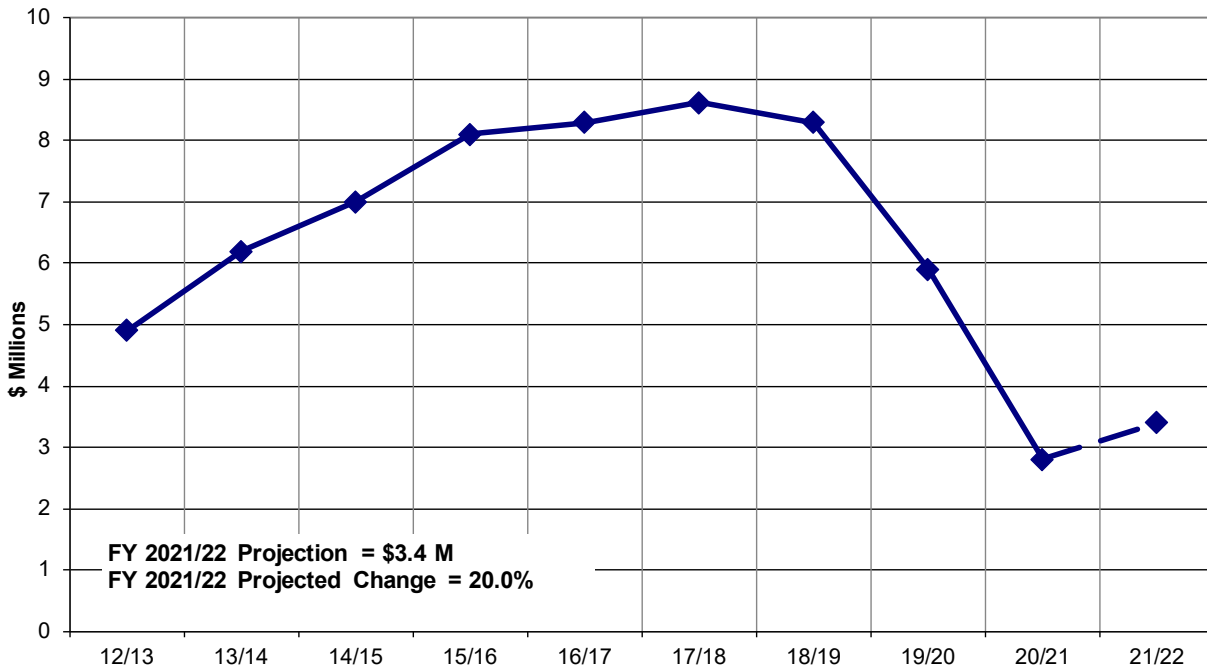
### Hotel/Motel Occupancy Taxes

**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 \$2.8 million in FY 2020/21, a decrease of 52.5% from the prior year. The Fall 2020 surge in COVID-19 infections and the resulting re-imposition of travel restrictions has held occupancy rates to the 30%-40% range. FY 2021/22 hotel/motel occupancy tax revenues are estimated at \$3.4 million, an increase of 20.0%, constituting 1.6% of General Fund revenues.

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

### Hotel/Motel Tax History and Forecast





### Franchise Fees

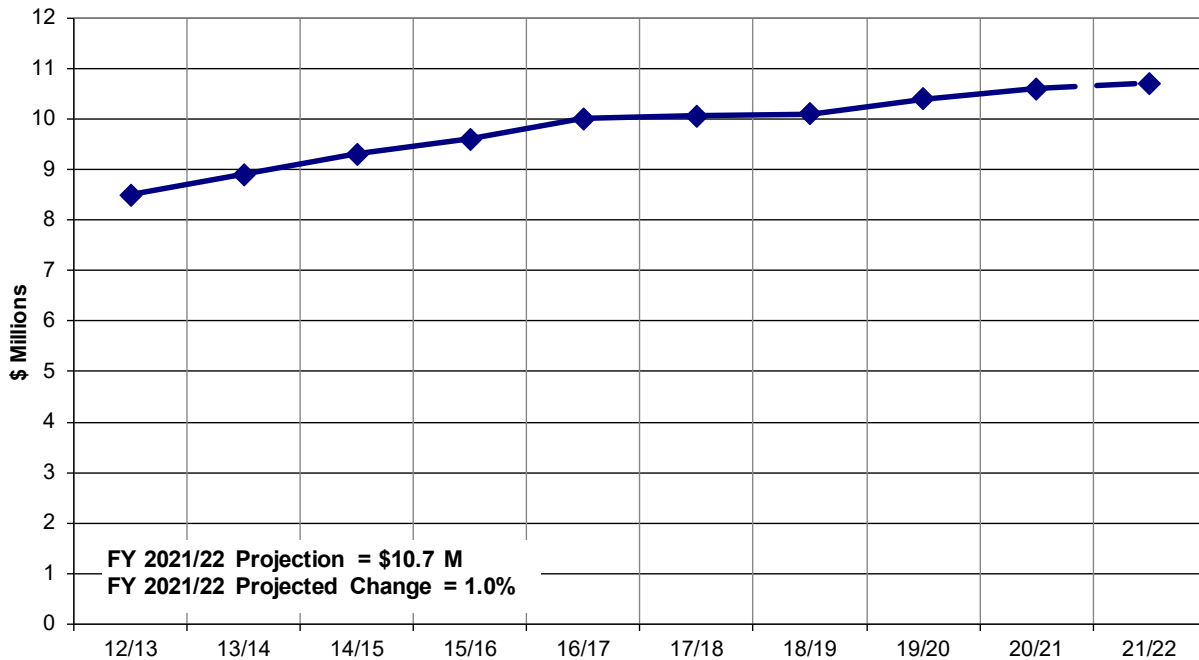
**Description:** State law provides cities with the authority to grant franchises to privately-owned utility and other companies for their use of the public right-of-way. The City receives franchise fees from the electric and gas utility, the solid waste collection company, local cable companies, and 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 2021/22 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 2021, and will be received by the City in April 2022.

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



**Forecast:** The FY 2020/21 estimate shows a 1.9% increase from the prior year, with an additional 1.0% increase projected for FY 2021/22. The projected FY 2021/22 franchise fees revenue of \$10.7 million represents 5.1% 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 increase 2.9% in FY 2021/22, reflecting the long-term trend.
- **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 2020/21 estimate is \$1.6 million. The estimate reflects a 10.9% decrease from the prior year. The FY 2021/22 projection of \$1.4 million assumes a 7.8% 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 \$5.5 million in FY 2020/21, with a projected increase in FY 2021/22 of 2.3% for revenue of \$5.7 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, application of fiscal recovery funds, 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 specific 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 City will recognize the full amount of its FY 2020/21 fiscal recovery funds allocation and apply it to stabilize the Recreation Fund and restore services in the General Fund in FY 2021/22. The second allocation of fiscal recovery funds will be recognized in FY 2022/23 and applied to maintain services in the General Fund in FY 2022/23 and FY 2023/24.
- 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 2022/23 and FY 2023/24. 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 2021/22, sales tax revenues will increase at an annual rate of approximately 4%.
- Business tax revenue will remain suppressed 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 an annual rate of 20% in FY 2021/22, growing in the following two years at a rate of just over 10%; this is about half the rate experienced in the years after the last recession, and reflects the potential ongoing impact of reduced business travel.
- In accordance with the City's labor agreements, no compensation increases have been included for FY 2021/22, and none have been included for 2022/23 or 2023/24.
- 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.

- Annual transfers for maintenance and ADA projects contained in the proposed FY 2021/22-2025/26 CIP are included.
- 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 86 of the budget document. Estimated resources, including the first installment of fiscal recovery funds, will cover costs in FY 2021/22, and the second installment of fiscal recovery funds will help maintain General Fund services in the following two fiscal years.

## General Fund | General Fund Forecast

### General Fund Adopted Budget and Forecast Through FY 2023/24 (Thousands of Dollars)

	Est Actual FY 20/21	Adopted FY 21/22	Projected FY 22/23	Projected FY 23/24
<b>Sources</b>				
Beginning Unreserved Fund Balance	\$ 1,429	\$ 20,023	\$ -	\$ 6,500
Revenues				
Taxes:				
Property Tax	112,843	116,312	122,287	128,588
Sales Tax	57,792	56,178	58,420	60,751
Business Tax	10,459	10,608	11,463	11,878
Hotel/Motel Tax	2,807	3,368	3,729	4,127
Property Transfer Tax	1,966	2,037	2,110	2,186
Paramedic Tax	1,234	1,241	1,247	1,253
Franchise Fees	10,617	10,720	10,961	11,012
Charges for Services	5,853	5,569	5,602	5,611
Fines	966	966	966	966
Use of Money and Property	1,139	1,119	1,119	1,119
Intergovernmental	20,361	326	22,432	326
Other Revenues	344	135	135	135
Total Revenues	226,381	208,579	240,471	227,952
Transfers In	7,571	6,446	5,446	5,446
<b>Total Sources</b>	<b>235,381</b>	<b>235,048</b>	<b>245,917</b>	<b>239,898</b>
<b>Uses</b>				
Expenditures				
General Government	17,084	18,258	18,621	18,909
Police	92,316	100,989	102,997	104,592
Fire	56,613	58,838	60,011	60,940
Maintenance (Streets/Facilities)	16,421	18,796	19,170	19,466
Maintenance (Parks/Street Median/Landscape)	9,293	9,975	10,173	10,331
Human Services	4,367	4,479	4,568	4,639
Code Enforcement/Community Development Admin	1,672	1,762	1,797	1,825
Non-departmental	1,677	3,591	4,278	3,703
Less: Citywide Savings		(6,000)	(6,000)	(6,000)
Debt Service	8,662	8,534	8,518	8,518
Total Expenditures	208,105	219,222	224,134	226,923
Transfers Out				
Capital Projects	-	5,000	5,000	5,000
Cost Center Allocations	5,605	4,353	4,353	4,353
Affordable Housing	1,772	1,828	1,921	2,021
Urban Runoff	231	151	225	304
Social Services Grants	738	798	798	798
Total Transfers Out	8,346	12,130	12,297	12,476
<b>Total Uses</b>	<b>216,451</b>	<b>231,352</b>	<b>236,431</b>	<b>239,399</b>
<b>Ending Fund Balance</b>				
Contingency Reserve	35,639	38,636	39,484	39,980
Budget Uncertainty Reserve	5,462	6,162	8,300	8,300
Reserved Fund Balance	41,101	44,798	47,784	48,280
Unreserved Fund Balance	20,023	-	6,500	3
<b>Total Ending Fund Balance</b>	<b>\$ 61,124</b>	<b>\$ 44,798</b>	<b>\$ 54,284</b>	<b>\$ 48,283</b>

**Notes:**

American Rescue Act fiscal recovery funds are shown as Intergovernmental Revenue: \$20.0 million in FY 2020/21 and \$22.1 million in FY 2022/23.

**General Fund | Transfer Detail**

<b>Transfers In</b>	<b>Estimated Actual FY 2020/21</b>	<b>Adopted FY 2021/22</b>	<b>Projected FY 2022/23</b>	<b>Projected FY 2023/24</b>
<b>Overhead Transfers In From Other Funds:</b>				
Development Cost Center (Funds 391, 392, 393)	2,909	2,838	2,838	2,838
Human Services (various grant funds)	494	472	472	472
Environmental Services (Funds 115,123)	412	359	359	359
Paratransit Grants (Funds 176, 178, 252)	153	193	193	193
Affordable Housing Funds (Funds 111, 196)	103	174	174	174
Bond Funds (Funds 070, 757, 758)	-	109	109	109
Lighting/Landscape Maint Dist (Fund 160)	21	31	31	31
Rent Review (Fund 197)	32	20	20	20
Recreation Cost Center (Fund 189)	1,606	-	-	-
Information Technology (Fund 620)	521	-	-	-
Vehicle Replacement (Fund 610)	7	-	-	-
Other (Funds 103, 112)	63	-	-	-
<b>Sub-total Transfers In from Other Funds</b>	<b>\$ 6,321</b>	<b>\$ 4,196</b>	<b>\$ 4,196</b>	<b>\$ 4,196</b>
<b>Miscellaneous Recurring Transfers In:</b>				
Impact Fee Debt Service Reimbursement	1,000	2,000	1,000	1,000
Family Resource Center Maintenance Support	250	250	250	250
<b>Sub-total Misc. Recurring Transfers In</b>	<b>\$ 1,250</b>	<b>\$ 2,250</b>	<b>\$ 1,250</b>	<b>\$ 1,250</b>
<b>TOTAL OPERATING TRANSFERS IN</b>	<b>\$ 7,571</b>	<b>\$ 6,446</b>	<b>\$ 5,446</b>	<b>\$ 5,446</b>

<b>Transfers Out</b>	<b>Estimated Actual FY 2020/21</b>	<b>Adopted FY 2021/22</b>	<b>Projected FY 2022/23</b>	<b>Projected FY 2023/24</b>
<b>Transfers to the CIP:</b>				
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
ADA Facility Improvements	-	450	450	450
<b>Sub-total - Transfers to the CIP</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>
<b>Cost Center Allocations:</b>				
Community Development Cost Center	2,062	2,212	2,212	2,212
Recreation Cost Center	2,833	1,324	1,324	1,324
Senior Center Cost Center	710	817	817	817
<b>Sub-total - Cost Center Allocations</b>	<b>\$ 5,605</b>	<b>\$ 4,353</b>	<b>\$ 4,353</b>	<b>\$ 4,353</b>
<b>Other Transfers from the GF:</b>				
Affordable Housing and Homeless Services	1,773	1,828	1,921	2,021
Social Service Grants	738	798	798	798
Urban Runoff Clean Water Program	231	151	225	304
<b>Sub-total - Other transfers</b>	<b>\$ 2,742</b>	<b>\$ 2,777</b>	<b>\$ 2,944</b>	<b>\$ 3,123</b>
<b>TOTAL OPERATING TRANSFERS OUT</b>	<b>\$ 8,347</b>	<b>\$ 12,130</b>	<b>\$ 12,297</b>	<b>\$ 12,476</b>

# General Fund | Historical Comparison

## General Fund Historical and Adopted Budget 2021/22 (Thousands of Dollars)

	FY 16/17 Actual	FY 17/18 Actual	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Estimated Actual	FY 21/22 Adopted Budget
<b>Sources</b>						
Beginning Unreserved Fund Balance	\$ 4,282	\$ 7,940	\$ 18,011	\$ 16,726	\$ 1,429	\$ 20,023
Revenues						
Taxes:						
Property Tax	86,697	93,363	99,606	106,563	112,843	116,312
Sales Tax	49,536	58,903	64,831	52,067	57,792	56,178
Business Tax	12,621	12,117	11,566	11,677	10,459	10,608
Hotel/Motel Tax	8,391	8,620	8,292	5,915	2,807	3,368
Property Transfer Tax	1,916	1,894	1,900	1,844	1,966	2,037
Paramedic Tax	1,166	1,173	1,176	1,185	1,234	1,241
Franchise Fees	9,887	10,061	10,112	10,421	10,617	10,720
Charges for Services	6,094	7,136	6,238	6,261	5,853	5,569
Fines	2,661	2,336	1,975	1,761	966	966
Use of Money and Property	789	904	1,093	1,958	1,139	1,119
Intergovernmental	188	283	234	611	20,361	326
Other Revenues	264	419	243	1,326	344	135
Total Revenues	180,210	197,209	207,266	201,589	226,381	208,579
Transfers In	6,641	6,499	6,856	7,348	7,571	6,446
<b>Total Sources</b>	<b>191,133</b>	<b>211,648</b>	<b>232,133</b>	<b>225,663</b>	<b>235,381</b>	<b>235,048</b>
<b>Uses</b>						
Expenditures						
General Government	12,741	14,841	15,664	17,023	17,084	18,258
Police	69,145	76,470	80,805	89,134	92,316	100,989
Fire	46,453	47,252	49,552	53,915	56,613	58,838
Maintenance (Streets/Facilities)	14,233	14,758	15,521	16,921	16,421	18,796
Maintenance (Parks/Street Medians)	7,287	8,351	8,249	9,140	9,293	9,975
Human Services	-	3,447	3,677	4,827	4,367	4,479
Code Enforcement/Community Development Admin	1,356	1,619	1,793	1,929	1,672	1,762
Non-departmental	1,229	2,176	1,482	1,021	1,677	3,591
Less: Citywide Savings	-	-	-	-	-	(6,000)
Debt Service	7,172	8,145	8,476	9,068	8,662	8,534
Total Expenditures	159,616	177,059	185,219	202,978	208,105	219,222
Transfers Out	22,209	15,224	27,954	13,530	8,346	12,130
<b>Total Uses</b>	<b>181,825</b>	<b>192,283</b>	<b>213,173</b>	<b>216,508</b>	<b>216,451</b>	<b>231,352</b>
<b>Ending Fund Balance</b>						
Reserved Fund Balance	30,929	32,283	34,516	42,195	41,101	44,798
Unreserved Fund Balance	7,940	18,011	16,726	1,429	20,023	-
<b>Total Ending Fund Balance</b>	<b>\$ 38,869</b>	<b>\$ 50,294</b>	<b>\$ 51,242</b>	<b>\$ 43,624</b>	<b>\$ 61,124</b>	<b>\$ 44,798</b>

### 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.

# 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
<b>Sources</b>				
Beginning Unreserved Fund Balance	\$ 36,876	\$ 105,344	\$ 73,396	\$ 215,616
Revenues				
Taxes:				
Property Tax	-	2,873	-	2,873
Sales Tax	-	1,615	-	1,615
Business Tax	-	-	-	-
Hotel/Motel Tax	-	-	-	-
Property Transfer Tax	-	-	-	-
Paramedic Tax	-	-	-	-
Franchise Fees	-	-	-	-
Charges for Services	37,000	14,586	300	51,886
Fines	-	-	-	-
Use of Money and Property	776	621	1,829	3,226
Intergovernmental	69	19,882	17,288	37,239
Other Revenues	2,431	8,676	20,388	31,495
Total Revenues	40,276	48,253	39,805	128,334
Transfers In	4,353	2,776	5,000	12,129
<b>Total Sources</b>	<b>81,505</b>	<b>156,373</b>	<b>118,201</b>	<b>356,079</b>
<b>Uses</b>				
Expenditures				
General Government	-	-	-	-
Police	-	924	-	924
Fire	-	42	-	42
Maintenance (Streets/Facilities)	-	-	1,675	1,675
Maintenance (Parks/Street Medians)	-	2,388	-	2,388
Code Enforcement/Community Development Admin	-	712	-	712
Housing	-	4,959	-	4,959
Environmental Services	-	11,823	-	11,823
Engineering	14,130	-	-	14,130
Planning	5,211	-	-	5,211
Building and Safety	11,392	-	-	11,392
Human Services	1,764	28,933	-	30,697
Recreation	9,527	-	-	9,527
Landscape	2,031	168	-	2,199
Homeless Services	-	2,395	-	2,395
Non-departmental	2,247	-	-	2,247
Capital	39	-	21,515	21,554
Less: Citywide Savings	-	-	-	-
Debt Service	-	3,532	-	3,532
Total Expenditures	46,341	55,876	23,190	125,407
Transfers Out	3,588	1,730	2,031	7,349
<b>Total Uses</b>	<b>49,929</b>	<b>57,606</b>	<b>25,221</b>	<b>132,756</b>
<b>Ending Fund Balance</b>				
Reserved Fund Balance	15,205	6,209	-	21,414
Unreserved Fund Balance	33,102	98,946	81,491	213,540
<b>Total Ending Fund Balance</b>	<b>\$ 48,307</b>	<b>\$ 105,155</b>	<b>\$ 81,491</b>	<b>\$ 234,953</b>

## Cost Centers and Internal Service Funds

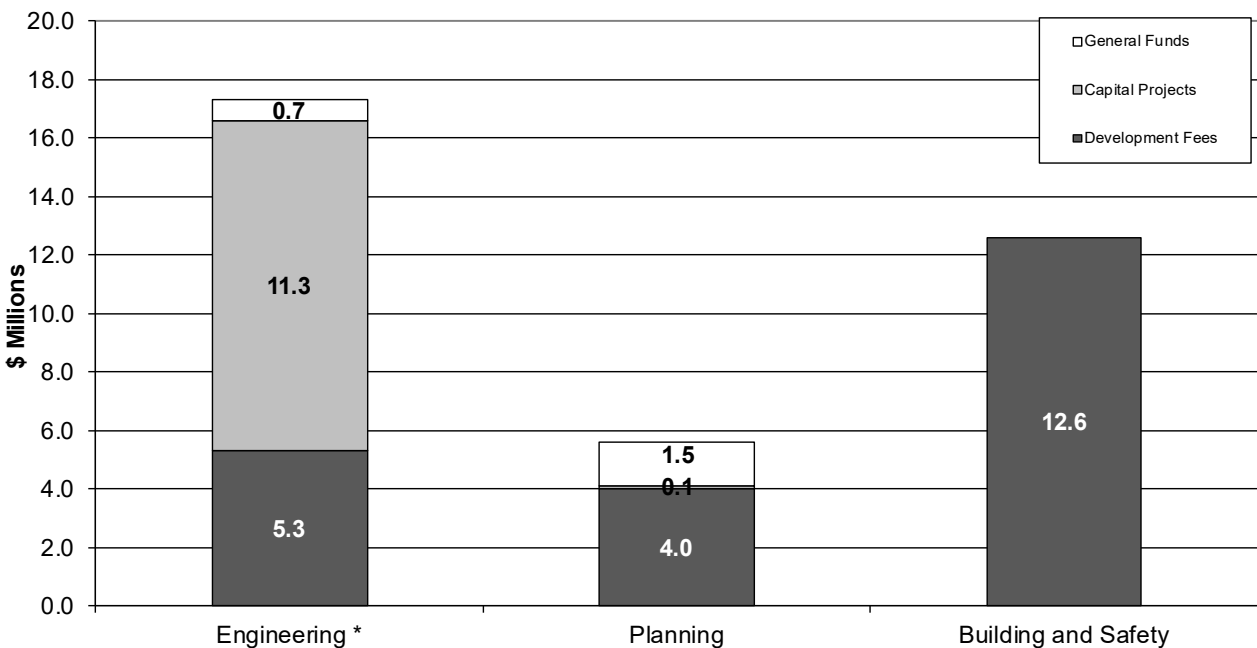
The City uses cost centers to account for City activities that are predominantly fee-based. These funds receive revenues from external users in the form of fees for services and transfers from other funds for work on City projects. The cost centers are intended to maintain their fund balances from year 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 2021/22, the General Fund will transfer \$2.2 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 2021/22 Budget



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

## Other Funds | Cost Centers and Internal Service Funds

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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 2021/22, the fund balance is projected to be \$19.4 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.

The COVID-19 pandemic and resulting public health restrictions severely reduced Recreation Cost Center fee-based revenues with the loss of a year of recreation classes and facilities rentals, and the closure of the Aqua Adventure water park. To stabilize the Recreation Cost Center Fund, the City will recognize \$2.1 million of fiscal recovery funds as intergovernmental revenue in FY 2020/21, allowing the fund to end the year with a fully-funded contingency reserve and \$739,000 of unreserved fund balance. However, the proposed budget anticipates that activity levels will only partially recover during FY 2021/22 and that we'll likely need to use most of the contingency reserve to make up for revenue shortfalls.

In FY 2021/22, the Recreation Cost Center expects to receive 81% of its \$7.1 million in ongoing resources from program and user fees, with only 19% (\$1.3 million) coming from General Fund support. This transfer is 46% (\$1.5 million) lower than the FY 2020/21 transfer, and reflects the offsetting elimination of overhead charges that were paid to the General Fund in previous years. The General Fund subsidy supports the park ranger program and half of the staffing costs at the Centerville, Warm Springs, Los Cerritos, and Irvington Community Centers.

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, and will be established at \$1.4 million for FY 2021/22. Due to anticipated reduced program participation levels in FY 2021/22, the Recreation Cost Center is projected to use most of its contingency reserve and is projected to end the year with a \$2.3 million fund balance.

### 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 September 2021. Unlike other cost centers, the Senior Center Cost Center relies on General Fund support for the majority of its funding. In FY 2021/22, the amount of General Fund support for the Senior Center Cost Center will be \$817,000, or 15% more than the FY 2020/21 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 2021/22.

### 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 \$12.8 million in FY 2021/22 for information technology services operations and various capital replacement purchases and software upgrades. The expenditure budget for this fund is increasing by \$0.5 million, or 4.4% from the adopted FY 2020/21 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 2021/22, the budgeted contribution to the CERBT for retiree healthcare is \$9.8 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 2021/22 contribution from the General Fund is budgeted at \$2.0 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 2021/22 are budgeted to total \$2.1 million.

## Other Funds | Cost Centers and Internal Service Funds

### Cost Centers/Internal Service Funds (Thousands of Dollars)

	Budget 2019/20	Budget 2020/21	Adopted 2021/22
<b>Sources</b>			
Beginning Unreserved Fund Balance	\$ 24,172	\$ 28,065	\$ 36,876
Revenues			
Taxes:			
Property Tax	-	-	-
Sales Tax	-	-	-
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	41,227	36,455	37,000
Fines	-	-	-
Use of Money and Property	604	817	776
Intergovernmental	-	-	69
Other Revenues	1,662	2,279	2,431
Total Revenues	43,493	39,551	40,276
Transfers In	5,288	5,605	4,353
<b>Total Sources</b>	<b>72,953</b>	<b>73,221</b>	<b>81,505</b>
<b>Uses</b>			
Expenditures			
General Government	-	-	-
Police	-	-	-
Fire	1,855	-	-
Engineering	13,527	13,643	14,130
Planning	5,016	5,023	5,211
Building and Safety	10,091	11,367	11,392
Human Services	935	1,328	1,764
Recreation	11,412	10,110	9,527
Landscape	1,708	1,954	2,031
Non-departmental	1,076	1,659	2,247
Capital	1,608	3,608	39
Less: Citywide Savings	-	-	-
Debt Service	-	-	-
Total Expenditures	47,228	48,692	46,341
Transfers Out	8,046	5,434	3,588
<b>Total Uses</b>	<b>55,274</b>	<b>54,126</b>	<b>49,929</b>
<b>Ending Fund Balance</b>			
Reserved Fund Balance	16,395	15,193	15,205
Unreserved Fund Balance	18,159	20,164	33,102
<b>Total Ending Fund Balance</b>	<b>\$ 34,554</b>	<b>\$ 35,357</b>	<b>\$ 48,307</b>

## Other Funds | Cost Centers and Internal Service Funds

### Cost Centers/Internal Service Funds FY 2021/22 (Thousands of Dollars)

	Development Cost Center	Recreation Cost Center	Senior Center
<b>Sources</b>			
Beginning Unreserved Fund Balance	\$ 7,448	\$ 739	\$ 2,490
Revenues			
Taxes:			
Property Tax	-	-	-
Sales Tax	-	-	-
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	31,403	5,347	250
Fines	-	-	-
Use of Money and Property	350	10	16
Intergovernmental	-	69	-
Other Revenues	1,636	336	399
Total Revenues	33,389	5,762	665
Transfers In	2,212	1,324	817
<b>Total Sources</b>	<b>43,049</b>	<b>7,825</b>	<b>3,972</b>
<b>Uses</b>			
Expenditures			
General Government	-	-	-
Police	-	-	-
Fire	-	-	-
Engineering	14,130	-	-
Planning	5,211	-	-
Building and Safety	11,392	-	-
Human Services	-	-	1,764
Recreation	-	9,527	-
Landscape	2,031	-	-
Non-departmental	-	-	-
Capital	-	-	-
Less: Citywide Savings	-	-	-
Debt Service	-	-	-
Total Expenditures	32,764	9,527	1,764
Transfers Out	3,588	-	-
<b>Total Uses</b>	<b>36,352</b>	<b>9,527</b>	<b>1,764</b>
<b>Ending Fund Balance</b>			
Reserved Fund Balance	12,900	2,305	-
Unreserved Fund Balance	6,521	-	2,208
<b>Total Ending Fund Balance</b>	<b>\$ 19,421</b>	<b>\$ 2,305</b>	<b>\$ 2,208</b>

**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.





### 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, as well as fees and donations, 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 89% of the department's total funding sources in FY 2021/22. The table on page 104 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 2021/22, the General Fund will transfer \$797,605 to the Human Services Special Revenue Fund for social service grants. Together the General Fund portion and the social service grants represent 11% 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; Behavioral Health Care Services funds to provide mental health services to children and adults and seniors, as well as substance use disorder (SUD) intervention services; Health Care Service Agency funds to support a multi-disciplinary team approach to family support at the Fremont Family Resource Center, as well as health promotion services; Social Services Agency funding to support homeless programs, including the Housing Navigation Center and Winter Shelter.
2. **City Newark and Union City:** Funds to provide services to elders in Fremont and the Tri-City area.
3. **Eden Housing:** Funds to provide onsite senior support services to residents at Cottonwood, Redwood, and Sequoia Senior Housing complexes.
4. **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. Funds received through reimbursement for counseling and support services provided to youth, adults, and seniors, as well as administrative activities.

5. **Federal Grant:** Community Development Block Grant and HOME Funds to support low and moderate-income families; Emergency Rental Assistance Programs (ERAP), funded by the Treasury Department, to help low and moderate-income families, affected by the COVID-19 pandemic, to pay rent.

### 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 FY 2021/22 Paratransit is expecting to receive a total of \$1.6 million from Measure B and Measure BB funding which includes direct local distribution funding of \$1.5 million and \$150,000 grant funding to support supplemental transportation services for elderly and disabled Tri-City residents. The City is also expected to receive \$345,500 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, debt service, 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 \$64,000 in FY 2021/22.

### 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 2021/22 budget of \$3.1 million is an increase of \$1.3 million from the FY 2020/21 budget.

## Other Funds | Special Revenue Funds

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### Rent Review Program

The 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 2021/22 budgeted expenditures are \$263,000.

### 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 2021/22 budget is \$405,000, representing a decrease of 5.6% from FY 2020/21.

### 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, 95% of funds deposited are to be used for development of new affordable housing and 5% for administrative costs. In FY 2021/22, \$5.4 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 \$1.03 million in FY 2020/21 for operational costs related to the management and oversight of the City's affordable housing assets and programs. The total expenditures budgeted for FY 2021/22 are \$1.10 million.

### City Funded Affordable Housing and Homeless Fund

This fund accounts for City-funded affordable housing programs and homeless services expenditures. At the end of FY 2020/21, the estimated fund balance was \$3.2 million. For FY 2021/22, \$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 for the purpose of carrying out recycling, household hazardous waste, and solid waste management programs in compliance with State and local regulations. The current fund balance serves the following purposes: (1) to support rate stabilization, (2) fund waste material processing and disposal costs (3) fund the replacement of equipment dedicated to solid waste activities performed by the City's maintenance division.
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 \$151,171 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 16%, from \$12.5 million in FY 2020/21 to \$14.9 million in FY 2021/22. The FY 2021/22 budget increase is mainly due to extraordinary changes in recycling market and material processing expenses, increases in salary and benefits costs, and expanded homeless encampment waste removal activities.

### Miscellaneous Operating Revenue

This fund accounts for operating revenues from various sources that can be used to provide public services to the community:

1. Funds collected under the authority of the **Tree Preservation Ordinance** are used to plant or upgrade street trees throughout the city, and beautify or enhance public places, including parks and open spaces, by the planting of trees.

These funds may also represent deposits collected and sometimes returned to individuals seeking to use City on-call arboricultural services, or represent payments as required by the City when arboricultural services and administrative costs are paid to compensate the City as related to activities that benefit the City's urban forest or are consistent with the Tree Preservation Ordinance.

2. In addition, the City received two **grants from the California Department of Housing and Community Development** to prepare and implement plans and process improvements accelerating and streamlining housing production affordable to households at all income levels.

### 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**  
(Thousands of Dollars)

	<b>Budget 2019/20</b>	<b>Budget 2020/21</b>	<b>Adopted 2021/22</b>
<b>Sources</b>			
Beginning Unreserved Fund Balance	\$ 66,198	\$ 87,323	\$ 105,344
Revenues			
Taxes:			
Property Tax	-	2,787	2,873
Sales Tax	1,697	1,800	1,615
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	13,291	13,861	14,586
Fines	-	-	-
Use of Money and Property	693	502	621
Intergovernmental	8,669	8,817	19,882
Other Revenues	22,341	15,480	8,676
Total Revenues	46,691	43,247	48,253
Transfers In	2,641	2,742	2,776
<b>Total Sources</b>	<b>115,530</b>	<b>133,312</b>	<b>156,373</b>
<b>Uses</b>			
Expenditures			
General Government	-	-	-
Police	540	1,226	924
Fire	336	211	42
Maintenance (Parks/Street Medians)	2,421	2,388	2,388
Code Enforcement/Community Development Admin	160	158	712
Housing	10,297	10,306	4,959
Environmental Services	8,796	9,543	11,823
Human Services	11,751	14,904	28,933
Recreation	-	-	-
Landscape	-	-	168
Homeless Services	-	2,983	2,395
Non-departmental	-	-	-
Less: Citywide Savings	-	-	-
Debt Service	572	3,524	3,532
Total Expenditures	34,873	45,243	55,876
Transfers Out	1,285	1,367	1,730
<b>Total Uses</b>	<b>36,158</b>	<b>46,610</b>	<b>57,606</b>
<b>Ending Fund Balance</b>			
Reserved Fund Balance	6,849	7,784	6,209
Unreserved Fund Balance	78,208	85,427	98,946
<b>Total Ending Fund Balance</b>	<b>\$ 85,057</b>	<b>\$ 93,211</b>	<b>\$ 105,155</b>

## Other Funds | Special Revenue Funds

### Special Revenue Funds FY 2021/22 (Thousands of Dollars)

	Human Services					City Funded Aff Housing & Homeless Services
	Grants	Paratransit	FRC	Human Services	CDBG	
<b>Sources</b>						
Beginning Unreserved Fund Balance	\$ 10,951	\$ 2,920	\$ 1,181	\$ 965	\$ -	\$ 3,082
Revenues						
Taxes:						
Property Tax	-	-	-	-	-	-
Sales Tax	-	1,615	-	-	-	-
Business Tax	-	-	-	-	-	-
Hotel/Motel Tax	-	-	-	-	-	-
Property Transfer Tax	-	-	-	-	-	-
Paramedic Tax	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-
Charges for Services	100	108	151	172	-	-
Fines	-	-	-	-	-	-
Use of Money and Property	7	15	30	23	-	-
Intergovernmental	14,630	328	58	-	3,094	55
Other Revenues	314	-	1,481	-	20	-
Total Revenues	15,051	2,066	1,720	195	3,114	55
Transfers In	-	-	-	798	-	1,827
<b>Total Sources</b>	<b>26,002</b>	<b>4,986</b>	<b>2,901</b>	<b>1,958</b>	<b>3,114</b>	<b>4,964</b>
<b>Uses</b>						
Expenditures						
General Government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Maintenance (Parks/Street Medians)	-	-	-	-	-	-
Code Enforcement/Community Development Admin	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Environmental Services	-	-	-	-	-	-
Human Services	20,805	2,277	1,066	1,445	3,097	-
Recreation	-	-	-	-	-	-
Landscape	-	-	-	-	-	-
Homeless Services	-	-	-	-	-	2,395
Non-departmental	-	-	-	-	-	-
Less: Citywide Savings	-	-	-	-	-	-
Debt Service	-	-	554	-	-	-
Total Expenditures	20,805	2,277	1,620	1,445	3,097	2,395
Transfers Out	486	193	324	-	17	-
<b>Total Uses</b>	<b>21,291</b>	<b>2,470</b>	<b>1,944</b>	<b>1,445</b>	<b>3,114</b>	<b>2,395</b>
<b>Ending Fund Balance</b>						
Reserved Fund Balance	-	-	-	217	-	-
Unreserved Fund Balance	4,711	2,516	957	296	-	2,569
<b>Total Ending Fund Balance</b>	<b>\$ 4,711</b>	<b>\$ 2,516</b>	<b>\$ 957</b>	<b>\$ 513</b>	<b>\$ -</b>	<b>\$ 2,569</b>

**Other Funds | Special Revenue Funds**

Rent Review	HOME	Low/Mod Inc Housing	Affordable Housing Ord	Public Safety Grant	Environmental Services Funds	Misc Operating Revenue	GO Bonds Debt Service	Total
\$ 80	\$ 4	\$ 8,953	\$ 69,040	\$ 752	\$ 4,689	\$ 273	\$ 2,454	\$ 105,344
-	-	-	-	-	-	-	2,873	2,873
-	-	-	-	-	-	-	-	1,615
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
197	-	-	-	-	13,858	-	-	14,586
-	-	40	350	-	156	-	-	621
-	405	-	-	685	87	540	-	19,882
-	-	1,600	5,093	-	-	168	-	8,676
197	405	1,640	5,443	685	14,101	708	2,873	48,253
-	-	-	-	-	151	-	-	2,776
<b>277</b>	<b>409</b>	<b>10,593</b>	<b>74,483</b>	<b>1,437</b>	<b>18,941</b>	<b>981</b>	<b>5,327</b>	<b>156,373</b>
-	-	-	-	-	-	-	-	-
-	-	-	-	924	-	-	-	924
-	-	-	-	42	-	-	-	42
-	-	-	-	-	2,388	-	-	2,388
-	-	-	-	-	172	540	-	712
-	405	974	3,580	-	-	-	-	4,959
-	-	-	-	-	11,823	-	-	11,823
243	-	-	-	-	-	-	-	28,933
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	168	-	168
-	-	-	-	-	-	-	-	2,395
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,978	3,532
243	405	974	3,580	966	14,383	708	2,978	55,876
20	-	83	112	-	495	-	-	1,730
<b>263</b>	<b>405</b>	<b>1,057</b>	<b>3,692</b>	<b>966</b>	<b>14,878</b>	<b>708</b>	<b>2,978</b>	<b>57,606</b>
-	-	-	-	-	5,992	-	-	6,209
14	4	9,536	70,791	471	4,459	273	2,349	98,946
<b>\$ 14</b>	<b>\$ 4</b>	<b>\$ 9,536</b>	<b>\$ 70,791</b>	<b>\$ 471</b>	<b>\$ 10,451</b>	<b>\$ 273</b>	<b>\$ 2,349</b>	<b>\$ 105,155</b>



### Capital Funds

The five-year Capital Improvement Program (CIP) is adopted biennially and includes appropriations for projects for FY 2021/22 through FY 2022/23 and projected expenditures through FY 2025/26. 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.

### 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 2021/22 through FY 2025/26 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 capital facilities or fire impact fees or grants that can only be used for a specific capital project. Refer to the "restricted funds group" detail in the CIP document.

## Other Funds | Capital Funds

### Capital Improvement Funds FY 2021/22 (Thousands of Dollars)

	Budget 2019/20	Budget 2020/21	Adopted 2021/22
<b>Sources</b>			
Beginning Unreserved Fund Balance	\$ 66,192	\$ 59,689	\$ 73,396
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	1,037	971	1,829
Intergovernmental	17,450	17,388	17,288
Other Revenues	43,931	24,794	20,388
Total Revenues	62,718	43,453	39,805
Transfers In	5,500	-	5,000
<b>Total Sources</b>	<b>134,410</b>	<b>103,142</b>	<b>118,201</b>
<b>Uses</b>			
Expenditures			
General Government	-	-	-
Police	-	-	-
Fire	-	-	-
Maintenance (Streets/Facilities)	1,775	1,675	1,675
Planning	-	-	-
Building and Safety	-	-	-
Human Services	-	-	-
Recreation	-	-	-
Capital	68,514	22,181	21,515
Less: Citywide Savings	-	-	-
Debt Service	-	-	-
Total Expenditures	70,289	23,856	23,190
Transfers Out	1,125	1,021	2,031
<b>Total Uses</b>	<b>71,414</b>	<b>24,877</b>	<b>25,221</b>
<b>Ending Fund Balance</b>			
Reserved Fund Balance	-	-	-
Unreserved Fund Balance	53,281	67,042	81,491
<b>Total Ending Fund Balance</b>	<b>\$ 53,281</b>	<b>\$ 67,042</b>	<b>\$ 81,491</b>

Capital Improvement Funds FY 2021/22  
(Thousands of Dollars)

	General Fund Group	Gas Tax & Meas B, BB	Park & Acq Impact Fees	Traffic Impact Fees	Committed/ Restricted Group	Expenditure Reclass*	Total
<b>Sources</b>							
Beginning Unreserved Fund Balance	\$ 797	\$ (1,120)	\$ 69,093	\$ (1,035)	\$ 5,661	n/a	\$ 73,396
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	-	174	1,425	200	30	-	1,829
Intergovernmental	-	17,288	-	-	-	-	17,288
Other Revenues	-	-	11,825	2,350	6,213	-	20,388
Total Revenues	-	17,462	13,250	2,550	6,543	-	39,805
Transfers In	5,000	-	-	-	-	-	5,000
<b>Total Sources</b>	<b>5,797</b>	<b>16,342</b>	<b>82,343</b>	<b>1,515</b>	<b>12,204</b>	<b>-</b>	<b>118,201</b>
<b>Uses</b>							
Expenditures							
General Government	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Maintenance (Streets/Facilities)	-	1,675	-	-	-	-	1,675
Planning	-	-	-	-	-	-	-
Building and Safety	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital	5,400	14,630	8,623	1,497	2,854	(11,489)	21,515
Less: Citywide Savings	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Total Expenditures	5,400	16,305	8,623	1,497	2,854	(11,489)	23,190
Transfers Out	-	-	-	-	2,031	-	2,031
<b>Total Uses</b>	<b>5,400</b>	<b>16,305</b>	<b>8,623</b>	<b>1,497</b>	<b>4,885</b>	<b>(11,489)</b>	<b>25,221</b>
<b>Ending Fund Balance</b>							
Reserved Fund Balance	-	-	-	-	-	-	-
Unreserved Fund Balance	397	37	73,720	18	7,319	n/a	81,491
<b>Total Ending Fund Balance</b>	<b>\$ 397</b>	<b>\$ 37</b>	<b>\$ 73,720</b>	<b>\$ 18</b>	<b>\$ 7,319</b>	<b>\$ -</b>	<b>\$ 81,491</b>

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.

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# Capital Budget Summary

## Capital Budget Summary

*The un-italicized text that follows is excerpted from the FY 2021/22 – FY 2025/26 Adopted Capital Improvement Program (CIP) dated June 15, 2021. 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.*

### Executive Summary

Every two years, staff embarks on a significant effort to produce the Capital Improvement Program (CIP). The scope of the City's CIP is focused on investments to maintain and improve the City's infrastructure related to Transportation, Parks, and Civic Facilities. The sources of funds that support the CIP include: County and state transportation taxes; grants; City Development Impact Fees; and allocations from the City General Fund. The City's CIP is updated every two years and includes a two-year Capital Budget (FY 2021/22 and FY 2022/23) and, for planning purposes, a combined five-year Capital Improvement Program (FY 2021/22 through FY 2025/26).

Development of the City's CIP is a team effort with the Public Works Department serving as the lead for Transportation investments and overall CIP coordination under the direction of the City Manager's Office. The Parks program is managed by the Community Services Department, with guidance from the Recreation Commission. Proposed investments using City General Funds are prioritized by the Finance Department and City Manager's Office. All City Departments participate in proposing CIP projects that support their service responsibilities.

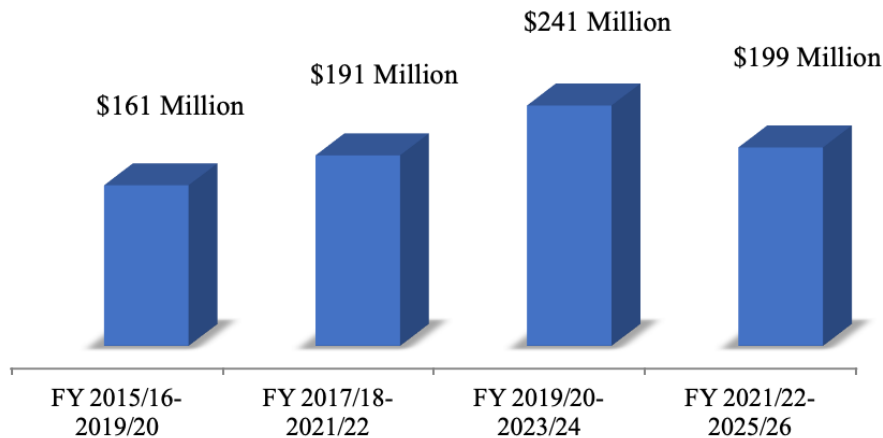
The 2021 CIP programs approximately \$189 million over the next five years. This Introduction/Executive Summary highlights some of the major projects included in the plan. The plan itself contains more detailed project descriptions and fund group summaries.

Projected total revenues for the proposed 5-year CIP are estimated to be lower than the previous CIP approved in 2019. The proposed new CIP includes a five-year revenue estimate of \$199 million; about 17% lower than the previous CIP which included a revenue total of \$241 million. The lower revenue amount is due to multiple factors which include:

- Reduced County transportation sales taxes and State gas taxes associated with the recent economic downturn related to the COVID-19 pandemic.
- Lower development tax revenues related to a general decline in private development activity.
- A discount for future affordable housing development for Development Impact Fees related to Parks and Transportation facilities, approved by the City Council on May 4, 2021.

## Capital Budget Summary

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### CIP Funding Uses

Most CIP funding sources are “restricted” to specific project or program purposes with the largest allocation of funding dedicated to uses relating to capital maintenance. Provided below is a description of the various fund groups along with investment highlights within each program area.

Capital Improvement Fund - This CIP fund is unrestricted and may be used for any capital project designated by the City Council.

Gas Tax Fund Group - Revenue in this fund group comes from the City’s share of State collected gasoline taxes, including the new Road Repair and Accountability Act of 2017 (SB1); Alameda County Measure B and Measure BB transportation sales taxes; and County-wide Vehicle Registration Fees.

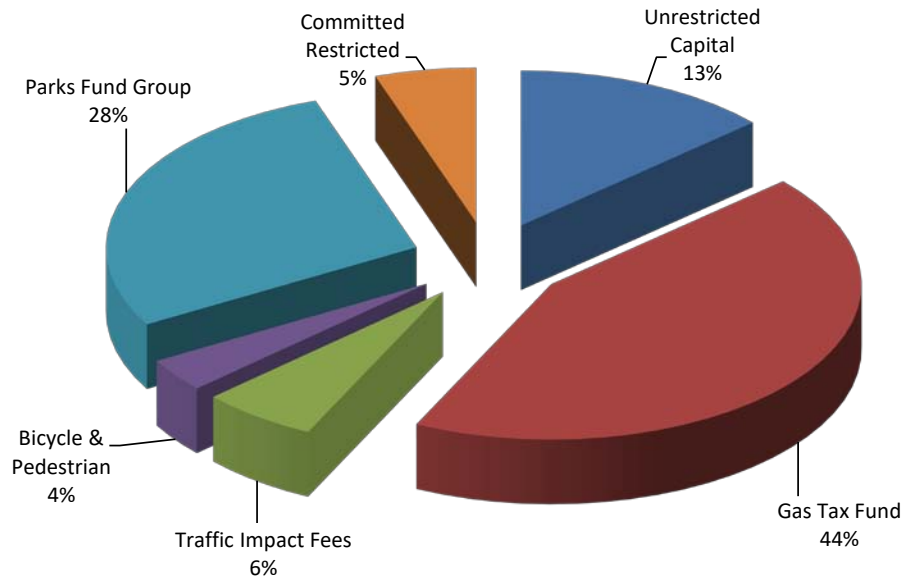
Traffic Impact Fee - This fund group accounts for monies received from private developers to mitigate impacts on the City’s transportation network resulting from new development.

Bike & Pedestrian Fund Group - This fund group accounts for Alameda County Measure B and Measure BB funds and funds from the Vehicle Registration fee which is dedicated only to bicycle and pedestrian projects.

Parkland and Park Facilities Fund Group - This fund group accounts for the Parkland fee levied on all new residential development to pay for new development’s share of the cost of acquiring land for parks; and the Park Facilities fee levied on all new residential development to pay for its share of the cost of developing park facilities.

Committed/Restricted Fund Group - This fund group accounts for funds that the City expects to receive from State, federal, and other agencies to fully or partially fund specific capital projects. This group also contains revenue from Capital Facilities and Fire development impact fees, collected from new development to mitigate impacts to public facilities and fire services.

## Fiscal Year 2021/22 - 2025/26: Proposed Expenditures by Program Category



### Capital Maintenance Highlights

Preservation and maintenance of existing City assets remains the primary focus of the CIP and includes an investment totaling over \$92 million. 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. Annual maintenance projects are included in this category along with one-time projects such as bike lane tree pruning and Family Resource Center ADA upgrades which represent the continued focus on safety and accessibility for public streets and buildings. The highest level of funding in Capital Maintenance is allocated to ongoing annual projects to: repave City streets; repair sidewalks, curbs and gutters in the worst condition; and build ADA curb ramps. The street repaving projects include the striping of new bikeways and enhanced pedestrian crosswalks at planned locations.



### General Fund Transfers to the CIP

The proposed new CIP includes a \$5 million annual transfer (a total of \$25 million over five years) of funding from the General Fund for capital maintenance activities related to the City's streets, parks, landscaped median islands, and buildings. This transfer represents ongoing CIP projects identified as Council priorities. This also includes funding for a 50/50 grant program to assist residents with sidewalk repairs and street tree replacements. Note that the annual transfer was suspended in FY 2020/21 in response to the economic downturn related to COVID-19.



# Capital Budget Summary

Program (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Pavement Maintenance	\$2,225	\$2,225	\$2,225	\$2,225	\$2,225	\$11,125
Building Maintenance	1,000	1,000	1,000	1,000	1,000	5,000
Parks Capital Replacement	500	500	500	500	500	2,500
ADA Facility Improvements	450	450	450	450	450	2,250
50/50 Sidewalk Repair/Street Tree	325	325	325	325	325	1,625
Playground Resurfacing	250	250	250	250	250	1,250
Water Conserve/Median Upgrade	250	250	250	250	250	1,250
<b>Total</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$25,000</b>

## Transportation Investment Highlights

The proposed Transportation CIP includes investments (totaling over \$32 million) for traffic operations and signal system improvement; bicycle and pedestrian facilities; and major projects. All of the projects are implemented in a manner consistent with the City’s policies related to safety (Vision Zero), complete streets, and the Mobility Action Plan. Provided below is a summary of proposed investments, funding levels and new projects:

- **Traffic Operations and Signal Projects** – The proposed investments in traffic operations and signal projects includes annual expenditures to maintain existing traffic signals, modernize equipment for more efficient operations, construct new traffic signals at priority locations to improve safety, and to respond to community interests/concerns related traffic operations. A notable grant funded project included in the previous 2019 CIP is the “Fremont Boulevard Safe and Smart Corridor” project (\$9 million) which will modernize 38 traffic signals and is planned to start construction in Fall 2021.



- **Bike/Ped Projects** – The City receives dedicated funds from the County Measure BB program and State grants for improvements to bicycle and pedestrian facilities. This program helps deliver priority projects identified in the City’s Bicycle and Pedestrian Master Plan, Vision Zero program, and Safe Routes to Schools program. A new project, recently funded by a \$1.7 million federal safety grant, is the “Fremont Boulevard Pedestrian Beacons Project” which will install six new pedestrian flashing beacons at locations generally in the Irvington area. It is noted that other Transportation CIP programs and projects also contribute toward improving the City’s infrastructure for bicycling and walking.



- **Major Projects** – A growing magnitude of the City’s Transportation CIP is oriented toward major and regional projects. This includes the City’s support for upgrading the State Route 262 corridor and developing the new Irvington BART Station, projects led by Alameda CTC and BART respectively. Additionally, the City is leading the planning and design for modernizing freeway interchanges at 680/Mission, 680/Washington, 680/Auto Mall, and 880/Decoto, as well as developing new bridges for bicycling and walking over freeways at 680/Sabercat Trail, 880/Innovation District, and 880/Pacific Commons. Other “major projects” include three new regional trails: Dumbarton to Quarry Lakes, East Bay Greenway, and Niles Canyon Trail. A new project in the proposed CIP is the “Centerville Railroad Quiet Zone Corridor Project”. Notable grant funded projects included in prior CIPs are the \$41 million West Access Bridge Project which is planned to open in Fall 2021 and the \$9 million Centerville Complete Streets Project which is planned to start construction in 2022.

# Capital Budget Summary

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## Parks and Recreation Investment Highlights

The proposed Parks CIP includes investments (totaling \$52 million) focused in the areas of: continued funding for existing major projects underway; upgrades to play areas; expansion of trail and pedestrian facilities; and new outdoor roofed community spaces. Projects are consistent with the previously adopted Parks and Recreation Master Plan and recent public input received during the outreach campaign for the new Parks and Recreation Master Plan scheduled for City Council consideration later in 2021. The Recreation Commission considered proposed projects in three meetings during November and December of 2020, and February 2021. During the Commission’s review, they considered data received from the Parks and Recreation Master Plan Statistically Valid Survey conducted during August of 2020, along with extensive public comment received during the Master Plan outreach process conducted throughout 2020.

This year staff prepared short videos of each of the major new projects proposed in the Parks CIP. The videos are accessed through the web site, [www.fremont.gov/cipprojects](http://www.fremont.gov/cipprojects). The website has an interactive map and a downloadable map with numbers and project names linking to the short videos describing each of the capital projects.

On February 3, 2021 the Recreation Commission voted unanimously to forward the following proposed Parks Capital Improvement Program (CIP) to the City Council for consideration. Significant themes in the proposed CIP include the following:

- Major Park Improvements – Much of this year’s capital investment is for continued support for on-going major park projects including California Nursery Historical Park, Dusterberry Neighborhood Park, Centerville Community Park, and Palm Avenue Community Park. Proposed allocations in this CIP will complete funding all of these projects except California Nursery Historical Park.



- Upgrades to Play Areas – Upgrades are proposed at Marshall,Booster, Buena Vista, Azevada, Northgate, Los Cerritos, Centerville, and Northgate Parks.
- New Outdoor Closed Roof Community Spaces – New outdoor gathering and community spaces are proposed for Old Mission San Jose Community Park and Northgate Community Park.

- Trail and Pedestrian Improvements – New and expanded trails are proposed at Buena Vista, Sylvester Harvey, and four new trails at Central Park. This CIP also includes funding to negotiate, assess feasibility, and design bicycle and pedestrian paths on San Francisco Public Utility Commission/Hetch Hetchy easements to link City parks and neighborhoods.



## General Government Investment Highlights

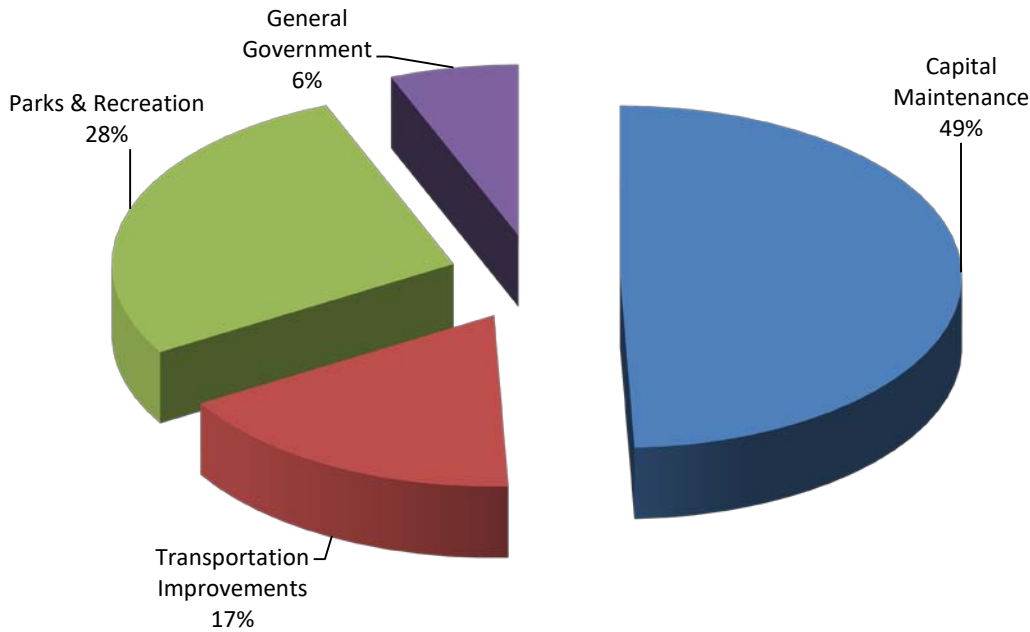
The proposed General Government investments total over \$11 million. The largest share of funding in this group is being accumulated from Development Impacts Fees collected for new or expanded infrastructure to support City growth with funding to be used for Fire Department and Capital facilities, including the new Age Well Center in South Fremont, a contribution towards expanding the Police Center, and expanding City information technology (IT) systems. Specific projects are not being budgeted at this time until sufficient funds are accumulated. Funding of \$6 million is allocated to pay debt on public facility projects completed in the past. Revenues of \$2 million are allocated for one-time appropriations to projects with revenues from outside sources, such as issuance of debt or grant funds, or departmental internal funds. Two new project line items are created in the “Public Facilities” program for “Clean Energy Infrastructure” in anticipation of receiving funding grants for this investment type.



# Capital Budget Summary

## Fiscal Years 2021/22 through 2025/26

<i>Proposed Expenditures by Program Category</i>	
Capital Maintenance	\$93,254,078
Transportation Improvements	\$32,249,550
Parks & Recreation	\$52,016,728
General Government	\$11,500,900

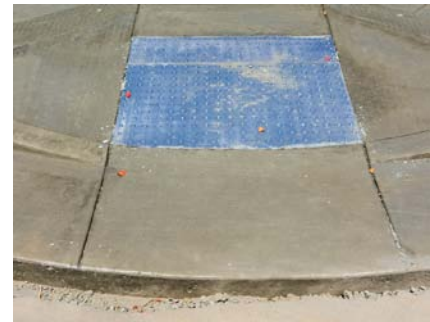


## Revenue Enhancement Planning

As discussed with the City Council, the City’s available funding is insufficient to meet the expectations of the community for operating services, infrastructure maintenance, replacement/modernization of aging facilities, and building new facilities to support a growing community. The City’s CIP can only partly address the needs for maintenance and improvement of the City’s infrastructure. Staff will be providing future communications regarding priority needs and policy options on the topic of revenue enhancement.

### Identified Needs:

- Capital Maintenance/Replacement (roofs, fire safety upgrades, HVAC, obsolete buildings, electric systems, technology upgrades, pavement/sidewalk repairs, park renovation, park restrooms)
- Expanded/New Facilities (Police Center fire stations, libraries, community centers, city hall)
- ADA Upgrades (buildings, parking lots, sidewalks, curbs/ramps)

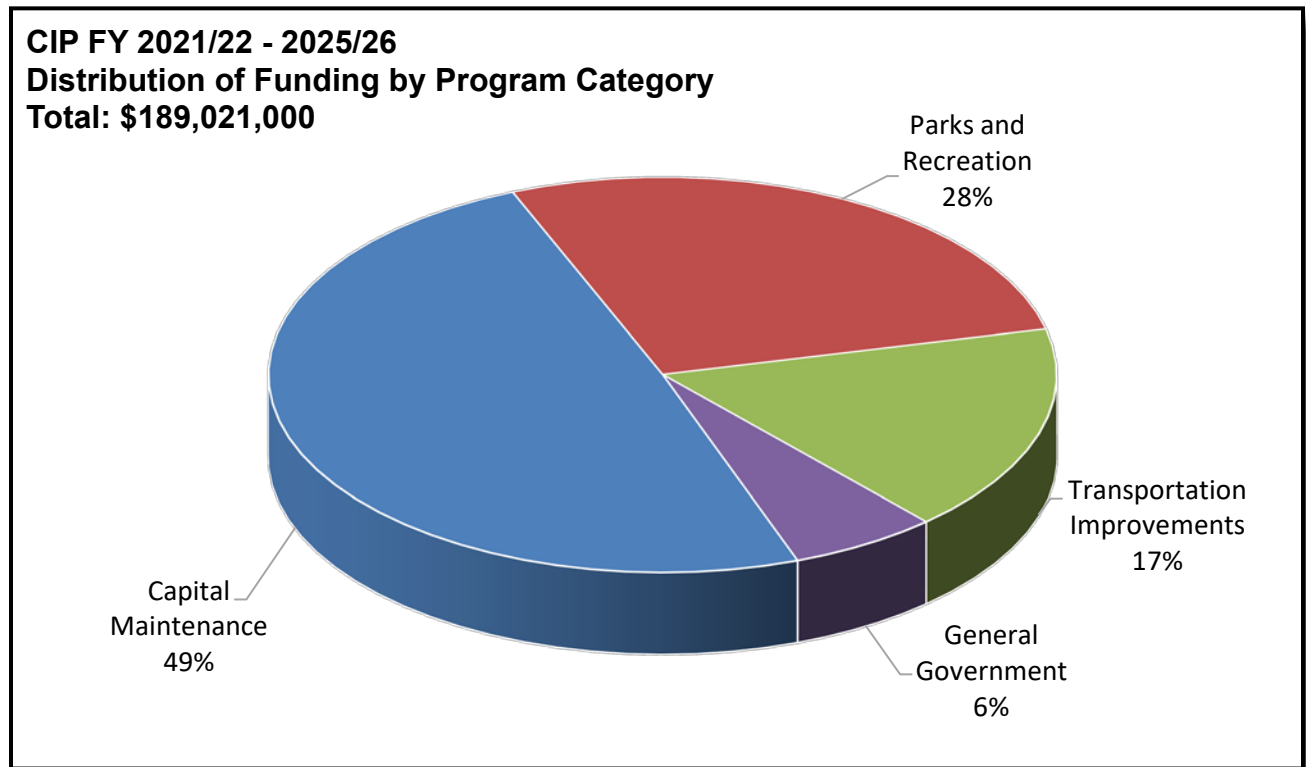




## Capital Improvement Project Highlights

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, 49%, supports 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 2021/22 through 2025/26.



# 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)

**Project Cost:**

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Five year total
\$500,000	\$800,000	\$800,000	\$800,000	\$800,000	\$3,700,000

**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)  
New Vehicle Registration Fee SB83 (Measure F)

**Project Cost:**

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Five year total
\$2,225,000	\$5,425,000	\$5,525,000	\$5,625,000	\$5,725,000	\$24,525,000

**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

**Project Cost:**

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Five year total
\$5,250,000	\$4,700,000	\$4,850,000	\$5,100,000	\$5,300,000	\$25,200,000

**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**

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	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:**

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Five year total
\$450,000	\$650,000	\$650,000	\$700,000	\$700,000	\$3,150,000

**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:**

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Five year total
\$0	\$1,000,000	\$1,000,000	\$1,100,000	\$1,100,000	\$4,200,000

**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  
State Gas Tax

**Project Cost:**

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Five year total
\$0	\$1,300,000	\$1,000,000	\$1,150,000	\$1,050,000	\$4,500,000

**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

**Project Cost:**

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Five year total
\$1,500,000	\$0	\$0	\$0	\$0	\$1,500,000

**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:**

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Five year total
\$2,000,000	\$2,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$7,000,000

**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:**

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Five year total
\$4,050,000	\$4,300,000	\$2,400,000	\$800,000	\$0	\$11,550,000

**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.

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# Department Budgets

## City Council

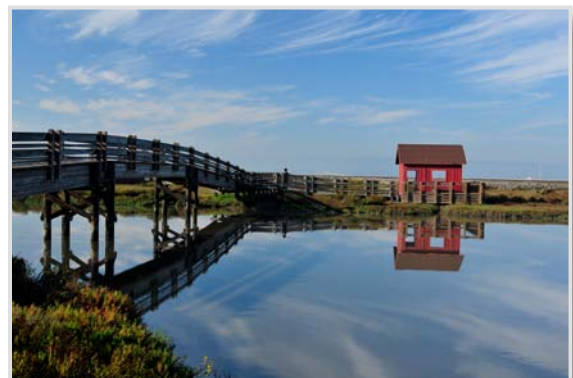
### Vision:

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

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### 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 innovative transportation networks that make travel easy throughout Fremont with the guidance of the adopted Mobility Action Plan and through regional advocacy efforts.
7. **Smart City Solutions:** Continue to 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

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Salaries & Benefits	\$ 249,742	\$ 294,752	\$ 292,945	\$ 314,077	\$ 314,077	\$ 331,510
Operating Expenditures	186,572	174,917	209,448	214,210	214,210	222,210
Capital Expenditures	-	-	-	-	-	-
Indirect Expense Allocation**	3,136	3,715	9,237	2,810	2,810	21,733
<b>Totals</b>	<b>\$ 439,450</b>	<b>\$ 473,384</b>	<b>\$ 511,630</b>	<b>\$ 531,097</b>	<b>\$ 531,097</b>	<b>\$ 575,452</b>
% increase/(decrease), including all funds, from FY 2020/21 Adopted Budget						8.4%
* 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.						
** 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.						

## 2021 Key City Priorities

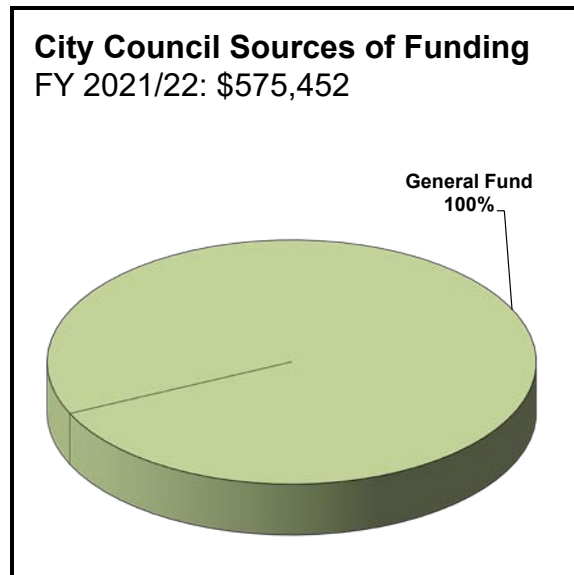
At the City Council retreat held in January 2021, the Council identified four top priority policy areas for the City in FY 2021/22:

- Budget, financial health and increase the tax base; Restore funding for services that have been defunded in the past (e.g., maintenance); keep essential services and functions operating.
- Continue our response to COVID-19; Help businesses, property owners, residents; focus on economic recovery, help ensure equity in and access to testing, contact tracing and vaccinations.
- Continue to address homelessness; Make full use of Navigation Center when pandemic conditions allow, explore having a safe place for parking and address homeless prevention.
- Neighborhood improvement; Beautification of commercial districts; focus on a few key areas.



## Continuous Key City Priorities

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 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 Communication Efforts: Continue to prioritize support and communication activities that raise public and private awareness through media and public relations efforts.



### Major Changes

- The FY 2021/22 City Council budget is \$44,355 (or 8.4%) more than the FY 2020/21 adopted budget.
- Salary and benefits are increasing by 5.6% due to increases in the CalPERS retirement benefit costs.
- The indirect expense allocation is increasing by \$18,923 mainly due to restoring the Information Technology costs which was temporarily reduced in FY 2020/21.

## 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.

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**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 as needed.*

**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

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Planning	\$ 4,255,679	\$ 4,332,322	\$ 4,452,821	\$ 5,589,431	\$ 5,499,306	\$ 5,697,565
Planning Administration	547,122	651,716	595,375	595,375	469,416	464,832
Building and Safety	9,497,086	10,875,658	10,543,937	12,600,463	12,500,484	12,586,729
Code Enforcement	1,246,044	1,273,621	1,105,937	<b>1,419,949</b>	<b>1,385,321</b>	<b>1,297,375</b>
Homeless Services Code Enforcement	117,037	71,612	180,553	<b>185,590</b>	<b>185,590</b>	<b>195,076</b>
SB2 & LEAP Housing Grants	-	-	381,024	<b>381,024</b>	-	<b>540,000</b>
Affordable Housing Investment	770,634	930,503	1,014,770	<b>1,049,230</b>	<b>1,049,230</b>	<b>1,056,748</b>
City Funded Affordable Housing	138,548	192,775	-	-	-	-
Affordable Housing Ordinance	16,198,297	12,662,847	3,676,045	9,614,378	8,931,792	<b>3,692,370</b>
<b>Total Community Development</b>	<b>\$ 32,770,447</b>	<b>\$ 30,991,054</b>	<b>\$ 21,950,462</b>	<b>\$ 31,435,440</b>	<b>\$ 30,021,139</b>	<b>\$ 25,530,695</b>

\* 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 2020/21

1. Worked with affordable housing developers to complete over 500 new affordable rental units, the largest single-year addition of affordable housing units in Fremont’s history.
2. Updated the City’s Affordable Housing Ordinance based on evolving Council objectives, relevant court decisions, and lessons learned since the most recent update in 2015.
3. Oversaw the sale and re-sale of 26 affordable homes to continue to promote and preserve affordability for moderate-income First Time Homebuyers.



## Department Budgets | Community Development

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- Partnered with other departments to complete the Housing Navigation Center in August 2020.
- Facilitated the passage of an Executive Order establishing a temporary moratorium on residential evictions.
- Facilitated installation of public artwork at multiple locations in the Warm Springs Innovation District and the Downtown.
- Fully implemented the City's Tobacco Retailer's License Ordinance.
- Received approval from State HCD for grant funding to support planning for affordable housing.
- Completed work on a site analysis and inventory of vacant and underutilized sites already zoned for housing in advance of the next Housing Element cycle.
- Created a phased program to streamline Accessory Dwelling Unit (ADU) approval by allowing standard approved plans to be on file and reused for their properties by community members.



- Worked with key partners to create a multi-pronged Safe Parking Strategy to find safe sites for homeless individuals with vehicles; and implemented code changes to allow safe overnight parking in lots associated with faith-based facilities.
- Closely coordinated with regional partners in the Plan Bay Area (PBA) and Regional Housing Needs Assessment (RHNA) process that precedes the City's Housing Element Update to be completed by Fall 2022.
- Completed an Electric Vehicle Infrastructure study at City facilities to support the future replacement of conventional City fleet vehicles with plug-in battery electric vehicles.
- Developed "reach codes" for consideration by City Council that focus on enhancing energy and water efficiency, reducing fossil fuel usage, and increasing clean and renewable power.
- Utilizing robust community engagement and technical analysis, developed a draft update to the Climate Action Plan to align with the City's newly established carbon neutrality target.
- Provided outreach and education to local businesses in response to complaints regarding business activities that were not in compliance with the County Health Order during the pandemic.
- Responded to calls for service related to homelessness issues and assisted with the City's homeless debris abatement program.

18. Maintained Code Enforcement's level of service despite staff vacancies, and merged leadership with Planning in order to realize cost savings and to improve response coordination for community concerns.
19. Provided updated information and processes on development web pages and public media sites.
20. Installed physical features in Permit Center to allow for in-person service while still maintaining social distancing requirements.
21. Developed a pilot remote video inspection program for specific projects to allow for contact-less inspections during the COVID-19 pandemic.
22. Expanded the use of a permit system app for field inspectors to allow for more remote work during the COVID-19 pandemic, while also significantly reducing use and need for printed inspection documents.
23. Adapted permitting processes to allow for remote permit submittal and processing while the Development Center was closed due to the COVID-19 pandemic.
24. Enhanced Accela Citizen Access (ACA), the City's on-line permit portal, to enable the public to submit electronic permit applications of any record type, including payment of permit fees online.
25. Transitioned all new permit requests to electronic format via Electronic Plan Review (ePR) software, thus eliminating the use of paper plans and related documents in development permitting processes.



### Objectives FY 2021/22

1. Initiate and substantially complete the Housing Element Update (due to be completed by Fall 2022) for the next cycle from 2023-2031, including data analysis, community outreach, redesignation and rezoning of land, and updating City policies and procedures in accordance with recent and anticipated State legislation in order to achieve a certified Housing Element.
2. Issue Notice of Funding Availability (NOFA) for new projects to increase and/or preserve the supply of affordable housing.
3. Continue to work with affordable housing developers to move hundreds of affordable units already in the development pipeline to completion.

## Department Budgets | Community Development

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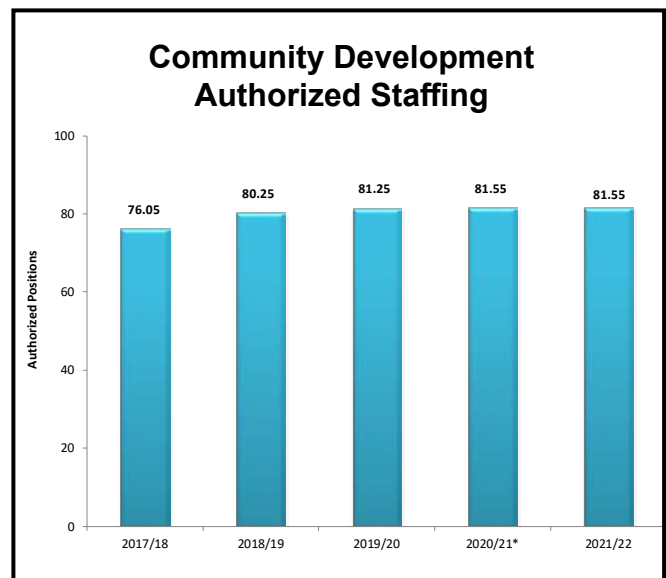
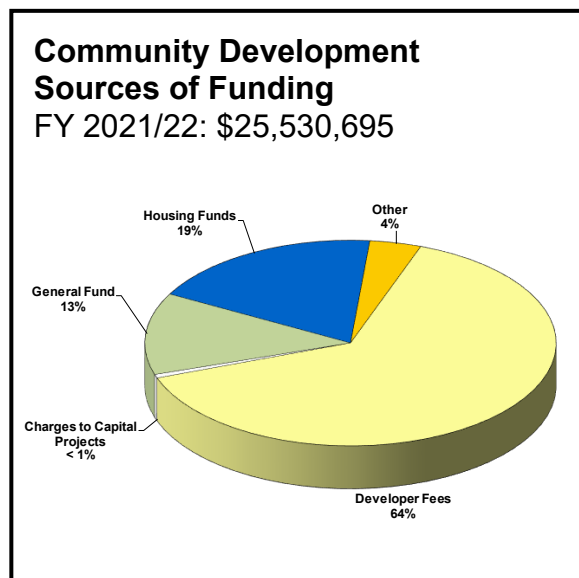
4. Work with other City Departments to implement Safe Parking projects.
5. Continue to support the City's efforts to address homelessness issues through responding to complaints and coordination with Human Services, Police, and Environmental Services.
6. Seek opportunities for possible acquisition of hotel/motel rooms to utilize for shelter for the homeless in connection with the State's Project Homekey program.
7. Complete a comprehensive update of City regulations related to projects that include residential development, including mixed-use, TOD, and small lot development.
8. Complete a short-term rental ordinance to ensure that short-term rentals do not unduly affect the availability of rental housing in the City and address impacts of irresponsible operators on Fremont neighborhoods.
9. Continue to maintain a high level of service in responding to citizen complaints and achieving timely and effective results on code enforcement cases.
10. Facilitate installation of public artwork at the Warm Springs Plaza adjacent to the Warm Springs/South Fremont BART Station.
11. Facilitate installation of public artwork in the Ardenwood Technology Park Art District.
12. Continue to provide the public with the latest updates in Community Development through newsletters, City News Briefs, the City's Notify Me email lists, social media, department webpages, and printed materials.
13. Continue to explore how to best provide services to our public and customers with the changing public health conditions.
14. Train staff and educate development community on new building "reach codes" approved by City Council that increase energy efficiency, promote electrification, and provide for other enhanced sustainability features.
15. Complete the update to the Climate Action Plan and begin implementation efforts, including robust residential and business engagement.
16. In partnership with East Bay Community Energy, pursue collective procurement of solar + storage energy systems for City of Fremont critical facilities.
17. Collaborate with Public Works to identify external funding opportunities for a robust electric vehicle infrastructure project at City facilities that will support fleet vehicle electrification.
18. Update fees for fire permits to ensure the program is 100% fee-supported.
19. Increase citation amounts for planning and building code violations to the extent allowed by State law as a way to incentivize compliance.
20. Continue to rapidly digitize approved paper plan sets, as remaining projects submitted prior to electronic plan review are completed and phased out so permit history can be quickly available in digital format.

## Department Budgets | Community Development

21. Continue digitizing microfiche permit archives so all permit history can be quickly available in digital format.
22. Continue to improve permitting processes to fully implement Electronic Plan Review (ePR) for entitlement and construction permits.
23. Implement a credit card convenience fee for building permits to offset the rising costs of third party fees charged to the City on credit card transactions.
24. 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 online services to enable faster access to City services.

### Performance Measurement

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Reduce waits for public counter assistance to a maximum of 15 minutes	90%	90%	90%	90%
Achieve entitlement processing schedules	90%	90%	90%	90%
Achieve building permit processing schedules	85%	90%	80%	90%





## Department Budgets | Community Development

### Community Development: Historical Expenditures/Budget, by Category

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Salaries & Benefits	\$ 12,667,636	\$ 13,709,555	\$ 13,994,643	\$ 16,027,383	\$ 15,776,754	\$ 16,257,973
Operating Expenditures	17,391,207	14,079,484	4,715,526	12,131,560	10,967,887	5,707,640
Capital Expenditures	66,848	6,335	4,073	4,500	4,500	4,500
Indirect Expense Allocation**	2,644,756	3,195,680	3,236,220	3,271,997	3,271,998	3,560,582
<b>Totals</b>	<b>\$ 32,770,447</b>	<b>\$ 30,991,054</b>	<b>\$ 21,950,462</b>	<b>\$ 31,435,440</b>	<b>\$ 30,021,139</b>	<b>\$ 25,530,695</b>
						-15.0%

% increase/(decrease), including all funds, from FY 2020/21 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

- The FY 2021/22 Community Development budget is \$4,490,444 (-15.0%) less than the FY 2020/21 adopted budget.
- Operating expenditures are decreasing by \$5,260,247 (or -48.0%) due to affordable housing development projects.
- The indirect expense allocation is increasing by \$288,584 (or 8.8%) mainly due to the increase of Information Technology costs.

Staffing by Function-FY 2021/22

<b>Community Development</b>			
<b>Administration</b>			
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	
<b>Building &amp; Safety</b>			<b>Planning</b>
Community Development Director	0.55		Planning Manager 1.00
Deputy Director	0.10		Principal Planner 1.00
Permit Center Manager	0.50		Senior Planner 2.00
Building Official	0.75		Information Systems Appl Specialist III 0.30
Business Manager	0.60		Associate Landscape Architect 2.00
Supervising Building Inspector	2.00		Associate Planner 5.00
Plan Check Manager	1.00		Planner II 4.00
Plan Check Professional	6.00		Executive Assistant 1.00
Building Inspector Specialist	4.00		Office Specialist II 1.00
Building Inspector II	13.00		Assistant Planning Manager 1.00
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		
<b>Housing</b>			<b>Code Enforcement</b>
Community Development Director	0.05		Community Development Director 0.05
Deputy Director	0.25		Deputy Director 0.05
Housing Project Manager	1.00		Building Official 0.25
Business Manager	0.25		Business Manager 0.05
Associate Planner	1.00		Community Preservation Manager 1.00
Management Analyst II	0.05		Senior Code Enforcement Officer 1.00
Senior Office Specialist	0.40		Code Enforcement Officer II 4.00
Planner II	1.00		Development Services Supervisor 0.05
Development Services Supervisor	0.25		Administrative Assistant 0.25
			<b>Homeless Services</b>
			Code Enforcement Officer II 1.00
<b>Total: 81.550</b>			
	52.200	3.35	26.000

Regular Full-Time Equivalents: 81.55



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## 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.

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### Major Services

#### **Recreation**

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

#### **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

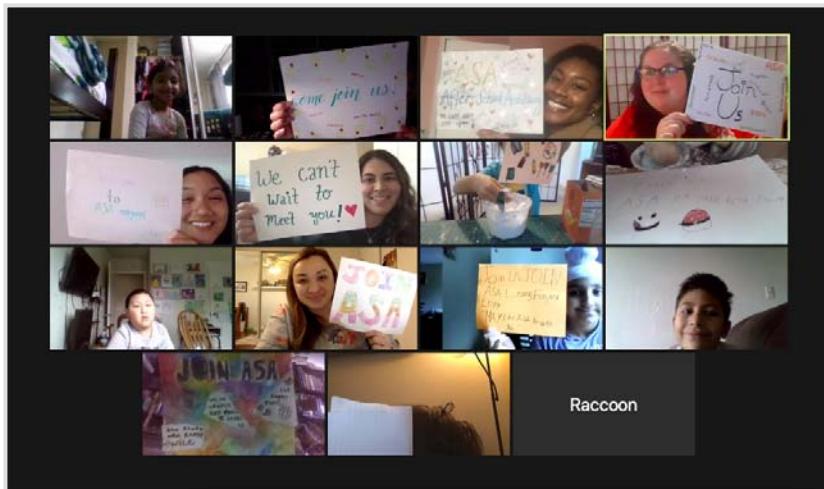
	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Recreation	\$ 11,359,898	\$ 10,675,959	\$ 8,386,565	\$ 11,781,488	\$ 11,717,038	\$ 9,527,098
Parks, Medians, & Urban Landscape	8,243,516	8,953,135	9,409,900	9,639,547	9,502,834	9,738,770
Environmental Services	11,669,695	11,560,355	13,706,973	14,116,083	12,501,262	14,877,601
Landscape Architecture	1,705,461	2,029,072	2,322,556	2,434,414	2,434,414	2,685,058
Homeless Services	-	131,626	207,041	207,041	207,041	143,226
<b>Total Community Services</b>	<b>\$ 32,978,570</b>	<b>\$ 33,350,147</b>	<b>\$ 34,033,035</b>	<b>\$ 38,178,573</b>	<b>\$ 36,362,589</b>	<b>\$ 36,971,753</b>

\* 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 2020/21

1. Completed the public engagement process, including stakeholder interviews, virtual community input meetings, and a city-wide statistically valid survey for the new comprehensive Parks and Recreation Master Plan. Inventoried and assessed park assets for Maintenance Management Plan. Coordinated with Transportation Division on Trails Strategy Plan. Completed recreation program assessment, integrated Human Services Senior Recreation services assessment. Completed peer city benchmarking and analysis.
2. Registration activity software transition to Active Network completed for Recreation Services and the Human Services Age Well Centers.

3. Implemented Rege@Home virtual recreation program to provide Fremont residents with family and children programming ideas during the early Covid-19 pandemic.
4. Established a new Virtual Recreation Program model offering both contracted classes and staffed programs to the community.



5. Developed and implemented a fully redesigned 2020 Summer Camp Program to meet Alameda County Public Health and State Department Operating Guidelines.
6. Established youth programs to support essential workers and help parents be successful during and after school with a modified School Break Camp program, School Support PODS and State-funded Virtual After School Academy (ASA).
7. Transitioned the Tiny Tot Preschool Program to a full virtual model and continued to survey parents to establish a return to in-person instruction.
8. Construction was completed on the Downtown Event Center and rentals fees were approved by City Council.
9. Throughout the entire year, led with best customer service practices by processing and managing the cancellation and issuance of refunds 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 Summer, Fall, Winter and Spring sessions.
10. Reassigned available Recreation staff to assist in other departments with temporary workload increases.
11. Facilitated Property Entry Agreements for several Community Health Care Providers to establish Covid-19 Testing Sites at various City park locations.
12. Worked with City EOC Lead to establish a possible Covid-19 vaccine site.
13. Worked with Human Services Department to locate the Winter Homeless Shelter at the Teen Center in Central Park.

## Department Budgets | Community Services

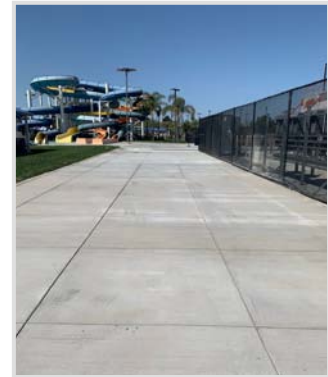
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14. Completed Recreation Division reassignment process to ensure services can be maintained with the current reduced FTE counts throughout the FY 2020/21 and FY 2021/22.
15. Developed and implemented Covid-19 safe work practices for essential staff to continue to provide safe and usable Parks for the community during the pandemic.



16. Developed and implemented public messaging information signage and closure information in Parks, which included state and county pandemic protocols.
17. Developed workflow process to manage task / work orders directly correlated with contracted maintenance services associated with trees, parks, city facilities and city owned open space.
18. Procured and installed all-inclusive outdoor musical play instruments at 4 community park playgrounds. Los Cerritos, Warm Springs, Irvington, and Centerville Community Parks.
19. Continued with our Tree City USA priority designation and planted over 100 trees including natives at Central Park.

20. Responded to and abated over 700 requests for tree services, which included storm responses, hazard abatement, right of way clearance and emergency after-hours calls.
21. Completed 11 playground resilient surfacing maintenance repair projects to continue our parks commitment of providing safe and usable playgrounds throughout the City of Fremont.
22. Improved the concrete pathways of 864 identified trip hazards, to support park user experience at Central Park and 6 community parks.



23. Collaborated with several departments and implemented standard operating procedures for City Wide CRM System (City Works).
24. Completed Request For Proposals and awarded five (5) year Facilities Maintenance Services Agreement for Warm Springs Innovation Way (CFD 3) and Innovation Plaza.
25. Completed 10 contractual service renewal agreements to maintain City's healthy appearance and sustainability. These renewals support City-wide Tree Services, City Fire Stations, City Facilities, Fire Break Services, Lighting and Landscape Maintenance District, Central Park Concrete Pathways, Atrium Maintenance, Weed and Waste Abatement, Police Administration and Library Facilities and Consulting Services.

26. Developed SB 1383 (Short-Lived Climate Pollutant Plan) compliance plan, in partnership with StopWaste (Alameda County Waste Management Authority), to meet expanded organics recycling and edible food recovery targets requirements.
27. Added additional homeless encampment abatement days to address increased volumes and an expanded number of sites needing cleanup.
28. Established hygiene stations consisting of portable toilets and handwashing stations at 7 homeless encampment locations, as part of the City's COVID-19 response.
29. Created an online Clean Water Education Program for 2nd and 3rd grade classes to provide curriculum to students during Shelter in Place.
30. Completion and opening of the new Lila Bringham Community Park in Warm Springs.
31. Completed phase one project at California Nursery Historical Park, including the installation of utility infrastructure, pathways, parking lots, and irrigation facilities.
32. Completed the detailed park design documents and site demolition for the Dusterberry Neighborhood Park.
33. Completed 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.
34. Completed the re-plastering of all Aqua Adventure pool surfaces and built new ADA compliant pool stairs.
35. Completed the upgrade to the Emergency Vehicle Access at Aqua Adventure.
36. Completed the upgrade of the Centerville Community Park tennis court lights.
37. Completed and opened to the public the first of 4 Innovation Plazas in the Warm Springs Innovation District.

### Objectives FY 2021/22

1. Complete the grand opening celebration for the new Downtown Event Center and Plaza.
2. Develop Marketing Plan for Recreation 189 Cost Center and return to FY 2018/19 registration levels by end of FY 2021/22.
3. Establish a new Active Adult Programming Health and Wellness Section to meet the unmet need identified in the Parks and Recreation Master Plan statistically valid community survey.
4. Update Recreation Facility Use Policy as part of Facility Standardization Initiative.
5. Continue with playground safety and maintenance resurfacing program.
6. Develop an aging park playground replacement strategy focusing on sustainability, inclusivity, and equitability of our parks system.

## Department Budgets | Community Services

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7. Evaluate entire parks system concrete pathway inventory with current conditions and develop removal and repair strategy.
8. Continue to respond to citywide tree service requests and develop a parks tree canopy planting plan, incorporating volunteer opportunities.
9. Continue to work with procuring and creating operating procedures to move forward with new asset management system, to replace Mainstar Maintenance Operating System.
10. Continue to evaluate the financial sustainability of District 88 for restructuring, to match annual assessments to costs.
11. Implement SB 1383 (Short-Lived Climate Pollutant Plan) compliance activities, such as expanding the use of compost in City operations and initiating edible food recovery programs, in order to meet organics recycling and edible food recovery targets.
12. Evaluate strategic locations to install cameras, to deter illegal dumping.
13. Implement mobile sanitation collection program to address illicit waste discharges from RV vehicles being used for habitation on City streets.
14. Complete construction for the new Dusterberry Neighborhood Park.
15. Complete and adopt at City Council the Parks and Recreation Master Plan.
16. Complete and adopt at City Council the Urban Forestry Management Plan.
17. Conduct two City Tree Contractor Certification Program trainings.
18. Begin exploratory work to purchase new park land or park lands to increase the City's overall park land inventory by up to 15 additional acres and improve the City's park equity across all neighborhoods, by purchasing new park land closer to people's homes, to address the City's Park Master Plan goals of ultimately having a park within a ten minute walk of every resident.
19. Complete Lease Agreement for Mission Peak and Stanford Staging Area.
20. Continue successful implementation of contract services to sustain the City's healthy quality of life.



Performance Measurement

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Increase Recreation program registrants over prior year	20,000 <sup>1</sup>	32,000	3,500 <sup>2</sup>	20,000 <sup>3</sup>
Increase number of creek clean-up volunteers	775	900	125 <sup>3</sup>	500

<sup>1</sup>All Spring/Summer classes were cancelled, and most Winter Classes cancelled due to COVID-19 pandemic.

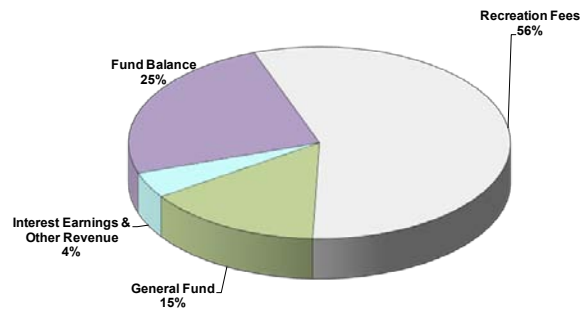
<sup>2</sup>Reduced amount due to COVID-19 pandemic.

<sup>3</sup>Reduced amount due to COVID-19 pandemic – assumes some restrictions continuing and loss of customers will update as more info available.

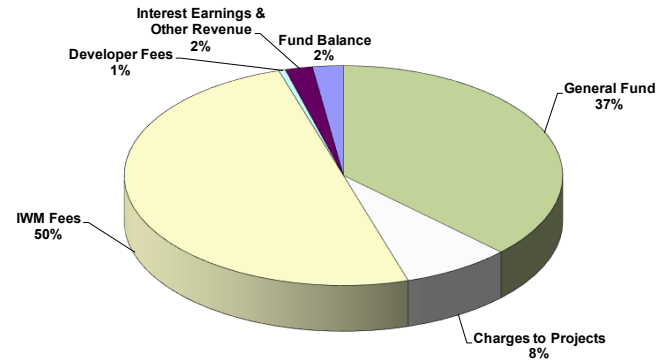
Community Services Sources of Funding

FY 2021/22: \$36,971,753

**Recreation Division**  
\$9,527,098



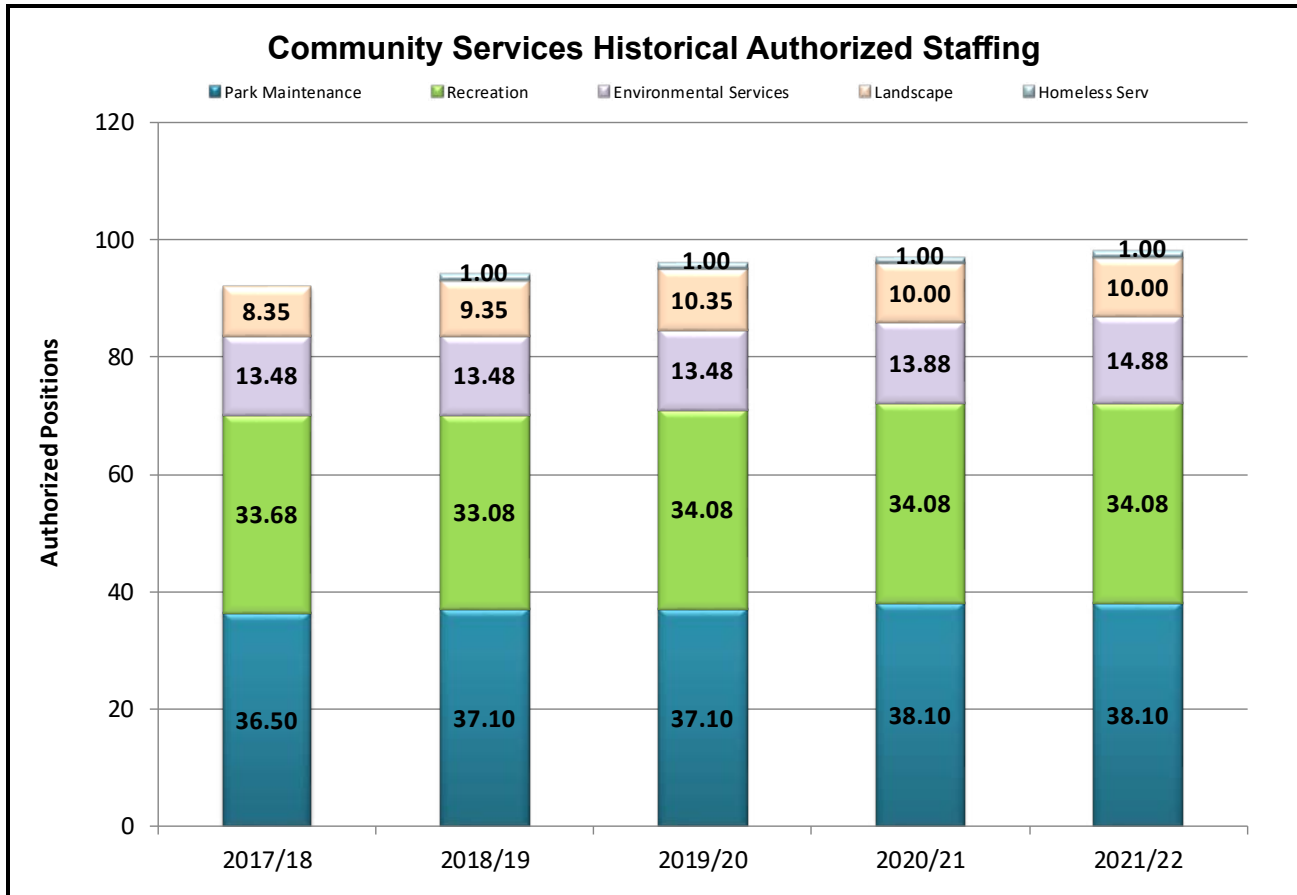
**\*Other Divisions**  
\$27,444,655



\*Other Divisions include: Environmental Services, Landscape Architecture, Parks Maintenance, Median Maintenance, and Urban Landscape.



# Department Budgets | Community Services



## Community Services: Historical Expenditures/Budget, by Category

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Salaries & Benefits	\$ 15,015,873	\$ 15,863,141	\$ 15,048,495	\$ 17,646,723	\$ 17,639,146	\$ 17,743,503
Operating Expenditures	13,012,359	13,342,230	14,618,071	16,020,172	14,335,574	16,278,582
Capital Expenditures	1,456,727	156,707	552,177	697,373	573,563	502,607
Indirect Expense Allocation**	3,493,611	3,988,069	3,814,292	3,814,305	3,814,306	2,447,061
<b>Totals</b>	<b>\$ 32,978,570</b>	<b>\$ 33,350,147</b>	<b>\$ 34,033,035</b>	<b>\$ 38,178,573</b>	<b>\$ 36,362,589</b>	<b>\$ 36,971,753</b>

% increase/(decrease), including all funds, from FY 2020/21 Adopted Budget 1.7%

\* 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

- Operating expenditures are increasing by 1,943,008 (13.6%) mainly due to increased cost of recycling and material processing expenses and expanded homeless encampment waste removal activities.
- Capital expenditures are decreasing by \$70,956 (or -12.4%) mainly due to removal of one-time costs.
- The indirect expense allocation is decreasing by \$1,367,245 (or -35.8%) mainly due to the decrease of overhead allocation charged to the Recreation Cost Center.



## 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.

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### 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**

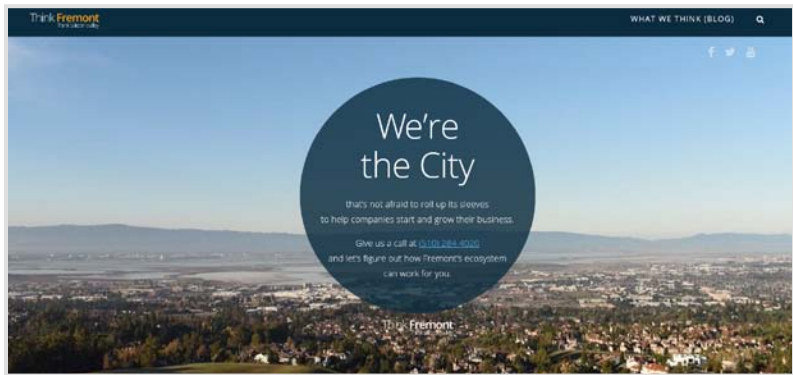
*Build local and regional relationships, leverage existing resources, and make strategic connections between the public and private sectors to ensure that significant knowledge and resource transfer is taking place for the benefit of Fremont's business community.*

#### **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.



### Responding to COVID-19 Pandemic

Unlike FY 2019/20 that overlapped with only a few months of the COVID-19 pandemic, the entirety of the FY 2020/21 fiscal year has involved significant and ongoing EDD staff efforts in leading the City's business and economic response to the COVID-19 crisis. At their lowest points, consumer spending in the East Bay fell by as much as 40%, with small business revenues declining by as much as two-thirds and the unemployment rate increasing to levels not seen since the Great Recession. At the same time, Fremont's industrial base proved to be a source of economic resiliency, with much of it considered 'essential' throughout the pandemic. The rapidly evolving dynamics of the pandemic required EDD staff to be adaptive and highly responsive in navigating an ever-changing business environment. A summary of the Department's pandemic response work is provided below. While there is still much work to be done to restore Fremont's economy and the City's crucial sources of revenues that pay for City services, Fremont's business environment has improved considerably and is on a path to recovery.

### Accomplishment Highlights FY 2020/21

#### 1. COVID-19 Response & Business Support

- a. Created and administered the Fremont Small Business Emergency Grant Program with CARES Act funding. Deployed two rounds of funding: the first began in June through August of 2020, consisted of \$400,000 in total funding and provided approximately 60 businesses with grants of \$5,000 or \$10,000. The second round, which added an additional \$350,000 in funding, opened in February 2021 and is providing 70 businesses with grants of \$5,000.

- b. Coordinated the City’s matching funding efforts for Alameda County’s CARES small business grant program and promoted the program to hundreds of Fremont small businesses, ultimately unlocking \$700,000 in funding for 140 Fremont small businesses.
- c. Collaborated with Facebook on a regional small business grant that provided dozens of Fremont businesses with grants of \$5,000.
- d. Launched Gift Fremont, an online e-gift card portal, where dozens of registered Fremont business were able to sell digital gift-cards that could be redeemed for future use. In addition to the City’s initial matching contribution, several corporations also provided matching funds for the program, including Facebook, Seagate, Pacific Commons, and Crossroads Shopping Centers. The program provided free marketing and tens of thousands of dollars to Fremont small businesses.



- e. Created a web-based, open-sourced Interactive map to showcase “open” businesses in Fremont.
- f. Collaborated with Planning Division in developing a new free and streamlined Citywide Sidewalk Dining Policy called Pop-Up Patio to help businesses impacted by COVID-19 bring their activities outdoors and help create a more thriving retail environment.
- g. Worked with Community Development to expedite the permitting and entitlement process for essential businesses, many involved in COVID-19 response, including Biogenex, Cepheid, Boehringer-Ingelheim, UL, Seagate, Lyncean Technologies, Bionova Scientific.
- h. Hosted and Co-hosted numerous webinars for small businesses covering topics such as SBA loans, virtual career workshops, and digital marketing strategies.
- i. Staffed and engaged in the Fremont Chamber’s Recovery Task Force.
- j. Staffed and engaged in the regional Silicon Valley Recovery Roundtable (SVRR) initiative, leading to many local, regional, and state policy recommendations.
- k. Continued to staff an emergency business hotline phone number and email address to provide assistance for businesses struggling to with Health Orders and provide timely information on the City’s commercial eviction moratorium, delivery fee cap ordinances, and other programs, directly assisting over 325 businesses.
- l. Monitored and communicated frequent changes in local health orders to business community regarding permitted business activities as well as resources available to businesses.

## Department Budgets | Economic Development

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- m. Continued to maintain 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.)
- n. Continued to coordinate a Small Business Outreach Group in partnership with the Fremont Chamber of Commerce and business district associations.
- o. In partnership with PrinterPrezz, coordinated the donation of thousands of face shields to small businesses in Fremont’s Neighborhood Business Districts.
- p. Continued to staff a Private Sector Liaison for the City’s Emergency Operations Center, providing weekly updates on local and state Health Orders and point-in-time economic data on the Fremont and East Bay economy.
- q. Designed a broad-reaching recovery strategy for Fremont’s economy, jobs, and tax base, with an emphasis on small business, workforce development, job creation and tax revenue recovery.

### 2. Additional Small Business/Business District Support

- a. In coordination with Centerville’s “Complete Streets” initiative, launched innovative place-base activation with BetterBlock to spur pedestrian-focused activity on Fremont Blvd. in Centerville.
- b. Produced a photography campaign profiling local small business owners and Fremont “main streets” to help market and drive local small business activity and recovery. The photographs will also be provided to businesses to enhance their online web presence and provide a personal connection between these businesses and the broader Fremont community.
- c. Launched an innovative partnership with Facebook and Alameda County Workforce Development Board to provide Fremont Neighborhood Business District Associations and small businesses with free digital marketing and web services from local college-age youth who have been professionally trained by Facebook in digital marketing services.
- d. Hosted numerous small business workshops aimed at topics such as helping businesses transition their operations online to improve digital marketability and connecting them with financial and service resources.
- e. Ongoing support of Fremont Startup Grind meetings featuring local speakers and startups.
- f. Coordinated with Community Development through Business Ally program to facilitate regulatory process for small businesses, including promotion of Open Counter permit portal.

### 3. Business Development (Retention and Attraction)

- a. Took numerous timely and bold measures to respond to the ongoing COVID-19 pandemic and provide support for Fremont businesses.
- b. Facilitated development activity including:
  - i. Existing Company Expansion (sample): Boehringer Ingelheim, Enphase, Tesla, Enovix, Facebook, Lam Research, NovoNordisk.



- ii. New Corporate Businesses (sample): Bionova Scientific, UPS, Cepheid, Bloom Energy, EnerVenue, Abcam, Biogenix.
- iii. New Retail/Hotel (sample): RawASF, Haidilao Hot Pot, Momo & Kabob, Papé Machinery Dealership, La Mesa RV Dealership, Entitlement of AC Marriot/Residence Inn dual-branded hotel, Warm Springs Hilton Garden Inn (construction nearing completion).
- iv. Major Commercial Development Activity (sample): Initiation of Phase II of Pacific Commons South, a 2.7 million square foot advanced manufacturing campus with nearly three quarters of the project leased; completion of the 209,000 square foot Duke Realty industrial project in Bayside; buildout underway of Facebook buildings in Ardenwood; eight new industrial projects totaling 1.5 million square feet, and a robust development pipeline in Downtown including Fremont Bank's new HQ and over 250 multifamily units with new retail space.



#### 4. Key Economic Development Initiatives/Partnerships

- a. Launched Fremont-based *Institute for High Value Manufacturing*, an organization that helps growth-stage companies in high-value industries with strategy, product design, production planning, pilot testing, supply chain management, regulatory compliance, and financing
- b. Engaged with Santa Clara University to evaluate feasibility of a Fremont-based extension program focused on graduate-level degrees and certificate programs in skills that are in high demand in Fremont.
- c. Continued to accelerate the growth of Fremont's autonomous vehicle (AV) industry through partnerships and marketing, attracting companies such as Zoox (autonomous passenger shuttles) and Hyundai's Urban Air Mobility Division (personal air drone vehicle). The City also deepened its partnerships with existing Fremont-based AV companies, such as Pony.ai, who used its vehicles to help deliver food to Fremont seniors during the COVID-19 pandemic.



## Department Budgets | Economic Development

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- d. Continued a leadership role in manufacturing workforce development initiatives. This includes launching the Ohlone College's new Smart Manufacturing Technology Program in partnership with Tesla, participating in Ohlone College's Biotechnology Program Advisory Committee, hosting Virtual Career Fair featuring local employers with immediate hiring needs, and continuing to serve on the Alameda County Workforce Investment Board.
- e. Launched *Earn and Learn Fremont*, where workers who are displaced from the hardest hit sectors as a result of the COVID-19 pandemic will be introduced to better career pathways in manufacturing through paid work experience at local manufacturing companies along with supplemental customized training in Fremont's manufacturing sector through Ohlone College.
- f. Hosted Fremont's first-ever virtual Manufacturing Day event, drawing in hundreds of students from Fremont Unified School District and Ohlone College, with virtual tours and presentations at several notable Fremont companies including Tesla, Evolve Manufacturing, ErlingKlinger, Bay Area Circuits, and ALOM Technologies.
- g. Served as a private sector liaison for major Fremont policy and planning efforts, including outreach to businesses for the under-development Climate Action Plan, I-880 Innovation Bridge and Pacific Commons Bridge overcrossing.
- h. Partnering with the East Bay Economic Development Alliance on regional U.S. Economic Development Administration grant application to support regional manufacturing and supply chain competitiveness in the East Bay.
- i. 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.

### 5. Marketing & Communications

- a. Showcased over a half-dozen Fremont-based biotech companies who are contributing to the COVID-19 response, such as through manufacturing of critical biomedical equipment and other PPE. These stories received extensive local and national coverage, appearing in over 50 articles published by Reuters, New York Times, Bloomberg, ABC7, and more, collectively generating over 300,000,000 media impressions.
- b. Highlighted partnership with Human Services Department and Fremont-based startup Pony.ai to deliver contactless meals to homeless population at the Islander Motel using autonomous vehicles.
- c. Working closely with City's PIO team to communicate accurate and timely information on Social Media and Economic Development blog posts.
- d. Entered into an agreement for professional photography services to improve EDD's marketing efforts, documenting local businesses and business districts for use in online marketing and community engagement.
- e. Expanded use of department customer resource management (CRM) system for segmented updates for various sectors and stakeholders within Fremont's economy, including hundreds of small business owners and stakeholders.

- f. Marketed the updated Fremont’s Investment Profile. The document includes key metrics that demonstrates the City’s case as a superior investment location.



- g. Organized industry events in Fremont, including:
- i. Manufacturing Day 2020 featuring a first-ever series of online tours for over 150 students from Ohlone College and Fremont Unified School District.
  - ii. Future of Fremont event with the Silicon Valley Business Journal.
  - iii. Fremont Biomedical Industry Overview with Fremont Commercial Property Owners.
  - iv. Retail-focused webinars in partnership with Silicon Valley Economic Development Alliance and International Council of Shopping Centers (ICSC).
  - v. A northern Silicon Valley Real Estate and Investment overview in partnership with The Registry.
- h. Held speaker roles at a variety of conferences and meetings demonstrating thought leadership on a variety of topics including commercial real estate, manufacturing, economic development strategy, small business support programs, and advancing inclusive entrepreneurship.

### Objectives FY 2021/22

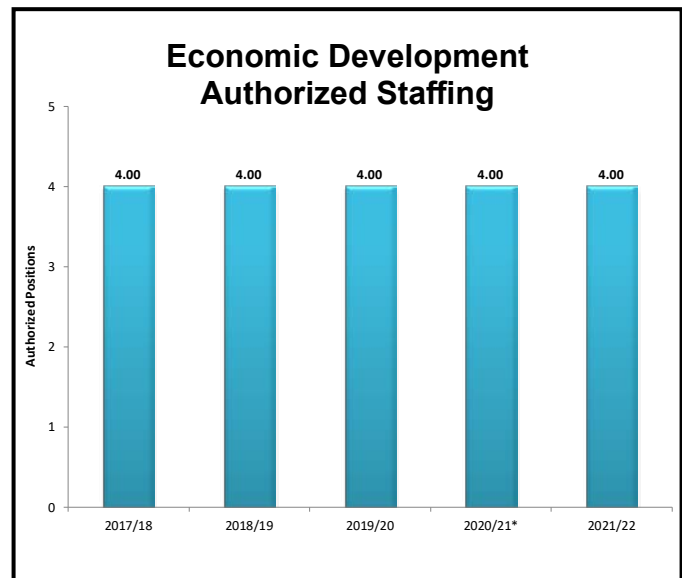
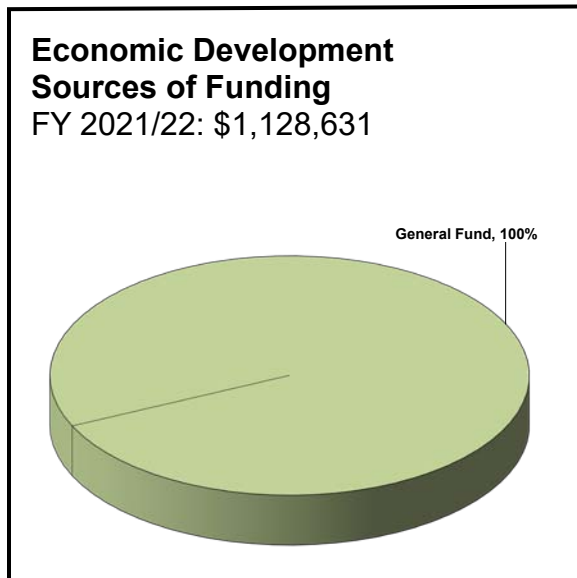
The COVID-19 pandemic forced the City's Economic Development Department to quickly pivot its workplan to respond to the economic crisis and the needs of the moment. Accordingly, certain items from EDD's FY 2020/21 Objectives have been postponed. For FY 2021/22, EDD's Objectives reflect the current state of the pandemic and the anticipated steps needed for economic recovery and returning the City to greater fiscal health.

1. Begin implementing a post-COVID 19 economic recovery strategy focused on three key pillars to building a healthy and equitable economy in Fremont. These pillars, listed below, will guide the City's business and economic response efforts relating to the COVID-19 pandemic.
  - i. Small Business and Main Street District Support
  - ii. Workforce Development & Inclusion
  - iii. Jobs and City Tax Revenue Recovery
2. Continue to expand activities and partnerships to support the small business environment in Downtown and neighborhood commercial districts, including increased communications to businesses and district representatives, enhancing vibrancy and activation, promoting investment through marketing and direct small business support, and communicating small business resources.
3. Promote commercial development and leasing activity of essential industries that are less vulnerable to economic shocks and support the City's fiscal health, including by facilitating major and strategic tenant improvements. These efforts will be focused within Fremont's major employment areas of Warm Springs, Bayside, Ardenwood, and Pacific Commons South.
4. Enhance communication and marketing between the City of Fremont and its business and community stakeholders by attending and participating in industry events and leveraging new and existing digital tools, including supporting the development of business resources on the new Fremont.gov website.

# Department Budgets | Economic Development

## Performance Measurement

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Number of businesses assisted by Economic Development Department	140	100	754	200
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*	15	15	20	15
Number of business appreciation visits and establishment of baseline for percentage of visits that lead to subsequent follow-up/interaction with City	40	50	37**	35**
<p>* The pandemic greatly increased the number of inbound requests for assistance EDD has received from businesses and has necessitated a significant allocation of staff resources.</p> <p>** Due to COVID-19, the business visit program has shifted to an online format focused on helping Fremont businesses navigate the pandemic.</p>				



# Department Budgets | Economic Development

## Economic Development: Historical Expenditures/Budget, by Category

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Salaries & Benefits	\$ 685,258	\$ 876,882	\$ 781,997	\$ 936,587	\$ 927,483	\$ 886,732
Operating Expenditures	230,546	104,477	285,945	190,955	152,250	133,325
Capital Expenditures	-	6,875	-	-	-	-
Indirect Expense Allocation**	88,829	93,903	85,707	85,707	85,707	108,574
<b>Totals</b>	<b>\$ 1,004,633</b>	<b>\$ 1,082,137</b>	<b>\$ 1,153,648</b>	<b>\$ 1,213,249</b>	<b>\$ 1,165,440</b>	<b>\$ 1,128,631</b>
	% increase/(decrease), including all funds, from FY 2020/21 Adopted Budget					-3.2%
<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

- Operating expenditures are decreasing by \$18,925 (or -12.4%) mainly due to the reduction of one-time costs.
- The indirect expense allocation is increasing by \$22,867 mainly due to restoring the Information Technology costs which was temporarily reduced in FY 2020/21.

## Staffing by Function-FY 2021/22

<b>Economic Development</b>	
Assistant City Manager	0.50 *
Economic Development Manager	2.00
Economic Development Specialist	1.00
Management Analyst II	0.50
<p>* Portions of this position is also budgeted in the City Clerk's Office and the City Manager's Office.</p>	

Regular Full-Time Equivalents: 4.00

## 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.

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### 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 2020, the Fire Department responded to 14,489 calls for service, generating 19,061 engine and truck company responses. Additionally, the Fire Prevention Bureau reviewed over 2,200 sets of plans, inspected 414 residential and commercial complexes, and another 222 hazardous materials facilities within Fremont.

Fire: Historical Expenditures/Budget, by Major Service Area

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Operations/Emergency Medical Service	\$ 40,851,372	44,443,372	47,601,334	46,449,676	\$ 46,361,119	\$ 47,913,980
Administration	6,909,518	7,294,159	7,474,558	8,014,098	7,984,461	8,486,179
Prevention	2,088,387	2,181,228	2,263,410	2,279,612	2,264,192	2,450,695
Disaster Preparedness	36,509	122,920	55,962	98,812	98,811	32,000
<b>Total Fire</b>	<b>\$ 49,885,786</b>	<b>\$ 54,041,678</b>	<b>\$ 57,395,264</b>	<b>\$ 56,842,198</b>	<b>\$ 56,708,583</b>	<b>\$ 58,882,854</b>

\* 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 2020/21

1. COVID-19 Response

Under the executive oversight of the City Manager, the Fremont Fire Department led the City’s response to the COVID-19 pandemic, as follows:

- a. Continued to provide free drive-through and walk-up COVID-19 test sites and mobile testing centers, with a total of 4,510 people tested (including 2,152 essential service workers), identifying 184 new COVID-19 positive cases.
- b. In partnership with Alameda County Emergency Medical Services Agency (ALCO EMS), completed vaccination roll-out for paramedics and EMTs for the City’s general population and transitioned to provide vaccinations in partnership with Haller’s Pharmacy to those eligible to receive the vaccine.





- c. Continued to coordinate the City’s response to the COVID-19 pandemic through sustained, weekly Emergency Operations Center (EOC) virtual briefings and preparation of weekly EOC Action Plans.
- d. Continued to coordinate (through the County EOC) and provide Personal Protective Equipment (PPE) to assisted living facilities and training for their staffs and provided COVID-19 testing for employees of numerous facilities.
- e. In response to a Statewide surge in COVID-19 cases - and as part of an effort coordinated by the California Governor’s Office of Emergency Services (Cal OES) - deployed four Fremont Fire Department Paramedics as Mutual Aid to assist with patient care at the Adventist Health Bakersfield hospital.



- f. Maintained continuity of the department’s administrative operations and training through virtually resilient technology and social distancing strategies:
  - i. Transitioned critical staff to Microsoft Surface Pro® laptops in order to facilitate telecommuting during the COVID-19 Shelter-in-Place.
  - ii. Added video conferencing capability at the Fire Administration building, Tactical Training Center (TTC), and Fire Stations 6 and 7 – the two Battalion Headquarters stations.
  - iii. Installed webcams at all fire stations and classrooms were configured to conduct trainings, promotional tests, and interviews while maintaining social distancing to sustain administrative operations.
- g. Developed program-wide procedures to conduct remote video inspections and perform a variety of related tasks remotely. Used specific COVID-19 guidelines to safely perform select field inspections to remain in compliance with Alameda County’s shelter-in-place mandates.
- h. Purchased COVID-19 rapid testing system which enables us to quickly diagnose COVID-19 and influenza in 15 minutes for staff that has been exposed to the coronavirus. Additionally, the system can be updated to detect other viruses.
- i. Ensured that all personnel remained fully equipped with proper Personal Protective Equipment (PPE), trained, and well-informed throughout the COVID-19 pandemic.



### 2. Operational Readiness

- a. Pursuant to the City Council’s approval and adoption of the Standards of Coverage, identified the need for an additional, fourteenth fire company in Fremont.
- b. Procured and purchased 25 cardiac monitors, replacing monitors that were subject to recall and presented safety and communications concerns. Negotiated a substantial savings of \$255,544 from the initial bid price.
- c. Conducted department-required Driver/Operator training for all 18 firefighters hired in 2019.
- d. Performed annual confined space entry training, trench rescue training, and Hazardous Material Level A entry competency training.
- e. Procured one new Type I Fire Engine, in accordance with the Fleet Replacement Schedule.
- f. Acquired several buildings that were scheduled for demolition and utilized them for real world tactical training, including vertical ventilation procedures, forcible entry techniques, fire hose management, and simulated victim rescues in smoke-filled environments.
- g. Collaborated with the IT department to develop and move comprehensive site plans to an electronic storage and curation program, which contains pertinent information utilized by fire personnel such as exits, hazmat materials storage, and other critical building information.
- h. Completed a pilot program to quantify the economic value of property saved through fire department intervention – using state-of-the-art software.
- i. Deployed Mutual Aid resources to multiple wildfire incidents, in response to California’s record-setting 2020 fire season. Deployments included the SCU Lightning Complex fires, CZU Lightning Complex fires, Crews Fire, Creek Fire, August Complex, Hog Fire, Gold Fire, Apple Fire, and other incidents.



**3. Community Risk**

- a. The Fire Prevention Staff conducted a successful vegetation abatement on Union Pacific Railroads' rights-of-way including mapping and management of contract personnel, and worked with the Double Wood Golf Course LLC, a 377-acre parcel neighboring the Avalon Heights Community, to re-introduce cattle grazing.
- b. They also assisted our Community Development's Building and Safety Division to inspect and approve occupancy of many new multi-family residential complexes throughout Fremont.
- c. Hazardous Materials/CUPA staff continued to successfully submit multiple required reports to CalEPA, Department of Toxic Substances Control, the State Water Resources Control Board, and other allied State Agencies, made significant revisions to the UST Inspection, data management and inspection and enforcement policies as part of our triennial program audit, and continued to administer several in-house or joint enforcement actions with the Alameda County District Attorney's office to secure settlements exceeding \$60,000.
- d. Adopted and amended 2019 CA Fire Code, completed a comprehensive review and update of our manuals, policies and procedures, made extensive revisions to the Hazmat/CUPA inspection software manuals, and initiated the use of EdgeSoft's inspection software to implement a near paperless Hazmat/CUPA inspection program.

**4. Emergency Management and Disaster Resilience**

- a. Completed an update of the Emergency Preparedness Gap Analysis, in accordance with the 2020-2025 Strategic Plan Objectives.
- b. Completed wildfire and multi-hazard evacuation planning for all city neighborhoods. The end-product features a tactical, online interface with interactive mapping and integrated public alert and warning capability.
- c. Developed a five-year Emergency Management Training Plan to provide specialized training for EOC personnel and general training for all City employees in their legally required role as Disaster Service Workers.
- d. During a global pandemic, conducted a nationwide search for the recruitment and successful hiring of a new Emergency Services Manager.

### 5. Diversity and Inclusion

- a. Continued to ensure equity in training and career development opportunities.
- b. Ensured that the firefighters of the 19-1 probationary class were fairly and equally provided all the resources needed to successfully pass probation.
- c. Started recruitment for a diverse lateral academy by identifying and correcting any barriers to employment and increasing outreach efforts to underrepresented groups.
- d. Provided free COVID-19 testing and vaccination regardless of immigration status, location, race, and age.

### 6. Health and Wellness

- a. Purchased portable equipment for each fire engine and equipment to handle mass decontamination at all fire stations.
- b. Developed and implemented thorough preventive decontamination procedures to align with Industrial Hygienist recommendations for fire stations and apparatus.
- c. Developed and implemented an internal response plan for personnel testing and decontamination of fire stations and apparatus when an employee becomes ill at work, minimizing out of service time of a fire company.



- d. Focused efforts to initiate annual comprehensive medical, pre-employment, SOTF, and DMV examinations to decrease the threat posed by occupational exposures.
- e. Participated in International Association of Fire Fighters (IAFF) Cancer Awareness month by educating personnel through weekly cancer prevention and awareness emails.
- f. Contracted with Kaiser Permanente to provide a new Medical Director, which significantly enhanced medical oversight and direction of testing and vaccinations during the COVID-19 pandemic.

**7. Organizational Development**

- a. Sustained organizational development and succession planning.
- b. Conducted Battalion Chief and Captain Academies in preparation for promotional process.
- c. In lieu of holding a formal Engineer Academy due to COVID-19 restrictions, we provided focused manipulative training to candidates prior to the promotional testing process which led to all candidates successfully passing the exam.
- d. Partnered with Fire and Police Selection, Inc. (FPSI) to conduct job analyses for the rank of Battalion Chief, completing the analyses for all sworn ranks.
- e. Developed a recruitment website with job openings, an interest card, and other resources to help keep prospects engaged and interested throughout the recruitment process.
- f. Utilized light-duty personnel to temporarily fill the clinical nurse educator position, due to the critical need for a Designated Infection Control Officer during the pandemic.

**Objectives FY 2021/22****1. Operational Readiness**

- a. Provide comprehensive review and update of all operational policies and procedures.
- b. Host a Hazardous Materials Technical Reference course for the Special Operations Task Force.

**2. Community Risk Reduction**

- a. Continue to monitor, refine, and advance our CSFM and CalEPA inspection programs to further improve compliance with our mandated annual and triennial inspection obligations.
- b. Finalize the remaining Hazardous Materials Program deficiencies identified during the 2019 CalEPA triennial audit.
- c. Expand cross training and cooperation with Building Department Fire Inspectors on new construction projects and acceptance testing.

**3. Emergency Management and Disaster Resilience**

- a. Complete a five-year update of the City's Local Hazard Mitigation Plan.
- b. Develop functional annexes to the City's Emergency Operations Plan.
- c. Implement Disaster Service Worker training for all City employees.
- d. Conduct specialized training for City employees assigned to staff the City's EOC during disasters and emergencies.

### 4. Diversity and Inclusion

- a. Continue to work with Fire Department's Human Relations Committee on diversity and inclusion initiatives.
- b. Continue to ensure equity in training and career development opportunities.
- c. Further develop the Department's recruitment and community engagement programs with a focus on local schools, firefighter academies, paramedic schools, and colleges.

### 5. Health and Wellness

- a. Continue to initiate annual comprehensive medical examinations and cancer awareness to decrease the threat posed by occupational exposures.
- b. Continue to seek opportunities to enhance the health and well-being of our personnel.
- c. Seek grant funding for Wellness and Fitness program through the Assistance to Firefighters Grant.

### 6. Organizational Development

- a. Conduct a lateral firefighter recruit academy for nine firefighters.
- b. Conduct Engineer, Captain, and Battalion Chief academies in preparation for promotional exam processes.
- c. Recruit and fill the Deputy Fire Marshal & Hazardous Materials Program Manager positions within the Fire Prevention Bureau.
- d. Request additional Fire Prevention position(s) to address the addition of 50+ multi-family residential infill developments, containing over 8,700 new living units. These multifamily complexes are required to undergo an annual State Fire Marshal mandated inspection.
- e. Reinstate continuous quality assurance and improvement within operations, training, and EMS.

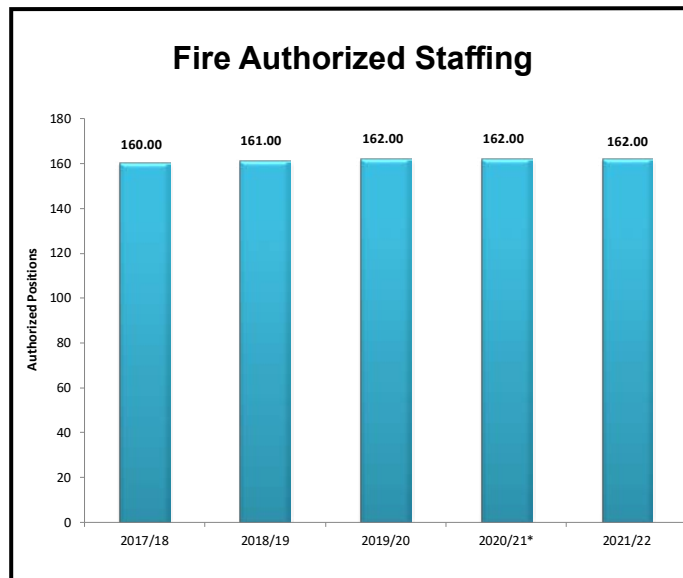
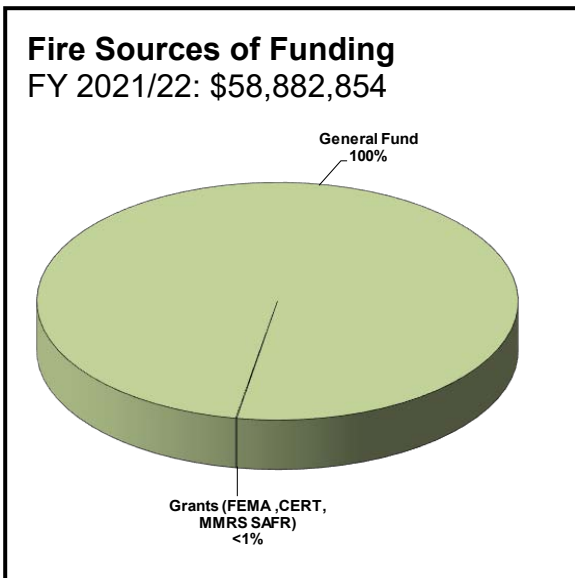
Performance Measurement

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
911 calls processed within 1:30 minutes	90%	90%	90%	90%
Crew responding within 2:00 minutes of dispatch	85%	90%	90%	90%
Crew travels to incident within 4:00 minutes of dispatch	56%	90%	90%	90%
FFD Paramedic on scene of a medical emergency within 7:30 minutes from 911 call	84%	90%	90%	90%
Fire Engine arrives at the scene of a fire within 7:30 from 911 call	73%	90%	90%	90%
Ladder Truck arrives at the scene of a fire or rescue within 11:30 from 911 call	87%	90%	90%	90%
Vegetation fire is confined to one acre or less	92%	90%	90%	90%
Structure fire is contained to the room of origin	88%	90%	90%	90%
Patient extricated from a vehicle collision within 30 minutes	100%	90%	90%	90%
Provide sufficient amount of quality training to maintain operational readiness	31 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 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Percent of inspections of State Fire Marshal (SFM) regulated occupancies	Met this measure with 54% compliance, down from 81% in CY 2019	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 22% of Haz Mat Facility, (vs. 25%) and 100% of 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% of 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

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Salaries & Benefits	\$ 41,682,557	\$ 45,128,210	\$ 49,464,751	\$ 48,929,276	\$ 48,857,726	\$ 49,591,717
Operating Expenditures	2,151,064	2,429,473	2,400,005	2,398,297	2,356,586	2,535,028
Capital Expenditures	402,635	959,571	323,709	331,788	311,435	328,585
Indirect Expense Allocation**	5,649,530	5,524,424	5,182,836	5,182,836	5,182,836	6,427,524
<b>Totals</b>	<b>\$ 49,885,786</b>	<b>\$ 54,041,678</b>	<b>\$ 57,371,302</b>	<b>\$ 56,842,197</b>	<b>\$ 56,708,583</b>	<b>\$ 58,882,854</b>
% increase/(decrease), including all funds, from FY 2020/21 Adopted Budget						3.8%
<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

- Operating expenditures are increasing by \$178,442 (or 7.6%) mainly due to a new Fire Academy.
- Capital expenditures are increasing by \$17,150 (or 5.5%) mainly due to capital replacement purchases.
- Indirect expense allocation is increasing by 24% mainly due to restoring the Information Technology costs which was temporarily reduced in FY 2020/21.



## Department Budgets | Fire

### Staffing by Function-FY 2021/22

<b>Fire</b>			
<b>Fire Chief's Office</b>			
	Fire Chief		1.00
<b>Operations</b>		<b>Fire Prevention</b>	
Deputy Fire Chief	1.00	Fire Marshal	1.00
Division Chief	1.00	Deputy Fire Marshal	1.00
Battalion Chief	6.00	Haz Mat Manager	1.00
Emergency Services Manager	1.00	Senior Haz Mat Inspector	1.00
Fire Captain	40.00	Haz Mat Inspector	3.00
Fire Engineer	38.00	Senior Code Enforcement Officer	1.00
Firefighter	47.00	Fire Prevention Inspector	3.00
<i>Public Service Assistant (PSA) 0.5*</i>		<i>Public Service Assistant (PSA) 0.5*</i>	
<b>Emergency Medical Services/Training</b>		<b>Administration/Personnel</b>	
Deputy Fire Chief	1.00	Business Manager	1.00
Clinical Nurse Educator	1.00	Public Affairs Manager	1.00
Fire Captain	2.00	Management Analyst II	2.00
		Senior Executive Assistant	2.00
		Administrative Assistant	3.00
		Senior Office Specialist	2.00
		Office Specialist I	1.00

*\*Part time, Temporary positions not counted in full-time equivalents.*

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 20+ 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.*

#### **Ride-On Tri-City**

*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.*

#### **Homeless Services**

*Serve community members experiencing homelessness, through a racial equity lens, to remove barriers to housing, and; create and expand quality of life services and stabilization programs.*

#### **Administration**

*Administer the City's social service and federal grant funds, the Rent Review Program, and communications and fund development initiatives, in order to sustain the City's robust social programs in service to the Fremont Community.*

# 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. Those experiencing homelessness or housing insecurity are connected to services to build stability and connect to permanent housing. Services for older adults and their families help them maintain independence and involvement in the community. Receipt of governmental grants fosters collaboration with the non-profit community and strengthen infrastructure and public services for low and moderate income families.

As the COVID-19 pandemic continued to impact the community, the Human Services Department maintained and, in some cases, expanded essential mental health, substance use disorder, crisis intervention, and homeless services. It also provided wellness checks, food and 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

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Family Resource Center	\$ 2,973,773	\$ 3,201,940	\$ 5,763,498	\$ 3,291,520	\$ 3,255,946	\$ 16,807,001
Youth and Family Services	2,798,328	3,187,848	3,184,376	3,817,098	3,730,188	3,877,336
Aging and Family Services	3,928,631	4,189,882	3,878,172	4,454,441	4,454,441	5,051,066
CDBG/Rent Review	3,388,301	2,308,802	2,658,321	2,580,176	2,149,600	3,377,545
Paratransit	1,764,873	1,753,137	1,285,572	2,449,723	2,449,723	2,471,003
Administration	1,733,798	1,792,402	2,103,076	2,330,295	2,313,052	2,315,311
Social Services Grants	764,620	751,449	737,604	737,604	737,604	797,605
Home Grant	77,702	186,615	480,470	480,470	429,826	404,791
Homeless Services	315,951	1,722,268	4,905,873	5,954,343	2,651,869	4,134,251
<b>Total Human Services</b>	<b>\$ 17,745,977</b>	<b>\$ 19,094,343</b>	<b>\$ 24,996,962</b>	<b>\$ 26,095,670</b>	<b>\$ 22,172,249</b>	<b>\$ 39,235,909</b>

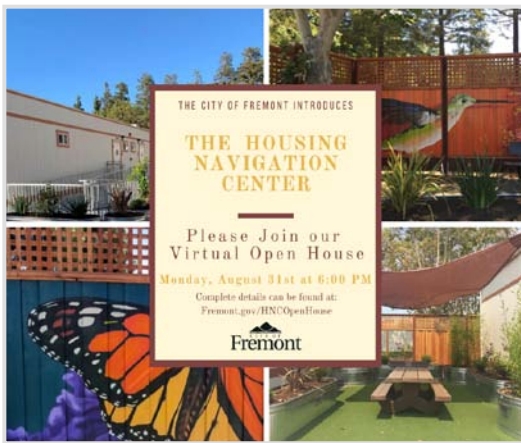
\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

## Accomplishment Highlights FY 2020/21

1. Through the generosity of the community, the Human Services Department has received over 35,000 N95, surgical, cloth, and handmade cloth masks and over 1,400 face shields to be distributed to partners in the community. The Taiwanese Chamber of Commerce, the Taiwanese American Federation of Northern California, the California Department of Aging, and the United Way/Bank of America partnership were some of the largest donors of PPE. The masks and face shields have been distributed to over 35 partner agencies and nonprofit organizations.

Additionally, PPE and additional pandemic supplies have been distributed to the general public through food distribution events at the Family Resource Center and the Age Well Center at Lake Elizabeth, as well as through partner food distribution events.

2. The Human Services Department raised over \$431,000 in COVID related funds to aid the community including more than \$368,000 in grants and contributions from local corporations. Individuals gave more than \$42,000 to support their neighbors who are struggling because of COVID-19.
3. The 2020 Giving Hope appeal raised over \$71,000 worth of financial, in-kind, and gift card contributions from 277 people in the community. The appeal fulfilled wish lists for 74 families and 143 seniors, including 33 with companion animals. Raised funds will also be used to support residents throughout the year through the Department's Urgent Needs Funds.
4. The Department used \$400,000 of CDBG CARES Round I funds to provide rental assistance to 95 households in Fremont. Newark and Union City contracted with the Department to manage their rental assistance programs. 40 households in Newark and Union City received \$126,284 in support.
5. During the pandemic, the Department increased its communication to ensure that the public received the most up-to-date information regarding available services and programs. This included providing weekly email updates to constituents. The Age Friendly Fremont monthly newsletter shifted to a primarily digital model and added a Chinese language version to increase its reach. The quarterly FRC News also moved to a weekly digital newsletter model with FRC program and agency service delivery changes.
  - a. The Housing Navigation Center was completed and opened on August 31, 2020. By September 30, 2020 it was filled to COVID capacity of 25 unsheltered individuals. Within the first four months of operation, 12 participants secured permanent housing.



- b. A two-year funding source was identified for a second Crisis Intervention Specialist for the Mobile Evaluation Team (MET) and recruitment began to fill the position.
  - c. The Winter Shelter operated from December 1, 2020 through March 28, 2021 with a COVID capacity of 35 unsheltered individuals per night. The Islander Motel contract was extended through April 30, 2021 and served 40 individuals experiencing homeless.

## Department Budgets | Human Services

- d. The Stay Housed Program assisted 25 families with \$168,104 in longer-term rental assistance as well as wrap-around services, enabling them to build assets to become financially self-sufficient.
- e. Keep Fremont Housed, a program to distribute \$7.1 million in rental and utility assistance funds from the U.S. Treasury Department, was launched on April 1, 2021. Funds were used to assist households below 80% of area median income, who have been negatively impacted by COVID-19. The program pays both rent in arrears or rent moving forward if households are unstably housed. Priority assistance is given to those who have been unemployed for 90 days or who have income below 50% of median. Funds must be expended by December 31, 2021.



6. More than 60 unhoused individuals were referred to Safer Ground Hotels, a COVID-19 county response program to keep un-housed individuals safe.
7. From April through December of 2020, the Age Well Center at Lake Elizabeth provided over 18,000 meals through curbside pickup, outside distribution, or delivery. The Family Resource Center provided over 1,700 boxes of food and pandemic and educational supplies to families. All of these programs continued well into 2021.



8. Completed construction of a new Age Well Center at South Fremont, a sister site for the Age Well Center at Lake Elizabeth. The new center is 11,000 sq. feet and specifically designed to meet the needs of adults over the age of 55 years. The Center is expected to open to the public in Summer/Fall 2021.
9. The Senior Citizen's Commission presented the completed World Health Organizations/AARP Age Friendly Action Plan to the City Council in September 2020. The Council approved the plan which included specific action goals for nine domains and a policy platform to support older adults.

10. After surveying 300 older clients and identifying a lack of access to technology that increased with age, the Department started a digital inclusion project to connect older adults. The project includes a pilot of 30 Grandpads, a video product designed for older adults that does not require internet services; a radio show at a senior housing complex; and a telephone reassurance program.
11. Transitioned to MyEvolve, a department-wide Electronic Health Record system, which facilitates cross program coordination, satisfies contract goal documentation and meets billing needs.
12. Through SparkPoint Fremont, served over 350 low-income individuals, assisting them to build assets and reach their financial goals. 72% of clients made significant progress toward their goals. Moved to virtual coaching to assist families dealing with additional economic stress due to the COVID-19 crisis. Provided financial workshops for parent groups and employee groups on subjects such as credit, taxes and insurance.
13. As part of the Bay Area-wide Earn It! Keep it! Save It! Coalition provided free tax preparation “Virtual VITA” services for low income families. Customers who could not manage virtual services were able to drop off documents for preparation. Assisted individuals and families impacted by COVID 19 to access their Economic Impact Payments and other public and private resources.
14. YFS launched weekly virtual parent support groups – “Parenting During COVID” – for hundreds of parents and youth caregivers, in English and Spanish. The groups were funded with a COVID relief grant allowing participants to attend at no cost.
15. YFS completed the final phase of a multi-year 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 community service program and the development and production of public service announcement videos and a social media campaign, 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.
16. YFS produced and hosted a live virtual Youth Mental Health and Wellness Forum with over 160 parent, community and youth participants. Nationally recognized mental health stigma expert, Dr. Lawrence Yang, of New York University and Dr. Anu Patel, of Kaiser Permanente’s Child Psychology Department presented on youth mental health.
17. YFS hosted the fourth annual Children’s Mental Health Awareness Art Competition. With Fremont Unified School District and new partner, the Warriors Basketball organization, YFS outreached to thousands of students and parents to encourage their participation in the competition and a new series of public awareness and charitable fundraising events that the Warriors organization is producing called Building A Warrior: Mind, Body and Spirit.
18. Although travel training activities and group transportation services were suspended during the COVID-19 crisis, transportation services to essential medical appointments (such as dialysis), COVID-19 vaccination appointments, and other needs continued to be provided with enhanced vehicle sanitizing practices, social distancing, and use of face masks to decrease potential COVID-19 exposure.



## Department Budgets | Human Services

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19. Through new ActiveNet software, the Age Well Center is supporting individuals to sign up to buy lunches and memberships, register for classes, pay for trips and request facility rentals online.
20. With the support of the Public Health Institute, reached over 14,000 individuals to assist them in developing their own Emergency Preparedness plan. Individuals attended a class and/or completed a customized booklet.

### Objectives FY 2021/22

1. Continue to evolve programs both quickly and thoughtfully, as the COVID-19 restrictions diminish, and on-site services reopen to the public.
2. Continue implementation of Keep Fremont Housed Rent Relief Program to ensure that low income Fremont families and their landlords received much needed back rent and current support to stabilize their homes and programs.
3. Continue implementation and integration of telehealth as a viable and efficient platform for youth and adult clients 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.
4. 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.
5. Implement specific strategies and actions steps outlined in Year Four of the FRC's 5-year Strategic Plan 2018-2023.
6. 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.
7. 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.
8. 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 2021/22 goal is to serve 350 participants.
9. Continue [www.fremont.gov/workforcetraining](http://www.fremont.gov/workforcetraining) and other collaborative pilots and initiative with Economic Development, local corporations and the Ohlone Career Center.
10. 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).

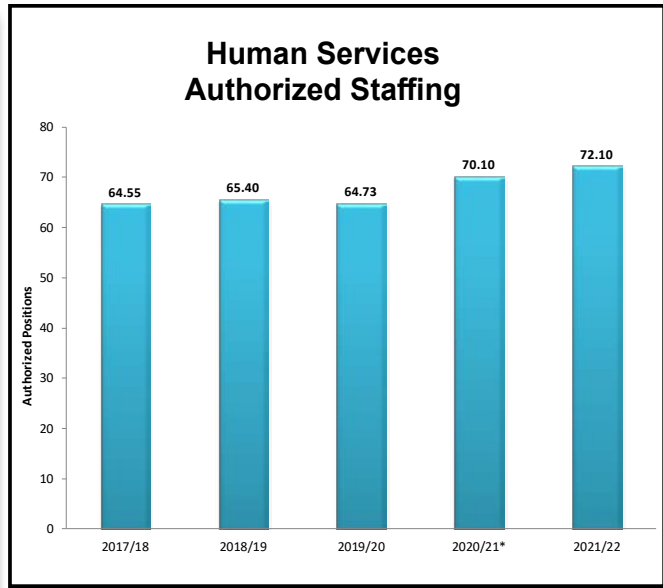
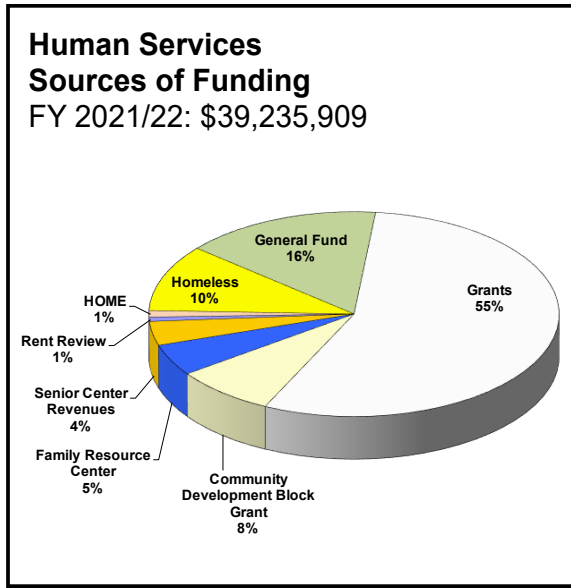
11. With federal HOME and CARES funds, assist up to 25 families to remain in their homes by providing short-term rental assistance through Stay Housed and SparkPoint services to enable them to return to financial stability.
12. Decrease the number of youth who use alcohol, drugs, tobacco and who are 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 participating in the newly formed YFS Youth Wellness Ambassador program in partnership with the school districts.
13. Oversee the City’s Homeless and Housing fund as well as HEAP, HHAP, PLHA and CDBG CARES funding focused mitigating the impacts of homelessness and COVID-19, respectively.
14. Continue to 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 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Percent of Long-term SparkPoint Clients achieving economic mobility <sup>1</sup>	75%	75%	72%	75%
Percent of senior clients that improve their understanding of how to take their medication <sup>2</sup>	100%	80%	85%	80%
Percent of youth who improved in their social emotional health and were observed as stable after receiving counseling services <sup>3</sup>	75%	75%	75%	75%
<sup>1</sup> 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%. <sup>2</sup> As measured by a pre and post test administered by a public health nurse. <sup>3</sup> Measured by clinicians using the Child and Adolescent Needs and Strengths Assessment, an evidenced based instrument that measures client change over time.				



# Department Budgets | Human Services



## Human Services: Historical Expenditures/Budget, by Category

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Salaries & Benefits	\$ 9,581,234	10,733,333	10,936,261	11,924,680	\$ 11,882,161	13,409,846
Operating Expenditures	6,721,587	6,855,003	9,540,696	9,590,962	8,661,663	23,861,440
Capital Expenditures	21,434	144,312	2,977,546	3,041,284	91,284	40,322
Indirect Expense Allocation**	1,421,722	1,361,695	1,542,459	1,538,744	1,537,141	1,924,301
<b>Totals</b>	<b>\$ 17,745,977</b>	<b>\$ 19,094,343</b>	<b>\$ 24,996,962</b>	<b>\$ 26,095,670</b>	<b>\$ 22,172,249</b>	<b>\$ 39,235,909</b>

% increase/(decrease), including all funds, from FY 2020/21 Adopted Budget 77.0%

\* 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.

### Major Changes

- The FY 2021/22 Human Services budget is \$17,063,660 (or 77%) more than the FY 2020/21 adopted budget.
- Salary and benefits are increasing by 12.9% mainly due to the addition of 2.0 positions including conversion of two temporary positions to 1.0 FTE Human Services Specialist I position for the CleanStart Mobile Hygiene Program and 1.0 FTE Counselor position at the Family Resource Center (FRC), and changes in the CalPERS retirement benefit costs.
- Operating expenditures are increasing by \$15,199,777 (or 175.5%) mainly due to receiving additional ERAP grant, also known as the “Rental assistant” grant.
- Capital expenditures are decreasing by \$50,962 (or -55.8%) mainly due to reduce of one-time costs associated with the opening of the new Age Well Senior Center in Warm Springs.
- Indirect expense allocation is increasing by \$387,160 (or 25.2%) mainly due restoring the Information Technology costs which was temporarily reduced in FY 2020/21.



**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 Response Team (SRT) operations. Furthermore, the Police Department operates the Community Engagement team, 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

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21 Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Patrol Operations/Dispatch	43,083,234	47,985,676	51,931,327	52,220,164	52,019,588	56,486,495
Administration/Records	18,665,590	19,565,081	18,491,823	20,818,931	19,711,049	20,164,750
Investigations	13,810,760	15,275,950	17,151,797	17,128,475	17,033,485	17,463,352
Detention and Evidence Storage	3,189,794	3,291,894	3,163,312	3,517,677	3,514,543	3,408,576
Aminal Services	1,355,275	1,493,150	1,378,383	1,696,505	1,682,270	1,684,633
Community Engagement/Public Affai	962,498	1,047,037	1,057,445	1,079,101	1,072,289	1,107,226
Mobile Evaluation Team	528,083	515,024	610,907	880,190	880,190	968,437
SWAT Team	467,836	587,987	748,838	773,752	630,088	630,088
<b>Totals</b>	<b>\$ 82,063,070</b>	<b>\$ 89,761,799</b>	<b>\$ 94,533,832</b>	<b>\$ 98,114,795</b>	<b>\$ 96,543,502</b>	<b>\$ 101,913,557</b>

### Accomplishment Highlights FY 2020/21

- The second half of 2020 presented extraordinary challenges for our department. When COVID first arrived, our patrol teams were reassigned to an emergency staffing model. Although no one understood the dangers they faced in COVID, all of our police officers, community service officers, dispatchers, and detention officers showed up to work in service to the Fremont community. After George Floyd was killed by police in Minneapolis, police departments across the country bore the brunt of public anger against systemic racism. Fremont was no different. We responded to and helped manage six significant protests and more than 25 smaller events. We launched a large-scale community outreach initiative called “Engage Fremont,” and participated in eight direct conversations with our community to increase public trust.

COVID had a significant impact on criminal behavior as we experienced a notable upward trend in many property crimes, including commercial burglary, auto theft, and residential burglaries. We saw reductions in robberies and auto burglaries. One likely influence on the crime spikes was the “zero-bail” policy first adopted by the California Judicial Council in early 2020 but extended by Alameda County and continuing today. As a result, all offenders arrested for felonies not classified as “serious” or “violent” are eligible for zero bail and released on citation.

- The Traffic Unit continued its 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, though with reduced driving due to COVID, 2020 figures may be affected:

2015 – 789

2016 – 748

2017 – 646

2018 – 628

2019 – 593

2020 – 384



3. Detectives conducted a complex investigation of a laptop fencing operation in an effort to drive down the demand that is fueling the high auto burglary rate in the Bay Area. This investigation led to the identification and arrest of multiple levels of criminal organizations buying and selling stolen laptops that were being shipped overseas. It resulted in the recovery and seizure of over 2,000 electronic devices, hundreds of thousands of dollars in funds and multiple high-end vehicles.



4. FPD detectives solved a homicide that occurred in April 2020. A suspect shot and killed a person in the parking lot of a shopping center. Detectives worked tirelessly on the case and coordinated multiple surveillances throughout the country and into Canada. Eventually, they developed enough evidence and arrested the suspect in Colorado.
5. Throughout 2020, our Cold-Case Detective worked with the Hayward Police Department on a kidnap/murder case that had remained unsolved since 1988. A suspect, who was already serving a prison sentence for a homicide, and also facing charges for another Fremont cold-case double homicide, was identified as the primary suspect in the Hayward case.
6. Our Cold-Case Detective also closed a case linked to the Golden State Killer, who kidnapped and sexually assaulted a Fremont victim in 1979. Due to the statute of limitations, we could not charge our case, but we gave the victim closure by linking the suspect to the crime. The suspect admitted guilt the victim was able to make a statement in court.
7. The Police Department developed a comprehensive department training plan which outlined training objectives responsive to community feedback. Training enhancements include, but are not limited to, cultural diversity, use of force, de-escalation, and response to vulnerable populations.
8. The Mobile Evaluation Team returned to full staffing, and 5150 reports declined for the fifth year in a row. Since MET's inception, 5150 reports have declined by 39% after years of steady increases. Beginning July of 2020, the team expanded its mission to focus on the growing number of calls for service involving homeless community members.
9. Community Engagement has taken a more prominent role in our organization with the elevation to a stand-alone unit and including the addition of building trust and transparency into our Department goals. The Community Engagement Team's primary function over the last year has been to help communicate the organization's message with external audiences, social media management, crisis communications, media relations, and crime prevention. With a high emphasis on the COVID-19 Pandemic in FY 2020/21, below are some of the most notable highlights:
  - a. Assisted with curriculum development and provided technical assistance for FPD 360, a shortened version of the Community Police Academy.
  - b. Managed more than a dozen vehicle gathering permits.

## Department Budgets | Police

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- c. Assisted developing the Pop-Up Patio program through the use of a special event permit, continue to handle all website content and updates for the program.
- d. The Transparency portal was expanded to include Accountability, Accountability FAQs, Yearly Summaries (2019 Yearly Summary, 2019 Review Priority Crimes, 2019 Use of Force Summary), and Hate Crimes.



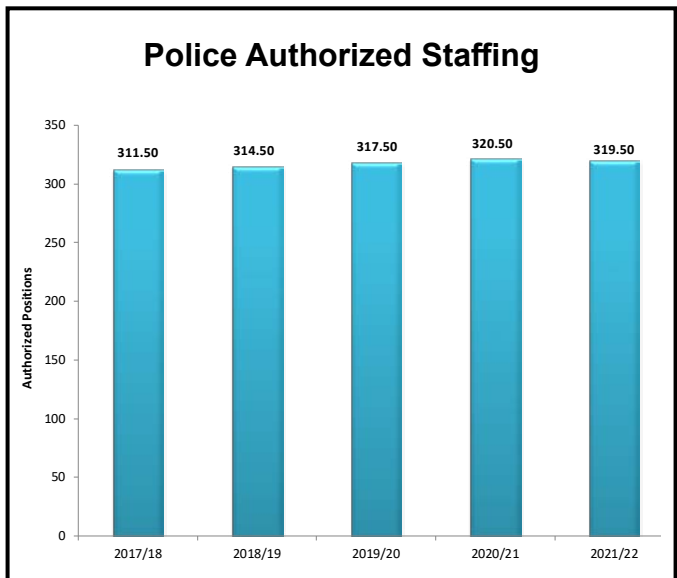
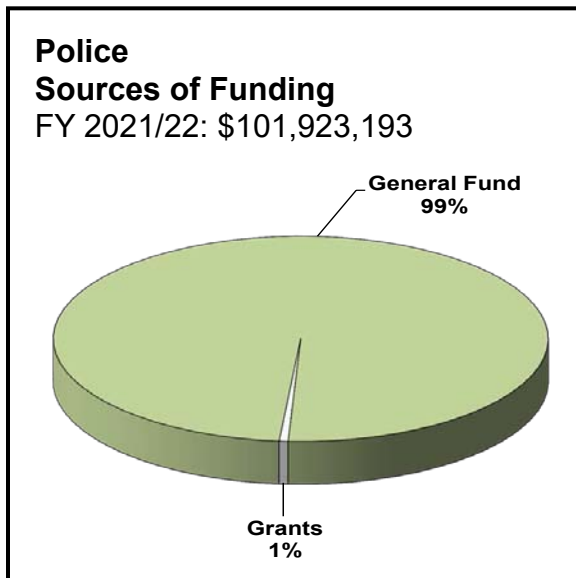
- e. Co-managed all health order compliance complaints for the City and helped set up the Fremont App for reporting purposes.
10. The Animal Shelter restarted the Trap-Neuter-Release program for feral cats to reduce euthanasia in early 2021 through partnerships with Ohlone Humane Society and Parks & Recreation. In 2020, 96% of the dogs and 93% of the adoptable cats entering the shelter had a positive outcome (adoption, return to owner, transfer to adoption partner). 52% of the dogs entering the shelter were returned to their owner. All three data points are well above national average (Shelter Animals Count).

## Objectives FY 2021/22

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 that coincides with peak injury collision rates. Continue to emphasize pedestrian safety and work 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 Personnel Unit will continue efforts to fill Police Officer and Dispatch vacancies with learned marketing strategies and focus on other critical positions within the department.



4. Train officers on POST PSP and CPT Compliance as we start a new 2-year compliance cycle and complete training objectives outlined in the department training plan.
5. Centralize all department training documentation and make it publicly available under the Transparency portal on the Police Department’s website.
6. Establish and operate a Real-Time Information Center to serve patrol and investigative operations by providing intelligence to support decision making, detect and address crime, improve situational awareness and increase officer and community safety.
7. Utilize grant funds to add another Crisis Intervention Specialist in conjunction with Human Services to the Mobile Evaluation Team (MET).
8. Roll-out two grant-funded wellness initiatives to employees and maximize participation to expand no-cost wellness education projects for employees.





## Department Budgets | Police

### Performance Measurement

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Incidence of residential burglaries*	250 <sup>1</sup> (single/multiple residences only)	Sustain present level or further reduction from previous year	290 <sup>2</sup> (single/multiple residences only)	N/A
	550 <sup>1</sup> (all burglaries)		864 <sup>2</sup> (all burglaries)	N/A
Incidence of violent crimes and property crimes*	400 <sup>1</sup> (violent crimes)	Sustain present level or further reduction from previous year	407 <sup>2</sup> (violent crimes)	Sustain present level or further reduction from previous year
	4,543 <sup>1</sup> (property crimes)		5,755 <sup>2</sup> (property crimes)	
Minimize the number of injury collisions as compared to the previous year.	587 <sup>1</sup>	Reduction from previous year	378 <sup>2</sup>	Reduction from previous year
Enrollment of all employees in a baseline medical analysis exam or wellness initiative	26%	Increase from previous year	50%	100%
Increase staffing levels to full allocations for the positions of Police Officer and Communications Dispatcher	93%	Increase from previous year	97%	100%
<p>* Figures reported by Uniform Crime Reporting (UCR) calendar year.</p> <p><sup>1</sup> Calendar Year 2019.</p> <p><sup>2</sup> Calendar Year 2020.</p>				

Police: Historical Expenditures/Budget, by Category

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Salaries & Benefits	\$ 68,863,254	\$ 76,347,224	\$ 82,307,794	\$ 83,806,927	\$ 83,461,340	\$ 87,591,213
Operating Expenditures	4,602,185	4,159,800	3,895,053	5,672,857	5,044,486	5,145,347
Capital Expenditures	976,543	566,786	1,374,216	1,678,243	1,080,906	445,765
Indirect Expense Allocation**	7,621,088	8,687,989	6,956,768	6,956,768	6,956,770	8,731,232
<b>Totals</b>	<b>\$ 82,063,070</b>	<b>\$ 89,761,799</b>	<b>\$ 94,533,831</b>	<b>\$ 98,114,795</b>	<b>\$ 96,543,502</b>	<b>\$ 101,913,557</b>
	% increase/(decrease), including all funds, from FY 2020/21 Adopted Budget					5.6%
<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 2021/22 Police budget is \$5,379,691 (or 5.6%) more than the FY 2020/21 adopted budget.
- Salary and benefits are increasing by 5% mainly due changes in the CalPERS retirement benefit costs.
- Capital expenditures are decreasing by \$635,141 (or -58.8%) mainly due removal of one-time field equipment costs.
- Indirect expense allocation is increasing by \$1,774,462 mainly due to restoring the Information Technology costs which was temporarily reduced in FY 2020/21.

# Department Budgets | Police

## Staffing by Function-FY 2021/22

<b>Police</b>			
<b>Chief's Office</b>			
Police Chief		1.00	
Executive Assistant		1.00	
<hr/>			
<b>Business Services</b>		<b>Office of Professional Standards &amp; Accountability</b>	
Business Manager	1.00	Police Sergeant	2.00
Accounting Technician	1.00		
Senior Accounting Specialist	2.00		
Senior Office Specialist	1.00		
Equipment Room Specialist	1.00	<b>Special Investigator to the Chief</b>	
Equipment Room Assistant	1.00	Police Officer	1.00
<i>Public Service Assistant 10*</i>			
<i>(Equipment Room)</i>		<b>Community Engagement/Public Information/Digital Media</b>	
		Public Affairs Manager	1.00
		Management Analyst II	1.00
		Public Affairs Specialist	2.00
		Community Service Officer	1.00
		<i>Public Service Assistant 2*</i>	
		<i>(Alarm Abatement, Comm Eng)</i>	
<hr/>			
<b>Patrol Division</b>		<b>Special Operations Division</b>	
Police Captain	1.00	Police Captain	1.00
Police Lieutenant	5.00	Police Lieutenant	2.00
Police Sergeant	24.00	Police Sergeant	6.00
Police Officer	122.00	Police Officer	32.00
Traffic Enforcement Specialist	1.00	Crime Intel & Analysis Manager	1.00
Community Service Officer	15.00	Crime and Intelligence Analyst	1.00
Parking Compliance Officer	2.00	Chief Forensic Specialist	1.00
Administrative Assistant	1.00	Forensic Specialist II	1.00
		Community Service Officer	1.00
		Senior Office Specialist	2.00
		Police Records Specialist	2.00
		Administrative Assistant	1.00
<i>Reserve Officer 6*</i>			
<i>Public Service Assistant 2*</i>			
<i>(Red Light, Court Liaison)</i>			
		<b>Professional Support Services Division</b>	
		Police Captain	1.00
		Police Lieutenant	1.00
		Public Safety Communications Manager	1.00
		Police Communications Dispatch Supervisor	7.00
		Police Communications Dispatcher	26.00
		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
		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	1.00
		<i>Special Assistant 8* (Personnel)</i>	
		<i>Public Service Assistant 11* (Animal Services)</i>	

Regular Full-Time Equivalents: 319.50

## 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 231 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 162 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 approximately 455 vehicles and 140 pieces of mobile 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.



The Department’s engineering work activity and demands are changing. There is decreased activity associated with new private development, and a decline in funding allocated to City building facility construction and renovation. However, there is a significant increase in transportation planning and project delivery work due to continued robust funding from County (Measure BB) and State (SB1) sources, and from obtaining competitive grants. It is anticipated that new funding from Federal sources may also be available soon.

To address this transition in work activity, Public Works has not added new permanent staff positions and has limited the recruitment of vacant positions. During the COVID-19 pandemic, 10 positions became vacant and were frozen, and the annual student internship program was suspended, which typically includes up to 10 temporary employees. Public Works has continued to deliver projects in a timely manner by hiring consultants and procuring of “on call” professional services from the private sector. Public Works currently manages 63 consultant contracts to support the delivery of public works projects and services.

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

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Hazardous Materials	\$ 350,996	398,671	370,360	409,227	406,909	413,284
Streets	3,520,709	3,568,393	4,135,525	4,581,668	4,510,137	4,482,102
Public Buildings	7,420,311	8,225,142	7,731,352	8,734,943	8,326,888	8,325,670
Fleet Maintenance	3,243,688	3,343,360	3,515,357	3,826,681	3,826,681	3,828,862
Engineering	15,727,027	15,316,247	15,660,140	16,114,706	16,022,709	16,353,719
Administration	1,518,742	1,907,374	1,781,231	1,926,397	1,830,137	2,191,514
<b>Total Transportation &amp; Operations</b>	<b>\$ 31,781,473</b>	<b>\$ 32,759,187</b>	<b>\$ 33,193,965</b>	<b>\$ 35,593,622</b>	<b>\$ 34,923,461</b>	<b>\$ 35,595,151</b>

\* 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 2020/21

1. Despite the **COVID-19 pandemic**, Public Works continued to provide all services at a continued high level of performance. Field staff in Fleet, Buildings, Streets, and Construction Management (53% of the Department’s personnel) delivered “essential infrastructure” services in the community and at their normal work sites, with adaptations to comply with City, County, and State health orders. Office staff providing Engineering and Administrative services were redeployed to “work from home”. New work methods using technology for communications, collaboration, public outreach and document processing enabled efficiency improvements.



2. The **Mobility Action Plan** (approved in March 2019) guides the City’s transportation agenda with a focus on addressing safety, travel alternatives, emerging technologies and traffic congestion, in collaboration with the **Mobility Commission**. The Commission has developed a work plan and working groups oriented around the topics of “mode shift”, “schools”, and “communications”. In August 2020, a new e-newsletter, “Fremont Moves”, was launched to share news about current mobility topics and opportunities for community engagement. In 2020/21, the Commission provided input to staff on various topics including: nurturing the “bike boom”, enhancing the Safe Routes to School program, the Trails Strategy Plan, Vision Zero program update, and Bay Area Seamless Transit.
3. Fremont’s Vision Zero **traffic safety** program was renewed by the City Council (planned for Council action on April 13th), following the remarkable success of decreasing major traffic crashes fatalities and severe injuries by 45% over the past five years, even as major crashes have increased nationally and statewide. The positive traffic safety outcomes and next steps for “getting to zero” were documented in a Vision Zero status report and an updated action plan. The new plan focuses on speed management, continuing to design “safe and complete streets” and getting help from regional partners to address state highway safety, safer vehicles, and safety education. Several new safety improvement projects were completed or started construction in 2020/21. New traffic signals were completed at Blacow/Gatewood and Grimmer/Seneca Park. Projects starting construction include new protected intersections at Fremont/Mowry and Fremont/Stevenson (funded by a Federal safety grant); and a corridor safety enhancement project along Niles Boulevard including a new traffic signal at Niles/Rock and pedestrian flashing beacons at Niles/Rancho Arroyo and Niles/El Portal intersections.




## Department Budgets | Public Works

4. Three new signature projects completed construction during the 2020/21 fiscal year. The **Walnut Avenue Bikeway** was finished in Summer 2020 and demonstrated best practice design standards for separated bikeways and protected intersections. The project received recognition for excellence from regional, state, and national sources. The Warm Springs **West Access Bridge and Plaza** at the Warm Springs BART Station was opened in Spring 2021. With spectacular architecture, this \$41 million project (funded with a \$30 million grant from Alameda CTC) has created the central gathering place for the South Fremont/ Innovation District community. In Summer 2021, the new \$25 million **Downtown Event Center and Plaza** will open in the heart of the growing Downtown Fremont district.



5. Based on a robust community outreach effort, planning work advanced for the **Centerville Complete Street Project** which will improve safety and streets conditions along Fremont Boulevard from Alder to Eggers. A demonstration road diet was installed to test out proposed design features including increased parking, enhanced bike lanes and “pop up patios” to support local businesses. Following further community outreach and design refinements, a \$9 million pavement rehabilitation and streetscape project is planned to start construction in early 2022.
6. One of the most cost-effective investments to **improve traffic flow** is to upgrade the operations of Fremont’s 193 traffic signals. During FY 2020/21, staff completed the upgrade of new signal controllers at 24 intersections throughout the City, as well as installation of new video detection camera systems at 9 intersections. The new detection cameras will allow for more reliable vehicle and bicycle detection than traditional pavement loops, as well as allow for more custom signal timing should there be bicycle presence at an intersection. Staff also installed Automated Traffic Signal Performance Measures at 5 intersections, which provides continuous high-resolution traffic data, traffic count collection, and traffic analytics to proactively optimize traffic signal timing based on traffic conditions. Lastly, Bluetooth travel time devices were installed at 5 intersections to generate statistical and analytical reports covering traffic speeds, travel times, and trip origin/destination information.
7. Public Works completed the design of the **Fremont Boulevard Safe and Smart Corridor Project**, which is a \$9 million signal modernization project along Fremont Boulevard (between the north and south I-880 interchanges). The project will install adaptive signal equipment, video detection cameras, traffic analytic cameras, connected vehicle communication equipment, smart transportation technology, and new fiber optic communication lines throughout the

Fremont Boulevard corridor. Project construction is scheduled to begin in Summer 2021 with completion planned in early 2022. The proposed adaptive traffic signal technology has the ability to prioritize travel by emergency response vehicles and transit buses, and automatically adjust traffic signal timing based on real time traffic conditions. The new smart transportation technology equipment will allow the various traffic signals along Fremont Boulevard to communicate to compatible vehicles or smart phone applications to increase driver awareness to the signal timing and other corridor information.

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 2020/21, more bike lanes with safety buffers were completed bringing the City-wide total mileage of buffered and separated bike lanes to 42 miles. Also completed was the restriping of the 880/Fremont and 880/Auto Mall interchanges, greatly improving the safety for commuters and residents traveling to Innovation District and Pacific Commons areas and addressing a longstanding priority for the local cycling community. Ten miles of buffered bike lanes citywide were upgraded to separated bike lanes with the addition of new green plastic bollards along segments of Paseo Padre Parkway, Stevenson Blvd, Driscoll Road, and Grimmer Blvd. In December 2020, the City Council approved a permanent closure of "middle" Morrison Canyon Road for vehicle traffic, allowing for safer use of the street for walking and bicycling. Work is ongoing on a City Trails Strategy Plan which will be concluded in Summer 2021 and 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. At the end of 2020, Public Works completed a two and a half year-long effort to implement low-cost improvements at every school across the City, with approximately 400 safety improvements were delivered in total. The City has also worked with the Alameda County Safe Routes to Schools program and Safe Moves (a local non-profit) to conduct safe route to school workshops at the various K-12 schools. The workshops have since been adapted to a remote learning format during the COVID 19 pandemic.
  10. Basic **street maintenance activities** for 2020/21 are on track to include repairs to over 1500 potholes, ongoing street sweeping, and the clearing of over 5,000 linear feet of storm lines. Graffiti is trending higher and the Public Works Street Maintenance section anticipates abating over 325 reported incidences of graffiti (equating to over 275,000 sq. ft). Sidewalk repairs continue to be a high priority and over 900 sections of uneven sidewalk are expected to be grinded and patched.
  11. Annual projects continue to be delivered to **fix aging streets and sidewalks**. For 2020/21, the City Council approved public works construction contracts for pavement rehabilitation (\$2 million), pavement sealing (\$3 million), and sidewalk repairs and ADA curb ramps (\$2 million). The overall Pavement Condition Index (PCI) for Fremont streets is rated as "good" (PCI 72) and has remained steady since 2017.



## Department Budgets | Public Works

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12. 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, building security, heating, ventilation, plumbing, electrical, and roofing systems. A new roof system was installed for the Family Resource Center buildings. Other projects which commenced in FY 2020/21 include: elevator modernizations at the Main Library and Police Center, various building security and fire alarm system upgrades, Police Station Administration Building back-up generator 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.
13. 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 455 vehicles including 282 vehicles for police and fire services. About 2,200 service activities are completed annually ranging from oil changes, tune ups, tire rotations/replacements to testing and troubleshooting advanced public safety communication systems. Additionally, eight new vehicles were procured to meet needs for vehicle replacement and service enhancement.
14. In early 2021, a **City Fleet Vehicle Electrification** plan was completed identifying an opportunity to convert approximately 225 City vehicles to fully electric vehicles including police patrol vehicles, sedans, light duty trucks, and utility vehicles. To support the vehicle electrification plan, new electric vehicle charging infrastructure with solar energy generation is planned for the Police Center, Maintenance Center, Development Center and City Hall. Public Works and Community Development staff are seeking funding for program implementation from regional, State, and Federal sources.
15. 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. Approximately 50 projects are in various stages of implementation. Major projects in the works include projects in the Downtown area (Walnut/Liberty Apartments, Fremont Bank Residences and Headquarters); Warm Springs BART Station area (Toll Brothers Metro West, Lennar Homes, Lennar Multi-Family Apartments); Fremont Innovation District (Springhill Suites, Fremont Convention Center); Pacific Commons South area (Fremont Business Technology Center, United Postal Service hub); and various other in-fill residential and mixed-use projects across the City.
16. Public and private **utility work** has been very active. Annually, Public Works reviews and issues approximately 1000 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 by the end of 2021, wireless service providers like Verizon and AT&T will have installed approximately 130 small cell units in Fremont.
17. An update to the City's **Development Impact Fee** program was prepared, as required every five years by State law. The City collects development fees to expand park, transportation and civic facilities to mitigate infrastructure demands associated with private development growth. A work session was held with the City Council in March 2021. A significant change to the program

includes a 50% reduction in fees for affordable housing projects in order to support a Council policy priority to incentivize more affordable housing production. Final action on the updated development fee program is planned for May 2021.

18. 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 completed in 2020 included the BART extension to Milpitas and San Jose (Berryessa), widening I-680 over the Sunol Grade, and new Express Lanes on I-880 from Oakland to Milpitas. 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 November 2020, the City Council adopted a position of opposition to the Capitol Corridor project (South Bay Connect) due to inadequate information about freight train changes and integration with other transit services. In coordination with Union Pacific Railroad, construction of the Niles/Nursery Quiet Zone project is expected to be complete by Spring 2021. A new set of railroad quiet zone projects are now being planned in the Centerville corridor which includes six crossing locations (Blacow, Dusterberry, Maple, Fremont, Shinn, and Clarke).
19. With funding from State and Alameda CTC grants, Public Works continued 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 2021/22

The core work objective for the Public Works Department in 2021/22 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 2021/22:

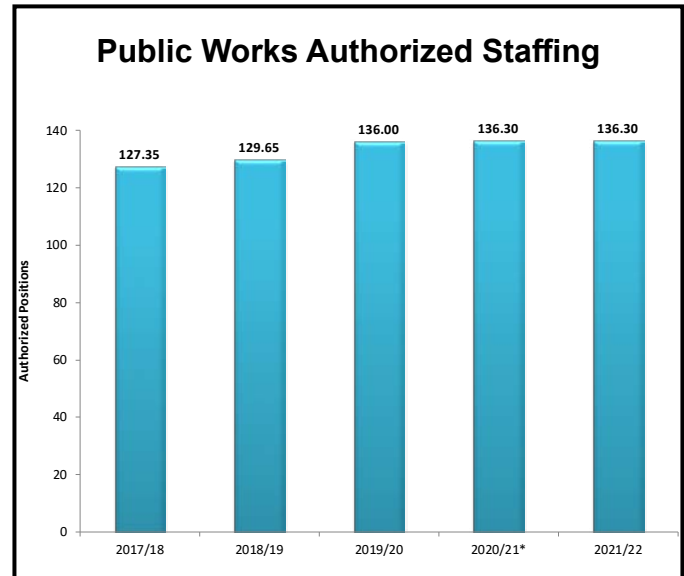
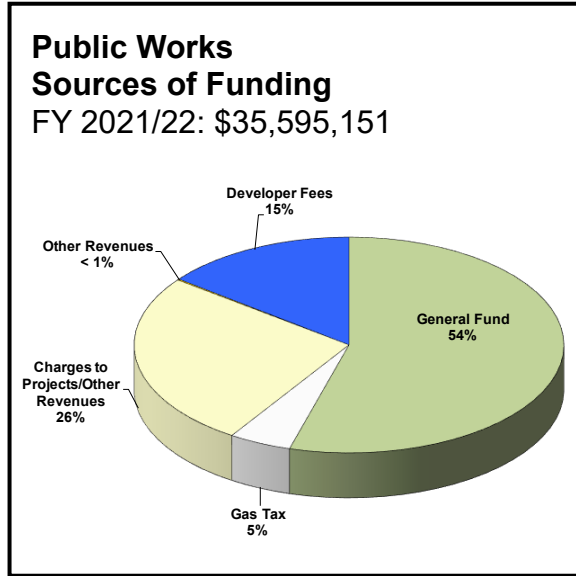
1. Work with the Mobility Commission to help implement key recommendations from the Mobility Action Plan including: encourage increased travel by carpooling, transit, bicycling, and walking; increase percentage of schools actively participating in Safe Routes to Schools program; and guide the communication and education efforts to update the community on key Public Works transportation projects.
2. Begin implementation of the new 5-year action plan update for the Vision Zero traffic safety program, including getting State legislation for safer speeds; encouraging support from regional partners related to State Highways (Caltrans), safer vehicles, and regional safety education (MTC); and continuing local actions for safer streets related to traffic signals, pedestrian crossings, intersections, complete streets, and bikeways.
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.

## Department Budgets | Public Works

4. Secure funding to make progress on transitioning City vehicle and building infrastructure to “clean energy” sources.
5. Complete construction on the following significant projects: Niles Boulevard Safe and Complete Streets, and Fremont Boulevard Intersection Safety Improvements; and start construction on the Centerville Complete Streets project.
6. Work with regional partners to identify construction funding for the Irvington BART Station, I-880/Innovation Bridge and Trail, Sabercat Trail Extension at I-680, and Decoto Complete Streets projects; and continue design work to upgrade State Route 262, enhance freeway interchanges, develop the Centerville Quiet Zone project, and implement new trails in the Dumbarton to Quarry Lakes, East Bay Greenway, and Niles Canyon corridors.

### Performance Measurement

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Percent of preventative maintenance repairs Fleet services performed on-schedule (e.g., completed within two weeks of scheduled service)	68%	75%	70%	75%
Number of “clean fuel” vehicles in City fleet	65	68	68	74
Number of persons severely or fatally injured in traffic crashes Note: Baseline condition is 37 in 2015 (8 fatalities)	27 in Calendar Year 2019 (7 fatalities)	Continuous improvement	16 in Calendar Year 2020 (4 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	88% / 96%	Continuous improvement	53% / 92%	90% / 95%



### Public Works: Historical Expenditures/Budget, by Category

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Salaries & Benefits	\$ 20,551,978	\$ 20,858,620	\$ 21,594,584	\$ 23,142,182	\$ 23,064,086	\$ 22,978,390
Operating Expenditures	8,255,317	8,861,308	8,974,547	9,812,676	9,406,604	9,635,057
Capital Expenditures	100,437	395,889	230,060	243,993	58,000	21,000
Indirect Expense Allocation**	2,873,741	2,643,370	2,394,774	2,394,771	2,394,771	2,960,704
<b>Totals</b>	<b>\$ 31,781,473</b>	<b>\$ 32,759,187</b>	<b>\$ 33,193,965</b>	<b>\$ 35,593,622</b>	<b>\$ 34,923,461</b>	<b>\$ 35,595,151</b>

% increase/(decrease), including all funds, from FY 2020/21 Adopted Budget 1.9%

\* 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

- Operating expenditures are increasing by 178,442 (or 7.6%) mainly due to contractual service increases, utility, and maintenance items.
- Capital expenditures are decreasing by \$37,000 (or -63.8%) mainly due to the removal of one-time capital expenditures.
- Indirect expense allocation is increasing by \$565,933 mainly due to restoring the Information Technology costs which was temporarily reduced in FY 2020/21.

# Department Budgets | Public Works

## Staffing by Function-FY 2021/22

<b>Public Works</b>	
<p><b>Maintenance Services</b></p> <p><b>Administration</b></p> <p>Public Works Director 0.30</p> <p>Deputy Director, 1.00</p> <p style="padding-left: 20px;">Maintenance &amp; Business Operations</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 style="text-align: center;"> </p> <p><b>Environmental Compliance</b></p> <p>Management Analyst II 1.00</p> <p style="text-align: center;"> </p> <p><b>Fleet Maintenance</b></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 style="text-align: center;"> </p> <p><b>Public Buildings</b></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 style="text-align: center;"> </p> <p><b>Street Maintenance</b></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><b>Engineering</b></p> <p><b>Administration</b></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 style="text-align: center;"> </p> <p><b>Design, Development, Transportation and Construction Engineering</b></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 &amp; 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 1.00</p> <p style="padding-left: 20px;">Project Supervisor III</p> <p>Facilities Design/Construction 2.00</p> <p style="padding-left: 20px;">Project Supervisor II</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

## 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 2021/22

#### *City Manager’s Office*

1. Pursue efforts that assist City departments and Council to reconcile the budget with the fiscal impacts of the Coronavirus 2019 disease, while still allowing for 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 2021/22 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 2021 City Council Retreat: 1. Budget, financial health, increasing the tax base; 2. Continue Fremont’s response to COVID-19; 3. Continue to innovate and find solutions to address homelessness in Fremont; and 4. Neighborhood improvement.
4. Continue to build and promote a City of Fremont citywide communications program that highlights the City’s priorities, provides vital emergency information, 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 continued infrastructure development and private investment in the Warm Springs/South Fremont area, recognizing the strategic importance of this area as an employment center for Fremont and the region.
6. Downtown Fremont: Continue to commit time and resources towards the implementation of the Downtown Community Plan to ensure that 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**

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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.

### ***City Attorney's Office***

9. 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.
10. 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.
11. The City Attorney's office will continue to provide Brown Act and Public Records Act advice and training to City boards, commissions and employees.
12. Continue to provide assistance to Council and City Departments during the Coronavirus emergency by responding to emerging issues.
13. Assist continuing support for homelessness, navigation center and additional development of affordable housing.
14. Implementation of multiple agreements and ensure compliance with all Federal Rental Assistance grant conditions for tenants and landlords as a result of COVID 19 pandemic.
15. Assist Finance on financing matters and plans to refund the 2012 and 2013 GO Bonds.
16. Assist with the negotiation of the Mission Peak lease.
17. Assist staff with the adoption of the Parks Master Plan and a credit card convenience fee for online transactions with the City.
18. Support City Council priorities and City development and transportation projects.

### ***City Clerk's Office***

19. Ensure open access to information, documents, and the legislative process that increase transparency in City government.
20. Achieve and maintain prompt responses across all City departments for routine public records requests.
21. Continue to efficiently and accurately manage the electronic preparation and distribution of agenda packets.

22. Monitor the changing postal service environment and accommodate changes as needed to the mail room during the fiscal year.
23. Continue to work with City departments to review and update each department's Records Retention Schedule, to ensure the schedules are current.

### ***Finance Department***

24. Continue to emphasize and encourage public use of the City's online business tax offerings. Online business tax account registration and renewal are easier and safer for businesses, and allow more efficient use of staff time.
25. Implement new Tyler Cashiering system and enhance its integration with existing Tyler Munis Financial Management System, Accela permit, and HdL business tax systems. Deploy Tyler Citizen Self Service, which will enable customers to pay Accounts Receivable invoices online.

### ***Human Resources***

26. Develop rules and policies to facilitate COVID-19 related service delivery recovery and process improvements for City of Fremont staff
27. Negotiate successor MOU's with the City of Fremont's nine bargaining units.
28. Complete revisions of City's Personnel Rules, in partnership with City's nine bargaining units.

### ***Information Technology Services***

29. City Fiber Master Plan. City Council, City Management, and ITS realize 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. Magellan Inc. was chosen as the vendor via an RFP process to assist the City with planning the future fiber infrastructure for the City.
30. City Website Replacement. In partnership with the City Manager's Office, ITS will implement a stunning, contemporary website using Granicus' government CMS (content management system). The new website will take advantage of advanced design and features, 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.



## Department Budgets | Administrative Departments

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31. Computer Aided Dispatch (CAD) and Records Management System (RMS). In partnership with the City of Fremont Police Department and the City of Union City Police Department, ITS will commence the first phase of implementing a new, intelligence driven, fully integrated CAD and RMS software system to replace the City's aged CAD and RMS software. The new system will be Criminal Justice Information Services (CJIS) compliant and contain the following submodules: Automated Reporting System (ARS), Jail/Corrections Management System (J/CMS), Property Module, Crime Analysis Module, and Mobile Data Computer (MDC). In addition, the new system will leverage the City's investment in Microsoft's premier infrastructure (SSRS reporting, SQL Servers, Power BI Platform).
32. Cybersecurity Platform. To improve the City's security posture, ITS will deploy tools to automate the notification of potential threats to the City's enterprise application and critical infrastructure environments. This will consist of the following: (1) Deploy a Security Information and Event Management (SIEM) system to provide a holistic view of what is happening on the network in real-time and help the ITS team to be more proactive in the fight against security threats, (2) Deploy a more robust endpoint detection and response (EDR) tool and technology to protect computer hardware devices from potential threats, and (3) Focus on a Compliance, Risk, and Security Vulnerability management platform. This platform will be used to identify weaknesses that need correction, as well as measure cybersecurity compliance and regulatory needs for areas such as HIPAA, PCI DSS, CJIS misconfigurations, and policy non-compliance vulnerabilities (which patching, and maintenance alone will not address). The new vulnerability management platform will assist the ITS security team by prioritizing risk and concentrating on the areas that could cause the most damage to the City operations and services.
33. Mapping Applications for Small Cell Equipment. GIS has developed a City Staff and Public online mapping applications for locating Small Cell Equipment installed on public streetlights. 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 planned to unveil the online mapping applications beginning January 1, 2021, but the date is pushed back to July 1, 2021 due to the COVID pandemic.
34. Telephone System Replacement. Address the City's aging telephone system by replacing/upgrading the system with a state-of-the art modern voice-over- IP (VoIP) telephone system. The new telephone system will be a total unified communications platform that will provide a reliable, stable, and robust set of features which will easily integrate into existing City applications including Microsoft O365 and the Fremont CRM.
35. Work Order Management System. In partnership with Public Works and Community Services, ITS 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 residents.

## 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.*

### 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.

# Department Budgets | City Manager

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

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
City Manager's Office	\$ 3,059,891	\$ 3,042,055	\$ 3,156,386	\$ 3,619,591	\$ 3,502,710	\$ 3,125,834
Communications and Marketing	276,970	294,504	444,595	182,144	128,300	683,164
Homeless Services	31,822	-	-	-	-	-
<b>Total City Manager's Office</b>	<b>\$ 3,368,683</b>	<b>\$ 3,336,559</b>	<b>\$ 3,600,981</b>	<b>\$ 3,801,735</b>	<b>\$ 3,631,010</b>	<b>\$ 3,808,998</b>

\* 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 2020/21

**1. Coronavirus 2019 Disease Response:** The City began taking a proactive and comprehensive approach to response and recovery in March 2020 and continued actions through Fiscal Year 2020/21. Under the leadership of City Manager, the City Manager’s Office took the following actions to continue to best protect the Fremont community and to support City employees and departments:

**a. Budget**

- i. Presented a balanced FY 20/21 Budget to the City Council, which included multiple budget balancing measures to reduce expenditures in the face of the financial crisis presented by the pandemic.

**b. EOC, Testing, and Vaccination**

- i. Since March 2020, the Emergency Operations Center (EOC) has met at least weekly. Staff assigned to the EOC monitor State and County requirements, and coordinate support for the Fremont community.
- ii. Fremont was the first jurisdiction in the Bay Area to issue an Executive Order requiring the use of facemasks in public.
- iii. From April 2020 to May 2020, the City opened a free COVID-19 testing site. The testing center served 3,195 people and found 171 positive cases. After May 3rd, the City transitioned to mobile testing focused on high-risk and vulnerable populations. Testing was backed by a \$2 million investment from the City. The City has received a partial reimbursement of \$625,000 from the County.
- iv. The City is partnering with Bay Area Community Health (BACH) and Asian Health Services to provide additional testing capacity in the City.
- v. Staff are coordinating with local healthcare providers, including Kaiser Hospital, to prepare for more widespread vaccination of members of the public.



- vi. Staff established an internal cross departmental Vaccination Logistics Team to manage the vaccination of City staff. This will include coordinating with Alameda County and advocating for as many staff members to be vaccinated as quickly as possible, educating the workforce on the safety and importance of vaccination, and monitoring the progress of inoculating our staff. Several public safety and crisis intervention staff members have already begun the vaccination process.

**c. Flexibility and Innovation**

- i. City staff worked with an industrial hygienist to develop safe operating and reopening plans for City facilities.
- ii. Staff across City Departments developed innovative and flexible ways to provide services, often virtually, or ensuring proper Covid safety protocols, if in-person.
- iii. A partnership was established with local autonomous vehicle company, Pony.ai, to provide contact-free delivery of meals prepared at the Senior Center to residents at the Islander Motel.
- iv. The Fremont App was launched during Shelter in Place and then later updated to allow community members to report health order violations. Code Enforcement, Park Rangers and members of the Police Department monitor, prioritize and respond to complaints as appropriate.

**d. Business and Community Support**

- i. The City Council approved an executive order to implement an Emergency Zoning Administrator Permit to better support businesses transitioning operations to combat COVID-19, through the manufacturing of test kits, face masks, and ventilators, including Evolve Manufacturing Technologies, Inc., BioGenex, Biolytic, PrinterPrezz, Steri-Tek, and Thermo Fisher Scientific.
- ii. Development of an interactive map of restaurants and local merchants open for business.
- iii. City Council approved Executive Orders implementing eviction moratoriums for both residential and small-scale commercial tenants and approved anti-gouging, and anti-hording and social distancing ordinances.
- iv. Issuance of an executive order that established a temporary limit of 15% on fees charged to restaurants by third-party food delivery companies to support restaurants.
- v. The Fremont Small Business Grant Program provided grants to 130 small business through the use of CARES Act funding. In addition, the City's contribution to Alameda County's Grant Program resulted in grant funding for an additional 140 small businesses.
- vi. The Fremont Cares Rent Relief Program provided rental assistance to households with a COVID 19-related loss of income. 95 families received rental assistance, with an average subsidy of \$4,210.53. A second round of funding has been approved by City Council and will be distributed in early 2021.

## Department Budgets | City Manager

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- vii. Staff installed hygiene infrastructure throughout Fremont for unhoused populations and provided thousands of meals to community members in need.
  - viii. The Fremont Senior Center is offering online services and programming and providing curbside to-go meals.
2. **Engage Fremont:** Amid the global pandemic this summer, cities in the United States, including Fremont, experienced civil protests and unrest in response to the unjust killing of George Floyd by the Minneapolis Police Department. The Fremont Police Department acknowledged the anger and grief surrounding Mr. Floyd’s tragic death and began an open community dialogue with the goal of establishing a shared vision of public safety that serves everyone equitably. The City held a virtual Town Hall Meeting on the topic on June 10th with more than 800 community members listening in. The City Manager’s Office affirmed commitment to continuing the dialogue over the summer through the Engage Fremont community engagement initiative. Fremont community members participated in a series of activities to identify community priorities for policing and race in Fremont. Through a survey with over 500 responses and six facilitated virtual community dialogue sessions with over 150 participants, a third-party facilitator developed 10 recommendations from the community. In follow up surveys, 76% of attendees agreed or strongly agreed that the sessions were valuable experiences. Community members provided feedback on the recommendations and asked additional questions at a virtual Town Hall Briefing on August 11th, just two months after the first Town Hall meeting. Recordings of all the meetings and a report that was presented to City Council.



3. **Communications and Community Engagement:** As the City of Fremont continues to grow and navigate through the wide spectrum of current events, the demand for transparent, prompt communication is at an all-time high. Recognizing this need, and in response to the Council’s direction, the City Manager’s Office has expanded Fremont’s communications efforts considerably over the last year. Highlights include:
- a. Authorizing the creation of a Chief Communications Officer position and appointment of an Interim Chief Communications Officer (permanent position dependent on improved budget conditions and removal of hiring freeze).
  - b. Development of a citywide communications team, with representatives from most City departments participating.
  - c. Implemented a weekly Council Update, to provide timely information regarding a wide range of City activities for Council members to share with their constituents.
  - d. Creation of a new city newsletter, ‘The Fremont Connection’, providing a subscriber-based tool for sharing news updates to the community on a weekly basis.
  - e. Broadened partnership with partnership with the Hoffman Agency, as well as with other third-party support services to provide extra assistance, resources and expertise on high-level City-wide and strategic business initiatives as well as City priorities.

**4. Other Accomplishments**

- a. Hosted a City Council retreat in January 2021 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.
- b. Enhanced City’s legislative affairs efforts through increased coordination with City lobbyists and more frequent interaction with state and federal delegations.
- c. The Housing Navigation Center (HNC) opened its doors in August 2020. The HNC program was originally planned for 40 residents, but due to COVID-19, occupancy was reduced to 25 residents. Within the first four months of operations, working with designated care provider Bay Area Community Services (BACS), all residents reported an increased income. 12 of the 25 residents transitioned into stable housing options and upon their move out, vacant beds have been filled.
- d. 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, continued construction through the pandemic. It will provide a public realm designed to include a gathering place for governmental and community activities.



- e. 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.



### Objectives FY 2021/22

1. Pursue efforts that assist City departments and Council to reconcile the budget with the fiscal impacts of the Coronavirus 2019 disease, while still allowing for 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 2021/22 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 2021 City Council Retreat: 1. Budget, financial health, increasing the tax base; 2. Continue Fremont's response to COVID-19; 3. Continue to innovate and find solutions to address homelessness in Fremont; and 4. Neighborhood improvement.
4. Continue to build and promote a City of Fremont citywide communications program that highlights the City's priorities, provides vital emergency information, 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 continued infrastructure development and private investment in the Warm Springs/South Fremont area, recognizing the strategic importance of this area as an employment center for Fremont and the region.
6. Downtown Fremont: Continue to commit time and resources towards the implementation of the Downtown Community Plan to ensure that 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.

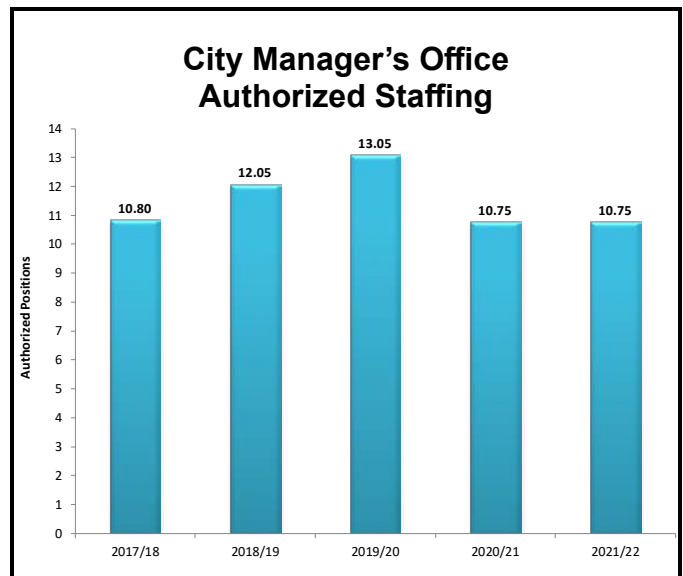
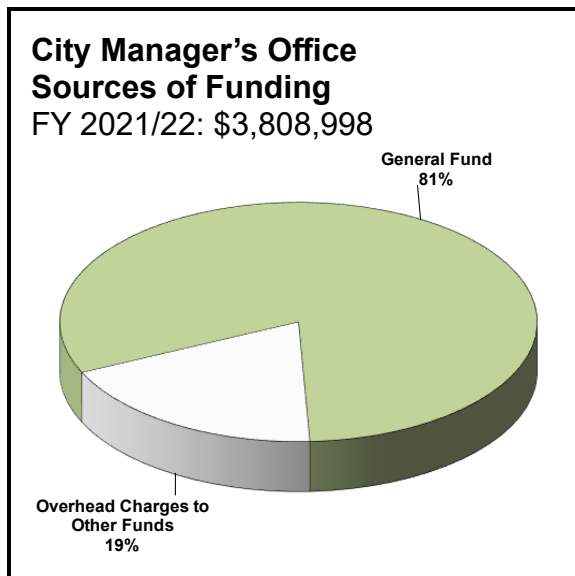
Performance Measurement

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Percent of residents that agree that Fremont is a “good” or “excellent” place to live <sup>1</sup>	N/A	77%	N/A	N/A
Percent of employees that feel “prepared” and “trained” to do their jobs <sup>2</sup>	N/A	87%	N/A	N/A
Number of social media accounts <sup>3</sup> maintained by the City	33	34	34	35
Number of likes, followers and subscribers of the social media accounts	222,500	189,977	247,141	282,000

<sup>1</sup> The community survey is a biennial survey. Due the onset of the COVID-19 pandemic, the survey did not occur FY 2020/21. The next one is anticipated to take place in within the next two years.

<sup>2</sup> The employee survey is a biennial survey. Due the onset of the COVID-19 pandemic, the survey did not occur FY 2020/21. The next one is anticipated to take place in within the next two years.

<sup>3</sup> 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

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Salaries & Benefits	\$ 2,464,612	\$ 2,440,665	\$ 2,811,028	\$ 2,841,816	\$ 2,797,237	\$ 2,850,136
Operating Expenditures	726,808	62,985	621,995	790,260	664,115	725,859
Capital Expenditures	19,134	639,706	1,300	3,000	3,000	3,000
Indirect Expense Allocation**	158,129	193,203	166,658	166,659	166,658	230,003
<b>Totals</b>	<b>\$ 3,368,683</b>	<b>\$ 3,336,559</b>	<b>\$ 3,600,981</b>	<b>\$ 3,801,735</b>	<b>\$ 3,631,010</b>	<b>\$ 3,808,998</b>
% increase/(decrease), including all funds, from FY 2020/21 Adopted Budget						4.9%

\* 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

- Operating expenditures are increasing by 61,744 (or 9.3%) mainly due to contractual service increase.
- Indirect expense allocation is increasing by \$63,345 mainly due to restoring the Information Technology costs which was temporarily reduced in FY 2020/21.

## Staffing by Function-FY 2021/22

<b>City Manager's Office</b>	
City Manager	1.00
Assistant City Manager	2.25
Management Analyst II	2.00
Executive Assistant to the City Manager	1.00
Management Analyst I	1.00
Executive Assistant	1.00
<b>Communications Office</b>	
Communications & Legislative Affairs Director	1.00
Communications Manager	1.00
Management Analyst II	0.50

Regular Full-Time Equivalents: 10.75

## 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

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
City Attorney	\$ 1,643,642	\$ 2,489,268	\$ 2,152,191	\$ 2,285,267	\$ 2,334,061	\$ 2,509,736
Risk Management	6,457,461	5,585,581	7,708,592	8,138,435	7,915,375	8,743,918
<b>Total City Attorney's Office</b>	<b>\$ 8,101,103</b>	<b>\$ 8,074,849</b>	<b>\$ 9,860,783</b>	<b>\$ 10,423,702</b>	<b>\$ 10,249,436</b>	<b>\$ 11,253,654</b>

\* 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 2020/21

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 implement 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. Provided Brown Act, Public Records Act and conflicts training and advice to elected and appointed City officials and staff.
9. Assisted staff, as needed, with the preparation and adoption of rules and procedures for commissions and boards.
10. Assisted staff code enforcement efforts by obtaining inspection warrants, and facilitated the court appointment of a receiver for substandard houses.
11. Provided support with Coronavirus Emergency response by providing resolutions/urgency ordinances/proclamations declaring a COVID-19 emergency, protecting tenants from eviction, and prohibiting price gouging. Provided advice on various emergency matters, emergency procurement and contracts; FEMA reimbursement; development of HR emergency policies; ITS emergency contracting through DocuSign and employee protocols.

12. Continued to provide advice and assistance to staff to negotiate and sustain long term solid waste and recycling service agreements for collection, processing and disposal.
13. Provided advice and reviewed grants and contract documents in support of transportation projects including Caltrans agreements; the new Warm Springs/South Fremont BART station and the planned Irvington BART project; traffic signalization projects to support Public Works to lessen congestion; Centerville rail service; and new bike and pedestrian trail extension projects.
14. Supported the City's Development Impact Fee projects by assisting with drafting annual and five-year reports and findings resolution, and work with staff and consultants to complete nexus technical reports and a comprehensive update of the City's impact fee ordinance and resolutions.
15. Defended the City in appeals for the revocation of massage establishment permits due to illegal activity.
16. Assisted with drafting contracts for major projects including installation of small cells on City light poles and DocuSign and policies for departments including police and code enforcement.
17. Provided support to City during the civil unrest local emergency.
18. Provided assistance with staff regarding retention of Human Resource consultants, institution of new retirement health savings account, drafted union side letters, and responded to employee inquiries, FEHA and EEOC claims.
19. Assisted City Clerk's office and City departments to respond to Public Records Requests, Subpoenas for personal appearance, and production of records.

## **Objectives FY 2021/22**

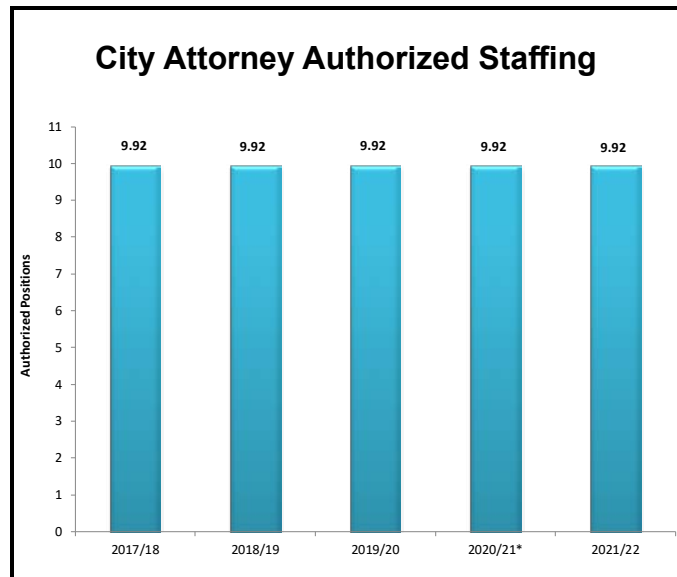
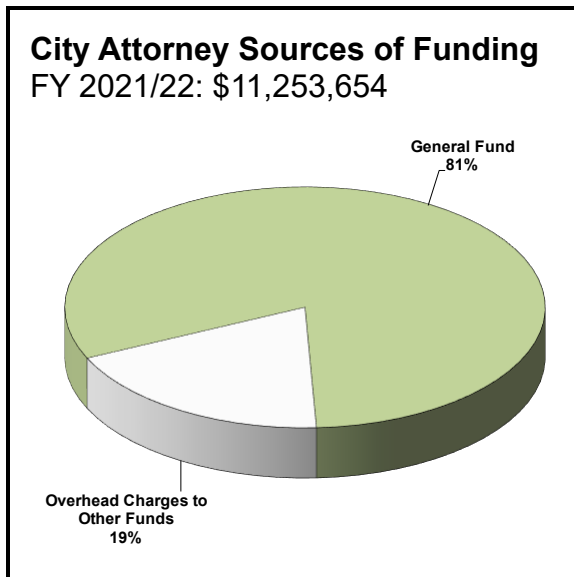
1. Assist staff with updating and amending standard contract forms and City ordinances to comply with state law, such as the Peddlers Permit Ordinance and updates to the Municipal Code for Parks and Recreation Areas.
2. Work with staff and consultants in analyzing and updating the City's Development Impact Fees and assist staff with the adoption of the new ordinance updating the impact fees.
3. The City Attorney's 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.
6. Implementation of multiple agreements and ensure compliance with all Federal Rental Assistance grant conditions for tenants and landlords as a result of COVID 19 pandemic.
7. Assist Finance on financing matters and plans to refund the 2012 and 2013 GO Bonds.

## Department Budgets | City Attorney

8. Assist with the negotiation of the Mission Peak lease.
9. Assist staff with the adoption of the Parks Master Plan and a credit card convenience fee for online transactions with the City.
10. Support City Council priorities and City development and transportation projects.

### Performance Measurement

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2021/22 Estimate	FY 2021/22 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%	100%	100%	100%
Percent of all serious work-related injuries reported to Cal OSHA within 8 hours of being informed of injury	100%	100%	100%	100%



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

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Salaries & Benefits	\$ 2,453,653	2,954,888	3,009,871	3,209,178	\$ 3,257,576	3,262,100
Operating Expenditures	5,557,253	4,991,195	6,673,855	7,088,016	6,864,956	7,812,219
Capital Expenditures	-	-	50,549	-	-	-
Indirect Expense Allocation**	90,197	128,766	126,508	126,508	126,904	179,335
<b>Totals</b>	<b>\$ 8,101,103</b>	<b>\$ 8,074,849</b>	<b>\$ 9,860,783</b>	<b>\$ 10,423,702</b>	<b>\$ 10,249,436</b>	<b>\$ 11,253,654</b>
% increase/(decrease), including all funds, from FY 2020/21 Adopted Budget						9.8%
<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

- Operating expenditures are increasing by 13.8% mainly due to contractual service increases and higher insurance premium costs in Risk Management.
- Indirect expense allocation is increasing by \$52,431 mainly due to restoring the Information Technology costs which was temporarily reduced in FY 2020/21.

## Department Budgets | City Attorney

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### Staffing by Function-FY 2021/22

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
<b>Risk Management</b>	
City Attorney	0.06*
Risk Manager	1.00
Safety Coordinator	1.00
Risk Management Technician	1.00

*\* 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,*

*Regular Full-Time Equivalents: 9.92*

## 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**

*Administers the City’s municipal elections and related activities for candidates so that they may be guaranteed fair and impartial elections in compliance with State and Municipal requirements.*

#### **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 is an internal service department that supports all City departments. The City Clerk oversees the preparation of the City Council agenda, documents and maintains the official record of all City Council proceedings, maintains a computerized legislative history, and is responsible for safeguarding official records. 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 and also 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. To streamline service delivery and staff efficiency, the City Clerk’s Office implemented a fully automated (paperless) electronic web-based agenda automation software system.



### Accomplishment Highlights FY 2020/21

1. Led the City's efforts to ensure City Council and Board & Commission meetings were administered virtually, with proper Brown Act protocols followed, in order to maintain transparency, community participation and safety during the onset of the Coronavirus 2019 Disease public health crisis.
2. Continued delivery of City Clerk services throughout the COVID-19 pandemic.
3. Implemented a new online tool for submittal of Campaign Finance Disclosure Statements and Statements of Economic Interests (Form 700).
4. Administered the 2020 November Election through the COVID-19 pandemic safety protocols and record voter turnout.
5. Assisted with the swearing in and transition of the newly elected Councilmember(s).
6. Managed the Boards and Commissions Vacancy Process and assisted with the transition of boards and commissions members.
7. Launched a Ceremonial Document Request webpage to allow for customers to easily to request and fill out the form online. <http://www.fremont.gov/recognition>
8. Assisted City departments with review and completed the update of department's Records Retention Schedules to ensure the schedules are current.

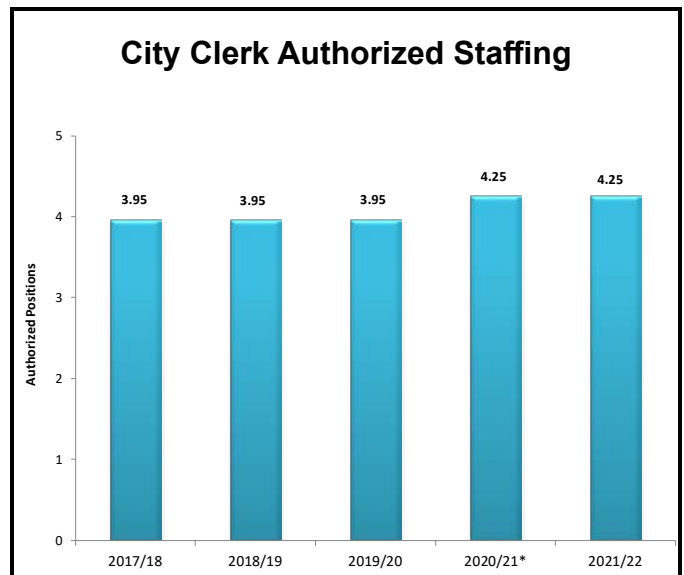
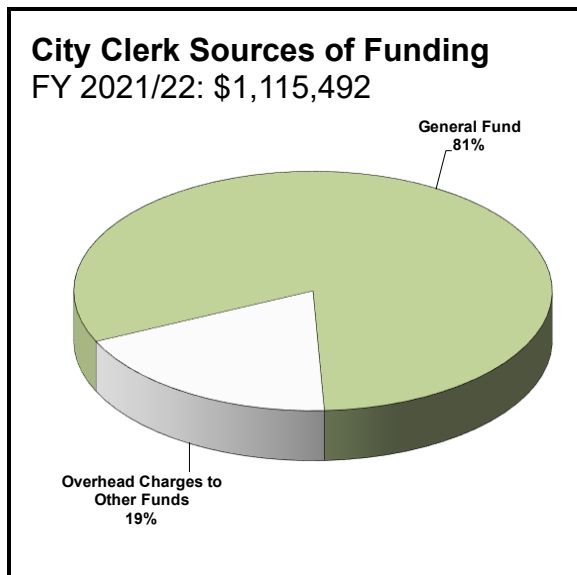


### Objectives FY 2021/22

1. Ensure open access to information, documents, and the legislative process that increase transparency in City government.
2. Achieve and maintain prompt responses across all City departments for routine public records requests.
3. Continue to efficiently and accurately manage the electronic preparation and distribution of agenda packets.
4. Monitor the changing postal service environment and accommodate changes as needed to the mail room during the fiscal year.
5. Continue to work with City departments to review and update each department's Records Retention Schedule, to ensure the schedules are current.

Performance Measurement

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Percent of time the Agenda packet is posted and distributed no later than 4 days prior to each City Council meeting	59%	90%	56%	90%
Number of complaints received regarding Public Records Requests (PRR)	7	0	2	0



# Department Budgets | City Clerk

## City Clerk: Historical Expenditures/Budget, by Category

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Salaries & Benefits	\$ 763,227	\$ 832,000	\$ 701,727	\$ 775,723	\$ 775,723	\$ 806,771
Operating Expenditures	233,657	178,182	223,114	245,455	237,380	235,380
Capital Expenditures	-	-	2,000	6,000	6,000	6,000
Indirect Expense Allocation**	45,493	51,872	48,404	48,404	48,404	67,341
<b>Totals</b>	<b>\$ 1,042,377</b>	<b>\$ 1,062,054</b>	<b>\$ 975,244</b>	<b>\$ 1,075,582</b>	<b>\$ 1,067,507</b>	<b>\$ 1,115,492</b>

% increase/(decrease), including all funds, from FY 2020/21 Adopted Budget 4.5%

\* 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 increasing by \$18,937 mainly due to restoring the Information Technology costs which was temporarily reduced in FY 2020/21.

## Staffing by Function-FY 2021/22

<b>City Clerk</b>	
Assistant City Manager	0.25 *
City Clerk	1.00
Assistant City Clerk	1.00
Office Specialist II	1.00
Office Specialist I	1.00

\* The balance of this position is budgeted in the City Manager's Office and Economic Development.

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**

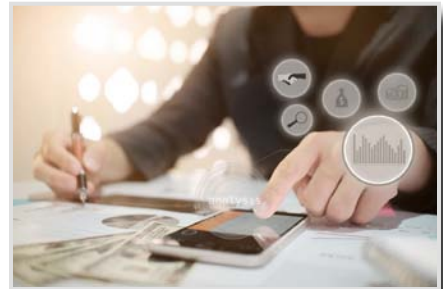
*Collect, process and audit all locally-controlled revenues. Complete citywide invoicing and accounts receivable processing.*

#### **Treasury**

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

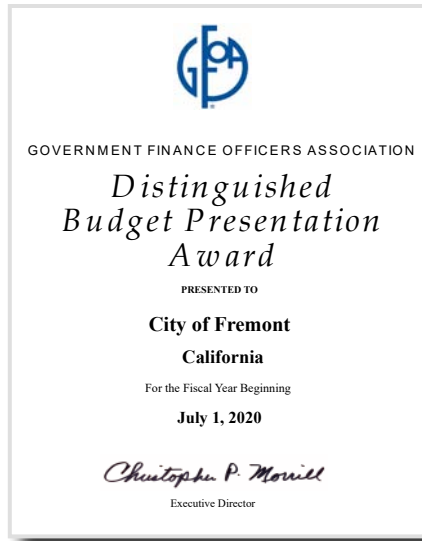
### Department Overview

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 2020/21

1. Received awards for Excellence in Financial Reporting for the 36th consecutive year and Distinguished Budget Presentation for the 24th consecutive year from the Government Finance Officers Association of the United States and Canada (GFOA).



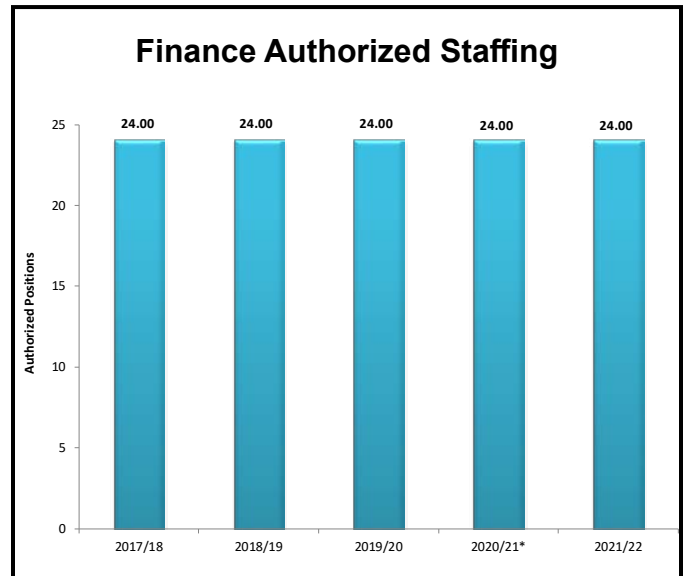
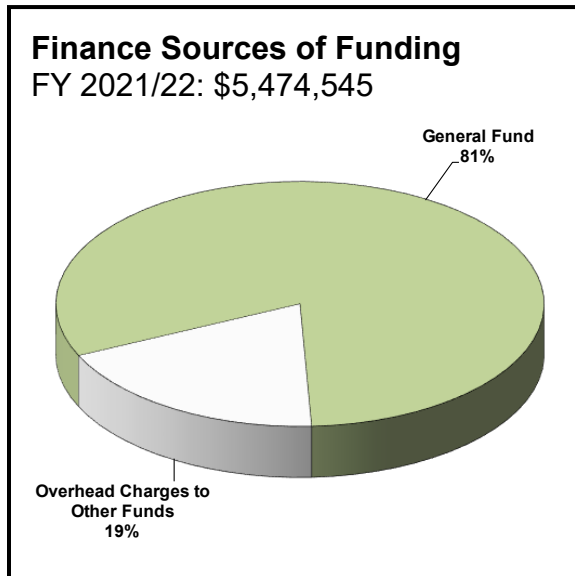
2. Led Rent Review Program fee administration, performing in-house administration at an annual savings of over \$100,000, and achieving 100% fee collection rate from landlords.
3. Continued to promote online business tax services by operationally emphasizing online correspondence and self-service capabilities.
4. Received California Municipal Revenue and Tax Association (CMRTA) Lighthouse Award for Excellence, for technological innovation of the City's online business tax system.
5. Implemented teleworking policy to continue to provide essential services during the COVID-19 pandemic.

### Objectives FY 2021/22

1. Continue to emphasize and encourage public use of the City's online business tax offerings. Online business tax account registration and renewal are easier and safer for businesses, and allow more efficient use of staff time.
2. Implement new Tyler Cashiering system and enhance its integration with existing Tyler Munis Financial Management System, Accela permit, and HdL business tax systems. Deploy Tyler Citizen Self Service, which will enable customers to pay Accounts Receivable invoices online.

Performance Measurement

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Number of bids/RFPs issued	75	80	81	85
Percent of Business Tax certificates issued online	40%	45%	47%	50%



Finance: Historical Expenditures/Budget, by Category

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Salaries & Benefits	\$ 3,958,596	\$ 4,408,753	\$ 4,334,122	\$ 4,679,120	\$ 4,597,747	\$ 4,633,879
Operating Expenditures	654,512	436,967	374,219	487,965	480,765	458,125
Capital Expenditures	9,537	4,685	553	1,500	1,500	1,500
Indirect Expense Allocation**	312,258	312,939	290,004	290,012	290,012	381,041
<b>Totals</b>	<b>\$ 4,934,903</b>	<b>\$ 5,163,344</b>	<b>\$ 4,998,898</b>	<b>\$ 5,458,597</b>	<b>\$ 5,370,024</b>	<b>\$ 5,474,545</b>

% increase/(decrease), including all funds, from FY 2020/21 Adopted Budget 1.9%

\* 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.

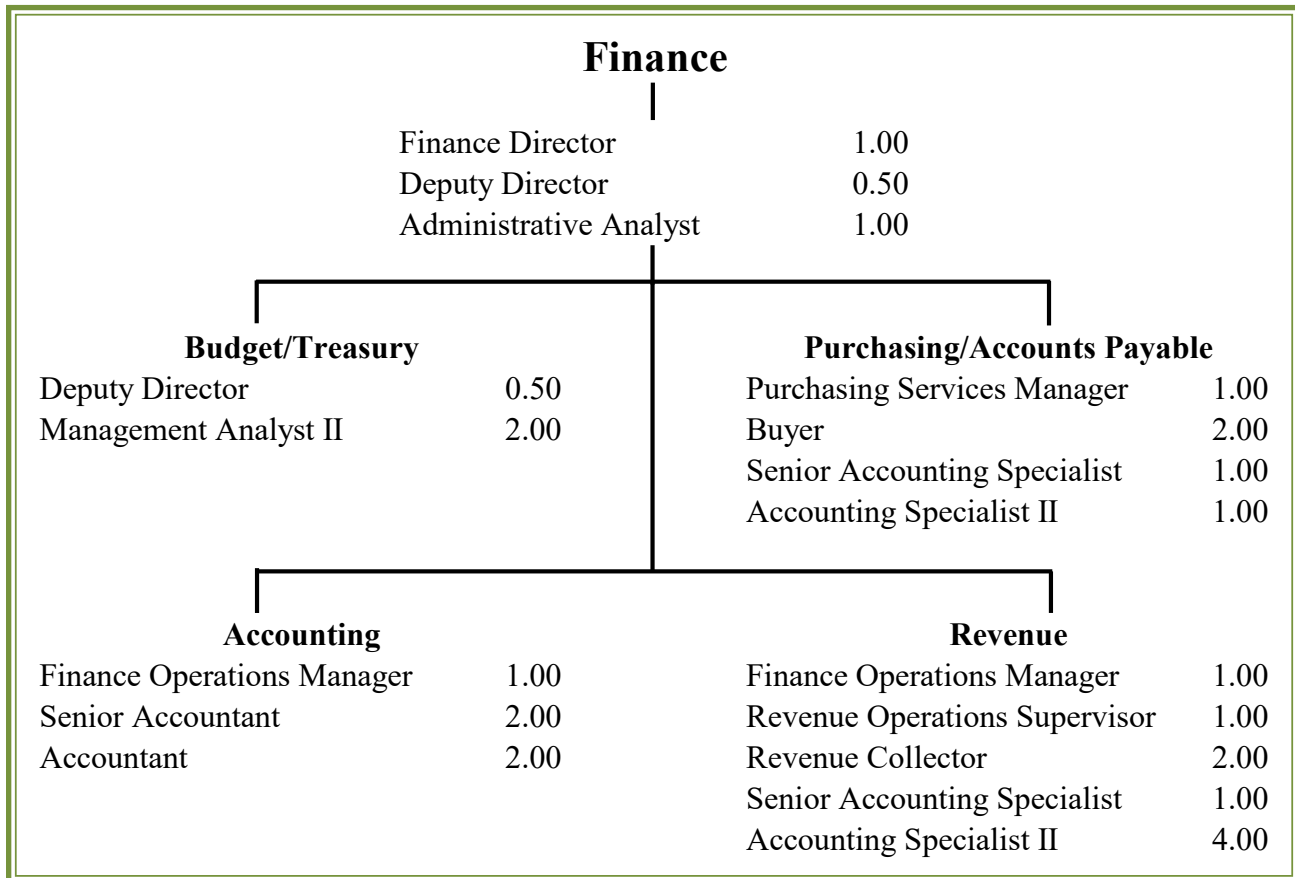
\*\* Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.

## Department Budgets | Finance

### Major Changes

- Indirect expense allocation is increasing by \$91,029 mainly due to restoring the Information Technology costs which were temporarily reduced in FY 2020/21.

### Staffing by Function-FY 2021/22



*Regular Full-Time Equivalents: 24.00*

## Human Resources

### Mission:

To partner with City departments to build and support an innovative, diverse, and high performing workforce by providing excellent customer service to employees of the City of Fremont.

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### Major Services

**Employee and Labor Relations**

*Maintain effective working relationships between 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 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.

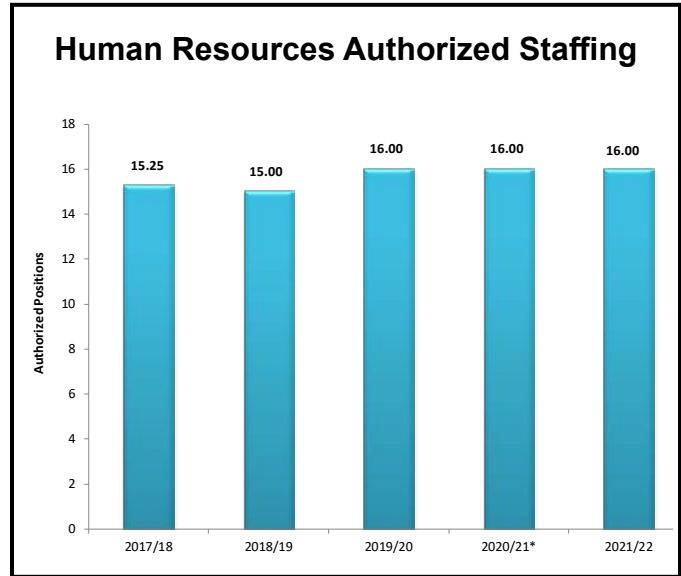
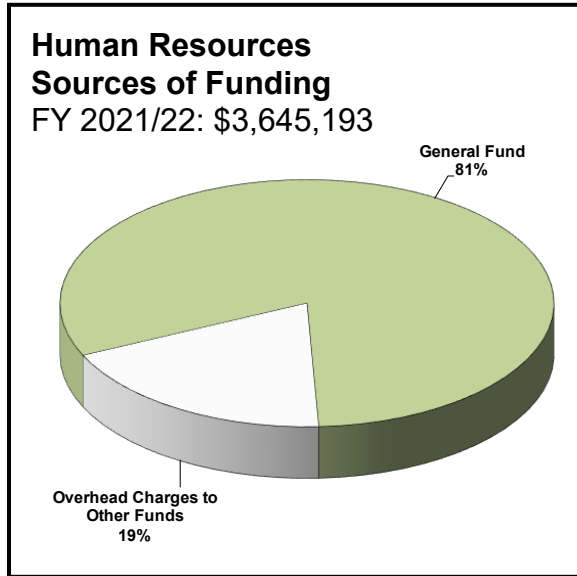


### Accomplishment Highlights FY 2020/21

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. Partnered with Police Department to achieve zero Police Officer vacancies.
3. Implemented an Emergency Telework Policy in response to the COVID-19 pandemic.
4. Implemented 1-year Memorandum of Understanding extensions with all nine City of Fremont bargaining units.
5. Completed PeopleSoft system upgrade.
6. Established an employee-funded Retiree Health Savings Plan.
7. Established a deferred compensation committee to provide fiduciary oversight and administration of the City's 457(b) Deferred Compensation Plans and the 401(a) Money Purchase Retirement Plans and assets held in each Plan's trust.

### Objectives FY 2021/22

1. Develop rules and policies to facilitate COVID-19 related service delivery recovery and process improvements for City of Fremont staff.
2. Negotiate successor MOU's with the City of Fremont's nine bargaining units.
3. Complete revisions of City's Personnel Rules, in partnership with City's nine bargaining units.



### Performance Measurement

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
% of employees participating in a 457(b) deferred compensation plan for retirement savings	75%	80%	73%	80%
% of employees who have received a formal evaluation in the last 12 months	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Average days between prospective police officer application and issuance of offer letter (police officer <sup>2</sup> )	136	130	TBD	125
Average days between application and issuance of offer letter (all non-sworn police positions)	222 <sup>3</sup>	120	TBD	183

<sup>1</sup> Measure every other year by employee survey. The Citywide employee survey has been postponed in FY 2020/21 and FY 2021/22 and plan to conduct a Citywide employee survey in FY 2022/23.

<sup>2</sup> 20 Police Officers were hired in FY 2019/20.

<sup>3</sup> The average number of days to fill a position in FY 2019/20 increased by 71 days from FY 2018/19 due to various factors and/or delays that were outside the control of Human Resources. The average number of days to fill a non-sworn police position in FY 2018/19 was 151 days.

# Department Budgets | Human Resources

## Human Resources: Historical Expenditures/Budget, by Category

	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Salaries & Benefits	\$ 2,504,620	\$ 2,885,953	\$ 3,095,956	\$ 3,123,623	\$ 3,095,413	\$ 3,096,183
Operating Expenditures	313,706	223,244	265,038	319,880	319,880	320,380
Capital Expenditures	-	3,143	-	-	-	-
Indirect Expense Allocation**	151,093	167,065	174,142	174,142	174,142	228,630
<b>Totals</b>	<b>\$ 2,969,419</b>	<b>\$ 3,279,405</b>	<b>\$ 3,535,135</b>	<b>\$ 3,617,645</b>	<b>\$ 3,589,435</b>	<b>\$ 3,645,193</b>
% increase/(decrease), including all funds, from FY 2019/20 Adopted Budget						1.6%

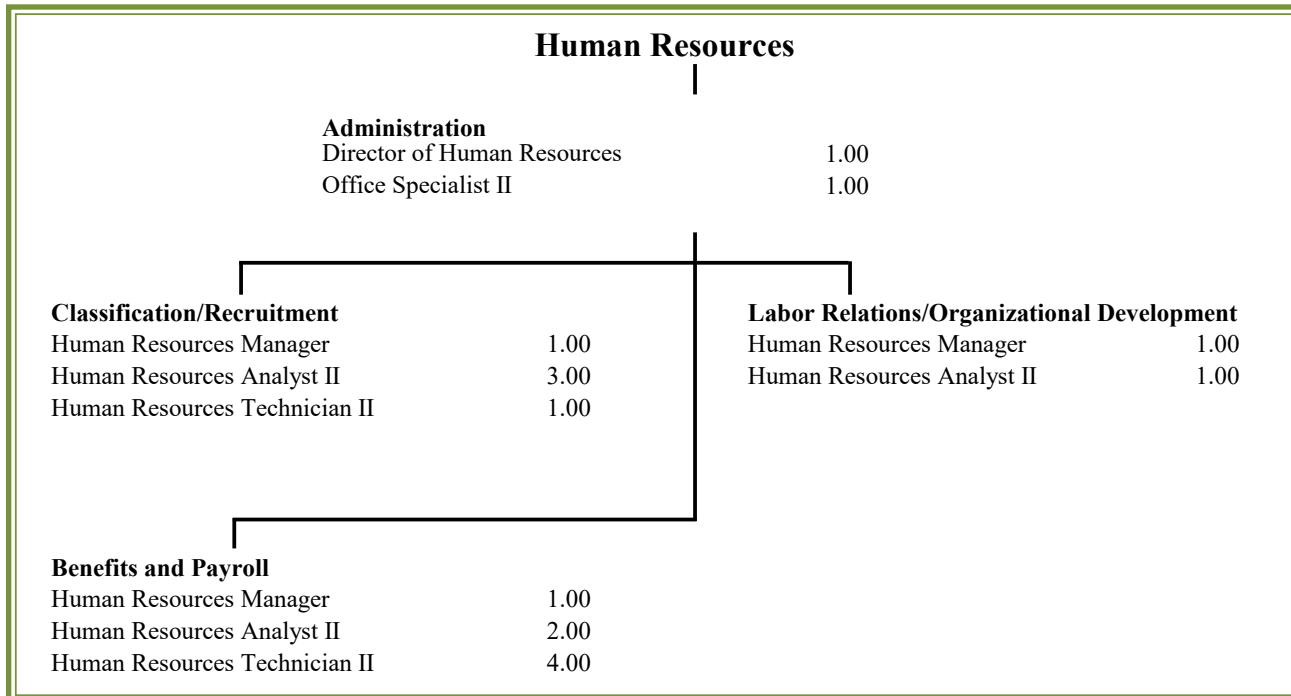
\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

\*\* 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.

## Major Changes

- Indirect expense allocation is increasing by \$54,488 mainly due to restoring the Information Technology costs which was temporarily reduced in FY 2020/21.

## Staffing by Function-FY 2021/22



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 organizations employees and the public by continuous improvement, innovative problem-solving, adherence to standardized information technology best practices, and collaborative solutions.

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### 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 2020/21

- 1. Conduct City Business Remotely.** Enabled City employees the ability to conduct work from home as a result of the pandemic. This effort included expanding our existing Virtual Private Network (VPN) capability from fifty concurrent users to nearly a thousand simultaneous remote connections. The effort also included deploying all available mobile devices (laptops) from the Emergency Operations Center and Fire Operations Center. The City quickly procured and deployed several laptops to accommodate a remote workforce. As the pandemic continued, ITS addressed upgrading the remaining Windows 7 operating systems to Windows 10 and replaced aged desktop computers with laptops that included the latest versions of Microsoft Office 365 productivity tools. In addition, in order to effectively conduct City business remotely, ITS deployed solutions to streamline business tasks without the need to physically come into the office. Examples of these systems include (1) DocuSign, an electronic signature solution; (2) Zoom, collaboration tool for Council Meetings, Commission Meetings, etc.; and (3) Doxy.me, collaboration tool for patient meetings for HIPAA compliance.
- 2. Cashiering System and Citizen Self Service Portal.** In conjunction with the Finance department, ITS launched Tyler technologies online centralized cashiering system and Citizen Self Service Portal. These online systems increase automation, reduce touch time, and greatly improve processing efficiency, by allowing citizens the ease of retrieving billing information details and pay bills all online. Both systems have an intuitive interface for both customers and staff, which reduce confusion and increase efficiency.
- 3. Electronic Health Record (EHR) System.** In partnership with the Human Services Department, ITS deployed a new EHR system, myEvolv. The new system is helping the City transition from paper-based processes to a fully integrated online platform with mobile capabilities and real-time access, giving the City the freedom and flexibility to provide services to the community from anywhere.
- 4. Fremont Customer Relationship Management (CRM).** While several agencies held off on major implementations because of the pandemic, the City of Fremont ITS department shifted into high gear to facilitate online access to City services and resources in record time. One such example is the rapid deployment of an innovative, cloud-based CRM platform. In partnership with the City Manager's Office, ITS launched the CRM App by RockSolid. The CRM App allowed the City to unify communication (emails and telephone calls), systems (City website,

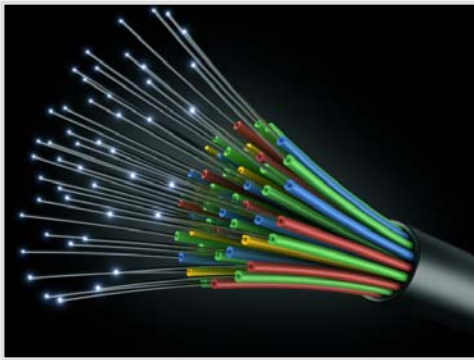
Accela, GIS, etc.), and citizen's service requests into one tailor-made platform, designed around the City's residents' unique needs.

5. **"Keep Fremont Housed Emergency Rental Assistance Program"**. In partnership with the Human Services Department, ITS assisted in the rollout of the "Keep Fremont Housed Emergency Rental Assistance Program", which distributed \$7 Million, made available by the U.S. Department of the Treasury, to provide direct financial assistance to Fremont residents unable to pay rent and utilities due to the COVID-19 pandemic. The BACS HPP solution was integrated to the City's financial system (for check processing) and deployed in record time, launched on April 1, 2021.
6. **Permitting, Inspection, and Land Management System**. In partnership with Community Development, ITS successfully moved the on-site permitting, inspection, and land management system (Accela) to Microsoft's Azure cloud. Moving Accela to the cloud allows for faster system updates, thus ensuring the City's residents and professionals utilizing the system always have the latest features. In addition, the City has launched the electronic Plan Review (ePR) system for applicants to submit their plans online.
7. **Recreation Services and Age Well Centers Registration Website**. In partnership with Community Services, ITS implemented a new, easy-to-use system to enable the public and City employees to reserve park and building facilities online as well as register for classes. The system is cloud-based, robust, and flexible enough to handle future shared services, such as assisting the Fremont Unified School District manage their facilities.
8. **Evacuation Warning Web Application**. In August 2020, the City of Fremont was impacted by the Santa Clara Unit (SCU) Lightning Complex fire. GIS worked with the CMO, Fire, Police and CAL FIRE to develop an Evacuation Warning web application for the Public and printed maps for First Responders to display the extents of the potential affected areas of the wildfires. Over 4 days of imminent evacuation threat, the mapping application experienced over 235,000 views. This served to be an invaluable tool for the public, EOC, City Staff, social media and news outlets.
9. **Story Maps - Get to Know Your City Council, Historical Parks and City Parks**. GIS deployed Story Maps which serves as a great tool for public empowerment to promote citizen participation and engagement. They can easily be shared via social media or embedded within a website. Story Maps are responsive, the same app can be used on a browser or device.
10. **City Council Chamber's Audio/Visual (A/V) System Upgrade**. The newly upgraded City Council Chambers A/V system technology is digital based and provides crisp audio and high-definition video. The upgrade replaced all components of the A/V system as well as integrated the Downtown Event Center's new A/V system with the A/V system located at City Hall. This integration of the two A/V systems now allows for the broadcast of council meetings and events from either location.

## Department Budgets | Information Technology Services

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**11. Remote City Locations Network Connectivity.** Currently, most 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, ITS completed the installation of Siklu Wi-Fi which offers high speed (up to 1 Gbps) bandwidth over the air. This project extended network bandwidth to Fire Station 3, Fire Station 5, Warm Springs Community Center, and the new Wellness Center.



**12. Cybersecurity Awareness Training.** ITS implemented a new cybersecurity awareness training program and one of its many functions includes Security Advisories that are regularly sent to inform all employees about the many online threats including spyware, ransomware, and viruses that can potentially take advantage of software vulnerabilities found in operating systems and vendors’ application software. Established training curriculum and security campaigns were implemented to protect the City.

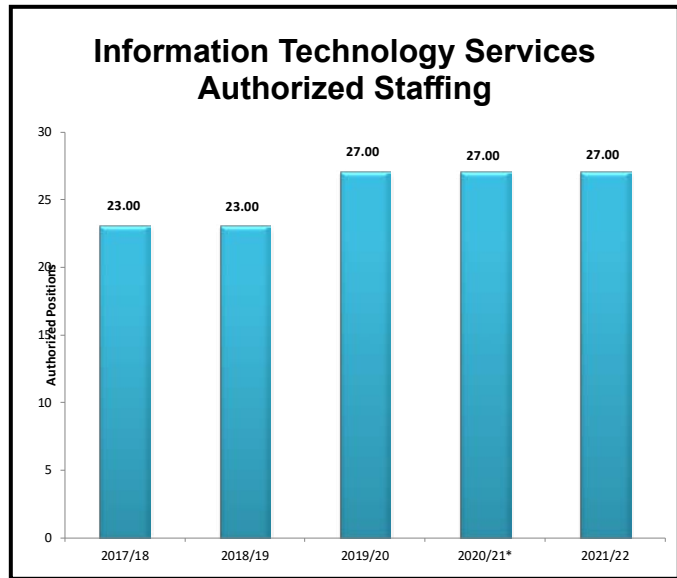
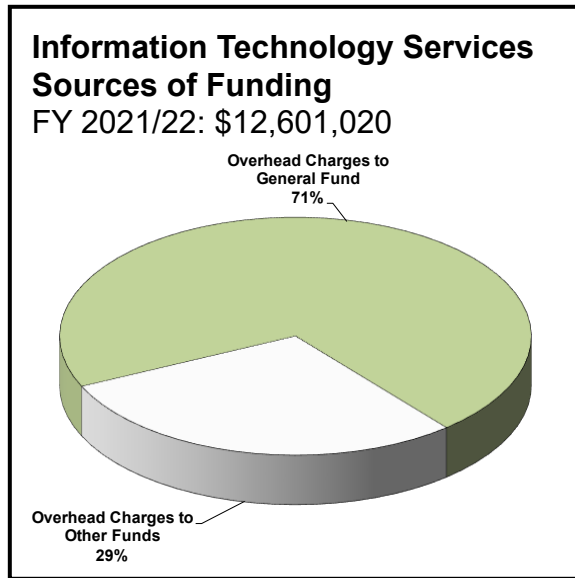
### Objectives FY 2021/22

- 1. City Fiber Master Plan.** City Council, City Management, and ITS realize 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. Magellan Inc. was chosen as the vendor via an RFP process to assist the City with planning the future fiber infrastructure for the City.
- 2. City Website Replacement.** In partnership with the City Manager’s Office, ITS will implement a stunning, contemporary website using Granicus’ government CMS (content management system). The new website will take advantage of advanced design and features, 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.

- 3. Computer Aided Dispatch (CAD) and Records Management System (RMS).** In partnership with the City of Fremont Police Department and the City of Union City Police Department, ITS will commence the first phase of implementing a new, intelligence driven, fully integrated CAD and RMS software system to replace the City's aged CAD and RMS software. The new system will be Criminal Justice Information Services (CJIS) compliant and contain the following submodules: Automated Reporting System (ARS), Jail/Corrections Management System (J/CMS), Property Module, Crime Analysis Module, and Mobile Data Computer (MDC). In addition, the new system will leverage the City's investment in Microsoft's premier infrastructure (SSRS reporting, SQL Servers, Power BI Platform).
- 4. Cybersecurity Platform.** To improve the City's security posture, ITS will deploy tools to automate the notification of potential threats to the City's enterprise application and critical infrastructure environments. This will consist of the following: (1) Deploy a Security Information and Event Management (SIEM) system to provide a holistic view of what is happening on the network in real-time and help the ITS team to be more proactive in the fight against security threats, (2) Deploy a more robust endpoint detection and response (EDR) tool and technology to protect computer hardware devices from potential threats, and (3) Focus on a Compliance, Risk, and Security Vulnerability management platform. This platform will be used to identify weaknesses that need correction, as well as measure cybersecurity compliance and regulatory needs for areas such as HIPAA, PCI DSS, CJIS misconfigurations, and policy non-compliance vulnerabilities (which patching, and maintenance alone will not address). The new vulnerability management platform will assist the ITS security team by prioritizing risk and concentrating on the areas that could cause the most damage to the City operations and services.
- 5. Mapping Applications for Small Cell Equipment.** GIS has developed a City Staff and Public online mapping applications for locating Small Cell Equipment installed on public streetlights. 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 planned to unveil the online mapping applications beginning January 1, 2021, but the date is pushed back to July 1, 2021 due to the COVID pandemic.
- 6. Telephone System Replacement.** Address the City's aging telephone system by replacing/upgrading the system with a state-of-the art modern voice-over- IP (VoIP) telephone system. The new telephone system will be a total unified communications platform that will provide a reliable, stable, and robust set of features which will easily integrate into existing City applications including Microsoft O365 and the Fremont CRM.
- 7. Work Order Management System.** In partnership with Public Works and Community Services, ITS 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 residents.



## Department Budgets | Information Technology Services



### Performance Measurement

Measure	FY 2019/20 Actual	FY 2020/21 Target	FY 2020/21 Estimate	FY 2021/22 Target
Percent of service desk calls resolved at first point of contact (when call is placed to the ITS Service Desk)	82%	80%	89%	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	85%	80%	86%	83%
Percent of requests for GIS Street Naming and Addressing projects completed within agreed-upon time frames	86%	80%	89%	84%

## Department Budgets | Information Technology Services

### Information Technology Services: Historical Expenditures/Budget, by Category

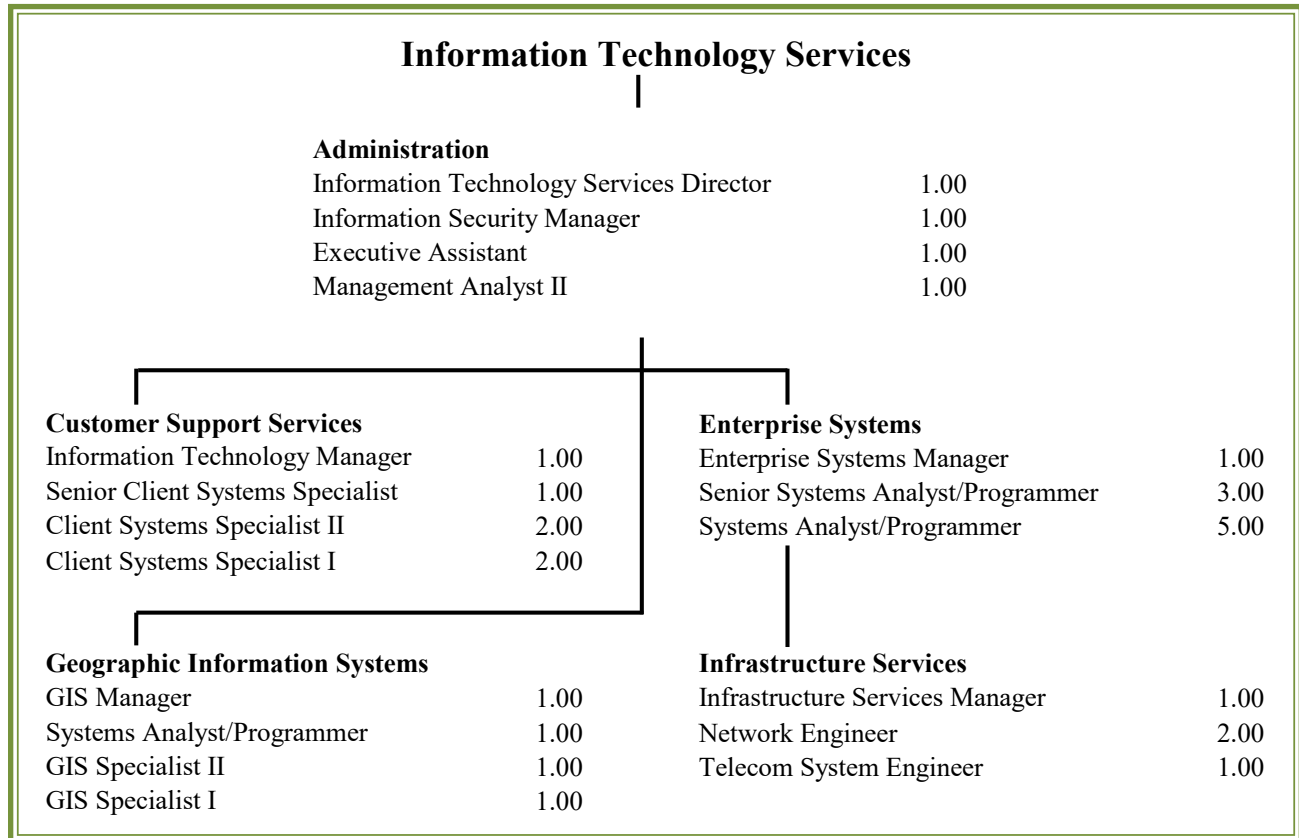
	2018/19 Actual	2019/20 Actual	2020/21 Estimated Actual	2020/21* Adjusted Budget	2020/21 Adopted Budget	2021/22 Adopted Budget
Salaries & Benefits	\$ 4,243,173	\$ 4,862,572	\$ 5,187,034	\$ 5,717,444	\$ 5,717,444	\$ 5,850,439
Operating Expenditures	2,492,063	2,446,535	4,221,511	3,942,865	3,452,744	3,808,839
Capital Expenditures	1,420,077	1,573,017	2,908,145	2,907,804	2,801,907	2,811,907
Indirect Expense Allocation**	620,575	659,007	616,172	616,172	616,172	129,835
<b>Totals</b>	<b>\$ 8,775,888</b>	<b>\$ 9,541,131</b>	<b>\$ 12,932,862</b>	<b>\$ 13,184,285</b>	<b>\$ 12,588,267</b>	<b>\$ 12,601,020</b>
% increase/(decrease), including all funds, from FY 2019/20 Adopted Budget						0.1%
<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 vehicle replacement, workers' compensation costs, and general liability insurance.</p>						

### Major Changes

- Operating expenditures are increasing by \$356,095 (or 10.3%) mainly due to increases in contractual services.
- Indirect expense allocation is decreasing by \$486,337 mainly due to removal of General Fund overhead allocation.

# Department Budgets | Information Technology Services

## Staffing by Function-FY 2021/22



*Regular Full-Time Equivalents: 27.00*

# Staffing

## Regular Position Summary

### Overview

The total authorized regular staffing level of 965.43 for FY 2021/22 has increased by 2.0 full time equivalent (FTE) positions from the FY 2020/21 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 2021/22 staffing increases serve to support Environmental Services' stormwater response capability and improve homeless services, mental health and other wrap-around services to the community.

The Community Services Department staffing increase of 1.0 FTE includes an Environmental Specialist I to support mandatory stormwater activities due to enhanced regulations.

The Human Services Department staffing increase of 2.0 FTEs includes conversion of two temporary positions to 1.0 FTE Human Services Specialist I position for the CleanStart Mobile Hygiene Program and 1.0 FTE Counselor position at the Family Resource Center (FRC) as the primary service provider for the CalWORKs contract.

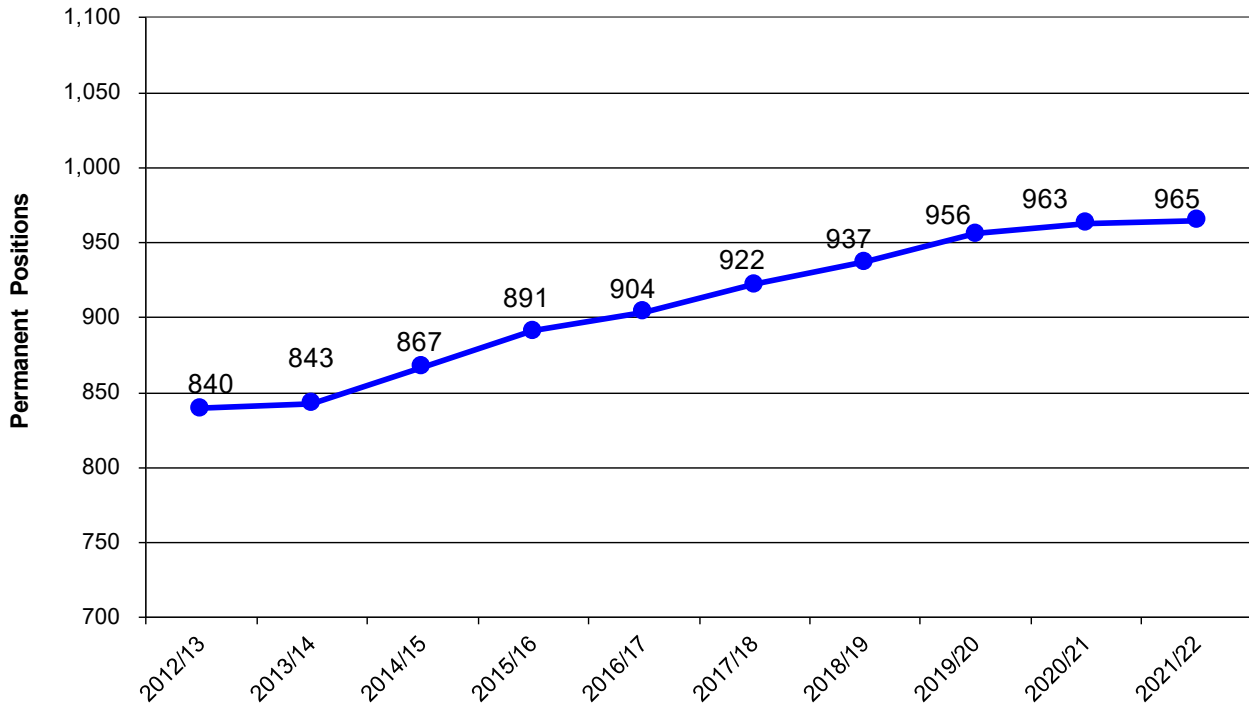
The Police Department staffing decrease of 1.0 FTE represents the elimination of one Police Records Specialist position.

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21*</u>	<u>2021/22</u>
<b><u>PUBLIC SAFETY</u></b>						
Fire	159.00	160.00	161.00	162.00	162.00	<b>162.00</b>
Police	306.50	311.50	314.50	317.50	320.50	<b>319.50</b>
<b>TOTAL</b>	<b>465.50</b>	<b>471.50</b>	<b>475.50</b>	<b>479.50</b>	<b>482.50</b>	<b>481.50</b>
<b><u>OTHER COMMUNITY SERVICES</u></b>						
Community Development	71.05	76.05	80.25	81.25	81.55	<b>81.55</b>
Community Services	91.01	92.01	94.01	96.01	97.06	<b>98.06</b>
Economic Development	4.00	4.00	4.00	4.00	4.00	<b>4.00</b>
Human Services	61.55	64.55	65.40	64.73	70.10	<b>72.10</b>
Public Works	124.35	127.35	129.65	136.00	136.30	<b>136.30</b>
<b>TOTAL</b>	<b>351.96</b>	<b>363.96</b>	<b>373.31</b>	<b>381.99</b>	<b>389.01</b>	<b>392.01</b>
<b><u>ADMINISTRATIVE SYSTEMS</u></b>						
City Manager's Office	10.80	10.80	12.05	13.05	10.75	<b>10.75</b>
City Attorney	9.92	9.92	9.92	9.92	9.92	<b>9.92</b>
City Clerk	3.95	3.95	3.95	3.95	4.25	<b>4.25</b>
Finance	24.00	24.00	24.00	24.00	24.00	<b>24.00</b>
Human Resources	15.25	15.25	15.00	16.00	16.00	<b>16.00</b>
Information Technology Services	23.00	23.00	23.00	27.00	27.00	<b>27.00</b>
<b>TOTAL</b>	<b>86.92</b>	<b>86.92</b>	<b>87.92</b>	<b>93.92</b>	<b>91.92</b>	<b>91.92</b>
<b>CITYWIDE TOTAL</b>	<b>904.38</b>	<b>922.38</b>	<b>936.73</b>	<b>955.41</b>	<b>963.43</b>	<b>965.43</b>

\* Total number of positions anticipated at the end of June 2021.

# Staffing | Regular Position Summary

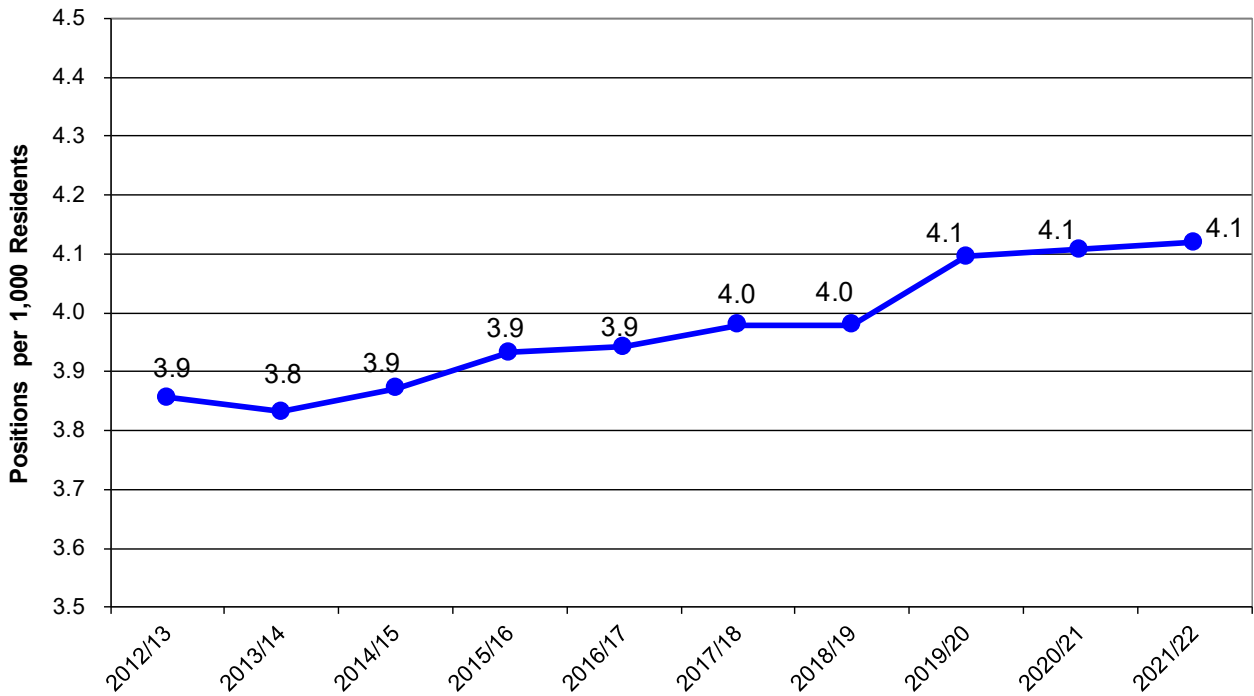
## Budgeted Positions



## 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 2012/13. 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



The FY 2021/22 budget continues the City’s modest staffing and related service levels even though the FY 2021/22 overall staffing level has been increased by 2.00 FTEs compared to FY 2020/21. The staffing increases serve to enhance compliance response capability and provide additional support for homeless 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 2020/21, the City of Fremont continues to have one of the lowest per capita staffing levels in the area.

## Staffing Levels Relative to Other Communities

### Positions per 1,000 Residents

City	2020 Population	Citywide Positions	Positions per 1,000 Residents
Oakland	433,697	4,244	9.79
Palo Alto	69,226	625	9.03
Santa Clara	129,104	812	6.29
San Jose	1,049,187	5,915	5.64
Sunnyvale	156,503	832	5.32
Union City	73,637	312	4.23
Pleasanton	79,464	332	4.17
Livermore	91,861	381	4.15
Newark	48,966	201	4.11
Fremont	234,220	962	4.11

Source: FY2020/21 published city budgets, financial reports & California Department of Finance Population Estimates for 2020

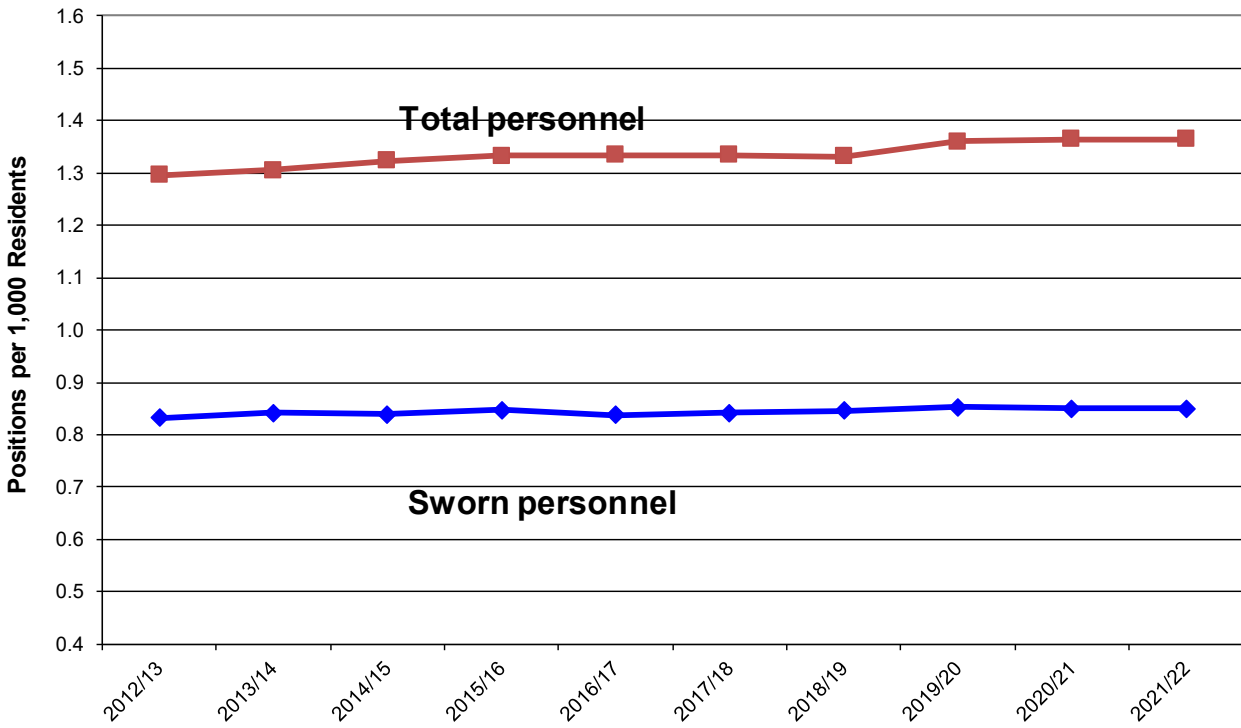
**Note:** Services provided by each community surveyed, and respective funding arrangements, vary widely among cities. The table reflects staffing levels in various communities, with the following adjustments to improve comparability with Fremont:

1. **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)
2. **Oakland:** total positions reduced by the number of positions supporting library services, city auditor, and race & equity (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, community energy, and retirement services (not provided by the City of Fremont)
5. **Sunnyvale:** total positions reduced by the number of positions supporting library, NOVA workforce services, gold course, water, wastewater, and solid waste services (not provided by the City of Fremont)
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. **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
8. **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
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 decreased by one FTE for FY 2021/22. Sworn staffing has remained unchanged for FY 2021/22, 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**





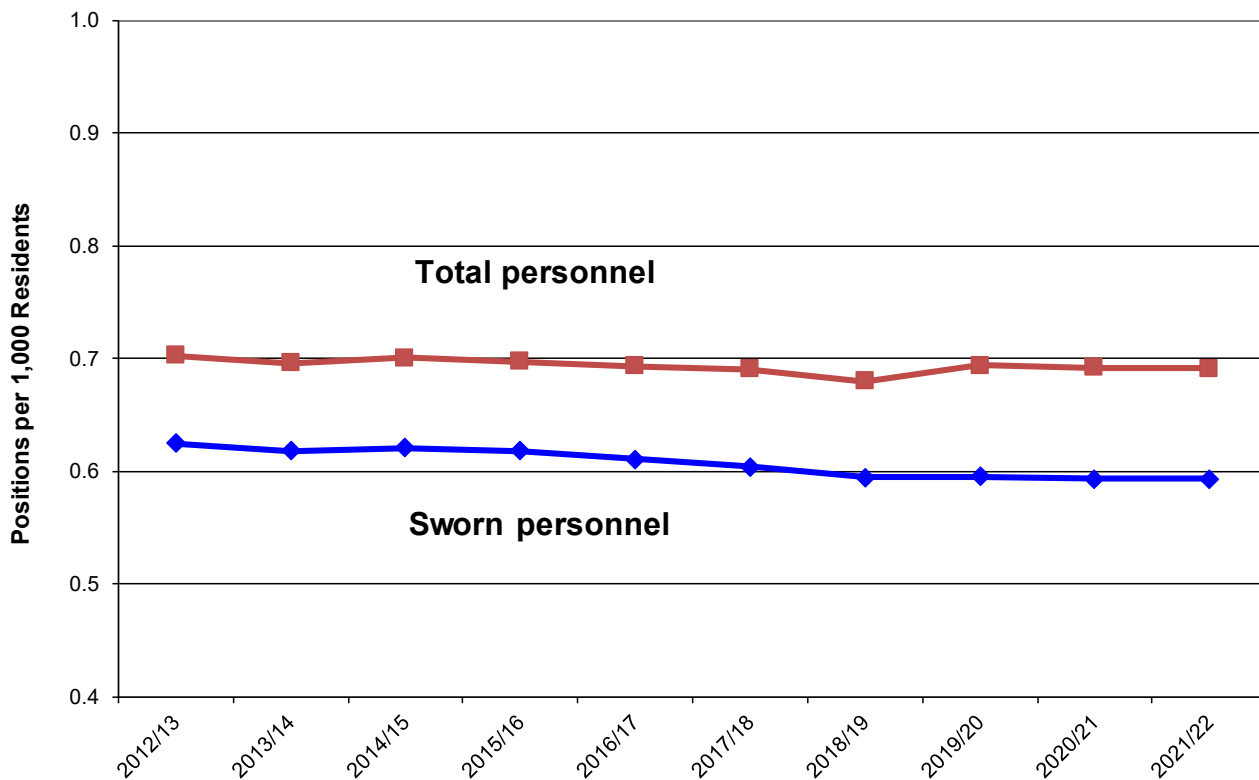
## Staffing | Regular Position Summary

### Fire

Fire Department staffing has remained unchanged for FY 2021/22. 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



**Maintenance**

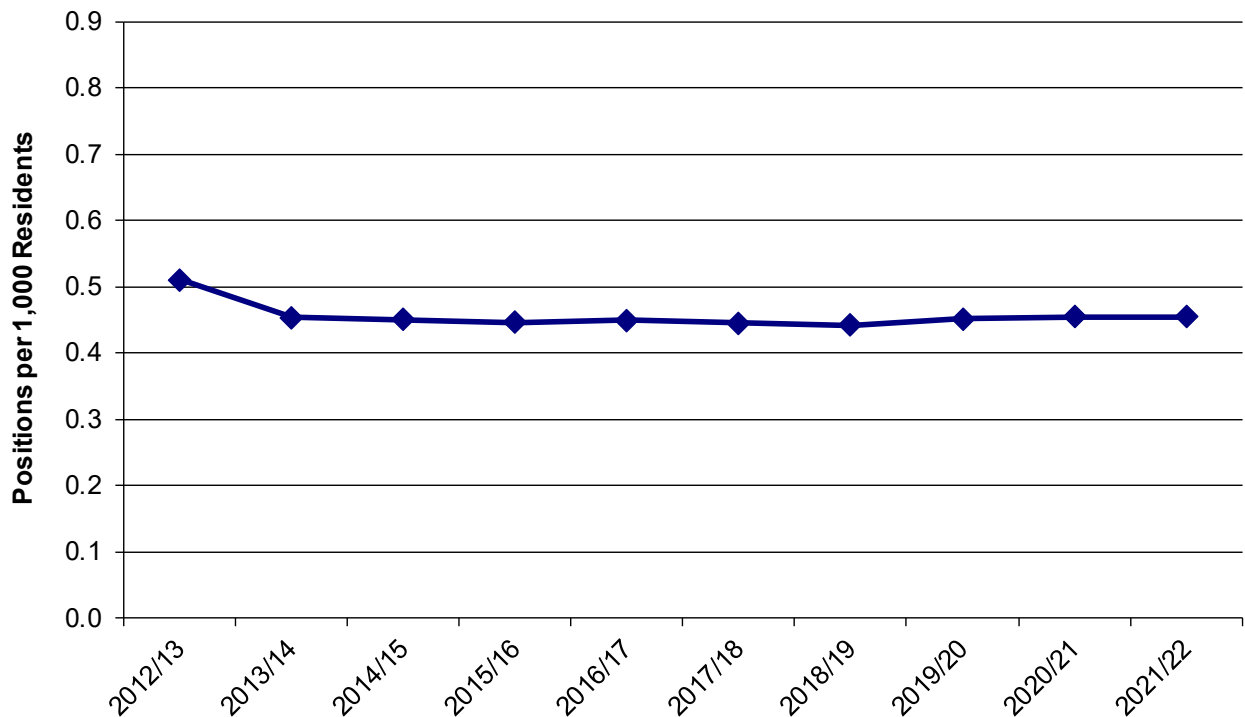
Low staffing presents a challenge to City efforts to maintain its public buildings, streets, parks, and urban forestry. The following table illustrates the maintenance needs:

**FY 2021/22 Maintenance Statistics**

Asset	FY 2021/22
Public Buildings	896,176 sq ft
Streets	1,082 lane miles
Trees Along Streets	55,645 trees
Park Land	1,219 acres

The staffing level of 0.5 maintenance workers per 1,000 residents has remained relatively stable since FY 2013/14 when the City out-sourced its median maintenance activities.

**Maintenance Workforce per 1,000 Residents**



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## 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 2021/22 budget at a televised meeting on May 18, 2021. Televised public hearings were held on June 8 and June 15, 2021.

### ***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 15, 2021, and appropriates funds for projects and maintenance activities for FY 2021/22 and FY 2022/23. Therefore, the capital funding information included in the Operating Budget is for display purposes only.

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 2021/22-2025/26 CIP began during the summer of 2020. Appropriations reflect any changes in other City funding capabilities. Conversely, the capital projects adopted in the FY 2021/22-2025/26 CIP inform the FY 2021/22 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 247). The operating budget for the 2021/22 fiscal year was adopted on June 15, 2021. The fiscal years before FY 2021/22 shown in the operating budget are for contextual purposes only and are not adopted by the City Council in its budget resolution for FY 2021/22.

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, 2020, may be obtained on the City’s website at [www.fremont.gov](http://www.fremont.gov), or by contacting the City’s Finance Department. The CAFR for the fiscal year ending June 30, 2021, will be available no later than December 31, 2021.

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).



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## **RESOLUTION NO. 2021-40**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREMONT ADOPTING A BUDGET FOR THE FISCAL YEAR JULY 1, 2021 THROUGH JUNE 30, 2022**

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WHEREAS, the City Manager has prepared a municipal budget for the fiscal year ending June 30, 2022, entitled “City of Fremont, Fiscal Year 2021/22 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 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, 2021 through June 30, 2022. The final budget shall be the “City of Fremont, Fiscal Year 2021/22 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 adopted and approved.

SECTION 2. The City Manager is 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 2021/22 expenditures in an amount not to exceed the amount of funds encumbered, but not yet expended, from fiscal year 2020/21. The actual amount of the increased appropriation due to encumbrances will be reported to the City Council as part of the fiscal year 2020/21 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 2021/22 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 2021/22 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 2021/22 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 2021/22 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 2021/22 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 2021/22 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 2021/22 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 2021/22 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, 2021, 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.

This resolution shall take effect immediately upon its adoption.

ADOPTED, June 15, 2021, by the City Council of the City of Fremont, by the following vote:

AYES: Mayor Mei; Vice Mayor Shao, Councilmembers Keng, Jones, Kassan, Salwan and Cox

NOES: None

ABSENT: None

ABSTAIN: None

ATTEST:

  
\_\_\_\_\_  
City Clerk

  
\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Interim City Attorney

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**RESOLUTION NO. 2021-41**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREMONT  
ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR  
2021/22 FOR THE CITY OF FREMONT**

WHEREAS, Article XIII B 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 2021/22 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 establish the appropriations limit for fiscal year 2021/22 for the City of Fremont as \$813,770,383, 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 2021/22 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 2021.

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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 2021.

ADOPTED, June 15, 2021, by the City Council of the City of Fremont, by the following vote:

- AYES: Mayor Mei; Vice Mayor Shao; Councilmembers Keng, Jones, Kassan, Salwan and Cox
- NOES: None
- ABSENT: None
- ABSTAIN: None

  
\_\_\_\_\_  
Mayor

ATTEST:  
  
\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:  
  
\_\_\_\_\_  
Interim City Attorney

**Exhibit A to Resolution No. 2021-41**

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, 2021, 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 5.73%. The calculation as applied to the City of Fremont for FY 2021/22 is as follows:

The population change on January 1 of the previous year (233,132) compared to the population on January 1, 2021 (234,239) is 1,107, or a 0.47% increase.

The change in per capita personal income is 5.73%.

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

$$\frac{0.47 + 100}{100} \times \frac{5.73 + 100}{100} = 1.0623$$

Applying this year’s factor of 1.0623 to last year’s limit of \$766,045,734 yields the appropriations limit for FY 2021/22 of \$813,770,383.

Based on an operating budget of \$231,355,000, 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 2021/22 operating budget.



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