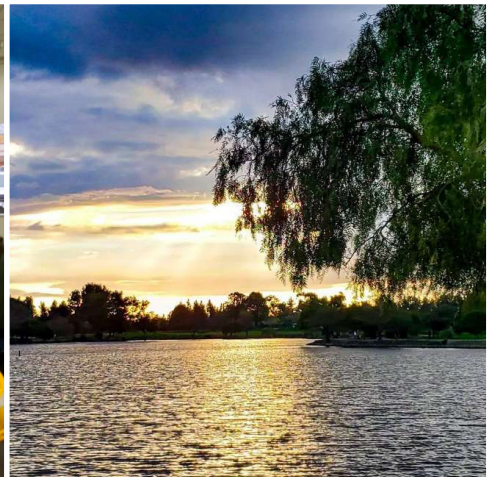




FISCAL YEAR 2023/24 PROPOSED OPERATING BUDGET



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City Council

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Teresa Keng, Councilmember, District 1
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Allen DeMers, Assistant to the City Manager
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Tina Gallegos, Human Resources Director
Susan Gauthier, City Clerk
Hans Larsen, Public Works Director
Donovan Lazaro, Economic Development Director
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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, 2022.

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-sixth 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, Finance Director, and Budget Team would like to thank the Department Budget Coordinators and others for their invaluable assistance, with special recognition for Allen DeMers and Amanda Gallo who compiled and reviewed the department narratives and performance measures, and for Candice Rankin Mumby who assembled the departmental budget requests. Thanks also to Donovan Lazaro, Hans Larsen, and Geneva Bosques, for providing the Major City Initiatives, Capital Projects, and Legislative Advocacy sections of the Budget Overview.

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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

Capital Budget Summary

The Capital Improvement Program (CIP) is adopted biennially and the proposed CIP that will be considered by the City Council in tandem with this proposed operating budget includes appropriations for projects for Fiscal Years 2023/24 through 2024/25. 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 between other operating funds and capital funds. This section contains a description of the CIP funds, a summary of proposed expenditures by program category, and highlights of key projects.

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:

Our City is committed to strong fiscal stewardship, transparency, and accountability over taxpayer dollars. Working together, the City Council and City staff ensure our budget and financial policies reflect the community's priorities.

As a result of prudent policy decisions, support from City employees and the community, and a growing local economy, the City's financial condition continues to improve. With guidance from the City Council on priorities and community values, and a focus on fiscal sustainability, I present the Fiscal Year 2023/24 Proposed Operating Budget.

Total General Fund budgeted resources in the coming fiscal year are estimated to be more than adequate to support total budgeted expenditures of \$278.1 million. Reflecting continued improvement in the local economy, ongoing General Fund resources are estimated to increase by 4.9% in FY 2023/24.

The proposed budget incorporates the City Council's and community's highest priorities: enhancing public safety, addressing and preventing homelessness, and supporting the City's neighborhoods and business districts, while improving service delivery to residents and businesses.

In this message, I will highlight the following:

- FY 2023/24 Fiscal Outlook
- Economic Update
- Key Budget Assumptions
- Discussion of Unmet Needs
- Major City Initiatives

Budget Overview

FY 2023/24 Fiscal Outlook

Staff anticipates that growth in the national economy will slow during FY 2023/24. Because some of the City's largest revenues - property tax and business tax - are based on prior-year activity, the impact of a slowdown might not be fully felt until FY 2024/25. Following the City's sustainable budgeting principles, we have limited any proposed service enhancements or staffing increases to levels that can be supported on an ongoing basis.

Property tax and sales tax are the City's most significant revenue sources. Property tax revenues are estimated to total \$128.8 million in FY 2022/23, and staff projects those revenues will increase to \$135.7 million in FY 2023/24, an increase of 5.4%. 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 2023/24 tax roll is an increase of 2%. An estimated increase in value from changes in ownership of 3.7% is based on property transfer tax data for calendar year 2022 and preliminary information from the County Assessor. An additional estimated increase of 0.5% for the value of new construction reflects the continuing development activity in Warm Springs and other areas of the City.

Sales tax revenue is anticipated to total \$106.4 million in FY 2022/23, decreasing to \$100.9 million in FY 2023/24. The projected strong performance in FY 2022/23 and subsequent decline stems from an estimated \$10.3 million of one-time sales tax revenue. Without that one-time distortion, sales tax revenue would be estimated to grow approximately 5% from the prior year.

Business tax is projected to yield \$13.4 million in FY 2022/23, a decrease of 3.7% from the prior year. The current year drop reflects unusually high collections in FY 2021/22. To aid local businesses impacted by the pandemic, the City waived penalties and interest on delinquent business taxes during calendar years 2020 and 2021. As a result, a portion of the prior year revenue consisted of delinquent prior year business taxes being paid to avoid accruing penalties and interest. The FY 2023/24 business tax estimate is \$13.9 million, an increase of 3.6%.

The source of General Fund revenue most heavily impacted by the COVID-19 pandemic is hotel tax. With more rooms available, occupancy rates and room rates have risen over the past year but are still well below their pre-pandemic levels. The estimate for FY 2022/23 hotel/motel tax revenue has increased to \$6.4 million, a 35.2% jump from the prior year actual amount of \$4.7 million. FY 2023/24 hotel/motel tax revenues are estimated to reach \$7.3 million, an increase of 15% from the current year.

The FY 2023/24 proposed operating budget maintains the General Fund Contingency Reserve at 16.7% of budgeted expenditures and transfers out, or \$46.4 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 2022/23 at its current level of \$12.5 million. Reflecting both the increasing contribution of volatile sales tax revenue to General Fund resources and the heightened possibility of an economic slowdown or recession, the proposed budget includes increasing the Budget Uncertainty Reserve to \$20.0 million.

Economic Update

The national economy, while currently continuing to expand and create new jobs, is expected to slow over the next year or possibly even dip into a recession. A slowdown in growth to less than 1% is projected for 2023, picking up to just over 1% for 2024. While the labor market has remained resilient in the face of increasing interest rates and recession concerns, the persistently lower level of consumer confidence suggests households are anticipating more challenging times ahead.

Reflecting the impact of higher interest rates, the advance estimate for the first quarter of 2023 reports that gross domestic product (GDP) increased by 1.1%, slowing from the 2.6% increase in the fourth quarter of 2022. The seasonally adjusted unemployment rate dropped slightly to 3.4% in April 2023, continuing at the historically low level we've seen over the past year.

The press release from the most recent meeting of the Federal Reserve Open Market Committee on May 3rd notes that “Economic activity expanded at a modest pace in the first quarter. Job gains have been robust in recent months, and the unemployment rate has remained low.” However, the press release goes on to caution that “Inflation remains elevated ...” and that “Tighter credit conditions for households and businesses are likely to weigh on economic activity, hiring, and inflation.”

According to The Conference Board Consumer Research Center, “While consumers’ relatively favorable assessment of the current business environment improved somewhat in April, their expectations fell and remained below the level which often signals a recession looming in the short-term.”

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 2023/24 proposed budget:

1. The local economy will experience slower growth during FY 2023/24. Total General Fund ongoing resources (revenues and transfers in) are projected to increase by 4.9% over estimated actual ongoing resources in FY 2022/23.
2. The costs of the FY 2023/24 proposed budget will be covered by projected ongoing resources without requiring the use of reserves to balance the budget. Following the City’s sustainable budgeting principles, service enhancements or staffing increases for FY 2023/24 are limited to levels that can be supported on an ongoing basis.
3. In accordance with City Council policy, an additional pension contribution of \$8.2 million to pay down the City’s unfunded liability more rapidly has been incorporated into the proposed General Fund budget.
4. Total expenditures in the FY 2023/24 proposed budget include a savings assumption of \$17.8 million (approximately 6.5% of total budgeted expenditures in FY 2023/24) to reflect the City’s historical experience of under-spending total allocated resources, primarily due to salary savings from vacant positions.

Budget Overview

5. The FY 2023/24 proposed budget includes funding for streets, sidewalks, and facilities maintenance, parks and street medians capital replacement, and capital improvements to achieve compliance with ADA standards.
6. 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).
7. Reflecting both the increasing contribution of sales tax revenue to General Fund resources and the heightened possibility of an economic slowdown or recession, the General Fund Budget Uncertainty Reserve is proposed to increase from its current balance of \$12.5 million to \$20.0 million.
8. The proposed budget estimates approximately \$13.9 million of FY 2022/23 ending unreserved fund balance. As part of the FY 2022/23 Year-End Report in Fall 2023, staff will bring forward recommendations for allocating any remaining available ending unreserved fund balance to address one-time priority projects, programs, unfunded liabilities, or reserve augmentation.

Unmet Needs

Fremont is a great place to live, work and do business. However, like many cities throughout California, our City faces long-term fiscal challenges that impact the City's ability to maintain quality of life services at the level residents want and deserve. Important quality of life services we must continue to protect, maintain and improve include:

- Police/Fire protection and emergency response services
- Garbage and recycling services
- Maintaining public parks
- Streets/Roads repair
- Protecting the safety of drivers, bikers, and pedestrians.

We continue to grapple with increasing needs for public safety services and the growing cost of maintaining Fremont's roads and other infrastructure. The construction of 4,000 new residential units in Warm Springs, as well as other development throughout the City, are necessitating increased police staffing and the addition of a new fire truck company to protect public safety. The majority of Fremont's public infrastructure was constructed many years ago and now requires either an increased level or increased frequency of repairs, compounded by not having had adequate resources to spend on maintenance in the past. Moreover, as Fremont continues to grow, additional infrastructure is added that must be maintained, further stretching the City's limited maintenance resources.

Finally, new requirements result in increased costs. Some of these requirements are voluntary, such as the City's commitment to improving traffic and pedestrian safety and traffic congestion, and encouraging alternative forms of transportation, through implementation of the Mobility Action Plan. Components of the Mobility Action Plan, such as completion of the Safe Routes to Schools program (\$25 million), traffic signal modernization (\$31 million), and construction of major bicycle and pedestrian infrastructure (\$200 million) are costly and will necessitate development of enhanced

funding sources. Similarly, components of the Climate Action Plan including electric vehicle charging infrastructure for City vehicles (\$5 million) and converting City buildings from gas to electric heating (\$16 million) call for major investments. Other new requirements, which are regulatory in nature, have increased dramatically over the last few years, and have added significant costs to City operations. The City's Americans with Disabilities Act (ADA) Transition Plan is projected to need \$107 million over the next 25 years.

The inability to adequately fund ongoing maintenance and recapitalization of the City's infrastructure is a major concern, but the FY 2023/24 proposed budget includes increasing the ongoing General Fund allocations for street, park, and building maintenance activities. The proposed budget also addresses pressing needs in other areas of the organization and the community, including additional police officers, a firefighter recruit academy to prepare for activation of the new fire truck company, a community service officer for the mobile evaluation team, a new street maintenance crew, and staff and funding to expand Citywide marketing efforts to promote downtown and neighborhood business district vitality.

Major City Initiatives

The City of Fremont continues to support and invest in major strategic initiatives while navigating an operating environment that has been fundamentally reshaped by the COVID-19 pandemic and changing macroeconomic conditions. These initiatives are important elements of our diversified tax base strategy and will position the City well for long-term economic growth and fiscal stability.

Development: There are four key development areas in Fremont that are critical to Fremont's economic growth. These include the Warm Springs Innovation District, Bayside Technology Park, Ardenwood Technology Park, and Downtown/City Center. Fremont's broad geography and multiple growth areas provide a diverse array of investment and infill redevelopment opportunities. Investment in these growth areas is supported by favorable land use policies and capital investments by the City that serve as catalysts toward generating greater private sector investment.

Warm Springs Innovation District

The Warm Springs Innovation District is critically important to the City because of a unique convergence of infrastructure, its central location, and an expanding employer base. This includes the Warm Springs/South Fremont BART station and adjacent Tesla Factory, which is the City's largest employer. The station enhances intermodal access to local bike routes and provides critical connectivity to the City's existing and future employment centers in the greater Warm Springs area.

In February 2022, the City celebrated the completion of the new West Access Bridge, connecting pedestrians and cyclists from the BART station to new residential and major commercial areas, including the Tesla Factory. The development of the West Access Bridge also provided an urban plaza that can be used to hold outdoor events and a trail that will eventually connect to a planned bicycle and pedestrian bridge crossing over Interstate 880.

Budget Overview



Warm Springs BART Station



West Access Bridge



Tesla's Fremont Factory



Metro Crossing apartments by Toll Brothers

Several master plan developments are entitled for Warm Springs, with several under active development. Collectively, these projects provide extensive public benefits, including a new network of complete streets, a new elementary school, public plaza space, and 4,000 residential units (of which 524 are deed-restricted, affordable rental units). Over 1.7 million square feet of new commercial space has been entitled, including Class A office, advanced manufacturing space, and a new business-class hotel.

While the pandemic has greatly slowed new office and hotel projects, Fremont's industrial market has remained a high performing class of commercial real estate, with multiple projects in various stages of the development pipeline. These include four projects under review totaling approximately 550,000 square feet (SF), an approved approximately 53,000 SF flex manufacturing/R&D project, one development under construction totaling approximately 209,000 SF, and a 110,000 SF project completed in early 2023 that has been leased to autonomous vehicle company Zoox.

Tesla has also expanded its business activities within the Warm Springs area to include the development and manufacture of cutting-edge advancements in battery technology. The City continues to facilitate the expansion of Tesla, including the addition of new technologies and production activities, as part of the comprehensive strategy for ensuring the City's long-term economic and fiscal health. Tesla's master plan ultimately allows for several million square feet to be added to what is already one of the country's largest manufacturing facilities and the highest volume vehicle manufacturing plant in North America.

To support marketing the commercial/employment opportunities, Warm Springs has been branded as an Innovation District. Successes in attracting advanced technology tenants to the district include Raxium, a manufacturer of holographic displays that was recently acquired by Google; Zoox, a manufacturer of autonomous vehicles; and Underwriters Laboratories (UL), a provider of advanced technology testing and certification services which has significantly expanded its Warm Springs footprint in the last few years.

Downtown/Capitol Avenue

With its centralized, transit-rich location, Downtown Fremont is poised to become a vibrant, mixed-use district that will serve as a gathering hub for the entire community. Bounded by Fremont Boulevard, Mowry Avenue, Paseo Padre Parkway, and Walnut Avenue, Downtown’s 110-acre district is surrounded by the broader City Center area, which includes major shopping centers like the Hub and Gateway Plaza. Downtown is also encompassed by Washington Healthcare, Kaiser, and Sutter medical campuses, which collectively employ thousands of skilled workers in the area. Supportive land use regulations and tax revenue-neutral development incentives are in place to spur new investment that will help create an exciting new Downtown for Fremont.

Following the City’s investment in Downtown’s street extension and multimodal improvements for Capitol Avenue, the thoroughfare now serves as the district’s envisioned “retail spine,” connecting two major east-west shopping centers along a well-designed, pedestrian-oriented mixed-use corridor. This provides 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 to stimulate economic activity and enhance the vibrancy of the district. Capitol Avenue is punctuated by the Downtown Event Center, which opened in October 2021 and can accommodate events of up to 1,200 attendees. The venue represents Phase 1 of a long-term Civic Center Complex plan.



Downtown Event Center



Downtown Housing



Outdoor Patio Program

The Downtown Community Plan and associated environmental and planning documents provide a foundation for development to expand over time from approximately 1.25 million SF of current building floor area to over 5 million SF of multifamily residences, offices, and retail, along with entertainment, open space, and cultural arts organized around the main street, Capitol Avenue. 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.

The Locale project includes 157 ownership multifamily housing units, including condos, stacked flats, and row homes, as well as 21,000 square feet of ground floor retail space that will set the tone for a vibrant pedestrian environment. As a bellwether to the Downtown vision, initial leases-up of

Budget Overview

this first-generation retail space has been strong, with ten of the twelve commercial spaces already leased to locally owned restaurants, shops, and services.

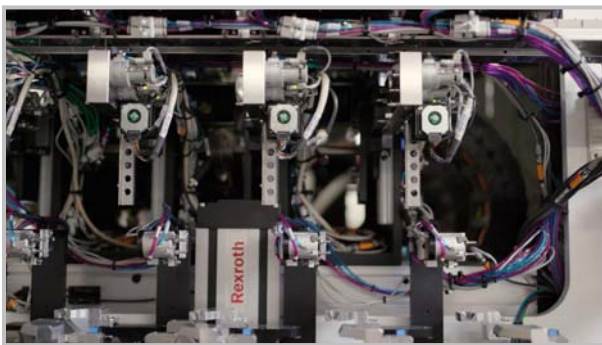
The substantial public investment and City planning efforts for Downtown have become a catalyst for attracting additional private investment as several projects in the immediate area are under construction by a variety of developers, including Fore Properties, MIG Real Estate and Fremont Bank. A 275-unit mixed-use apartment project by Fore Properties was completed in late 2022 and an approximately 250-unit mixed-use project and a new six-story headquarters office for Fremont Bank are under development, with the latter of the two projects punctuating the gateway to Downtown at the corner of Capitol Avenue and Fremont Boulevard.

Bayside Technology Park and Pacific Commons

Fremont’s Bayside Technology Park and Pacific Commons function as the City’s largest employment area, with approximately two-thirds of Fremont’s over 50 million square feet of industrial and R&D space. Major employers include Lam Research, Bloom Energy, Stryker, Bionova Scientific, UPS, Delta Electronics, and Siemens. While employment in Bayside skews heavily to technology and biomedical-related manufacturing, the district also includes the Pacific Commons Shopping Center, a regional retail mega-center spanning 840 acres. The center ranked at the seventh most visited shopping center in the country in 2022.

Major development activity in the area includes Pacific Commons South (PCS), an approximately 2.5 million SF Class A industrial project, that was recently completed through a joint venture. Nearly two million SF 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 parent company Meta, biomedical company Cepheid, cleantech manufacturer Bloom Energy, and Amazon. Next door to PCS, Enterprise Holdings is planning a new auto rental center and dealership that will serve to further bolster the City’s Auto Mall sales tax base.

In December 2022, the City approved the Campus at Bayside, a six building, 473,250 SF advanced manufacturing campus on previously undeveloped infill property. The project is expected to break ground in the first half of 2023. Once complete, Campus at Bayside will provide state-of-the-art manufacturing and technology development space at multiple building footprints, allowing existing Fremont companies to remain and grow within the area.



Bayside Industrial Zone



Ardenwood Technology Park

Ardenwood Technology Park

The Ardenwood Technology Park is located just off Highway 84 and Interstate 880, offering a shorter or reverse commute from most parts of the region compared to other employment hubs in Silicon Valley. The centrality of Ardenwood, along with competitive rents, better proximity to the bulk of the region’s workforce, and its idyllic suburban office park setting make the district a sought-after location for business expansion and relocation for businesses along the San Francisco Peninsula.

Recent business development wins include life science companies Alexza Pharmaceuticals and Personalis, which relocated and expanded their operations from mid-Peninsula cities to move closer to their existing workforce. Most notably, Facebook parent company Meta recently completed its renovations to its sprawling Fremont Ardenwood campus spanning approximately 20 buildings, with the capacity to support the company’s long-term growth in the region.

In anticipation of Ardenwood’s growth, the City re-zoned this district in 2016 to allow for greater building heights and development intensification. The rezoning led to regional developers The Sobrato Organization and Peery-Arrillaga to propose five new office buildings to be able to accommodate marquee technology employers expanding into Ardenwood. In addition, the district has also experienced several life science building conversion projects, including a facility that formerly served as a vocational college campus that is now fully leased by Personalis.

Business Development: Building on the success of Fremont’s industry base is critical to maintaining a diverse tax base that provides resiliency to disruptive events such as the COVID-19 pandemic and helps to alleviate rising costs for City services. Important initiatives and accomplishments related to this effort are outlined below.

Sector Highlights

Fremont’s biomedical industry, its largest industry by number of firms, continues to be an important growth source. The fact that most of Fremont’s biomedical research companies also manufacture products in Fremont is of particular importance given the economic multiplying effects – providing employment at multiple levels of educational attainment and concentrating a robust supply chain in an around Fremont. For example, pharmaceutical manufacturer Boehringer Ingelheim (BI) has invested nearly \$1 billion over the past decade to expand its Ardenwood operation and now employs nearly 1,000 people across four facilities. The presence of BI has served as a beacon for customers, suppliers and competitors to locate in Fremont, such as Bionova Scientific, a biopharmaceutical development services company that recently expanded into its third facility in Fremont.



Boehringer Ingelheim (BI)

Other recent additions include medical equipment maker Cepheid, device manufacturer Alexza Pharmaceuticals, and personalized cancer genomics company Personalis. Over the last three years, the number of life sciences companies in Fremont has grown from 125 to over 150, providing a

Budget Overview

resilient source of economic and tax base expansion during and coming out of the pandemic. 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.

Fremont has also made significant efforts to cultivate a thriving cleantech sector and now has over 50 cleantech companies. Over the years, Fremont city staff have amassed subject matter expertise in understanding the needs of advanced technology industries, including permitting their highly complex operations and providing programmatic oversight for hazardous material management. For battery technology startups, this expertise has proven particularly valuable. As a result, several growth-stage battery technology companies have recently moved to or expanded in Fremont. This includes Amprius, a lithium-ion battery technology company based in Fremont that is currently expanding its manufacturing operations and recently began shipping its first products to customers. In the past twelve months, Fremont has seen the arrival of battery companies Our Next Energy, Leap, and Radisurf and the expansion of companies such as EnerVenue and Gridscape. Collectively, these businesses contribute to Fremont being home to the largest industry cluster of battery companies nationwide.



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 such as Synnex, Hyve Solutions, Penguin Computing, ASI, Quanta Computer, and ASA Computer. Fremont is also home to over a half dozen companies working on the development of autonomous vehicles (AVs), including Waymo, Zoox, and Pony.ai.

At the center of Fremont’s advanced manufacturing ecosystem is Tesla. The company has greatly expanded its manufacturing operations at its Fremont factory, which in 2022 became the most productive auto plant in North America by annual vehicle production while also passing the two millionth vehicle mark for total vehicles produced. With over 30,000 employees assigned to Fremont facilities - the vast majority of which engaged in vehicle and battery production - Tesla is far and away the largest manufacturer in the state of California and an economic engine unto itself. The City’s development services team continues to work closely with Tesla as it scales up its vehicle production lines and expands its facilities to accommodate other new products.

While unmatched in size or stature, Tesla is only one of the hundreds of advanced manufacturing companies in Fremont, often referred to as the city’s “manufacturing ecosystem.” This ecosystem is the result of focused efforts by the City to develop and maintain policies that support the industry, including modernized zoning laws that facilitate emerging industries, investments in the permit review process and staff training, and innovative workforce programs that meet businesses where they are.

With a heightened focus on the future of the workforce in advanced manufacturing, the City has increased its own efforts on this 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 Regional Occupational Program, Fremont Unified School District, Ohlone College, and the public at-large on tours of manufacturing facilities in Fremont.

Economic Development also engages with Ohlone College through its Smart Manufacturing Technology program. During the COVID-19 pandemic, the department partnered with the college to launch the highly successful Earn and Learn Fremont program, providing job seekers with paid on-the-job training while also receiving free instruction in advanced manufacturing technologies. Recent participating employers include Tesla, Bloom Energy, and Evolve Manufacturing. In addition, the City has supported Tesla and Ohlone College's successful rollout of the Manufacturing Development Program (MDP), where students receive ten weeks of paid classroom instruction and are offered full time jobs at Tesla upon completion.

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 the Silicon Valley Small Business Development Center, the California and National Main Street Associations, Small Business Majority, and other partners.

In March 2023, the City and Fremont Chamber wrapped up a highly successful inaugural Fremont Restaurant Week. The event included over 40 restaurants across the City, ranging from longstanding community anchors to some of Fremont's hottest and newest establishments. The event served to highlight Fremont's diverse cultures and culinary offerings while providing critical support to restaurants during what is typically a slower time for their businesses. The majority of participating restaurants shared that they had attracted new customers, increased revenue, and widened their brand awareness.



In September 2022, the City partnered with the Better Block Foundation to host a two-day block party in an underutilized area of the Mission San Jose district. The effort included signing on dozens of community volunteers who showed up to paint, build, and bring the community's vision to life on Ellsworth Street and Washington Boulevard. Their work resulted in the area transforming into a colorful, pedestrian-friendly space for the event. Local small business Mission Coffee Roasters and

Budget Overview

the City's Olive Hyde Art Gallery both participated with live music, and approximately three dozen Fremont-based craft vendors were able to open stalls free of charge. The event stood to show what was possible in the Mission San Jose district and provide a foundation for future events to be held in public spaces.



The COVID-19 pandemic highlighted the critical importance of providing outdoor dining and commercial space, which has led to the City adopting the new Outdoor Commercial Patio Program. This program seeks to build upon the lessons and best practices learned during the height of pandemic restrictions that limited or disallowed indoor commercial activity for extensive periods of time. With this new regulatory framework in place, applicants simply apply for a one-time, low-cost permit. To reduce the cost and time burden on small businesses, outdoor patio permit approvals are tied to the business with no requirements for annual renewal, a major differentiator between Fremont and other communities.

The City also continues to assist businesses with enhanced digital marketing, including through an online gift card marketplace specifically for businesses in Fremont known as Gift Fremont. The marketplace provides incentives to community members to support participating retailers and provides 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.

Throughout the COVID-19 State of Emergency and looking forward, Staff have remained engaged in regional economic recovery efforts, and have sought to incorporate new programs and efforts to benefit Fremont's businesses.



Business and Economic Opportunity Recovery Framework: The Economic Development Department has developed a Business and Economic Recovery Framework comprised of three focus areas: small business support, workforce development, and jobs and tax base recovery. Staff initially shared the Framework with the City Council at a special work session in the spring of 2021 and continue to implement the strategies based on the guiding principles of economic equity and resiliency. The strategies consist of:

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

As Fremont looks forward, the City will continue to focus on these three strategic priorities to create a more equitable and resilient economic base that supports vibrant commercial districts, economic advancement opportunities for residents, and a strong tax base for delivering City services.

Budget Overview

Capital Projects: The City has an ongoing Capital Improvement Program (CIP) that provides investments to improve infrastructure related to the City’s transportation system, parks, and building facilities. Primary funding for these investments comes from development impact fees, as well as through grants from federal, State, and regional sources, as well as from ongoing and one-time transfers from the General Fund. In the recent past, significant projects completed included the Downtown Event Center, the Age-Well Center at South Fremont, and the West Access Bridge and Plaza at the Warm Springs BART Station. The new Dusterberry Neighborhood Park is under construction and is planned to open in Summer 2023.

Looking ahead, the City’s proposed five-year CIP (FY 2023/24 through FY 2027/28) includes projects and programs valued at \$295 million. The highlights of the proposed CIP are as follows.

- **General Fund Special Projects.** Based on City Council actions to transfer one-time General Fund revenues to the CIP, valued at \$58 million, the proposed CIP includes investment for various urgent priorities which include: a new Central Park Community Center to replace the aging Fremont Community Center and Teen Center; replacement of old restrooms in City parks; replacing outdated HVAC (heating, ventilation, and air conditioning) systems at City buildings; addressing deferred maintenance at City Hall buildings; and providing charging infrastructure to support replacing City fleet vehicles with electric vehicles.
- **Capital Maintenance.** Preservation and maintenance of existing City assets is a primary focus of the CIP. 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. This also includes maintenance and capital replacement funding for parks, landscaped median islands, and buildings, as well as a 50/50 grant program to assist residents with sidewalk repairs and street tree replacements.
- **Transportation.** The Transportation CIP includes investments 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, including improvements to overall traffic flow.
 - 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 to traffic operations. A notable grant-funded project nearing completion is the “Fremont Boulevard Safe and Smart Corridor” project (\$9 million) which will modernize 38 traffic signals.
 - 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. Typical projects include the construction of flashing beacons at pedestrian crossing of major streets and protected bikeways. These projects are design to improve safety and promote more “walking and rolling,” also known as “active transportation,” by community members of all ages and abilities.

- A significant element 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 and 880/Decoto, as well as developing new bridges for bicycling and walking across freeways at 680/Sabercat Trail and 880/Innovation District. Other “major projects” include three new regional trails: Dumbarton to Quarry Lakes, East Bay Greenway, and Niles Canyon Trail.



- **Parks and Recreation.** The Parks CIP includes investments to implement the new Parks and Recreation Master Plan approved by the City Council in March 2022. Significant themes in both the adopted and proposed CIP include the following:
 - Major Park Improvements – Ongoing major park projects including California Nursery Historical Park, Centerville Community Park, Palm Avenue Community Park, and Rix Neighborhood Park, in addition to the Dusterberry Neighborhood Park currently under construction.
 - Upgrades throughout Park System – Upgrades to play areas are being installed at Marshall, Booster, Buena Vista, Azevada, Northgate, Los to play areas are being installed at Marshall, Booster, Buena Vista, Azevada, Northgate, Los Cerritos, Centerville, and Northgate Parks; new dog parks are proposed at Patterson Ranch and Vallejo Mills; and new pickle ball courts are planned at Vallejo Mills and Pacific Commons.
 - Trail and Pedestrian Improvements throughout Park System – New and expanded trails are proposed at Buena Vista and Sylvester Harvey Parks, 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.
 - 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.

Budget Overview

Legislative Advocacy: The City continues 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 and concerns of Fremont and the region are preserved. Earlier this spring, the City Council reviewed and approved Fremont’s 2023 Legislative Guiding Principles and Priorities – which serves as a foundation for pursuing major initiatives and funding opportunities. Adopting legislative guidelines and priorities enables City staff and lobbyists to actively advocate for, influence, and monitor State and federal legislation that best represents Fremont’s interests.

At its Annual Retreat held in February of 2023, the Fremont City Council once again confirmed financial health and sustainability as the City’s foundational principle. Additionally, the City Council renewed consensus on three top priority areas for the coming year. The priority areas include:

- **Continue to address homelessness;** Work with non-profit organizations to establish practical locations for safe overnight host parking sites, expand utilization of the Housing Navigation Center now that pandemic conditions allow, mitigate negative impacts on neighborhoods, support affordable housing projects that include units for the homeless and those at the highest risk of becoming homeless, and expand enforcement combined with abatement in targeted areas.



- **Foster the viability of commercial corridors;** Prioritize efforts to support neighborhood commercial vibrancy and health, continue to support downtown vibrancy including the exploration of establishing a Business Improvement District, support and provide technical assistance to small businesses, resume in-person neighborhood business district walks, identify opportunities for placemaking and re-establish the shop local campaign.
- **Focus on public safety;** Prioritize crime prevention, increase visibility, incorporate mental health strategies, address police staffing, work with County fire and EMS partners on emergency medical transportation issues, and provide tools, technology, and resources to be responsive and efficient.



A record number of bills were introduced earlier this year by State lawmakers for consideration in the 2023/24 California legislative cycle. Key issues the City will be keeping an eye on this session include the State's budget, housing and homelessness, environment and climate change, health care, drugs (fentanyl crisis), and public safety. Staff's work plan includes the process of reviewing and monitoring dozens of bills, advocating for legislation and regulations that affect our community, partnering with local jurisdictions, and seeking funding opportunities that supports these priorities, as well as other Council adopted policies and plans including but not limited to the City's General Plan and Housing Element, Climate Action Plan, Mobility Action Plan, and the Parks and Recreation Master Plan.

Fremont is fortunate to work with lobbyist representatives who continue to be instrumental in helping the City to be aware of funding opportunities and service programs at the State and federal level. In 2022, the City was successful in securing funding opportunities for key priority projects: (1) Under the Congressional reinstated earmark process that provides local governments and nonprofits the opportunity to submit projects under the Community Project Funding process, the City received support from Senator Alex Padilla and Congressman Ro Khanna in the amount of \$1.5 million to deploy wi-fi access in several of Fremont's business districts; (2) Through the 2022-23 California state budget process, with the support of Fremont's Senator Bob Wieckowski and Assemblymember Alex Lee, the City was awarded \$20.5 million to support the Sabercat Trail Extension project, Central Park Multi-Use Center, and the Housing Navigation Center. In March 2023, the City submitted several new Community Project Funding requests through our federal representative offices for consideration.

Over the next year, staff will continue to work with our legislative advocates at the State and federal level to prioritize and track legislation, while continuously evaluating the legislative climate to identify new areas of legislative concern and funding opportunities, with the overarching goal of improving quality of life and creating an equitable future for all consistent with the City's vision, goals, and policies.

Budget Overview

Conclusion

This proposed budget takes advantage of our growing local revenues to not only maintain essential services but also make targeted improvements that focus on City Council and community priorities. Additionally, the service level enhancements included in the proposed budget are consistent with the City Council's stated foundational principle of fiscal sustainability.

Our ability to improve on the current level of services and invest in the City's future will depend on continued revenue growth and sustained fiscal discipline by the City's collective leadership.

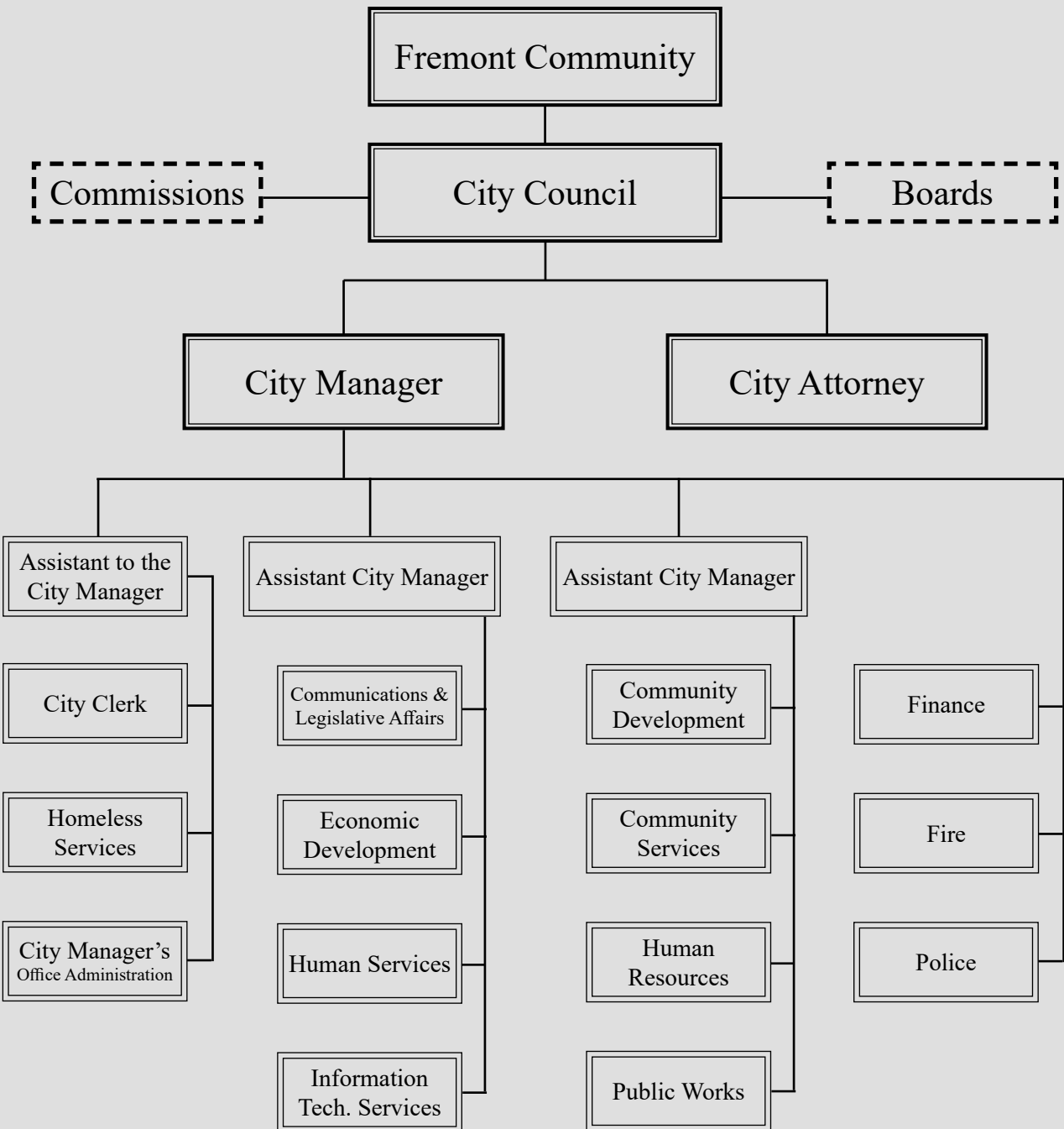
I would like to thank both the City Council and City staff for working together to overcome our recent challenges, and I look forward to building on that partnership to continue delivering high quality services to the residents and business that make up our Fremont community.



Karena Shackelford
City Manager

Summary Information

City of Fremont Organization Chart Fiscal Year 2023/24



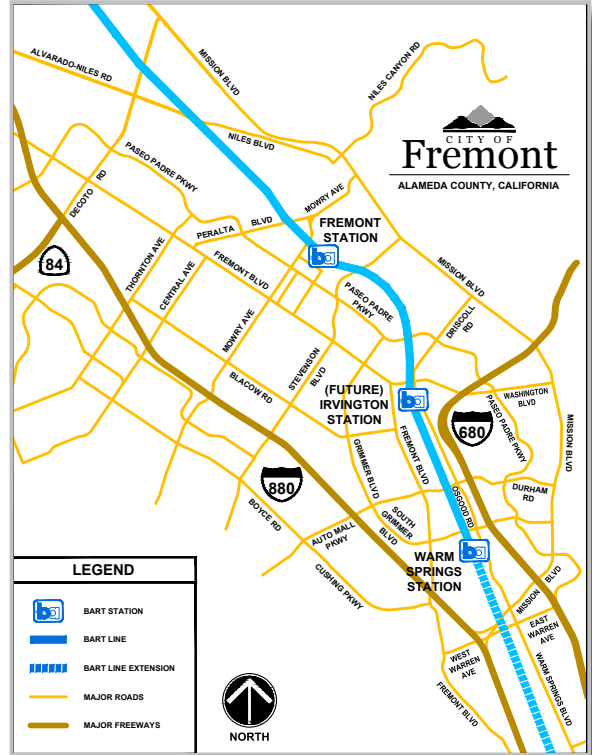
City of Fremont, California Regional View



City of Fremont Profile

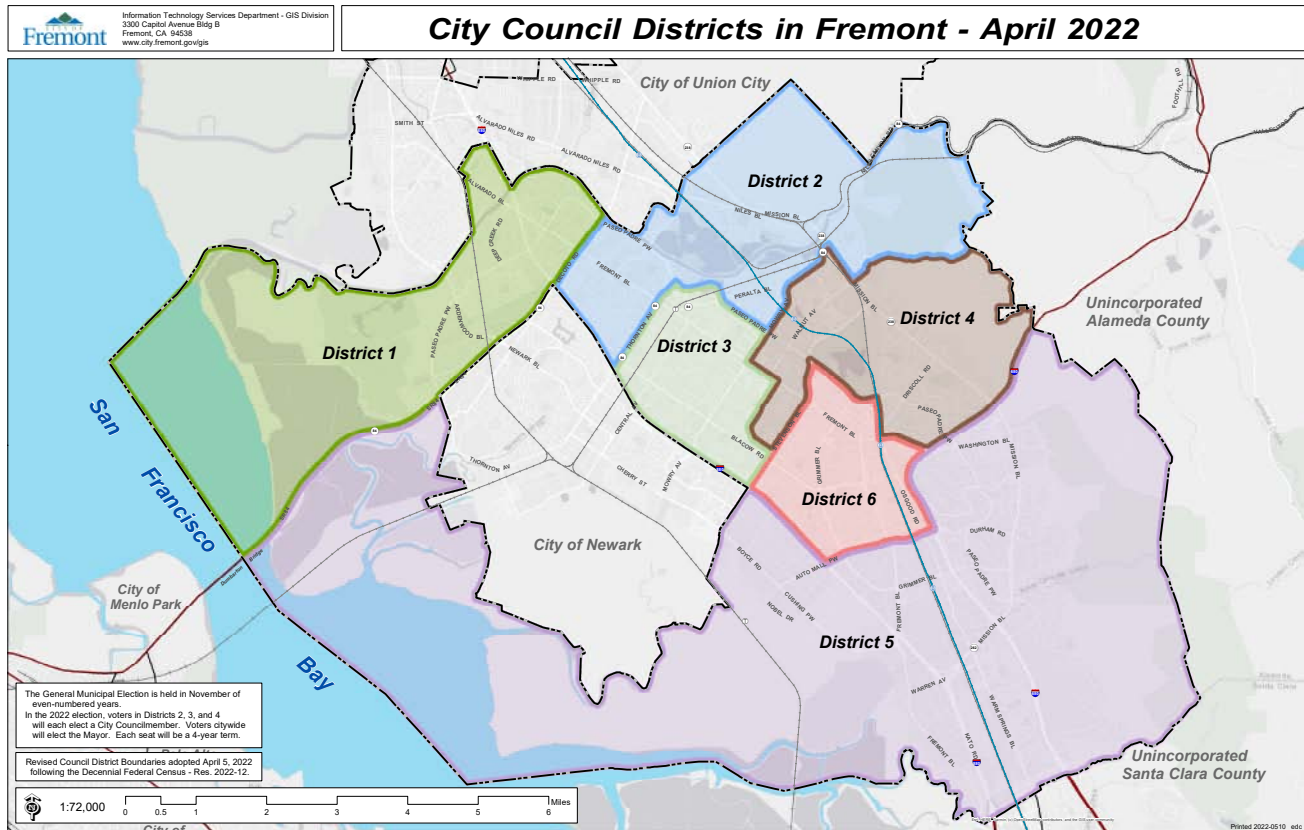
History

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.

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 229,467, 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 62 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.



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: 8

Full-time Employees FY 2023/24 ¹	
Community Development	88.55
Community Services	102.16
Economic Development	5.00
Fire	172.00
General Government	100.16
Human Services	82.40
Police	327.50
Public Works	141.95
Total	1,019.72

Demographics

Population ²	
1956	22,443
1960	43,634
1970	102,321
1980	127,454
1990	173,116
2000	203,413
2010	214,089
2020	233,132
2023	229,467

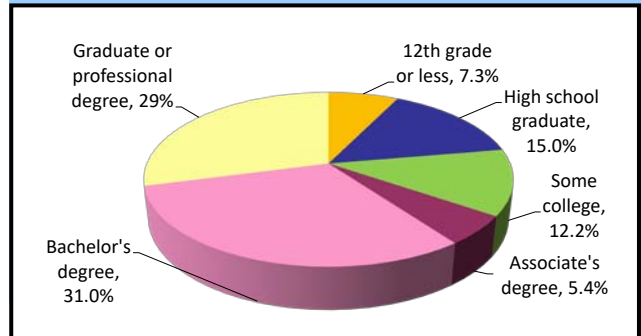
Land Area: 92 square miles

Climate³

Average Temperature: 60°F (15.6°C)

Average Annual Precipitation: 15.19"

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

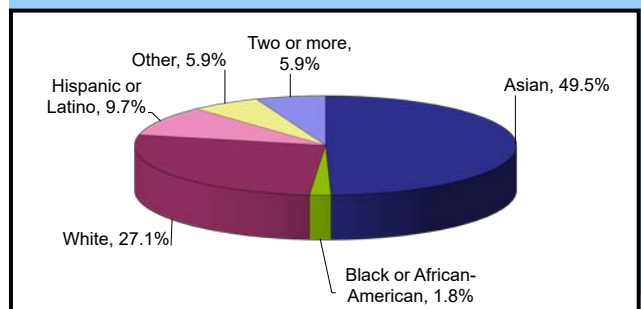


Median Age⁴: 38.3

Mean Household Income: \$155,958

Racial Composition⁴

(Hispanic/Latino may be of any race)



Summary Information | City of Fremont Profile

Business

Major Employers (listed in alphabetical order)⁵

- Boehringer Ingelheim, Inc.
- City of Fremont
- FM Industries, Inc.
- Fremont Unified School District
- Kaiser Permanente Medical Group
- Lam Research Corporation
- Mentor Graphics Corporation
- Meta
- Ohlone College
- Sutter Health
- Synnex Corporation
- Tesla, Inc.
- Thermo Fisher Scientific
- Washington Hospital
- Western Digital Corporation

Community Services

City Resources	
Family Resource Center	1
Parks	64
Senior Center	2
Community Centers	6
Fire Stations	11

Education

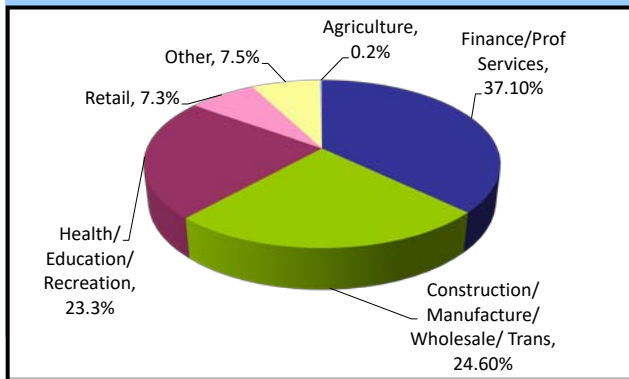
Fremont Unified School District (FUSD) has:

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

Percentage of students meeting the SAT College and Career Readiness Benchmarks⁶

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

Distribution of Jobs by Major Employment Sectors⁴
Total Jobs = 120,000



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

Services by Other Governmental Units

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

Notes:

¹ FY 2023/24 Proposed Operating Budget, City of Fremont

² California State Department of Finance

³ The Weather Channel

⁴ US Census Bureau

⁵ City of Fremont, Economic Development Department

⁶ 2019/20 for Grade 12, California Department of Education

⁷ 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
Sources					
Beginning Unreserved Fund Balance	\$ 13,861	\$ 30,165	\$ 98,256	\$ 129,821	\$ 272,103
Revenues					
Taxes:					
Property Tax	135,743	-	4,460	-	140,203
Sales Tax	100,904	-	1,647	-	102,551
Business Tax	13,893	-	-	-	13,893
Hotel/Motel Tax	7,342	-	-	-	7,342
Property Transfer Tax	1,678	-	-	-	1,678
Paramedic Tax	1,232	-	-	-	1,232
Franchise Fees	12,108	-	-	-	12,108
Charges for Services	7,042	44,461	16,214	-	67,717
Fines	2,842	-	10	-	2,852
Use of Money and Property	1,947	476	234	1,128	3,785
Intergovernmental	449	742	15,008	20,035	36,234
Other Revenues	101	1,839	6,422	12,195	20,557
Total Revenues	285,281	47,518	43,995	33,358	410,152
Transfers In	6,042	4,287	3,280	15,450	29,059
Total Sources	305,184	81,970	145,531	178,629	711,314
Uses					
Expenditures					
General Government	23,892	-	-	-	23,892
Police	117,653	-	773	-	118,426
Fire	75,349	-	717	-	76,066
Maintenance (Streets/Facilities)	25,005	-	-	1,759	26,764
Maintenance (Parks/Street Medians/Landscape)	12,880	2,499	4,567	-	19,946
Human Services	5,531	2,025	16,109	-	23,665
Code Enforcement/Community Development Admin	2,259	-	584	-	2,843
Housing	-	-	12,678	-	12,678
Environmental Services	-	-	13,082	-	13,082
Engineering	-	16,191	-	-	16,191
Planning	-	5,518	-	-	5,518
Building and Safety	-	13,596	-	-	13,596
Recreation	-	10,828	-	-	10,828
Homeless Services	-	-	2,366	-	2,366
Non-departmental	3,910	286	-	-	4,196
Capital	-	1,223	-	49,979	51,202
Less: Citywide Savings	(17,800)	-	-	-	(17,800)
Debt Service	7,206	-	3,162	-	10,368
Total Expenditures	255,885	52,166	54,038	51,738	413,827
Transfers Out	22,167	4,130	1,663	1,000	28,960
Total Uses	278,052	56,296	55,701	52,738	442,787
Ending Fund Balance					
Reserved Fund Balance	66,435	32,254	7,239	-	105,928
Unreserved Fund Balance	14,917	24,766	87,830	113,280	240,793
Total Ending Fund Balance	\$ 81,352	\$ 57,020	\$ 95,069	\$ 113,280	\$ 346,721

Citywide Position Changes Overview

The total authorized regular staffing level of 1,019.72 for FY 2023/24 has increased by 21 full time equivalent (FTE) positions from the FY 2022/23 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 2023/24 staffing increases serve to enhance public safety response capability and local economic vitality, address housing, homelessness, and mental health, improve service delivery, and support other wrap-around services to the community.

The Community Development Department staffing increase of 1.0 FTE Fire and Life Safety Plans Examiner supports development plans and permit activities.

The Community Services Department staffing increase of 1.0 FTE represents the addition of 1.0 FTE Urban Forester to support the Urban Forest Management Plan. In addition, 1.0 FTE Urban Landscape Manager was added with the elimination of 1.0 FTE Recreation Facility Supply Specialist position to better align with business needs.

The Economic Development Department staffing increase of 1.0 FTE represents the addition of 1.0 FTE Economic Development Specialist to support downtown and neighborhood district vitality.

The Finance Department staffing increase of 2.0 FTE includes the addition of 1.0 FTE Finance Operations Manager and 1.0 FTE Accounting Technician to staff divisions at appropriate levels for the demand and volume of activities.

The Human Resources Department staffing increase of 1.0 FTE represents the addition of 1.0 FTE Human Resources Manager to enhance recruitment capacity and address organizational recruitment needs.

The Human Services Department staffing increase of 4.0 FTE includes 1.0 FTE Case Manager to support housing assistance programs, 1.0 FTE Human Services Specialist to support homeless care and response, and 2.0 FTE Counselors to focused on Asian mental health.

The Police Department staffing increase of 5.0 FTE includes the addition of 2.0 FTE Police Officers, 1.0 FTE Community Services Officer to support the mobile evaluation team, and 2.0 FTE Police Service Technicians to support department staffing needs.

The Public Works Department staffing increase of 6.0 FTE includes the addition of one new street maintenance crew, consisting of 1.0 FTE Street Field Supervisor, 1.0 FTE Street Maintenance Worker II, and 2.0 FTE Street Maintenance Worker I positions. In addition, 1.0 FTE Street Sweeper Operator to enhance street sweeping services and 1.0 FTE Fleet Mechanic I to support vehicle maintenance activities were also included.

Summary Information | Citywide Position Changes

	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
<u>PUBLIC SAFETY</u>						
Fire	161.00	162.00	162.00	162.00	172.00	172.00
Police	314.50	317.50	320.50	318.50	322.50	327.50
TOTAL	475.50	479.50	482.50	480.50	494.50	499.50
<u>OTHER COMMUNITY SERVICES</u>						
Community Development	80.25	81.25	81.55	83.55	87.55	88.55
Community Services	94.01	96.01	97.06	98.41	101.16	102.16
Economic Development	4.00	4.00	4.00	4.00	4.00	5.00
Human Services	65.40	64.73	70.10	75.15	78.40	82.40
Public Works	129.65	136.00	136.30	135.80	135.95	141.95
TOTAL	373.31	381.99	389.01	396.91	407.06	420.06
<u>ADMINISTRATIVE SYSTEMS</u>						
City Manager's Office	12.05	13.05	10.75	10.75	11.75	11.75
City Attorney	9.92	9.92	9.92	9.92	9.92	9.92
City Clerk	3.95	3.95	4.25	4.25	4.25	4.25
Finance	24.00	24.00	24.00	24.24	26.24	28.24
Human Resources	15.00	16.00	16.00	16.00	18.00	19.00
Information Technology Services	23.00	27.00	27.00	27.00	27.00	27.00
TOTAL	87.92	93.92	91.92	92.16	97.16	100.16
CITYWIDE TOTAL	936.73	955.41	963.43	969.57	998.72	1,019.72

Note: Total number of positions anticipated at the end of June 2023 shown for FY 2022/23.

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 & 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 2023/24, and its future annual debt service requirements.

Changes in Outstanding Debt

	Amounts Outstanding 06/30/2022	Incurred or Issued	Matured or Retired	Amounts Outstanding 06/30/2023	Amounts Due Within One Year	Amounts Due in More than One Year
General Obligation Bonds						
2017 Fire Safety Bonds Maturity – 08/01/2038	\$ 10,650,000	\$ -	\$ (435,000)	\$ 10,215,000	\$ 445,000	\$ 9,770,000
2021 Fire Safety Bonds Maturity – 08/01/2034	16,205,000	-	(1,000,000)	15,205,000	1,050,000	14,155,000
Total General Obligation Bonds	26,855,000	-	(1,435,000)	25,420,000	1,495,000	23,925,000
General Fund Lease Obligations						
2017B Lease Revenue Bonds Maturity – 10/01/2038	17,280,000	-	(17,280,000)	-	-	-
2019 Lease Revenue Bonds Maturity – 10/01/2038	64,450,000	-	(4,880,000)	59,570,000	5,145,000	54,425,000
Total General Fund Lease Obligations	81,730,000	-	(22,160,000)	59,570,000	5,145,000	54,425,000
Total City Long-term Debt	\$ 108,585,000	\$ -	\$ (23,595,000)	\$ 84,990,000	\$ 6,640,000	\$ 78,350,000

Summary Information | City Debt Summary

Budgeted Debt Service - FY 2023/24

	Principal	Interest	Fees	Total
General Obligation Bonds				
2017 Fire Safety Bonds	\$ 445,000	\$ 399,975	\$ 350	\$ 845,325
2021 Fire Safety Bonds	1,050,000	734,000	1,350	1,785,350
Total General Obligation Bonds	1,495,000	1,133,975	1,700	2,630,675
General Fund Lease Obligations				
2017B Lease Revenue Bonds	-	-	750	750
2019 Lease Revenue Bonds	4,729,238	2,473,419	3,000	7,205,657
Total General Fund Lease Obligations	4,729,238	2,473,419	3,750	7,206,407
Family Resource Center Lease Obligations				
2019 Lease Revenue Bonds	415,762	115,356	-	531,118
Total Budgeted Debt Service	\$ 6,640,000	\$ 3,722,750	\$ 5,450	\$ 10,368,200

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
2024	\$ 1,495,000	\$ 1,133,975	\$ 4,729,238	\$ 2,473,419	\$ 415,762	\$ 115,356
2025	1,565,000	1,057,475	4,965,851	2,231,041	454,149	93,609
2026	1,635,000	977,475	5,225,378	1,976,261	489,622	70,014
2027 - 2031	9,410,000	3,548,750	20,159,523	6,717,913	1,155,477	62,637
2032 - 2036	8,880,000	1,150,375	12,700,000	3,174,800	-	-
2037 - 2040	2,435,000	111,225	9,275,000	568,700	-	-
Total	\$ 25,420,000	\$ 7,979,275	\$ 57,054,990	\$ 17,142,134	\$ 2,515,010	\$ 341,616

Debt Obligations and Associated Bond Ratings

The City and the Fremont Public Financing Authority have issued the following types of long-term obligations to acquire or improve capital assets:

General Obligation Bonds. General obligation (GO) bonds are secured by the City's obligation to annually levy ad valorem taxes on all taxable properties within the City in an amount necessary to pay debt service. Following voter approval in 2002, GO bonds were issued in 2003, 2005, and 2009 to build or improve City public safety facilities. The 2003 GO bonds were refunded with the issuance of the 2012 General Obligation Refunding Bonds, the 2005 GO bonds were refunded with the issuance of the 2013 General Obligation Refunding Bonds, and the 2009 GO bonds were refunded with the issuance of the 2017 General Obligation Refunding Bonds. The 2012 General Obligation Refunding Bonds and 2013 General Obligation Refunding Bonds were refunded with the issuance of the 2021 General Obligation Refunding Bonds.

General Fund Bonds (Lease Revenue Bonds). Lease revenue bonds entitle investors to receive payments from an underlying financing lease between the City and the Fremont Public Financing Authority or another corporate entity. The Authority uses the lease revenue received from the City to pay principal and interest on the lease obligations. The City has one outstanding series of lease

revenue bonds: the 2019 Lease Revenue Bonds. The 2017B Lease Revenue Bonds were defeased in April, 2023. Although the City is no longer responsible for the principal and interest payments on the 2017B Bonds, escrow agent and paying agent fees will be budgeted until the bonds are redeemed on October 1, 2027. The Lease Revenue Bonds were issued to finance or refinance the acquisition or construction of various capital assets including building improvements and fire equipment. The 2019 Bonds bear interest at fixed rates. The lease payments and associated financing costs are payable from the General Fund, although a portion of the lease payments associated with the 2019 Bonds are paid from rental revenue of tenants at the Fremont Family Resource Center.

The City maintains Standard & Poor’s ratings of AA+ (stable outlook) on its general obligation bonds and AA (stable outlook) on its lease revenue bonds.

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 \$25,420,000 of outstanding debt subject to the legal debt limit and a legal debt limit of \$2,478,067 the City is not at risk of exceeding this limit.

Computation of Legal Debt Margin as of June 30, 2023

Assessed Valuation (net)¹	\$ 66,081,811,287
25% of Assessed Valuation	16,520,452,822
Debt Limit: 15% of Assessed Valuation	<u>2,478,067,923</u>
Less Outstanding Debt (subject to legal debt limit)	(25,420,000)
Legal Debt Margin	<u>\$ 2,452,647,923</u>

¹ Source: Auditor-Controller of Alameda County, Certificate of Assessed Valuation, Fiscal Year 2022/23.

Debt Management Policy General Fund Debt Service Limit

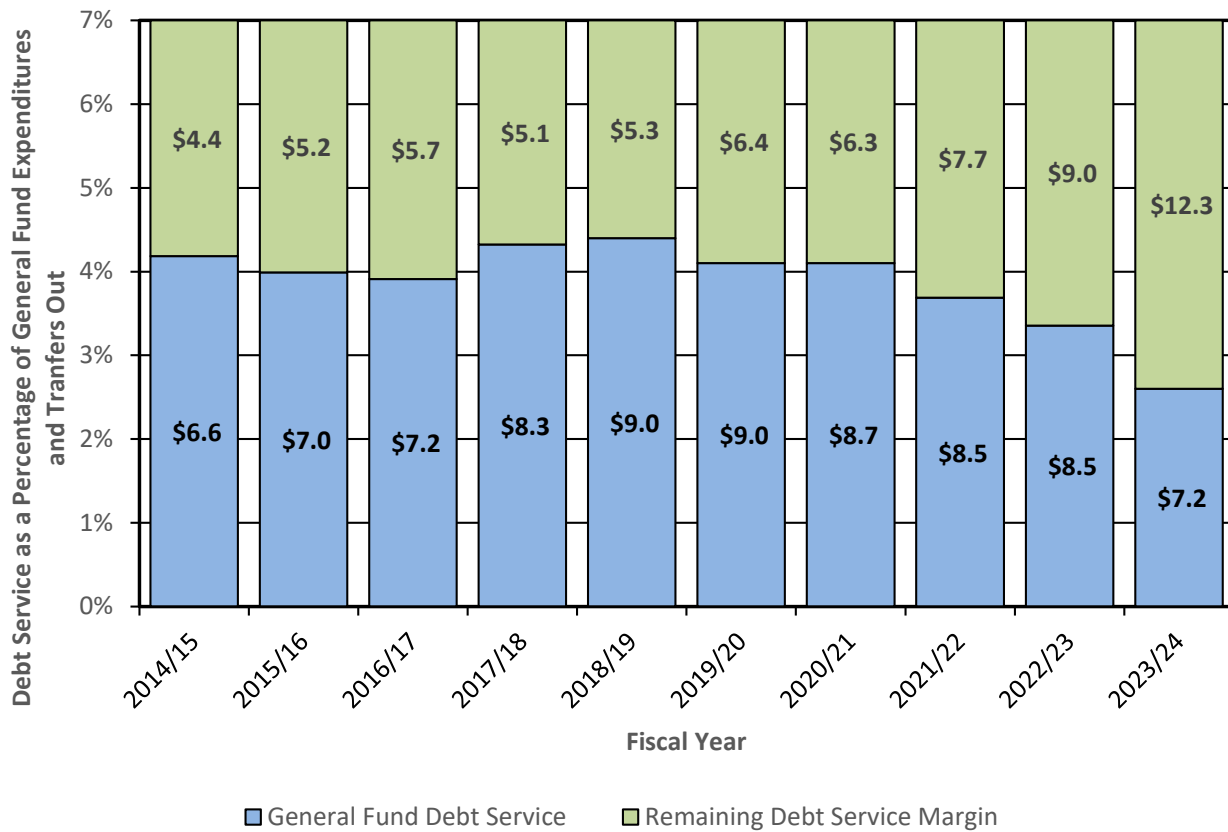
The City of Fremont’s Debt Management Policy, adopted by the City Council on April 4, 2017, requires that debt service supported by the General Fund will not exceed 7% of total General Fund budgeted expenditures and transfers out. With FY 2023/24 debt service supported by the General Fund estimated at \$7,202,657, and a debt service limit of \$19,463,640 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	\$ 278,052,000
Debt Management Policy Limit of 7%	19,463,640
Less Debt Service Supported by the General Fund	<u>(7,202,657)</u>
Debt Service Margin	\$ 12,260,983

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

Annual Debt Service vs. Policy Limit



Appropriations Limit

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

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

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

multiplied by

either

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

or

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

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

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

On May 1, 2023, 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 4.44%. The calculation as applied to the City of Fremont for FY 2023/24 is as follows:

The population change from January 1 of the previous year (229,122) to the population on January 1, 2023 (229,467) is 345, or a 0.15% increase.

The change in per capita personal income is 4.44%.

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

$$\frac{0.15 + 100}{100} \quad \times \quad \frac{4.44 + 100}{100} \quad = \quad 1.0460$$

Summary Information | Appropriations Limit

Applying this year's factor of 1.0460 to last year's limit of \$877,488,604 yields the Appropriations Limit for FY 2023/24 of \$917,853,080.

Based on an operating budget of \$278,052,000 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 2023/24 operating budget.

Budget Principles

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

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

General Fund Preservation

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

Reduce the Cost of Doing Business

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

Revenue Generation

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

Performance Measurement

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

City Attorney

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 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 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Percent of time City Council Meeting minutes are posted online no later than 2 weeks after the original City Council Meeting date ¹	90%	90%	90%	95%
Percentage of Public Records Requests that received a responsive email within the 10-day compliance period under the California Public Records Act	90%	95%	90%	95%

¹City Council meetings are held the first three Tuesdays of each month. When a Council Meeting is not held for more than two weeks, having minutes posted by the next scheduled meeting is compliant with this performance measure..

Summary Information | Performance Measurement

City Manager

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Percent of residents that agree that Fremont is a “good” or “excellent” place to live ²	N/A	77%	N/A	75%
Percent of employees that feel “prepared” and “trained” to do their jobs ³	N/A	N/A	N/A	80%
Number of likes, followers and subscribers of the social media accounts	247,141	282,000	285,295	325,236
Number of likes, followers and subscribers of the social media accounts	222,500	282,000	247,141	282,000

² The community survey is a biennial survey. Due the continuation of the COVID-19 pandemic, the survey did not occur FY 2022/23. The community survey is expected to be conducted in FY 2023/24.

³ The employee survey is a biennial survey. Due the continuation of the COVID-19 pandemic, the survey did not occur FY 2022/23. The next one is anticipated to take place in FY 2023/24.

Community Development

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Reduce waits for public counter assistance to a maximum of 15 minutes	90%	90%	90%	90%
Achieve entitlement processing schedules	95%	90%	90%	90%
Achieve building permit processing schedules	75%	90%	90%	90%

Community Services

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Increase Recreation program registrants over prior year	17,007	20,000	21,946	23,000
Increase number of creek clean-up volunteers	620	550	650	700
Increase Public Tree Planting	127	150	175	200

Economic Development

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Number of businesses assisted by Economic Development Department	395	200*	392	400
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 ⁴	18	15*	20	20
Number of business appreciation visits and establishment of baseline for percentage of visits that lead to subsequent follow-up/interaction with City	20	35	33	35

⁴Initial targets for FY 22/23 were lowered due to anticipated staffing shortages..

Summary Information | Performance Measurement

Finance

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Number of bids/RFPs issued	50	60	56	60
Percent of Business Tax certificates issued online	68%	69%	73%	75%

Fire

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
911 calls processed within 1:30 minutes	90.0%	90.0%	90.0%	90.0%
Crew responding within 2:00 minutes of dispatch	90.5%	93.8%	90.0%	90.0%
Crew travels to incident within 4:00 minutes of dispatch	99.4%	99.5%	90.0%	90.0%
FFD Paramedic on scene of a medical emergency within 7:30 minutes from 911 call	88.2%	88.1%	90.0%	90.0%
Fire Engine arrives at the scene of a fire within 7:30 from 911 call	87.7%	85.2%	90.0%	90.0%
Ladder Truck arrives at the scene of a fire or rescue within 11:30 from 911 call	91.5%	92.5%	90.0%	90.0%
Vegetation fire is confined to one acre or less	97.5%	97.8%	90.0%	90.0%
Structure fire is contained to the room of origin	94.4%	88.2%	90.0%	90.0%
Patient extricated from a vehicle collision within 30 minutes	82.4%	100%	90.0%	90.0%

Summary Information | Performance Measurement

Fire (continues)

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Provide sufficient amount of quality training to maintain operational readiness	33 hours per person per month	35 hours per person per month	20 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	Required licenses and certifications 100% compliance	Met this measure with 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 2020	Met this measure with 46% compliance, down from 54% in CY 2021	Complete inspections of 95% of SFM regulated occupancies in a given year	Complete inspections of 100% of SFM regulated occupancies in a given year
Percent of inspections of permitted Hazardous Materials (Haz Mat) facilities	Completed 30% of Haz Mat Facility and 100% of Underground Storage Tank (UST) inspections	Met measure by completeing 39% of the Haz Mat Facility and 100% of the Underground Storage Tank (UST) inspections	Completed 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 in a given year

Summary Information | Performance Measurement

Human Resources

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
% of employees participating in a 457(b) deferred compensation plan for retirement savings	74%	80%	73%	80%
Total number of citywide recruitments opened (full-time and part-time) ⁵	79	N/A ⁵	TBD	100
Average days between prospective police officer application and issuance of offer letter (police officer) ⁶	206 ⁶	124	TBD	124
Average days between application and issuance of offer letter (all non-sworn police positions)	200	183	TBD	183
⁵ New measure for FY 2023/24. ⁶ 21 Police Officers were hired in FY 2021/22.				

Human Services

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Percent of Long-term SparkPoint Clients achieving economic mobility ⁷	75%	75%	72%	75%
Increase number of paid members at both Age Well Centers ⁸	1,116	1,194	1,635	1,750
Percent of youth who improved in their social behavioral health and were observed as stable after receiving counseling services ⁹	75%	75%	75%	75%
⁷ 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%. ⁸ Measured by number of members in Active Net, the Age Well Center’s registration system. ⁹ 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 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Percent of service desk calls resolved at first point of contact (when call is placed to the ITS Service Desk)	89%	80%	82%	80%
Percent of network availability as measured using a monitoring tool uptime algorithm	99%	99%	99%	99%
Percent of service tickets resolved within the stated service level agreements (SLAs) for the type and criticality of each request	61.5%	80%	70%	80%
Percent of requests for GIS Street Naming and Addressing projects completed within agreed-upon time frames	94%	80%	94%	80%

Summary Information | Performance Measurement

Police

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Continue to apply the strategies, tactics, and methods used to sustain present level or further reduce the incidence of residential burglaries	263 ¹⁰ (single/multiple residences only)	Sustain present level or further reduction from the previous year	246 ¹¹ (single/multiple residences only)	Sustain present level or further reduction from the previous year ¹²
Continue to apply the strategies, tactics, and methods used to sustain the present level or further reduce the incidence of violent crimes and property crimes	469 ¹⁰ (violent crimes) 5,693 ¹⁰ (property crimes)	Sustain present level or further reduction from the previous year	281 ¹¹ (violent crimes) 6,555 ² (property crimes)	Sustain present level or further reduction from the previous year
Minimize the number of injury collisions as compared to the previous year	430 ¹⁰	Reduction from the previous year	526 ¹¹	Reduction from the previous year
Identifying and implementing additional wellness initiatives across the department	1	Increase from the previous year	2	3
Increase staffing levels for the positions of Police Officer and Communications Dispatcher	138 out of 156 = 88% (Police Officer) 17 out of 24 = 71% (Dispatcher)	Increase from the previous year	135 out of 158 = 85% (Police Officer) 13 out of 24 = 54% (Dispatcher)	144 out of 160 = 90% (Police Officer) 17 out of 24 = 71% (Dispatcher)
¹⁰ Calendar Year 2021 – figures reported by Uniform Crime Reporting (UCR) for January through December 2021. ¹¹ Calendar Year 2022 – Internal reporting figures due to the switch from UCR reporting (January – April, 2022) to NIBRS reporting (May – December, 2022). ¹² Calendar Year 2023 - figures to be reported by National Incident Based Reporting System (NIBRS) calendar year.				

Public Works

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Percent of preventative maintenance repairs Fleet services performed on-schedule (e.g., completed within two weeks of scheduled service)	62%	75%	70%	75%
Number of “clean fuel” vehicles in City fleet	80	93	87	94
Number of persons severely or fatally injured in traffic crashes on City streets Note: The traffic fatality rate (fatalities per 100,000 population) in Fremont was 3.0 in 2022, and is significantly below the national rate of 12.9 (in 2021) and the California rate of 10.9 (in 2021).	25 in Calendar Year 2021 (7 fatalities)	Continuous improvement	27 in Calendar Year 2022 (7 fatalities)	Continuous improvement
Percent of graffiti removal calls responded to within one business day for Priority 1 graffiti (gang-related or profane) / one business week for Priority 2 graffiti for all other types	50% / 87%	Continuous improvement	53% / 90%	60% / 92%

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.

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.

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 Continue to update the Fremont Municipal Code to address new land use laws and to support City of Fremont goals. 
- 2 Enhance the City's efforts to address homelessness through responding to complaints and coordination with Human Services, Police, and Environmental Services departments. 
- 3 Adjust citation amounts for planning and building code violations to the extent allowed by State law as a way to incentivize compliance. 
- 4 Facilitate adoption of a short-term rental ordinance. 
- 5 Continue to work with the Art Review Board to facilitate installation of public artwork within the city's art districts. 
- 6 Update fees for fire permits to ensure the program is 100% fee supported. 
- 7 Continue to provide the public with the latest updates in Community Development through newsletters, City News Briefs, City email lists, social media, department webpages, and printed materials. 
- 8 Create videos for the public on how to use Citizen Access, the City's online permit portal. 
- 9 Modernize the Permit Center to better utilize its limited area, including creation of a kiosk center. 
- 10 Secure Council adoption of the Climate Action Plan and begin implementation of priority actions. 
- 11 Continue educational training of staff to maintain City and State mandated building and fire code certifications and licenses with the 2022 California Building Code. 
- 12 Continue streamlining accessory dwelling unit (ADU) and pre-approved accessory dwelling unit (PDU) review processes. 
- 13 As an implementation requirement of the Housing Element, initiate planning for the development of housing on City-owned property on Decoto Road. 
- 14 Update the City's seismic ordinance to consider updated technical guidance and changes in State law. 
- 15 Administer Federal Energy Efficiency and Conservation Block Grant (EECBG) funds received by the City. 
- 16 Issue a Notice of Funding Availability (NOFA) seeking proposals for new affordable housing developments utilizing City affordable housing funds. 











































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

Summary Information | Citywide Goals and Objectives

Objectives Summary

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

COMMUNITY SERVICES DEPARTMENT:



- 1 Continue to advance preventative maintenance measures to aid the City's efforts to manage safety and liability tree issues.   
- 2 Award CalFire grant related contracts to implement the City's urban forestry expansion efforts.  
- 3 Continue to work on the deployment of the Asset Maintenance and Management system known as Cityworks.  
- 4 Start design and development work on the new Central Park Community Center and continue to secure funding.   
- 5 Collaborate with Public Works in implementation plan for park-wide restroom upgrades and complete new restroom construction at Centerville Community Park.  
- 6 Implement Marketing Plan for Recreation Cost Center to meet revenue goal of \$11.0 million.   
- 7 Expand volunteer opportunities throughout the Community Services department.  
- 8 Develop an aging park playground replacement strategy focusing on sustainability, inclusivity, and equitability of our parks system.   
- 9 Complete construction of next phase California Nursery Historical Park projects. 
- 10 Complete construction of the new all-inclusive outdoor exercise equipment complex and East Meadow Path project at Central Park. 
- 11 Complete construction for multiple play area renovations. 
- 12 Complete Pickleball courts and/or court conversions in Central Park. 
- 13 Complete design and transition plan for Vallejo Mills Historical Park Phase 1.   
- 14 Complete construction of Sylvester Harvey Community Park Loop Trail. 
- 15 Complete design and approval of Pacific Commons Park Master Plan and Phase one construction documents.   
- 16 Complete design and construction documents for the Centerville Community Park expansion.   
- 17 Complete the site demolition and initiate the public engagement process for the development of the 12-acre Palm Avenue Community Park.    
- 18 Expand participation of Fremont businesses and schools in county reusable food service ware campaign.  
- 19 Conduct 150 cleanup events at homeless encampment sites throughout 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
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-  Effective and efficient city government
-  Public facilities and programs for recreation
-  Creating an aging friendly community










COMMUNITY SERVICES DEPARTMENT (continued):

- 20 Install an additional 75 trash capture devices in City stormwater catch basins to intercept trash and reduce stormwater pollution. 
- 21 Install public litter cans at a minimum of 20 ACE transit bus stop locations. 

ECONOMIC DEVELOPMENT DEPARTMENT:

- 1 Continue implementing Fremont’s economic resiliency strategy focused on three key pillars to building a healthy and equitable economy in Fremont. 
- 2 Expand activities and partnerships to support the small business environment in Downtown and neighborhood commercial districts. 
- 3 Facilitate development and leasing activity in Fremont’s key employment districts of Warm Springs, Bayside, Ardenwood, and Pacific Commons. 
- 4 Enhance communication and marketing efforts to Fremont’s business stakeholders. 

FIRE DEPARTMENT:

- 1 Complete a Firefighter I/II recruit academy with fifteen (15) graduates. 
- 2 Complete EMS Transport Study to determine how to best meet the emergency medical transportation service needs of the City of Fremont. 
- 3 Implement Tablet Command as an incident management platform. This ensures seamless response within the City of Fremont and on mutual aid calls. 
- 4 Purchase and implement a new mechanical CPR system. 
- 5 Replace Fremont Fire’s current station alerting system with a newer, more reliable system that can maintain compliance with ACRECC system. 
- 6 Improve inspection compliance percentages within State mandated regulated occupancies. 
- 7 Review and adopt updates to Fremont’s local California Building Code amendments and the State’s Fire Hazard Severity Zone Mapping as it applies to the local responsibility area. 
- 8 Enhance in-house training for Fire Prevention and Hazardous Materials inspectors. 
- 9 Improve operational readiness of the Emergency Operations Center. 















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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FIRE DEPARTMENT (continued):

- | | |
|---|--|
| 10 Complete the Tri-Cities Multi-jurisdictional Local Hazard Mitigation Plan project. |   |
| 11 Convene the Disaster Council annually, providing an executive-level forum for updates on emergency management projects and initiatives. |   |
| 12 Continue to actively seek out candidates from underrepresented groups and provide them with equal opportunities for employment and career advancement. |   |
| 13 Further develop the Department's recruitment and community engagement programs. |   |
| 14 Expand the Department's behavioral health program. |   |
| 15 Continue ongoing evaluation of the staff's health through annual firefighter medical exams to detect physical or medical conditions that could negatively affect their ability to perform essential job tasks. |   |
| 16 Complete recruitment and promotional processes for Fire Chief, Division Chief, Fire Marshal, and Battalion Chief. |  |
| 17 Hire two (2) additional Fire Prevention Inspectors within the Fire Prevention Bureau. |  |

HUMAN SERVICES DEPARTMENT:



- | | |
|--|--|
| 1 Continue to evolve programs to meet the needs of the public. |    |
| 2 Serve Fremont residents most at risk of homelessness and eviction in the Keep Fremont Housed Stability program. |    |
| 3 Implement specific strategies and action steps outlined in Year One of the FRC's 5-year Strategic Plan 2024- 2029. |  |
| 4 Begin a new community needs assessment to solicit input from older adult residents and hear from them what can be done to improve the City's Age Friendly efforts and update the City's Aging Action Plan. |    |
| 5 Increase the number of extremely vulnerable elders receiving intensive care management from a nurse/social worker team from 50 to 100 clients. |    |
| 6 Continue to coordinate a comprehensive SparkPoint program at the Fremont Family Resource Center (FRC). |    |
| 7 Increase the financial assets of low-income families through the FRC's VITA program. |    |
| 8 With federal HOME funds, assist up to 25 families facing economic crises to remain in their homes and return to financial stability. |     |

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HUMAN SERVICES DEPARTMENT (continued):

- 9 Continue to increase and strengthen diversified funding streams for the Humans Services Department to offset service costs,  

POLICE DEPARTMENT:

- 1 Develop, promote, and implement data-driven crime reduction strategies, including crime prevention, disruption, and apprehension to reduce criminal activity.  
- 2 Research and procure new technological resources or equipment, per best practices, to enhance community and officer safety. Assess the outcome and feasibility of the Drone as First Responder (DFR) pilot program.  
- 3 Reduce gun violence through intelligence sharing and analysis in partnership with the Gun Violence Reduction Team (GVRT).  
- 4 Traffic personnel will focus on reducing injury collisions and enhancing roadway safety.  
- 5 Reduce sworn and professional vacancies across all departmental positions and leverage innovative strategies learned. 
- 6 The Animal Shelter will restart the trap-neuter-release program for community cats. 
- 7 MET officers will continue to collaborate and build relationships with other mental health and social service providers to link those suffering from mental health crises with appropriate services.  
- 8 The Community Engagement Unit will resume neighborhood meetings and crime prevention seminars with block captains from over two hundred participating neighborhoods.   
- 9 The School Resource Officer program will continue to prioritize the best interests of students and each campus and, when feasible, utilize Youth Diversion to avoid entering juveniles into the criminal justice system.  
- 10 Enhance the Crime Laboratory’s National Integrated Ballistic Information Network (NIBIN) capabilities.  

PUBLIC WORKS DEPARTMENT:

- 1 Continue delivering high quality engineering and maintenance services to support the City’s public infrastructure.     
- 2 Build upon the improvements from the Fremont Boulevard Safe and Smart Corridor project and expand signal modernization work to other priority corridors across the Citywide traffic signal network. The City will also begin the design of a new Traffic Management Center.     



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Summary Information | Citywide Goals and Objectives

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PUBLIC WORKS DEPARTMENT (continued)::

- 3 Prepare a new Active Transportation Plan to update the City's master plans for pedestrian and bicycling facilities for the next five years. 
- 4 Expedite delivery of new General Fund Capital projects identified as priorities by the City Council. 

ADMINISTRATIVE DEPARTMENTS:

















- 1 Attend and provide legal advice at City Council meetings. Provide updates on any changes in state law regarding public meetings and conflicts of interest. 
- 2 Assist the City Council and the City Manager's Office to implement City Council priorities. 
- 3 Attend and provide legal advice at public meetings of City boards and commissions, as required or assigned. 
- 4 Train and provide legal advice to City boards, commissions, and employees on the Brown Act, Public Records Act, and conflicts of interest. 
- 5 Assist the City Council and City departments to transition from the COVID-19 emergency following the conclusion of the California and local state of emergencies. 
- 6 Represent the City in lawsuits and administrative hearings and pursue cost-effective resolution of pending litigation matters. 
- 7 Defend the City against government tort claims and workers' compensation, including rejection or settlement of claims as appropriate. 
- 8 Support the City Council, City Manager's Office, and Human Resources, and other City departments on labor and employment matters. 
- 9 Support staff on issues related to homelessness and additional development of affordable housing. 
- 10 Advise City departments regarding leases, land use-related agreements, acquisition of park land, development project applications, infrastructure projects and franchise agreements, and ADA issues. 
- 11 Pursue staff actions and projects that assist with and enhance the implementation of the top three Council priorities for the year, as re-affirmed at the 2023 City Council Retreat. 
- 12 Pursue legislative efforts and strengthen state and federal partnerships to promote the best interests of the City, while implementing the Council's 2023/24 Legislative Guiding Principles and Priorities. 
- 13 Prepare and implement a Citywide Homeless Response Strategic Plan to further the City's short and long-term strategies for homeless solutions. 

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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ADMINISTRATIVE DEPARTMENTS (continued):

- 14 Continue to build and promote a City of Fremont citywide communications program.  
- 15 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.   
- 16 Continue to commit time and resources towards the implementation of the Downtown Community Plan.    
- 17 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 to nurture the Innovation Economy in Fremont and help foster growth industries that are driving significant new investment and employment.    
- 18 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.  
- 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. 
- 24 Continue to emphasize and encourage public use of the City's online business tax offerings 
- 25 Continue implementation of improvements to the City's purchase card program.  
- 26 Deploy Tyler Citizen Self Service, which will enable customers to pay Accounts Receivable invoices online. 
- 27 Reduce Citywide position vacancies. 
- 28 Continue to assess, analyze, and implement new and innovative recruitment practices to attract a diverse and high qualified work force. 
- 29 Facilitate ongoing COVID-19 related service delivery recovery and process improvements for City of Fremont staff. 

















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

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ADMINISTRATIVE DEPARTMENTS (continued):

- 30 Complete revision of the City’s Personnel Rules in partnership with the City’s nine bargaining units. 
- 31 Seek professional services consultant to assist in the development of a workforce initiative to advance critical work in diversity, equity, and inclusion. 
- 32 Continue to invest in organizational health and development and provide increased opportunities for training. 
- 33 Assess and make improvements to the current Citywide performance evaluation system to ensure it is meeting the needs of the organization. 
- 34 Continue to implement outcomes from negotiated three-year successor MOUs (July 2022 to June 2025). 
- 35 In partnership with the Fremont Police Department and the Union City Police Department, ITS will commence the installation phase of the CAD and RMS project. 
- 36 The Finance and ITS Department will complete the upgrade to Tyler Munis Enterprise ERP version 2021.6 and Tyler Cashiering 2021.7. 
- 37 In collaboration with the City Manager’s Office, ITS will begin the process of replacing the existing records management system. 
- 38 In collaboration with the City Manager’s Office, ITS will begin the process of replacing the existing agenda management system. 
- 39 In partnership with the Public Works Department, ITS will implement the Fleet solution from Cityworks. 
- 40 ITS will implement multi-factor authentication (MFA) technology to increase the security of the network and its applications. 
- 41 Wi-Fi Deployment in the 6 Business Districts in Fremont. 
- 42 As part of the City’s Fiber Master Plan, ITS will be installing high speed wireless Siklu devices to extend the City’s fiber network via Wi-Fi to the Niles District. 
- 43 As part of the City’s on-going cybersecurity initiative, ITS will develop and exercise a cyber security incident response plan. 
- 44 Complete GIS Strategic Plan Phase I by August 2023. 
- 45 Complete Phase I to implement 18 recommendations identified in the Data Management Design study, followed by Phase II, which has 10 recommendations. 
- 46 The GIS Team is collaborating with the Public Works Department to develop a CIP Projects Project Locator/Story Map. 
- 47 Update Pictometry imagery covering the Tri-City area. 

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

General Fund

General Fund Summary

The General Fund is the City's primary operating fund and accounts for the City's discretionary funding sources (e.g., property tax, sales tax, business tax, hotel tax, and franchise fees). 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 2023/24 General Fund budget, including budget assumptions, expenditure and revenue highlights, transfers to other funds, reserves, and a multi-year forecast.

The table on the next page shows that total General Fund budgeted resources in the coming year are estimated to be adequate to support total budgeted expenditures of \$278.1 million. Reflecting continuing improvement in the local economy, ongoing General Fund resources are estimated to increase by 4.9% in FY 2023/24.

The FY 2023/24 budget responds to City Council and community priorities by funding initiatives designed to enhance public safety, address homelessness, and increase the vitality of our business districts, while also improving service delivery across the organization. Following the City's sustainable budgeting principles, service enhancements or staffing increases for FY 2023/24 are limited to levels that can be supported on an ongoing basis.

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

General Fund | General Fund Summary

General Fund Proposed Budget FY 2023/24 (Thousand of Dollars)

	Adopted FY 22/23	Est Actual FY 22/23	Proposed FY 23/24
Sources			
Beginning Unreserved Fund Balance	\$ 29,931	\$ 44,616	\$ 13,861
Revenues			
Taxes:			
Property Tax	126,041	128,760	135,743
Sales Tax	68,768	106,429	100,904
Business Tax	12,895	13,414	13,893
Hotel/Motel Tax	5,452	6,384	7,342
Property Transfer Tax	1,967	1,678	1,678
Paramedic Tax	1,245	1,221	1,232
Franchise Fees	11,426	11,863	12,108
Charges for Services	6,426	6,988	7,042
Fines	2,819	2,842	2,842
Use of Money and Property	1,181	2,033	1,947
Intergovernmental	329	449	449
Other Revenues	270	102	101
Total Revenues	238,819	282,163	285,281
Transfers In	5,784	5,784	6,042
Total Sources	274,534	332,563	305,184
Uses			
Expenditures			
General Government	21,312	20,298	23,892
Police	106,001	101,385	117,653
Fire	65,203	62,073	75,349
Maintenance (Streets/Facilities)	20,400	19,215	25,005
Maintenance (Parks/Street Medians)	10,511	10,109	12,880
Human Services	4,791	4,559	5,531
Code Enforcement/Community Development Admin	1,951	1,848	2,259
Non-departmental	4,574	2,412	3,910
Less: Citywide Savings	(8,000)	-	(17,800)
Debt Service	8,518	25,868	7,206
Total Expenditures	235,261	247,767	255,885
Transfers Out	14,558	65,351	22,167
Total Uses	249,819	313,118	278,052
Ending Fund Balance			
Reserved Fund Balance	51,720	54,220	66,435
Unreserved Fund Balance	21,631	13,861	14,917
Total Ending Fund Balance	\$ 73,351	\$ 68,081	\$ 81,352

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 2023/24 budget:

1. The local economy will experience slower growth during FY 2023/24.

Total General Fund ongoing resources (revenues and transfers in) are projected to increase by 4.9% over estimated actual ongoing resources in FY 2022/23.

2. The costs of the FY 2023/24 proposed budget will be covered by projected ongoing resources without requiring the use of reserves to balance the budget.

Following the City's sustainable budgeting principles, service enhancements or staffing increases for FY 2023/24 are limited to levels that can be supported on an ongoing basis.

In accordance with City Council policy, an additional pension contribution of \$8.2 million to pay down the City's unfunded liability more rapidly has been incorporated into the proposed General Fund budget.

3. Total expenditures in the FY 2023/24 proposed budget include a savings assumption of \$17.8 million (approximately 6.5% of total budgeted expenditures in FY 2023/24) 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 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.

4. The FY 2023/24 proposed budget includes funding for streets, sidewalks, and facilities maintenance, parks and street medians capital replacement, and capital improvements to achieve compliance with ADA standards.

The inability to adequately fund ongoing maintenance and recapitalization of the City's infrastructure is a major concern, but the FY 2023/24 proposed budget includes increased ongoing allocations to step up maintenance and capital replacement for City streets, buildings and parks, and a one-time contribution toward median improvements along Automall Parkway.

The proposed budget also addresses pressing needs in other areas of the organization and the community, including additional police officers, a firefighter recruit academy to prepare for activation of the new fire truck company, a community service officer for the mobile evaluation team, a new street maintenance crew, and staff and funding to expand Citywide marketing efforts to promote downtown and neighborhood business district vitality.

General Fund | General Fund Summary

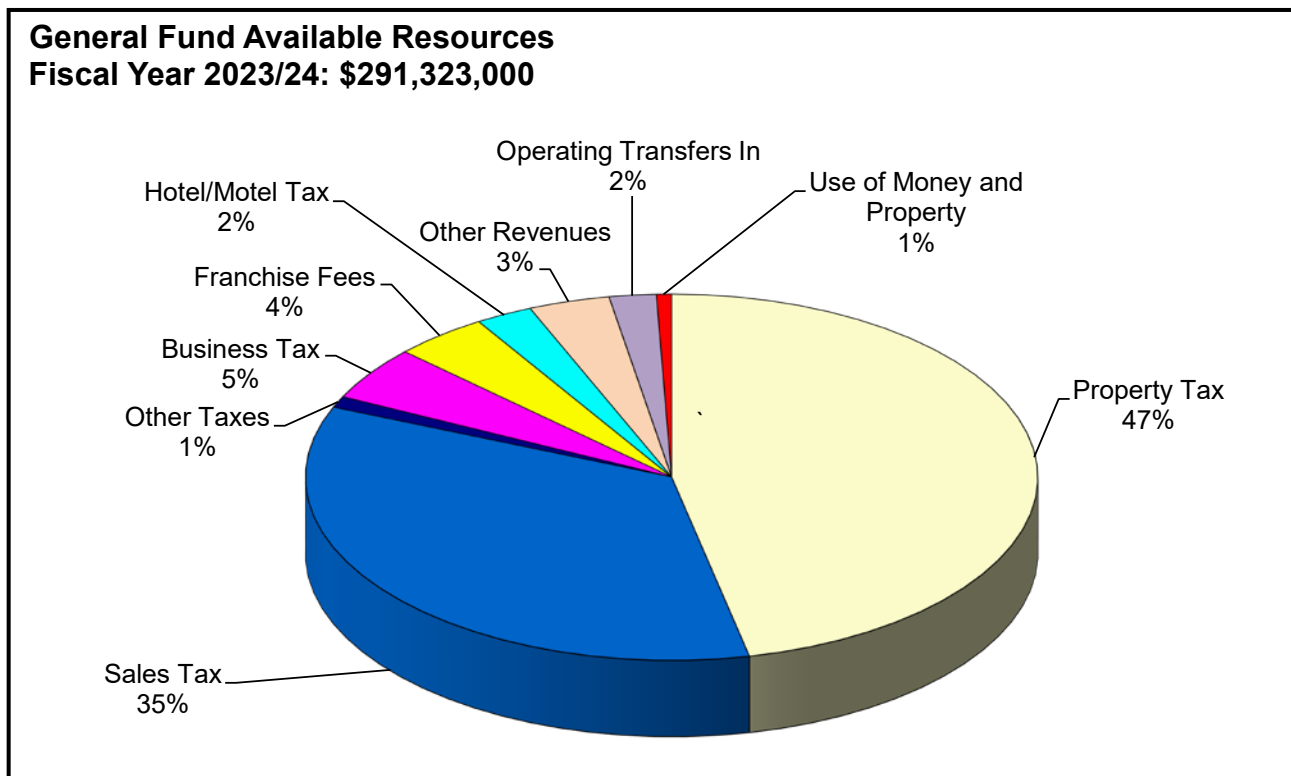
5. **The General Fund Contingency Reserve will be maintained at 16.7% of total budgeted expenditures and transfers out, the minimum level recommended by the Government Finance Officers Association of the United States and Canada (GFOA).**

Because budgeted expenditures and transfers out are higher for FY 2023/24 than for the prior year, the reserve requirement is increasing by \$4.7 million.

Reflecting both the increasing contribution of sales tax revenue to General Fund resources and the heightened possibility of an economic slowdown or recession, the General Fund Budget Uncertainty Reserve is proposed to increase from its current balance of \$12.5 million to \$20.0 million.

6. **The adopted budget estimates approximately \$13.9 million of FY 2022/23 ending unreserved fund balance.**

As part of the FY 2022/23 Year-End Report in Fall 2023, staff will bring forward recommendations for allocating any remaining available ending unreserved fund balance to address one-time priority projects, programs, unfunded liabilities, or reserve augmentation.



Resources

General Fund resources include revenues and transfers into the General Fund from other funds. Total budgeted resources of \$291.3 million will be more than adequate to support total budgeted expenditures of \$278.1 million, so the budget is balanced with no need to use reserves.

Property tax revenues are estimated to total \$128.8 million in FY 2022/23, and staff projects those revenues will increase to \$135.7 million in FY 2023/24, an increase of 5.4%. 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 2023/24 tax roll is an increase of 2%. An estimated increase in value for FY 2023/24 from changes in ownership of 3.7% is based on property transfer tax data for calendar year 2022 and preliminary information from the County Assessor. An additional estimated increase of 0.5% for the value of new construction reflects the continuing development activity in Warm Springs and other areas of the City. Property taxes make up 46.6% of estimated FY 2022/23 General Fund resources.

Sales tax revenues are estimated to total \$106.4 million in FY 2022/23, decreasing to \$100.9 million in FY 2023/24. The projected strong performance in FY 2022/23 and subsequent decline stems from approximately \$10.3 million of one-time sales revenue. Without those one-time distortions, sales tax revenues would be estimated to grow approximately 5% 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 34.6% of General Fund resources.

Business taxes are projected to yield \$13.4 million in FY 2022/23, increasing by 3.6% to \$13.9 million in FY 2023/24. Both the general business tax and the construction business tax components appear to have recovered from their pandemic-era low points in FY 2020/21. Business tax makes up 4.8% of General Fund resources.

The estimate for FY 2022/23 hotel/motel tax revenue of \$6.4 million constitutes a 35.2% increase from the FY 2021/22 actual amount of \$4.7 million. FY 2023/24 hotel/motel tax revenues are projected to reach \$7.3 million, an increase of 15.0% from the prior year level, and contribute 2.5% 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 2022/23 estimate shows a 5.8% increase from the prior year, with another 2.1% increase estimated for FY 2023/24. The estimated FY 2023/24 franchise fees revenue of \$12.1 million represents 4.2% of General Fund resources.

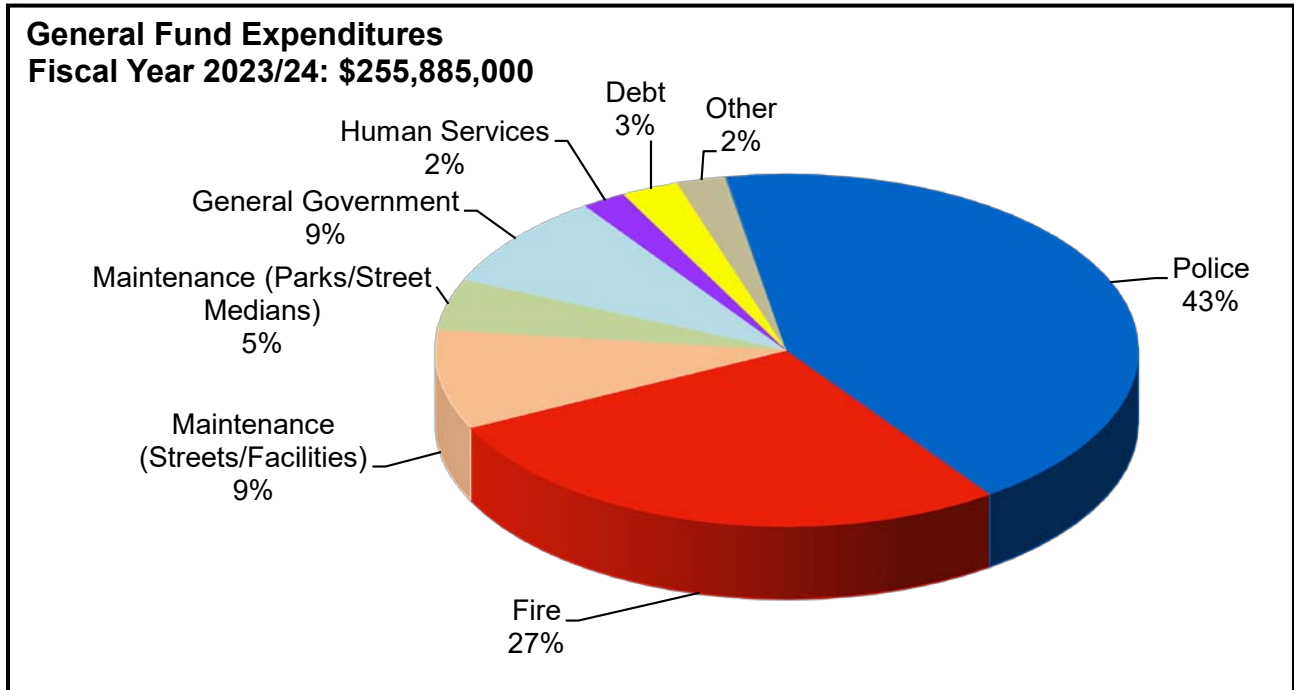
General Fund | General Fund Summary

Change in General Fund Resources FY 2022/23 to FY 2023/24 (\$ millions)

Revenues	FY 2022/23 Budget	FY 2023/24 Budget	Difference
Property Tax	\$128.8	\$135.7	\$6.9
Sales Tax	106.4	100.9	(5.5)
Franchise Fees	11.4	12.1	0.7
Business Tax	12.9	13.9	1.0
Hotel/Motel Taxes	6.7	7.3	0.6
Other Revenues	14.2	15.4	1.2
Ongoing Revenue Subtotal	280.4	285.3	4.9
Transfers In	5.8	6.0	0.2
Total Budgeted Resources	\$286.2	\$291.3	\$5.1

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 2022/23, most of these items are anticipated to increase in FY 2023/24 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 2022/23, transfers from other funds are expected to total \$5.8 million, including an ongoing \$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 2023/24, transfers from other funds are expected to increase to \$6.0 million, or 2.1% of available resources.



Expenditures

The \$255.8 million budgeted for expenditures in FY 2023/24 is 11.3% higher than the FY 2022/23 adopted budget.

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 82% 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 93% when overhead costs required to support these functions are included.

Basic City services, such as police, fire, and maintenance, are labor-intensive. Therefore, the City’s budget is largely driven by labor-related costs, including salaries, retirement system contributions, and health benefits. The majority of the 11.3% increase from the FY 2022/23 adopted budget is the result of increasing labor-related costs and additional staffing including: compensation and benefit increases specified in labor agreements; two police officers, a community service officer to assist the mobile evaluation team, and two police service technicians in the Police Department; a new four-person street maintenance crew, a fleet mechanic, and a street sweeper operator in the Public Works Department; an urban landscape manager and urban forester in the Community Services Department; an economic development specialist to support downtown and neighborhood business districts, a human resources manager, a finance operations manager, and an accounting technician.

Non-Departmental Budget

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

Budgeted Expenditures

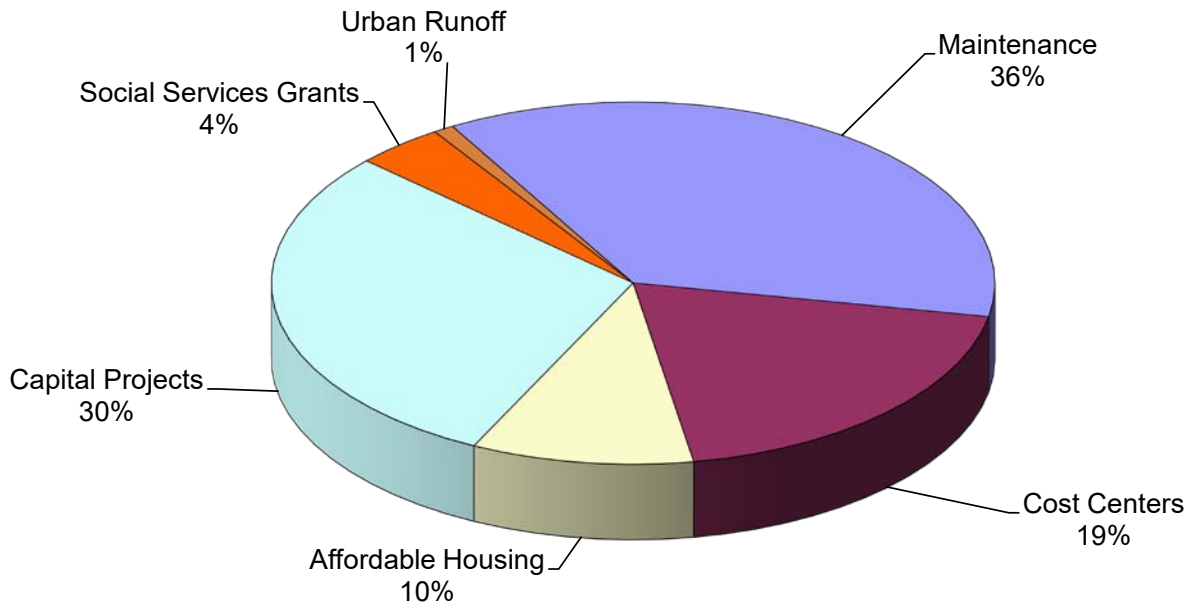
• Annual Operating Contingency	\$ 1,000,000
• Employee Leave Cash-Out	1,400,000
• Fremont Library Additional Hours	597,692
• Property Tax Administration Fee	562,000
• Special Events Sponsorship Program	300,000
• Tuition Reimbursement	50,000
Non-Departmental Budget	\$ 3,909,692
• Citywide Savings	\$(17,800,000)

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 and capital maintenance, 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.

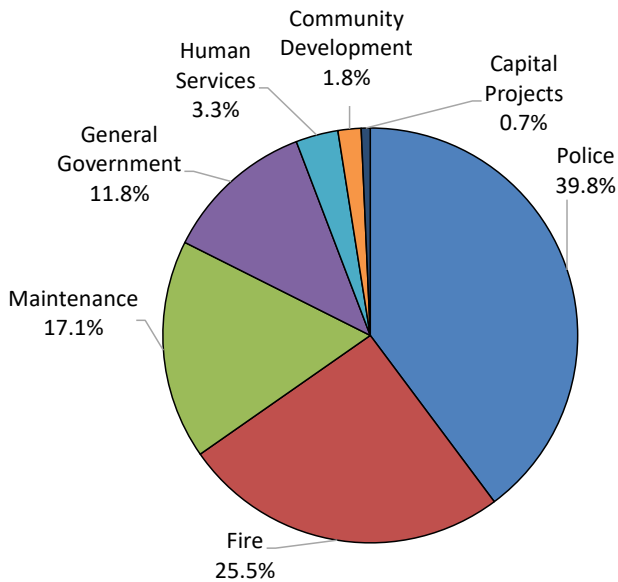
The FY 2023/24 proposed budget includes ongoing increases in General Fund transfers for pavement maintenance (\$2.5 million), building and facilities maintenance (\$2.0 million), parks capital replacement (\$0.9 million), and the 50/50 street tree program (\$0.1 million). The proposed budget also includes a one-time transfer of \$2.1 million to the water conservation and median maintenance program as the City’s contribution toward median improvements along Automall Parkway, for which the City is pursuing a \$3 million federal grant.

**General Fund Transfers Out
Fiscal Year 2023/24: \$22,167,000**

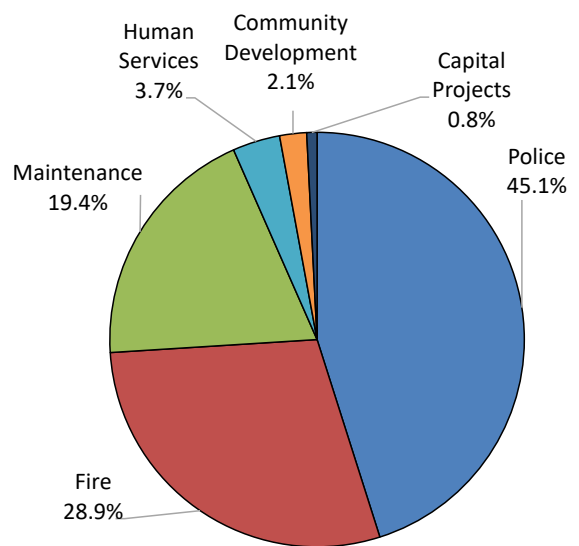


**FY 2023/24
General Fund Budgeted Expenditures and Transfers Out**

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.

Rapid growth in sales tax revenue over the last several years is increasing the General Fund’s exposure to fluctuations in the economy. The impact of the Covid-19 pandemic, with a 20% drop in sales tax revenue and an estimated revenue loss of \$37.8 million over two years, illustrates how rapidly the City’s fiscal situation can change. Thanks to an adequately funded Budget Uncertainty Reserve in FY 2019/20, we were able to maintain service levels to the community and avoid staff layoffs. Reflecting both the increasing contribution of sales tax revenue to General Fund resources and the heightened possibility of an economic slowdown or recession during FY 2023/24, the proposed budget includes a \$7.5 million increase to the Budget Uncertainty Reserve.

The table below summarizes the FY 2023/24 projected funding levels for each reserve. The General Fund Contingency Reserve will be established at \$46.4 million, and the General Fund Budget Uncertainty Reserve is proposed to increase to \$20.0 million.

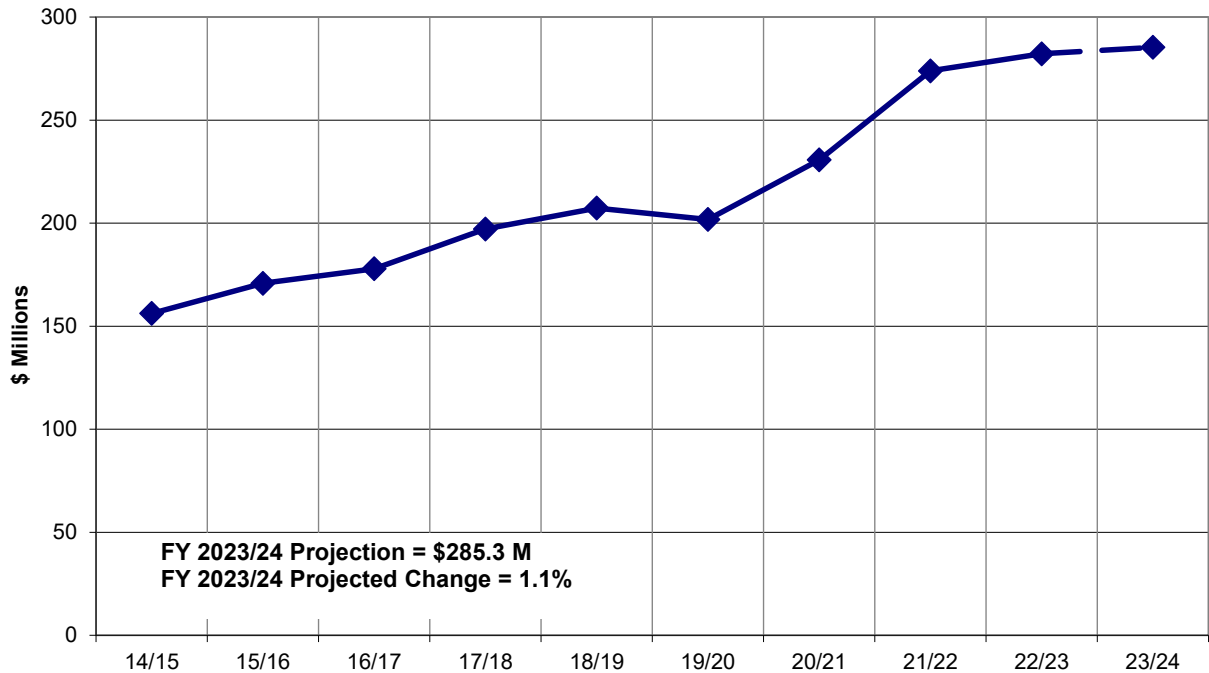
General Fund Reserves (\$ thousands)

	FY 2022/23 Balance	FY 2023/24 Increase	FY 2023/24 Projected Use	FY 2023/24 Balance
Contingency Reserve	\$41,720	\$4,715	\$ -	\$46,435
Budget Uncertainty Reserve	12,500	7,500	-	20,000
Total General Fund Reserves	\$54,220	\$12,215	\$ -	\$66,435

General Fund Revenues Overview

Total FY 2023/24 General Fund revenues (excluding transfers in from other funds) are projected at \$285.3 million, which is \$13.4 million, or 4.9%, more than total estimated revenues for FY 2022/23 (excluding estimated one-time sales tax revenue of \$10.3 million).

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

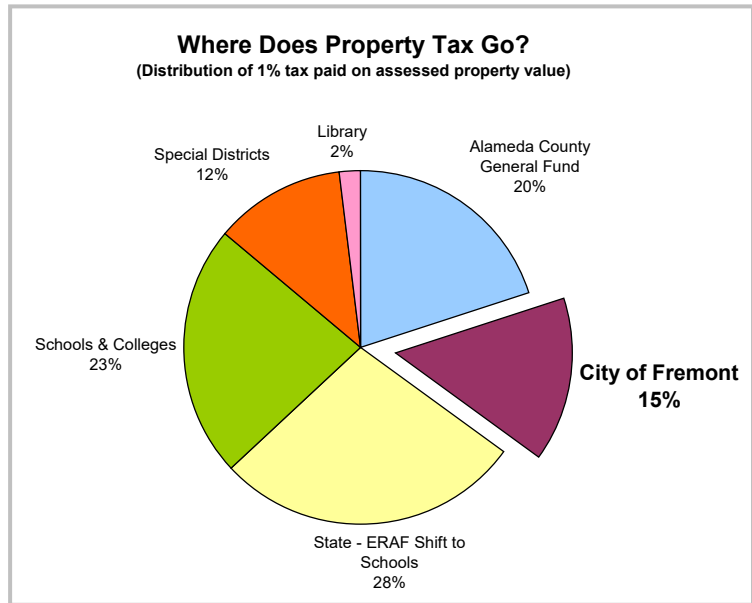


This section provides additional background and forecast information for the following five key General Fund revenue categories that together make up over 90% of General Fund ongoing revenues:

- 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 47.6% of total FY 2023/24 projected revenues, or \$135.7 million.

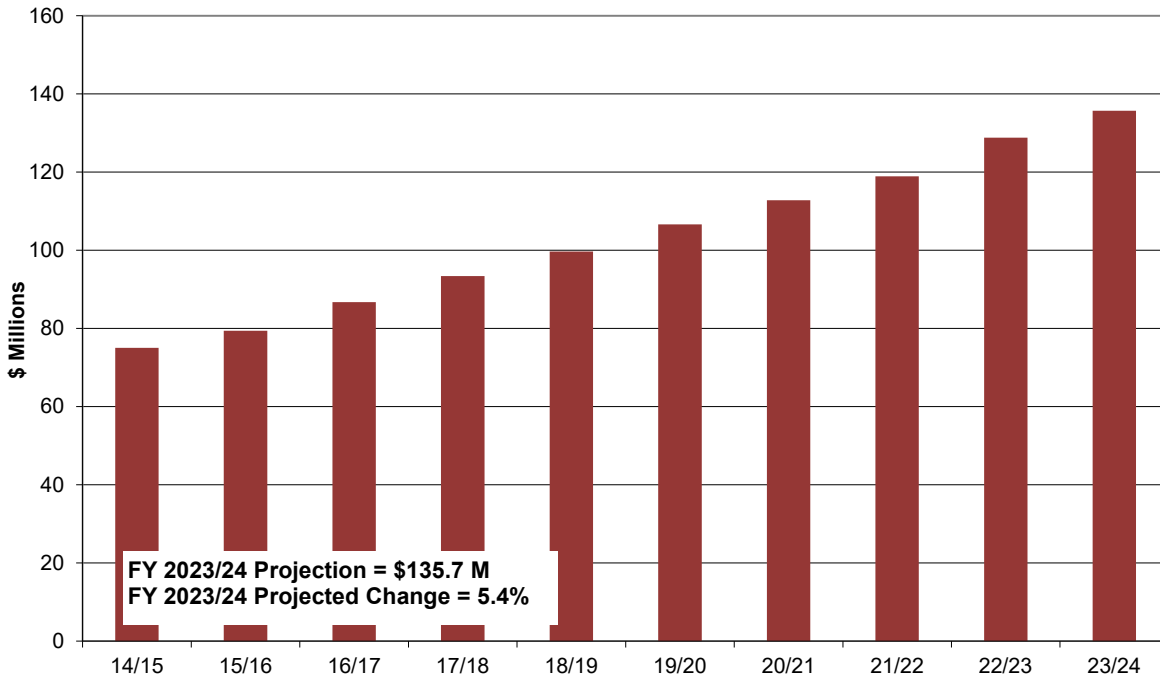


The City of Fremont receives approximately 15 cents of every dollar of property tax paid. Alameda County and the schools, including Fremont Unified School District, receive most of the revenue from property taxes assessed on property located in the City.

Forecast: Property tax revenues are estimated to total \$128.8 million in FY 2022/23. Staff projects property tax revenues for FY 2023/24 will increase to \$135.7 million. The assessed valuation for secured property is based on the value as of January 1, 2023. The change in total property tax from FY 2022/23 to FY 2023/24 is an increase of 5.4%.

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
(FY 2014/15 - FY 2023/24)



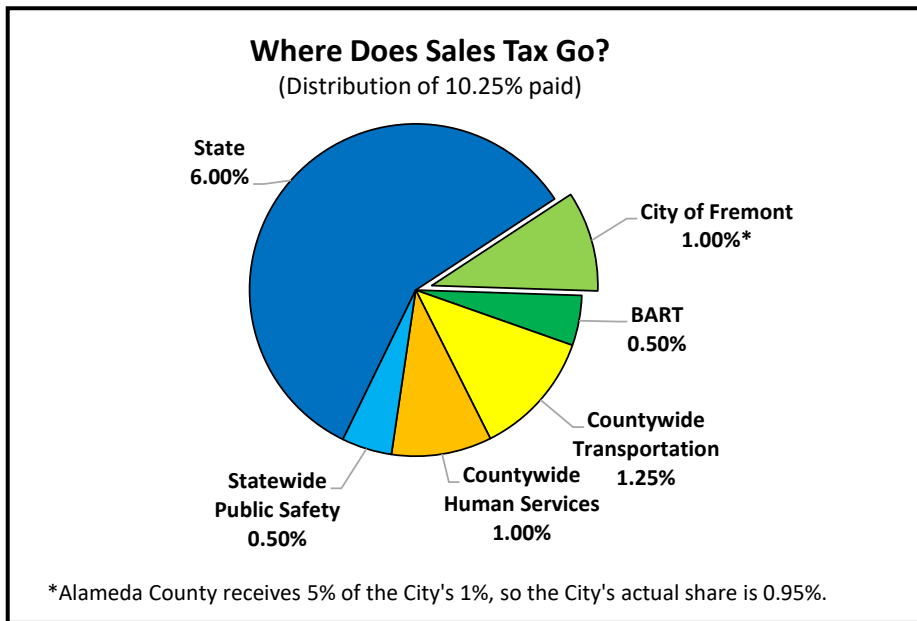
Under Proposition 13, assessed values of all real property adjust with the California Consumer Price Index (CCPI), with a 2% limit, unless there is a change in ownership or new construction. The CCPI adjustment for the FY 2023/24 tax roll is an increase of 2%. The estimated increase in secured property value for FY 2023/24 from changes in ownership of 3.7% is based on property transfer tax data for calendar year 2022 and preliminary information from the County Assessor. An additional estimated increase of 0.5% for the value of new construction reflects the continuing development activity in Warm Springs and other areas of the City. Because other components of the City’s property tax revenue tend to increase at a lower rate than secured property tax revenue, the overall percentage change is lower than the sum of these secured value components.

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 80% 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 35.4% of FY 2023/24 General Fund revenues.



Projection Component	FY 2022/23 Estimated	FY 2023/24 Proposed	Difference
Sales and Use Tax	\$104.3 million	\$98.7 million	-\$5.6 million
Proposition 172 Sales Taxes	2.1 million	2.2 million	0.1 million
Total	\$106.4 million	\$100.9 million	-\$5.5 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 above table relates the component projections to the total.

General Fund | General Fund Revenues

Prior to the pandemic, the City’s average annual growth rate for sales tax revenue was close to 10.5%. During FY 2019/20 sales tax revenue dropped by just over 20%, and then recovered gradually over the next two years. The estimated sales tax revenue lost to the pandemic was approximately \$37.8 million.

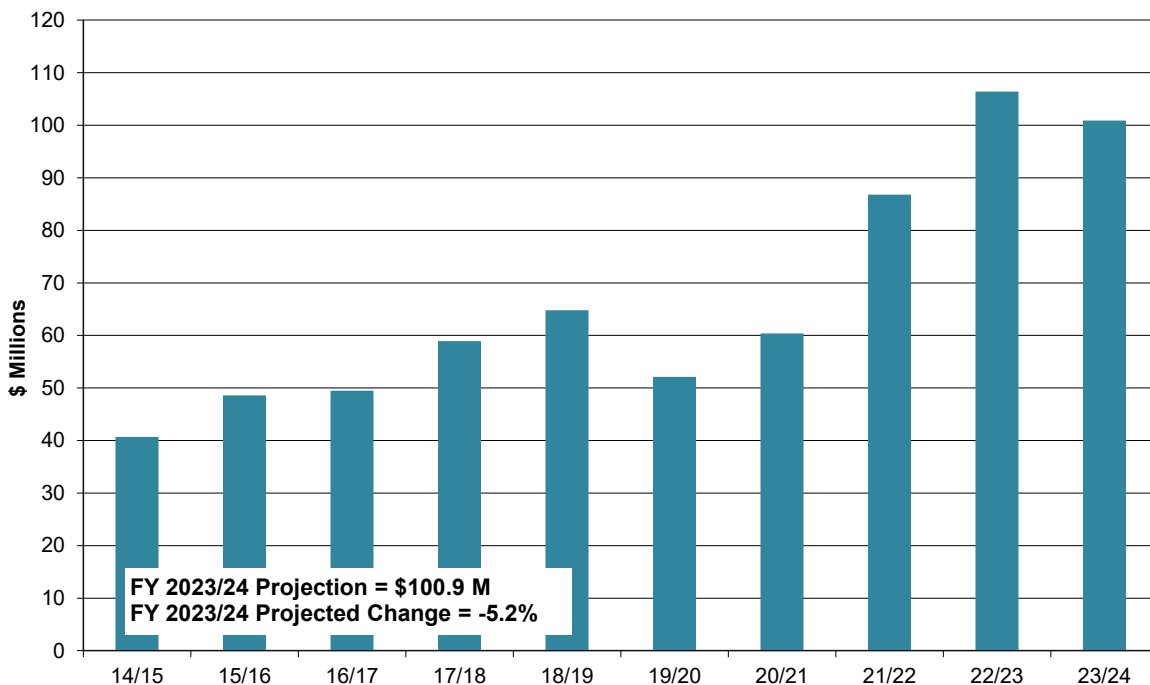
Assuming full recovery by the end of FY 2021/22 and the pre-pandemic growth rate, we would have projected current year revenue to reach approximately \$94 million. Instead, with two quarters of revenue data available, we are now estimating FY 2022/23 revenue of \$104.3 million, of which \$10.3 million should be considered one-time.

The current economic environment suggests a slowdown or possibly a recession during FY 2023/24, and sales tax is the City’s most economically sensitive revenue stream. Consequently, sales tax revenue is only projected to increase by 5% from its ongoing base in FY 2023/24, for estimated revenue of \$98.7 million.

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 2022/23, the City’s share is expected to be approximately \$2.1 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 2023/24, the Proposition 172 component of the City’s sales tax revenues is projected to increase slightly to \$2.2 million.

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

Sales Tax History and Forecast (FY 2014/15 - FY 2023/24)



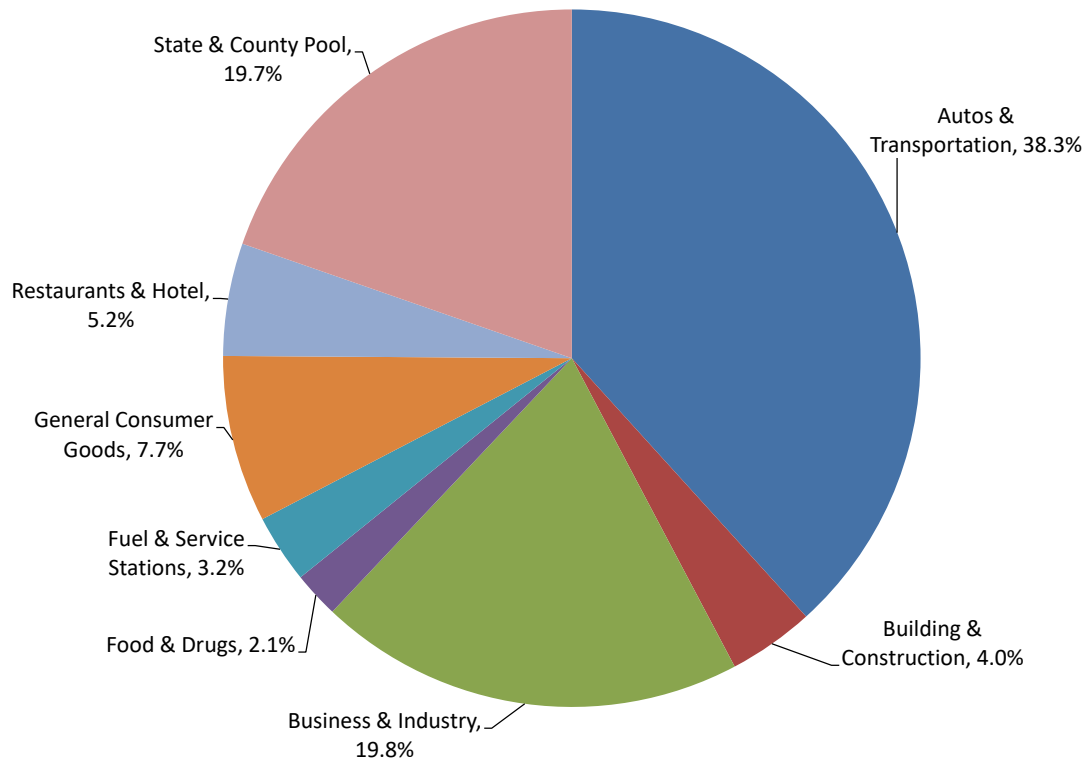
General Fund | General Fund Revenues

Key Factors in the Forecast: The City has a well-diversified sales tax base, and most of the sales tax segments appear to have fully recovered in FY 2021/22 from the pandemic-related declines in the two prior years. The estimated one-time revenue of \$10.3 million received during the first two quarters of FY 2022/23 could represent a release of pent-up demand for purchases that were delayed by the pandemic, but it could also suggest a positive structural shift in the City’s tax base. If above-trend revenues were to continue through FY 2022/23 and into FY 2023/24, all or a portion of that additional revenue could be incorporated into future year ongoing projections.

Sales and use taxes generated from online purchases rose rapidly in FY 2019/20 and FY 2020/21. Part of that growth was prompted by the temporary closure of “brick and mortar” retail outlets due to pandemic-related public health restrictions. Most, however, was due to implementation of the U.S. Supreme Court “Wayfair” decision requiring out-of-state resellers to begin collecting and remitting local sales taxes. As most resellers are now remitting and retail outlets have reopened, the pace of growth from online sales is slowing.

The largest of the City’s sales tax segments are highlighted in the following chart.

Sales Tax Base Composition Calendar Year 2022



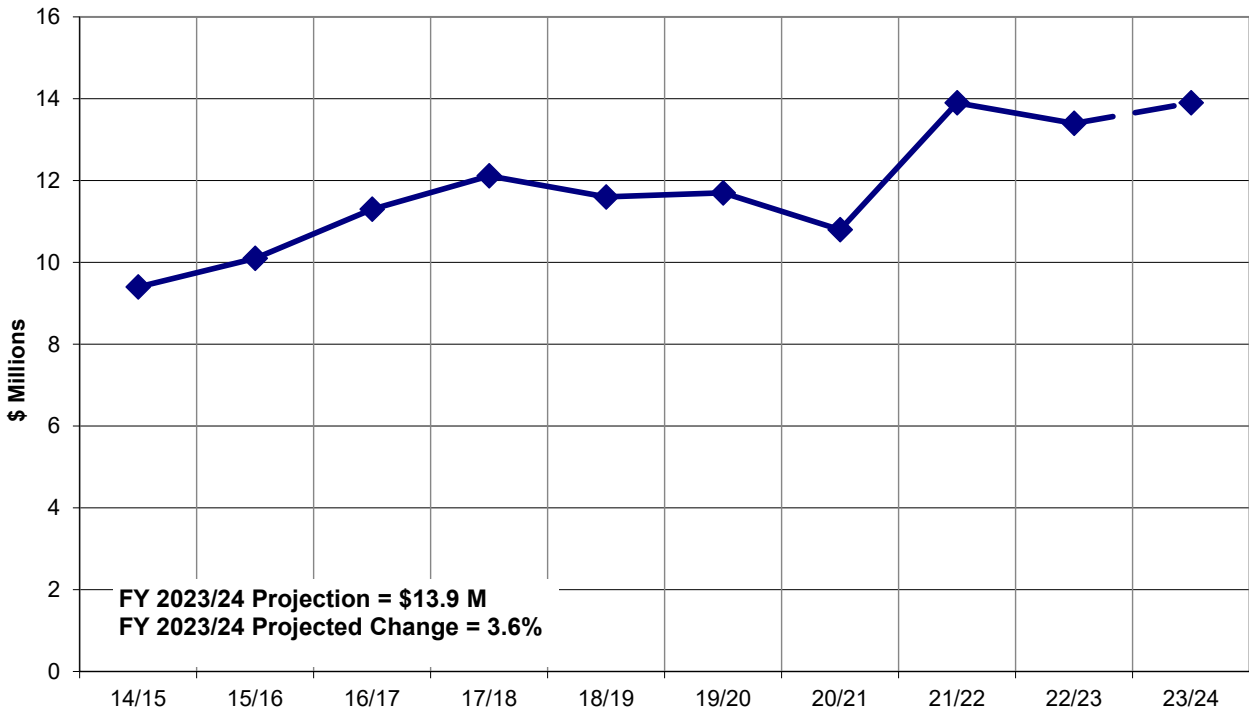
Business Taxes

Description: Business tax is 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.

Forecast: Business taxes are projected to yield \$13.4 million in FY 2022/23, a decrease of 3.7% from the prior year. The current year drop reflects unusually high collections in FY 2021/22. To aid local businesses impacted by the pandemic, the City waived penalties and interest on delinquent business taxes during calendar years 2020 and 2021. As a result, a portion of the prior year revenue consisted of delinquent prior year business taxes being paid to avoid accruing penalties and interest. The FY 2023/24 business tax estimate is \$13.9 million, an increase of 3.6%. Business tax makes up 4.9% of General Fund revenues.

Key Factors in the Forecast: The forecast assumes a return to the pre-pandemic historical growth rate in FY 2023/24 and the subsequent years.

Business Tax History and Forecast (FY 2014/15 - FY 2023/24)



General Fund | General Fund Revenues

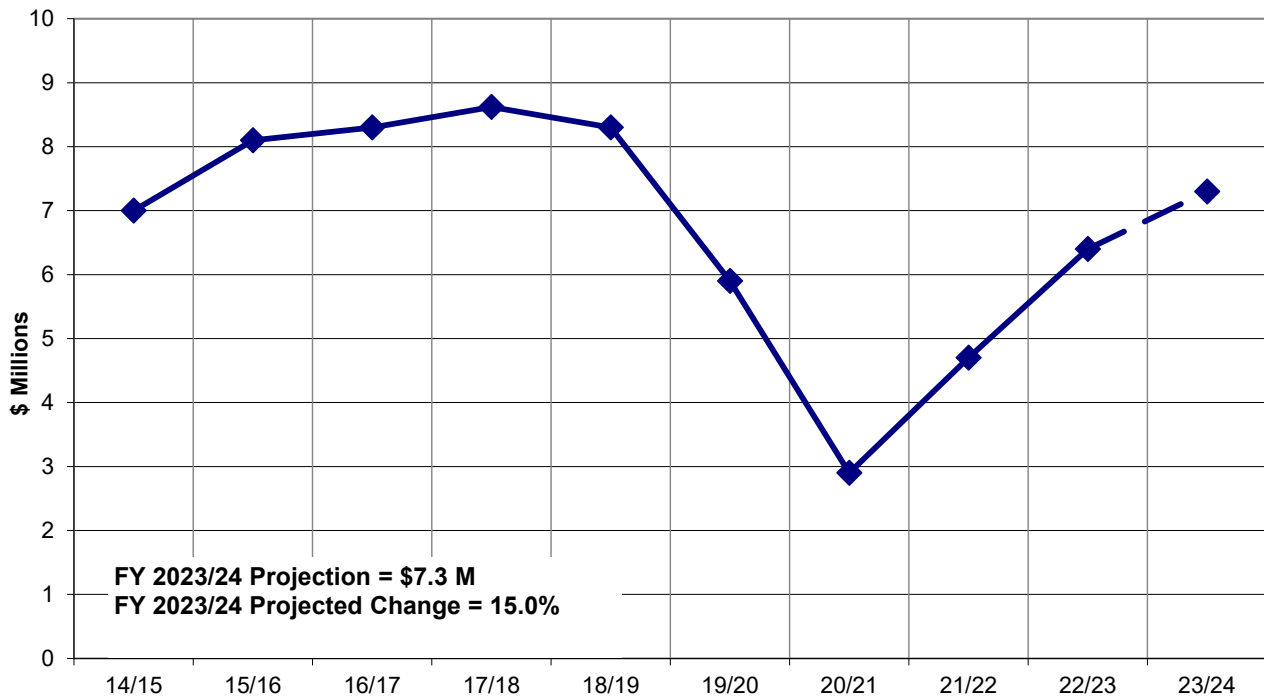
Hotel/Motel Occupancy Taxes

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

Forecast: Hotel/motel occupancy tax revenues are projected at \$6.4 million in FY 2022/23, an increase of 35.2% from the prior year. With more rooms available, occupancy rates and room rates have increased over the past year but are still well below their pre-pandemic levels. FY 2023/24 hotel/motel occupancy tax revenues are estimated at \$7.3 million, an increase of 15.0%, constituting 2.6% of General Fund revenues.

Key Factors in the Forecast: Future revenue growth assumes a continuing return of travel activity, and the last two years in the forecast are projected to grow at the pre-pandemic average rate.

Hotel/Motel Tax History and Forecast (FY 2014/15 - FY 2023/24)



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 2023/24 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 2023, and will be received by the City in April 2024.

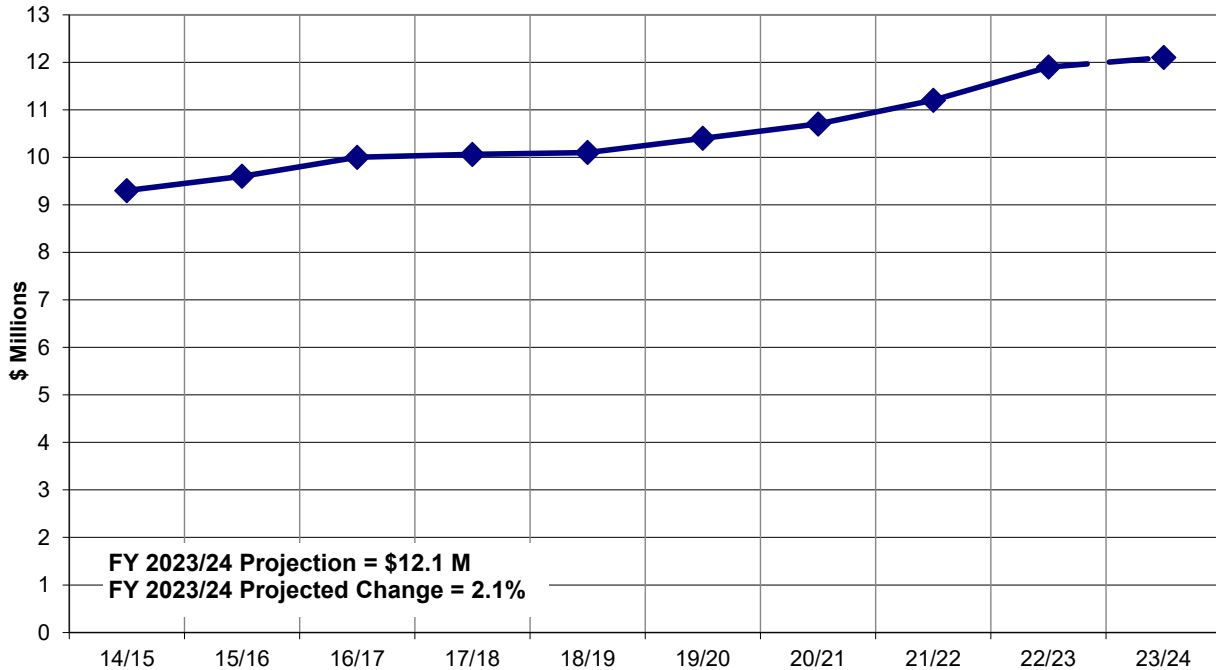
In addition to the rate applied to PG&E gross revenues, a surcharge on gas and electricity consumption is charged to customers using other energy providers. As East Bay Community Energy became the primary energy provider for Fremont residents and businesses in July 2018, the portion of future electric 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. Cable providers operate under a state franchise, rather than a local franchise. The cable franchise rate, 5% of the cable company's "gross revenues," is established in accordance with AB 2987, the Digital Infrastructure Video Competition Act (DIVCA). The solid waste collection franchise fee is paid monthly and the cable franchise fee is paid quarterly (both in arrears) throughout the fiscal year.

Forecast: The FY 2022/23 estimate shows a 5.8% increase from the prior year, with an additional 2.1% increase projected for FY 2023/24. The projected FY 2023/24 franchise fees revenue of \$12.1 million represents 4.2% of General Fund revenues.

General Fund | General Fund Revenues

Franchise Fees History and Forecast (FY 2014/15 - FY 2023/24)



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. PG&E franchise fee revenue for FY 2022/23 is \$4.4 million, a 14.2% increase from the prior year. The forecast assumes that the City’s gas and electricity franchise fees will increase 5.4% in FY 2023/24, 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 2022/23 estimate is \$1.4 million. The estimate reflects a 11.2% decrease from the prior year. The FY 2023/24 projection of \$1.3 million assumes a 6.7% reduction, consistent with the trend over the last five years. The decline in this category is 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 \$6.1 million in FY 2022/23, with a projected increase in FY 2023/24 of 1.8% for revenue of \$6.2 million. Solid waste rate increases typically occur every other year, in even years, with the next increase occurring in January 2024. 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 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 2024/25 and FY 2025/26. Added value from changes in property ownership is expected slow in in calendar year 2023, affecting FY 2024/25 revenue growth, but then return to historical levels. New construction in Warm Springs and other areas of the City will further add to the property tax roll.
- Reflecting the potential for an economic slowdown or recession, sales tax revenues are projected to grow at an annual rate of 5%, about half of the long-term average, during the forecast period.
- Business tax revenue appears to have fully recovered, and growth in the forecast years is projected at the pre-pandemic average of just under 4%.
- Hotel/motel tax revenue will recover at an annual rate of 15% in FY 2023/24, growing in the following two years at a rate of just over 6%, the average rate during the five years prior to the pandemic.
- In accordance with the City's labor agreements, compensation increases have been included for FY 2024/25, but none have been included for 2025/26.
- 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.
- Ongoing funding for additional staff and enhanced services incorporated into the FY 2023/24 adopted budget has been included in the forecast.
- Commitments for all scheduled debt service costs are included.

General Fund | General Fund Forecast

- Annual transfers for maintenance and ADA projects are consistent with the proposed FY 2023/24-2027/28 CIP, and include ongoing increases of \$2.5 million for pavement maintenance, \$2.0 for building and facilities maintenance, and \$1.0 million for parks maintenance and the 50/50 street tree program.
- 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 funding level for the Budget Uncertainty Reserve is maintained throughout the forecast at \$20.0 million.
- The General Fund forecast is located on page 85 of the budget document. Estimated resources will cover proposed costs in FY 2023/24 and the following two fiscal years.

General Fund | General Fund Forecast

General Fund Proposed Budget and Forecast Through FY 2025/26 (Thousands of Dollars)

	Est Actual FY 22/23	Proposed FY 23/24	Projected FY 24/25	Projected FY 25/26
Sources				
Beginning Unreserved Fund Balance	\$ 44,616	\$ 13,861	\$ 14,917	\$ 11,707
Revenues				
Taxes:				
Property Tax	128,760	135,743	142,091	149,243
Sales Tax	106,429	100,904	105,916	111,177
Business Tax	13,414	13,893	14,392	14,911
Hotel/Motel Tax	6,384	7,342	7,812	8,312
Property Transfer Tax	1,678	1,678	1,773	1,874
Paramedic Tax	1,221	1,232	1,243	1,254
Franchise Fees	11,863	12,108	12,584	13,119
Charges for Services	6,988	7,042	7,085	7,144
Fines	2,842	2,842	2,842	2,842
Use of Money and Property	2,033	1,947	1,947	1,947
Intergovernmental	449	449	449	449
Other Revenues	102	101	101	101
Total Revenues	282,163	285,281	298,235	312,373
Transfers In	5,784	6,042	6,234	6,384
Total Sources	332,563	305,184	319,386	330,464
Uses				
Expenditures				
General Government	20,298	23,892	24,669	24,886
Police	101,385	117,653	121,480	122,546
Fire	62,073	75,349	77,800	78,483
Maintenance (Streets/Facilities)	19,215	25,005	25,818	26,045
Maintenance (Parks/Street Median/Landscape)	10,109	12,880	13,299	13,416
Human Services	4,559	5,531	5,711	5,761
Code Enforcement/Community Development Admin	1,848	2,259	2,332	2,353
Non-departmental	2,412	3,910	4,724	4,029
Less: Citywide Savings		(17,800)		
Debt Service	25,868	7,206	7,156	7,160
Total Expenditures	247,767	255,885	282,989	284,678
Transfers Out				
Capital Projects	43,224	14,600	12,500	12,500
Cost Center Allocations	4,000	4,287	4,459	4,459
Homeless and Affordable Housing	2,088	2,199	2,304	2,415
Urban Runoff	202	202	273	286
Social Services Grants	837	879	915	915
Accrued Leave Liability Reserve	15,000			
Total Transfers Out	65,351	22,167	20,451	20,575
Total Uses	313,118	278,052	303,440	305,253
Ending Fund Balance				
Contingency Reserve	41,720	46,435	50,674	50,977
Budget Uncertainty Reserve	12,500	20,000	20,000	20,000
Reserved Fund Balance	54,220	66,435	70,674	70,977
Unreserved Fund Balance	13,861	14,917	11,707	24,908
Total Ending Fund Balance	\$ 68,081	\$ 81,352	\$ 82,381	\$ 95,885

General Fund | Transfer Detail

Transfers In	Estimated Actual FY 2022/23	Proposed FY 2023/24	Projected FY 2024/25	Projected FY 2025/26
Overhead Transfers In From Other Funds:				
Development Cost Center (Funds 391, 392, 393)	\$ 2,796	\$ 3,279	\$ 3,377	\$ 3,478
Human Services (various grant funds)	496	608	626	645
Environmental Services (Fund 115)	433	484	499	514
Bond/CFD Funds (Funds 070, 757, 758, 759)	109	377	388	400
Affordable Housing Funds (Funds 111, 196)	174	199	205	211
Paratransit Grants (Funds 176, 178, 252)	148	158	163	168
Lighting/Landscape Maint Dist (Fund 160)	33	25	26	27
Rent Review (Fund 197)	17	13	13	13
Sub-total Transfers In from Other Funds	4,206	5,143	5,297	5,456
Miscellaneous Recurring Transfers In:				
Impact Fee Debt Service Reimbursement	1,000	1,000	1,000	1,000
Family Resource Center Maintenance Support	250	250	250	250
Sub-total Misc. Recurring Transfers In	1,250	1,250	1,250	1,250
TOTAL OPERATING TRANSFERS IN	\$ 5,456	\$ 6,393	\$ 6,547	\$ 6,706

Transfers Out	Estimated Actual FY 2022/23	Proposed FY 2023/24	Projected FY 2024/25	Projected FY 2025/26
Transfers to the CIP:				
Street and Sidewalk Maintenance	\$ 2,550	\$ 5,050	\$ 5,050	\$ 5,050
Parks and Median Capital Replacement	2,000	3,000	3,000	3,000
Facilities Maintenance	2,000	4,000	4,000	4,000
ADA Facility Improvements	450	450	450	450
Other Capital Projects	36,224	2,100	-	-
Sub-total - Transfers to the CIP	43,224	14,600	12,500	12,500
Cost Center Allocations:				
Community Development Cost Center	2,953	3,188	3,316	3,316
Recreation Cost Center	-	-	-	-
Senior Center Cost Center	1,047	1,099	1,143	1,143
Sub-total - Cost Center Allocations	4,000	4,287	4,459	4,459
Other Transfers from the GF:				
Affordable Housing and Homeless Services	2,088	2,199	2,304	2,415
Social Service Grants	837	879	915	915
Urban Runoff Clean Water Program	202	202	273	286
Accrued Leave Liability Reserve	15,000	-	-	-
Sub-total - Other transfers	18,127	3,280	3,492	3,616
TOTAL OPERATING TRANSFERS OUT	\$ 65,351	\$ 22,167	\$ 20,451	\$ 20,575

General Fund | Historical Comparison

General Fund Historical and Proposed Budget FY 2023/24 (Thousands of Dollars)

	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Actual	FY 21/22 Actual	FY 22/23 Estimated Actual	FY 23/24 Proposed Budget
Sources						
Beginning Unreserved Fund Balance	\$ 18,011	\$ 16,726	\$ 1,665	\$ 27,102	\$ 44,616	\$ 13,861
Revenues						
Taxes:						
Property Tax	99,606	106,563	112,813	118,943	128,760	135,743
Sales Tax	64,831	52,067	60,430	86,799	106,429	100,904
Business Tax	11,566	11,677	10,824	13,933	13,414	13,893
Hotel/Motel Tax	8,292	5,915	2,848	4,722	6,384	7,342
Property Transfer Tax	1,900	1,844	2,282	3,398	1,678	1,678
Paramedic Tax	1,176	1,185	1,202	1,209	1,221	1,232
Franchise Fees	10,112	10,421	10,727	11,213	11,863	12,108
Charges for Services	6,238	6,261	5,955	6,840	6,988	7,042
Fines	1,975	1,761	1,124	2,966	2,842	2,842
Use of Money and Property	1,093	2,145	1,146	1,202	2,033	1,947
Intergovernmental	234	611	20,327	22,593	449	449
Other Revenues	243	1,325	993	76	102	101
Total Revenues	207,266	201,775	230,671	273,894	282,163	285,281
Transfers In	6,856	7,348	7,576	6,446	5,784	6,042
Total Sources	232,133	225,849	239,912	307,442	332,563	305,184
Uses						
Expenditures						
General Government	15,664	17,023	17,005	16,982	20,298	23,892
Police	80,805	89,134	91,320	92,607	101,385	117,653
Fire	49,552	53,915	55,708	58,181	62,073	75,349
Maintenance (Streets/Facilities)	15,521	16,921	16,776	17,979	19,215	25,005
Maintenance (Parks/Street Medians)	8,249	9,140	8,954	9,463	10,109	12,880
Human Services	3,677	4,827	4,339	4,401	4,559	5,531
Code Enforcement/Community Development Admin	1,793	1,929	1,490	1,451	1,848	2,259
Non-departmental	1,482	1,021	1,430	1,063	2,412	3,910
Less: Citywide Savings	-	-	-	-	-	(17,800)
Debt Service	8,476	9,066	8,639	8,534	25,868	7,206
Total Expenditures	185,219	202,976	205,661	210,661	247,767	255,885
Transfers Out	27,954	13,530	8,242	44,630	65,351	22,167
Total Uses	213,173	216,506	213,903	255,291	313,118	278,052
Ending Fund Balance						
Reserved Fund Balance	34,516	42,194	41,101	48,636	54,220	66,435
Unreserved Fund Balance	16,726	1,665	27,102	44,616	13,861	14,917
Total Ending Fund Balance	\$ 51,242	\$ 43,859	\$ 68,203	\$ 93,252	\$ 68,081	\$ 81,352

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.

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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 projects. Funding for most City operations comes from the first three categories. The following section provides an overview of the City's Cost Centers, Internal Service funds, Special Revenue funds, and Capital funds. Detailed information about the General Fund is available in the General Fund section of this document.



Other Funds

Summary of All Other Funds (Thousands of Dollars)

	Cost Center/ Internal Services Funds	Special Revenue Funds	Capital Funds	Total
Sources				
Beginning Unreserved Fund Balance	\$ 30,165	\$ 98,256	\$ 129,821	\$ 258,242
Revenues				
Taxes:				
Property Tax	-	4,460	-	4,460
Sales Tax	-	1,647	-	1,647
Business Tax	-	-	-	-
Hotel/Motel Tax	-	-	-	-
Property Transfer Tax	-	-	-	-
Paramedic Tax	-	-	-	-
Franchise Fees	-	-	-	-
Charges for Services	44,461	16,214	-	60,675
Fines	-	10	-	10
Use of Money and Property	476	234	1,128	1,838
Intergovernmental	742	15,008	20,035	35,785
Other Revenues	1,839	6,422	12,195	20,456
Total Revenues	47,518	43,995	33,358	124,871
Transfers In	4,287	3,280	15,450	23,017
Total Sources	81,970	145,531	178,629	406,130
Uses				
Expenditures				
General Government	-	-	-	-
Police	-	773	-	773
Fire	-	717	-	717
Maintenance (Streets/Facilities)	-	-	1,759	1,759
Maintenance (Parks/Street Medians)	-	4,567	-	4,567
Code Enforcement/Community Development Admin	-	584	-	584
Housing	-	12,678	-	12,678
Environmental Services	-	13,082	-	13,082
Engineering	16,191	-	-	16,191
Planning	5,518	-	-	5,518
Building and Safety	13,596	-	-	13,596
Human Services	2,025	16,109	-	18,134
Recreation	10,828	-	-	10,828
Landscape	2,499	-	-	2,499
Homeless Services	-	5,029	-	5,029
Non-departmental	286	-	-	286
Capital	1,223	-	49,979	51,202
Less: Citywide Savings	-	-	-	-
Debt Service	-	3,162	-	3,162
Total Expenditures	52,166	56,701	51,738	160,605
Transfers Out	4,130	1,663	1,000	6,793
Total Uses	56,296	58,364	52,738	167,398
Ending Fund Balance				
Reserved Fund Balance	32,254	7,239	-	39,493
Unreserved Fund Balance	24,766	87,830	113,280	225,876
Total Ending Fund Balance	\$ 57,020	\$ 95,069	\$ 113,280	\$ 265,369

Cost Centers and Internal Service Funds

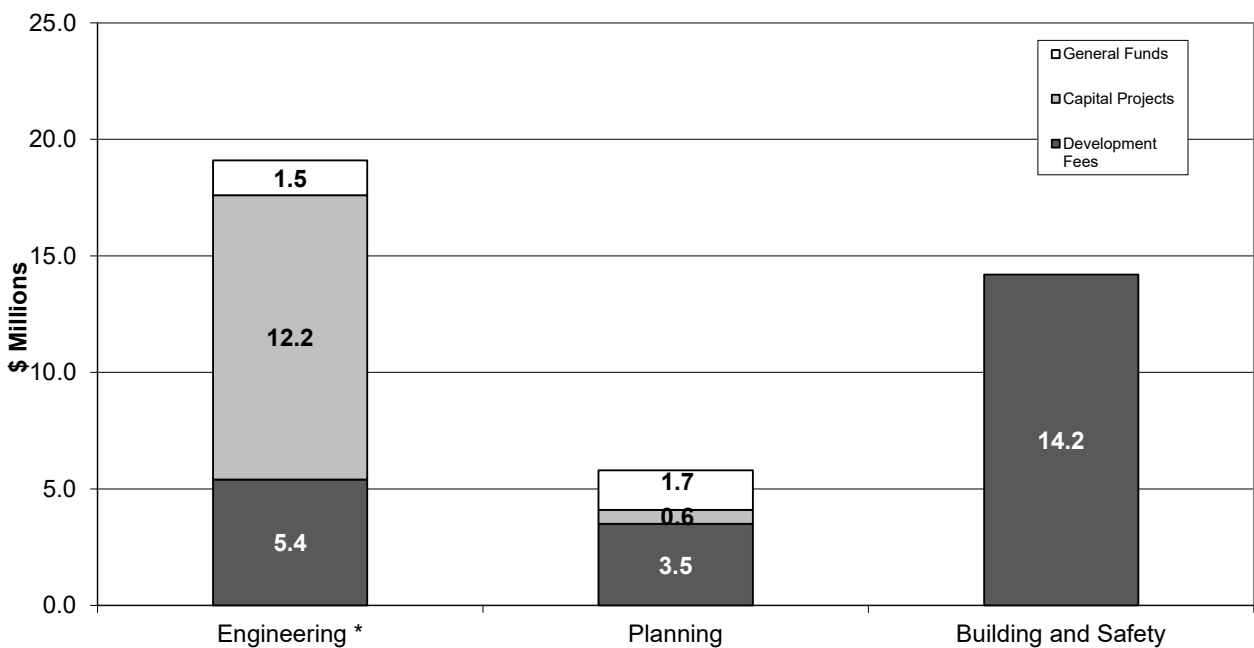
The City uses cost centers to account for City activities that are predominantly fee-based. These funds receive revenues from external users in the form of fees for services and transfers from other funds for work on City projects. The cost centers are intended to maintain their fund balances from year 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 2023/24, the General Fund will transfer \$3.2 million to the Development Cost Center, to be allocated among the Planning, Engineering, and the Park Planning and Design 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 2023/24 Budget



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

Other Funds | Cost Centers and Internal Service Funds

The City Council has established a Development Cost Center operational contingency reserve to help maintain service levels during temporary slowdowns in development activity, as well as a technology and system improvement reserve to provide funding for investments in permitting technology. The Development Cost Center also collects a Community Planning Fee to recover a portion of the costs associated with the annual maintenance and comprehensive updates to the General Plan and Zoning Ordinance. The Community Planning Fee is assessed on each building permit plan checked and issued. At the end of FY 2023/24, the fund balance is projected to be \$24.6 million.

Recreation Cost Center

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

In FY 2023/24, the Recreation Cost Center expects to receive 92% of its \$11 million in ongoing resources from program and user fees, with 8% coming from state grant, other revenue, and investment income. Beginning in FY 2022/23, the park ranger program is budgeted in the General Fund rather than the Recreation Cost Center.

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 \$1.6 million for FY 2023/24. Additional reserves include a \$1.3 million equipment reserve and a \$1 million operating improvement reserve that were established to reinvest back into future cost center business operations. For FY 2023/24, the Recreation Cost Center is projected to end the year with a \$0.8 million unreserved 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 City's two age well centers 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 at South Fremont opened in FY 2021/22. Unlike other cost centers, the Senior Center Cost Center relies on General Fund support for the majority of its funding. In FY 2023/24, the amount of General Fund support for the Senior Center Cost Center will be \$1.1 million, or 7% more than the FY 2022/23 budget.

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 will be \$11.1 million in FY 2023/24.

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 \$16.7 million in FY 2023/24 for information technology services operations and various capital replacement purchases and software upgrades. The expenditure budget for this fund is increasing by \$2.8 million, or 20% from the adopted FY 2022/23 budget. This increase is primarily due to increasing costs for enterprise software licenses and support.

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 City Council approved a one-time additional contribution of \$10 million from the General Fund to reduce the unfunded liability and reduce future required contributions. In FY 2023/24, the budgeted contribution to the CERBT for retiree healthcare is \$8.9 million.

During FY 2022/23, the City Council established a \$15 million reserve for unfunded accrued leave liabilities in the Employee Benefits Fund. This reserve will be used in FY 2023/24 and subsequent years to pay accrued leave balances when employees retire or terminate employment, or as part of an annual leave cash-out. In FY 2023/24, the estimated accrued leave inflow from the operating departments and the budgeted payments are \$1.4 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 2023/24 contribution from the General Fund is budgeted at \$4.2 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 2023/24 are budgeted to total \$1.9 million.

Other Funds | Cost Centers and Internal Service Funds

Cost Centers/Internal Service Funds (Thousands of Dollars)

	Budget 2021/22	Budget 2022/23	Proposed 2023/24
Sources			
Beginning Unreserved Fund Balance	\$ 36,876	\$ 24,557	\$ 30,165
Revenues			
Taxes:			
Property Tax	-	-	-
Sales Tax	-	-	-
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	37,000	42,404	44,461
Fines	-	-	-
Use of Money and Property	776	636	476
Intergovernmental	69	440	742
Other Revenues	2,431	2,426	1,839
Total Revenues	40,276	45,906	47,518
Transfers In	4,353	3,923	4,287
Total Sources	81,505	74,386	81,970
Uses			
Expenditures			
General Government	-	-	-
Police	-	-	-
Fire	-	-	-
Engineering	14,130	15,306	16,191
Planning	5,211	5,572	5,518
Building and Safety	11,392	12,641	13,596
Human Services	1,764	1,824	2,025
Recreation	9,527	10,391	10,828
Landscape	2,031	2,239	2,499
Non-departmental	2,247	1,049	286
Capital	39	(284)	1,223
Less: Citywide Savings	-	-	-
Debt Service	-	-	-
Total Expenditures	48,692	46,341	52,166
Transfers Out	3,588	3,546	4,130
Total Uses	52,280	49,887	56,296
Ending Fund Balance			
Reserved Fund Balance	28,759	30,144	32,254
Unreserved Fund Balance	33,102	22,419	24,766
Total Ending Fund Balance	\$ 61,861	\$ 52,563	\$ 57,020

Other Funds | Cost Centers and Internal Service Funds

Cost Centers/Internal Service Funds FY 2023/24 (Thousands of Dollars)

	Development Cost Center	Recreation Cost Center	Senior Center
Sources			
Beginning Unreserved Fund Balance	\$ 13,826	\$ 911	\$ 2,883
Revenues			
Taxes:			
Property Tax	-	-	-
Sales Tax	-	-	-
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	34,063	10,107	291
Fines	-	-	-
Use of Money and Property	280	-	16
Intergovernmental	-	742	-
Other Revenues	1,500	151	138
Total Revenues	35,843	11,000	445
Transfers In	3,188	-	1,099
Total Sources	52,857	11,911	4,427
Uses			
Expenditures			
General Government	-	-	-
Police	-	-	-
Fire	-	-	-
Engineering	16,191	-	-
Planning	5,518	-	-
Building and Safety	13,596	-	-
Human Services	-	-	2,025
Recreation	-	10,828	-
Landscape	2,499	-	-
Non-departmental	-	-	-
Capital	-	-	-
Less: Citywide Savings	-	-	-
Debt Service	-	-	-
Total Expenditures	37,804	10,828	2,025
Transfers Out	4,130	-	-
Total Uses	41,934	10,828	2,025
Ending Fund Balance			
Reserved Fund Balance	14,271	3,874	-
Unreserved Fund Balance	10,291	807	2,402
Total Ending Fund Balance	\$ 24,562	\$ 4,681	\$ 2,402

Notes:

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

Other Funds | Cost Centers and Internal Service Funds

Internal Services						Total
Risk Management	Information Technology	Employee Benefits	Vehicle Replacement	Fire Capital Replacement	Internal Services Reclass*	
\$ 1,295	\$ 6,372	\$ 467	\$ 4,411	\$ -	n/a	\$ 30,165
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,100	16,658	10,300	1,887	4,248	(44,193)	44,461
-	-	-	-	-	-	-
150	-	-	30	-	-	476
-	-	-	-	-	-	742
-	-	-	50	-	-	1,839
11,250	16,658	10,300	1,967	4,248	(44,193)	47,518
-	-	-	-	-	-	4,287
12,545	23,030	10,767	6,378	4,248	(44,193)	81,970
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	16,191
-	-	-	-	-	-	5,518
-	-	-	-	-	-	13,596
-	-	-	-	-	-	2,025
-	-	-	-	-	-	10,828
-	-	-	-	-	-	2,499
11,308	12,690	10,300	-	-	(34,012)	286
-	4,046	-	3,110	4,248	(10,181)	1,223
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,308	16,736	10,300	3,110	4,248	(44,193)	52,166
-	-	-	-	-	-	4,130
11,308	16,736	10,300	3,110	4,248	(44,193)	56,296
-	-	-	-	-	-	-
14,109	-	-	-	-	n/a	32,254
1,237	6,294	467	3,268	-	n/a	24,766
\$ 15,346	\$ 6,294	\$ 467	\$ 3,268	\$ -	n/a	\$ 57,020

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 82% of the department's total funding sources in FY 2023/24. 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 2023/24, the General Fund will transfer \$879,359 to the Human Services Special Revenue Fund for social service grants. Together, the portion of the Human Services budget appropriated in the General Fund and the transfer for social service grants represent 32% 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 of 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, Sequoia, and Pauline Weaver 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; and the federal and State Emergency Rental Assistance Programs (ERAP) providing financial assistance to low and moderate-income families affected by the COVID-19 pandemic.

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 2023/24 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 \$151,000 of grant funding to support supplemental transportation services for elderly and disabled Tri-City residents. The City is also expected to receive \$343,052 from the City of Newark and City of Union City under our 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 \$6,000 in FY 2023/24.

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 2023/24 budget of \$3.5 million is an increase of \$0.8 million from the FY 2022/23 budget.

Other Funds | Special Revenue Funds

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 2023/24 budgeted expenditures are \$276,000.

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 2023/24 budget is \$430,000.

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 2023/24, \$4.3 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 \$1.4 million in FY 2023/24 for operational costs related to the management and oversight of the City's affordable housing assets and programs. The total expenditures budgeted for FY 2023/24 are \$1.4 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 2023/24, the estimated fund balance will be \$4.4 million. For FY 2023/24, \$2.2 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, and (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 \$201,738 has been budgeted in the General Fund for FY 2023/24.
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.
4. **State Grant:** This fund accounts for monies received by the City from California's Department of Resources Recycling and Recovery. These funds are used to implement programs that divert organic waste like food and yard trimmings from landfills, in compliance with California Senate Bill 1383 (Lara, Chapter 395, Statutes of 2016).

Expenditures are budgeted to increase by 9%, from \$15.1 million in FY 2022/23 to \$16.5 million in FY 2023/24.

Other Funds | Special Revenue Funds

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. 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.

Landscape Maintenance District 88

This Fund accounts for lighting and landscape maintenance activities in new subdivisions within the City. These activities are funded by special assessments on property within the benefitted area.

CFD 1 Services Special Tax

This Fund accounts for the accumulation of services special tax revenue and the payments for maintenance of the public improvements financed with special tax bonds in Community Facilities District No. 1 (Pacific Commons).

CFD 3 Services Special Tax

This Fund account for the accumulation of services special tax revenue and the payments for maintenance of enhanced streetscape in Community Facilities District No. 3 (Warm Springs Public Services).

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.

Special Revenue Funds
(Thousands of Dollars)

	Budget 2021/22	Budget 2022/23	Proposed 2023/24
Sources			
Beginning Unreserved Fund Balance	\$ 105,344	\$ 108,874	\$ 98,256
Revenues			
Taxes:			
Property Tax	2,873	3,080	4,460
Sales Tax	1,615	1,475	1,647
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	14,586	14,397	16,214
Fines	-	-	10
Use of Money and Property	621	527	234
Intergovernmental	19,882	12,590	15,008
Other Revenues	8,676	10,560	6,422
Total Revenues	48,253	42,629	43,995
Transfers In	2,776	3,111	3,280
Total Sources	156,373	154,614	145,531
Uses			
Expenditures			
General Government	-	-	-
Police	924	793	773
Fire	42	186	717
Maintenance (Parks/Street Medians)	2,388	2,846	4,567
Code Enforcement/Community Development Admin	712	577	584
Housing	4,959	29,330	12,678
Environmental Services	11,823	11,970	13,082
Human Services	28,933	16,221	16,109
Recreation	-	-	-
Landscape	168	-	-
Homeless Services	2,395	2,684	5,029
Non-departmental	-	-	-
Less: Citywide Savings	-	-	-
Debt Service	3,532	3,231	3,162
Total Expenditures	55,876	67,838	56,701
Transfers Out	1,730	1,701	1,663
Total Uses	57,606	69,539	58,364
Ending Fund Balance			
Reserved Fund Balance	6,209	6,430	7,239
Unreserved Fund Balance	98,946	84,513	87,830
Total Ending Fund Balance	\$ 105,155	\$ 90,943	\$ 95,069

Other Funds | Special Revenue Funds

Special Revenue Funds FY 2023/24 (Thousands of Dollars)

	Human Services						
	Grants	Paratransit	FRC	Human Services	CDBG	City Funded Aff Housing & Homeless Services	Rent Review
Sources							
Beginning Unreserved Fund Balance	\$ 5,367	\$ 3,520	\$ 1,416	\$ 686	\$ -	\$ 4,508	\$ 19
Revenues							
Taxes:							
Property Tax	-	-	-	-	-	-	-
Sales Tax	-	1,647	-	-	-	-	-
Business Tax	-	-	-	-	-	-	-
Hotel/Motel Tax	-	-	-	-	-	-	-
Property Transfer Tax	-	-	-	-	-	-	-
Paramedic Tax	-	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-	-
Charges for Services	24	71	151	457	-	-	276
Fines	-	-	-	-	-	-	-
Use of Money and Property	7	15	16	15	-	-	-
Intergovernmental	9,083	337	2	-	3,462	50	-
Other Revenues	504	-	1,522	-	15	-	-
Total Revenues	9,618	2,070	1,691	472	3,477	50	276
Transfers In	-	-	-	879	-	2,199	-
Total Sources	14,985	5,590	3,107	2,037	3,477	6,757	295
Uses							
Expenditures							
General Government	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Maintenance (Parks/Street Medians)	-	-	-	-	-	-	-
Code Enforcement/Community Development Admin	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-
Environmental Services	-	-	-	-	-	-	-
Human Services	7,240	2,182	1,209	1,754	3,461	-	263
Recreation	-	-	-	-	-	-	-
Landscape	-	-	-	-	-	-	-
Homeless Services	2,663	-	-	-	-	2,366	-
Non-departmental	-	-	-	-	-	-	-
Less: Citywide Savings	-	-	-	-	-	-	-
Debt Service	-	-	531	-	-	-	-
Total Expenditures	9,903	2,182	1,740	1,754	3,461	2,366	263
Transfers Out	519	158	323	-	16	-	13
Total Uses	10,422	2,340	2,063	1,754	3,477	2,366	276
Ending Fund Balance							
Reserved Fund Balance	-	-	-	263	-	-	-
Unreserved Fund Balance	4,563	3,250	1,044	20	-	4,391	19
Total Ending Fund Balance	\$ 4,563	\$ 3,250	\$ 1,044	\$ 283	\$ -	\$ 4,391	\$ 19

Other Funds | Special Revenue Funds

HOME	Low/Mod Inc Housing	Affordable Housing Ord	Public Safety Grant	Environmental Services Funds	Misc Operating Revenue (ie Tree Program Other/Grants)	Landscape Maintenance District 88	CFD 1 Services Special Tax	CFD 3 Services Special Tax	GO Bonds Debt Service	Total
\$ 4	\$ 485	\$ 60,723	\$ 1,743	\$ 3,556	\$ 1,652	\$ 457	\$ 11,131	\$ 717	\$ 2,272	\$ 98,256
-	-	-	-	-	-	300	1,300	195	2,665	4,460
-	-	-	-	-	-	-	-	-	-	1,647
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	1,140	-	-	14,095	-	-	-	-	-	16,214
-	-	-	10	-	-	-	-	-	-	10
-	-	-	-	57	14	4	100	6	-	234
430	-	-	1,160	84	400	-	-	-	-	15,008
-	-	4,350	-	-	31	-	-	-	-	6,422
430	1,140	4,350	1,170	14,236	445	304	1,400	201	2,665	43,995
-	-	-	-	202	-	-	-	-	-	3,280
434	1,625	65,073	2,913	17,994	2,097	761	12,531	918	4,937	145,531
-	-	-	-	-	-	-	-	-	-	-
-	-	-	773	-	-	-	-	-	-	773
-	-	-	717	-	-	-	-	-	-	717
-	-	-	-	2,716	175	325	1,300	51	-	4,567
-	-	-	-	184	400	-	-	-	-	584
430	1,240	11,008	-	-	-	-	-	-	-	12,678
-	-	-	-	13,082	-	-	-	-	-	13,082
-	-	-	-	-	-	-	-	-	-	16,109
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	5,029
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	2,631	3,162
430	1,240	11,008	1,490	15,982	575	325	1,300	51	2,631	56,701
-	112	4	-	484	-	-	-	-	34	1,663
430	1,352	11,012	1,490	16,466	575	325	1,300	51	2,665	58,364
-	-	-	-	6,976	-	-	-	-	-	7,239
4	273	54,061	1,423	2,454	1,522	436	11,231	867	2,272	87,830
\$ 4	\$ 273	\$ 54,061	\$ 1,423	\$ 9,430	\$ 1,522	\$ 436	\$ 11,231	\$ 867	\$ 2,272	\$ 95,069

Capital Funds

The five-year Capital Improvement Program (CIP) is adopted biennially and includes appropriations for projects for FY 2023/24 through FY 2024/25 and projected expenditures through FY 2027/28. 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 increase since the COVID-19 restraints have been lifted.

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 2023/24 through FY 2027/28 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 decline as a result of lower development activity, 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 decline as a result of lower development activity, 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 2023/24 (Thousands of Dollars)

	Budget 2021/22	Budget 2022/23	Proposed 2023/24
Sources			
Beginning Unreserved Fund Balance	\$ 73,396	\$ 86,488	\$ 129,821
Revenues			
Taxes:			
Property Tax	-	-	-
Sales Tax	-	-	-
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	300	333	-
Fines	-	-	-
Use of Money and Property	1,829	1,694	1,128
Intergovernmental	17,288	17,521	20,035
Other Revenues	20,388	18,500	12,195
Total Revenues	39,805	38,048	33,358
Transfers In	5,000	8,274	15,450
Total Sources	118,201	132,810	178,629
Uses			
Expenditures			
General Government	-	-	-
Police	-	-	-
Fire	-	-	-
Maintenance (Streets/Facilities)	1,675	1,675	1,759
Planning	-	-	-
Building and Safety	-	-	-
Human Services	-	-	-
Recreation	-	-	-
Capital	21,515	26,228	49,979
Less: Citywide Savings	-	-	-
Debt Service	-	-	-
Total Expenditures	23,190	27,903	51,738
Transfers Out	2,031	1,287	1,000
Total Uses	25,221	29,190	52,738
Ending Fund Balance			
Reserved Fund Balance	-	-	-
Unreserved Fund Balance	81,491	91,738	113,280
Total Ending Fund Balance	\$ 81,491	\$ 91,738	\$ 113,280

Capital Improvement Funds FY 2023/24
(Thousands of Dollars)

	General Fund Group	Gas Tax & Meas B, BB	Park & Acq Impact Fees	Traffic Impact Fees	Committed/ Restricted Group	Expenditure Reclass*	Total
Sources							
Beginning Unreserved Fund Balance	\$ 59,059	\$ 1,355	\$ 66,725	\$ 504	\$ 2,178	n/a	\$ 129,821
Revenues							
Taxes:							
Property Tax	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-
Business Tax	-	-	-	-	-	-	-
Hotel/Motel Tax	-	-	-	-	-	-	-
Property Transfer Tax	-	-	-	-	-	-	-
Paramedic Tax	-	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-
Use of Money and Property	-	102	901	100	25	-	1,128
Intergovernmental	-	20,035	-	-	-	-	20,035
Other Revenues	-	-	7,825	750	3,620	-	12,195
Total Revenues	-	20,137	8,726	850	3,645	-	33,358
Transfers In	14,600	-	-	-	850	-	15,450
Total Sources	73,659	21,492	75,451	1,354	6,673	-	178,629
Uses							
Expenditures							
General Government	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Maintenance (Streets/Facilities)	-	1,759	-	-	-	-	1,759
Planning	-	-	-	-	-	-	-
Building and Safety	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital	30,184	19,665	8,697	1,350	2,694	(12,611)	49,979
Less: Citywide Savings	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Total Expenditures	30,184	21,424	8,697	1,350	2,694	(12,611)	51,738
Transfers Out	-	-	-	-	1,000	-	1,000
Total Uses	30,184	21,424	8,697	1,350	3,694	(12,611)	52,738
Ending Fund Balance							
Reserved Fund Balance	-	-	-	-	-	-	-
Unreserved Fund Balance	43,475	68	66,754	4	2,979	n/a	113,280
Total Ending Fund Balance	\$ 43,475	\$ 68	\$ 66,754	\$ 4	\$ 2,979	\$ -	\$ 113,280

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 FY 2023/24–2027/28 Capital Improvement Program (CIP) is on a similar presentation and public hearing schedule as the operating budget. Both budgets are tentatively scheduled for adoption on June 13, 2023. A summary of the adopted CIP, including an overview of its relationship to the operating budget, planned expenditures, and project highlights, will be published in this space.

Capital Budget Summary

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Department Budgets

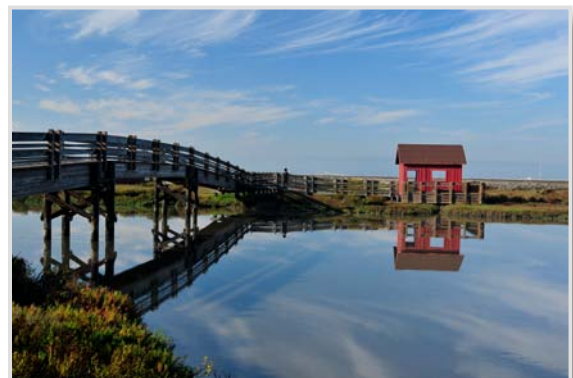
City Council

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.

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 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

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Salaries & Benefits	\$ 290,566	\$ 287,272	\$ 324,400	\$ 324,400	\$ 312,426	\$ 345,467
Operating Expenditures	152,151	171,848	194,911	222,210	222,209	227,210
Capital Expenditures	-	-	-	-	-	-
Indirect Expense Allocation**	2,808	21,733	25,274	25,274	25,274	26,134
Totals	\$ 445,524	\$ 480,853	\$ 544,585	571,884	559,909	598,811
% increase/(decrease), including all funds, from FY 2022/23 Adopted Budget						6.9%
<p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.</p>						

Key City Priorities

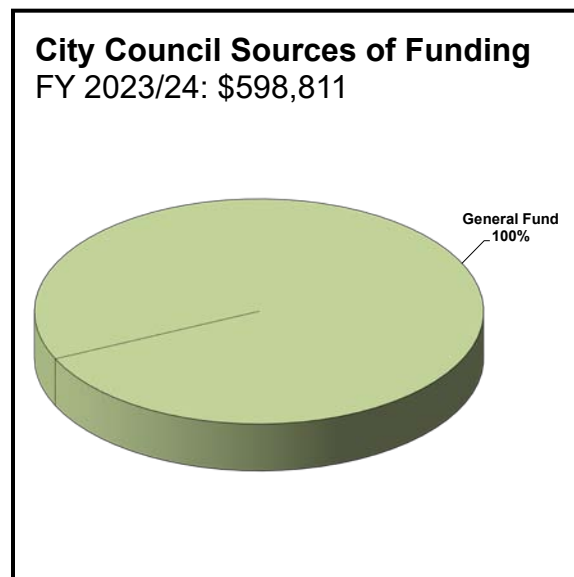
At the City Council retreat held in February 2023, the Council reaffirmed three top priority policy areas for the City in FY 2023-24:

1. Continue to address homelessness.
2. Enhance public safety.
3. Foster the vitality of commercial corridors.



Continuous Key City Priorities

1. **Fiscal Sustainability:** Continue to maintain the City’s fiscal sustainability and ensure programs and activities are only pursued if there is identified available funding.
2. **Public Safety:** Continue to enable local officials to provide quality police, fire, emergency management, emergency medical services, traffic safety, youth violence and delinquency prevention initiatives, and community efforts.
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.
7. **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.
8. **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.



Major Changes

- The FY 2023/24 City Council budget is \$38,902 (6.9%) more than the FY 2022/23 adopted budget.
- Salary and benefits are increasing by 10.6% due to biennial wage increases that became effective after the last election.

Community Development

Mission:

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



Major Services

Planning

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

Building and Safety

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

Code Enforcement

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



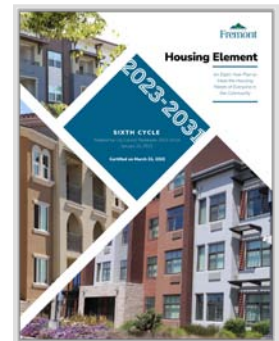
Community Development: Historical Expenditures/Budget, by Major Service Area

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Planning	\$ 4,482,707	\$ 4,348,186	\$ 4,804,330	\$ 6,246,651	\$ 6,071,664	\$ 6,000,809
Planning Administration	574,539	491,685	479,838	582,535	572,842	607,767
Building and Safety	10,549,094	11,404,068	11,996,356	14,042,908	13,822,801	14,887,621
Code Enforcement	915,448	959,151	185,263	1,408,555	1,378,371	1,651,069
Homeless Services Code Enforcement	182,508	186,669	1,329,233	192,923	190,625	200,049
SB2 & LEAP Housing Grants	171,848	290,735	406,278	406,278	402,129	400,000
Affordable Housing Investment	937,513	942,292	5,048,340	5,330,367	5,312,258	1,352,086
City Funded Affordable Housing						
Affordable Housing Ordinance	4,386,477	2,568,484	23,737,686	29,811,681	23,811,681	11,011,904
Total Community Development	\$ 22,200,134	\$ 21,191,270	\$ 47,987,324	\$ 58,021,898	\$ 51,562,371	\$ 36,111,305

* 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 2022/23

1. Finalized and obtained State approval for the 2023-2031 Housing Element and began implementation efforts focused on changes to residential zoning standards.
2. Continued to update the Fremont Municipal Code to address new land use laws and to support City of Fremont goals.
3. Using State grant funds, completed a comprehensive update of City regulations related to projects that include residential development, including mixed-use, TOD, and small lot development.



Department Budgets | Community Development

- Continued to develop programs and efficiencies to expedite the approval of accessory dwelling units (ADUs) as a housing option.



- Continued to support the City's efforts to address homelessness through responding to complaints and coordination with Human Services, Police, and Environmental Service departments.
- In partnership with the City's development partners, applied for funding through the State's Homekey program to provide permanent supportive housing for acutely low-income residents.
- Continued to work with Economic Development to support construction at new and existing businesses that provide employment opportunities and generate revenues for municipal services (e.g., Tesla, Applied Materials, Bloom Energy, and several industrial park areas).
- Continued to work with the Art Review Board to facilitate installation of public artwork within the City's three art districts in conjunction with new developments and at key locations.
- Continued to provide the public with the latest updates in Community Development through newsletters, City News Briefs, City email lists, social media, department webpages, and printed materials.
- Published a draft Climate Action Plan for public review and comment.
- Continued efforts to procure solar + storage for City critical facilities and to expand electric vehicle charging infrastructure for City operations and the general public.



- Continued to improve permitting processes to maintain competitive permit review timelines.
- Implemented a credit card convenience fee, at the direction of the City Council, for development permits to offset the rising costs of third-party fees charged to the City on credit card transactions.

14. Led the adoption of the 2022 California Building codes, effective January 1, 2023, and continued educational training of staff to maintain city and State mandated building certifications.
15. Implemented residential instant solar permitting via SolarApp+.
16. Modified the Affordable Housing Ordinance, at the direction of the City Council, to establish a local preference for those living and working in Fremont.



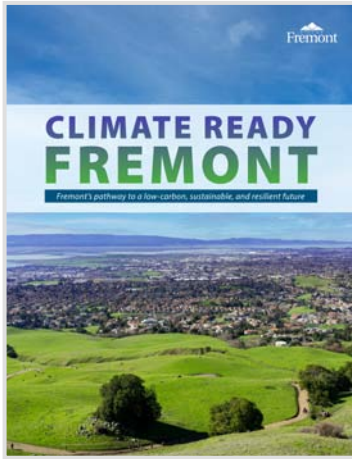
17. Modified the Zoning Ordinance, at the direction of the City Council, to allow market rate residential developers to defer payment of impact fees for up to 18 months after permit issuance.
18. Received the Solar App Prize from the U.S. Department of Energy for implementing automated on-line permitting for small solar systems (Fremont was one of 12 cities nationally to qualify for the award).
19. Secured a five-million-dollar grant from the State Local Housing Trust Fund program to supplement the City's affordable housing efforts.
20. Launched three new on-line interactive maps for the public to explore: boxART!, Art in Public Places, and Affordable Housing.
21. Launched a new Outdoor Commercial Patio Program offering businesses a streamlined and low-cost process for obtaining a permit for their permanent outdoor space.
22. Continued to work with affordable housing developers on several hundred new affordable units in the development pipeline, including completion and occupancy of Granite Ridge Apartments (Eden Housing) and Doug Ford Senior Apartments (Allied Housing).

Objectives FY 2023/24

1. Continue to update the Fremont Municipal Code to address new land use laws and to support City of Fremont goals, including implementation efforts of the approved 2023-2031 Housing Element.
2. Enhance the City's efforts to address homelessness through responding to complaints and coordination with Human Services, Police, and Environmental Services departments in support of ongoing initiatives and the implementation of the City's upcoming strategic homelessness plan.
3. Adjust citation amounts for planning and building code violations to the extent allowed by State law as a way to incentivize compliance.

Department Budgets | Community Development

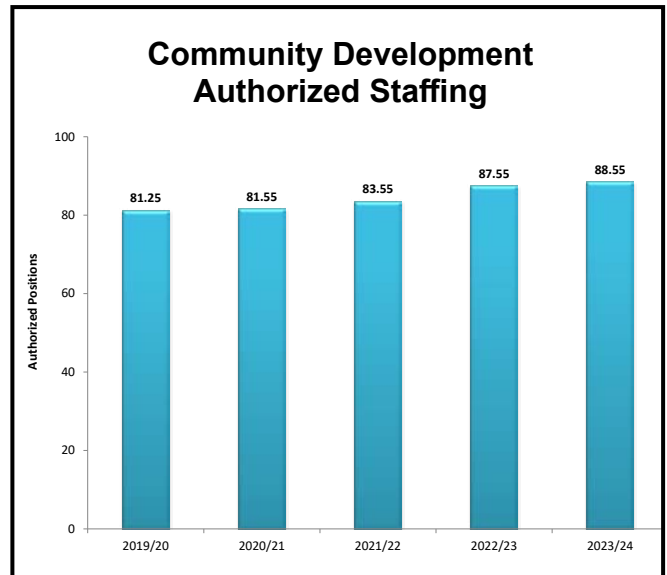
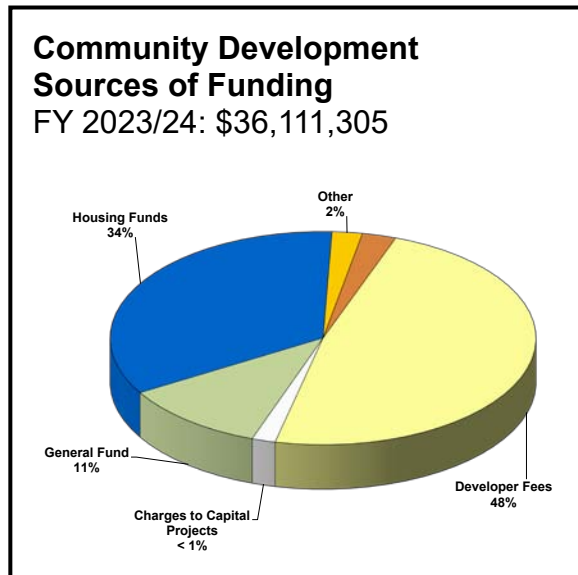
4. Facilitate adoption of a short-term rental ordinance to ensure that short-term rentals are operated responsibly and do not unduly affect the availability of rental housing in the City.
5. Continue to work with the Art Review Board to facilitate installation of public artwork within the city's art districts in conjunction with new developments and at key locations.
6. Update fees for fire permits to ensure the program is 100% fee supported.
7. Continue to provide the public with the latest updates in Community Development through newsletters, City News Briefs, City email lists, social media, department webpages, and printed materials.
8. Create videos for the public on how to use Citizen Access, the City's online permit portal.
9. 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.
10. Secure Council adoption of the Climate Action Plan and begin implementation of priority actions.



11. Continue streamlining accessory dwelling unit (ADU) and pre-approved accessory dwelling unit (PDU) review processes including simplification of requirements, processing, and issuance.
12. Continue educational training of staff to maintain City and State mandated building and fire code certifications and licenses with the 2022 California Building Code.
13. As an implementation requirement of the Housing Element, initiate planning for the development of housing on City-owned property on Decoto Road.
14. Update the City's seismic ordinance to consider updated technical guidance and changes in State law.
15. Administer Federal Energy Efficiency and Conservation Block Grant (EECBG) funds received by the City.
16. Issue a Notice of Funding Availability (NOFA) seeking proposals for new affordable housing developments utilizing City affordable housing funds.

Performance Measurement

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Reduce waits for public counter assistance to a maximum of 15 minutes	90%	90%	90%	90%
Achieve entitlement processing schedules	95%	90%	90%	90%
Achieve building permit processing schedules	75%	90%	90%	90%



Department Budgets | Community Development

Community Development: Historical Expenditures/Budget, by Category

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Salaries & Benefits	\$ 13,744,610	13,803,275	14,513,276	17,496,056	17,188,063	18,118,803
Operating Expenditures	5,186,881	3,761,094	29,174,665	36,225,303	30,073,769	13,462,315
Capital Expenditures	5,944	66,318	232,068	4,500	4,500	4,500
Indirect Expense Allocation**	3,262,699	3,560,583	4,067,315	4,296,039	4,296,039	4,525,687
Totals	\$ 22,200,134	\$ 21,191,270	\$ 47,987,324	\$ 58,021,898	\$ 51,562,371	\$ 36,111,305
						-30.0%

% increase/(decrease), including all funds, from FY 2022/23 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 2023/24 Community Development budget is \$15,451,066 (-30%) less than the FY 2022/23 adopted budget.
- Salary and benefits are increasing by \$930,740 (5.4%) primary due to the addition of 1.0 FTE Fire and Life Safety Plans Examiner to support development plans and permit activities.
- Operating expenditures are decreasing by \$16,611,454 (or -55.2%) due to a decrease in affordable housing projects.
- The indirect expense allocation is increasing by \$229,648 (or 5.3%) due to higher Information Technology costs and worker's compensation, liability, and property insurance premiums.

Staffing by Function - FY 2023/24

Community Development		
Administration		
Community Development Director		0.40
Deputy Director		0.65
Permit Center Manager		0.50
Business Manager		0.25
Sustainability Manager		0.25
Management Analyst II		0.60
Development Services Supervisor		0.20
Senior Office Specialist		0.15
Office Specialist II		0.40
Administrative Analyst		0.50
Building & Safety		
Community Development Director	0.30	
Deputy Director	0.30	
Permit Center Manager	0.50	
Building Official	1.00	
Business Manager	0.55	
Supervising Building Inspector	2.00	
Plan Check Manager	2.00	
Principal Plan Check Professional	1.00	
Plan Check Professional	7.00	
Building Inspector Specialist	7.00	
Building Inspector II	8.00	
Fire & Life Safety Plans Examiner	2.00	
Management Analyst II	1.15	
Senior Community Development Technician	1.00	
Plans Examiner	2.00	
Community Development Technician	11.00	
Development Services Supervisor	0.50	
Administrative Assistant	1.00	
Administrative Analyst	0.50	
Accounting Specialist II	0.50	
Senior Office Specialist	0.50	
Office Specialist I	2.00	
Office Specialist II	1.60	
Planning		
Planning Manager		0.75
Principal Planner		1.00
Senior Planner		2.00
Information Systems Appl Specialist III		0.30
Associate Landscape Architect		2.00
Associate Planner		8.00
Planner II		1.00
Executive Assistant		1.00
Office Specialist II		1.00
Assistant Planning Manager		1.00
Accounting Specialist II		0.50
Code Enforcement		
Community Development Director		0.05
Deputy Director		0.05
Business Manager		0.05
Planning Manager		0.25
Code Enforcement Manager		1.00
Senior Code Enforcement Officer		1.00
Code Enforcement Officer II		4.00
Development Services Supervisor		0.05
Homeless Services		
Code Enforcement Officer II		1.00
Housing		
Community Development Director	0.25	
Housing Project Manager	1.00	
Business Manager	0.15	
Associate Planner	2.00	
Management Analyst II	0.25	
Senior Office Specialist	0.35	
Planner II	1.00	
Development Services Supervisor	0.25	

Regular Full-Time Equivalents: 88.55

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Community Services

Mission:

The City of Fremont Community Services Department vision is to be the reason people live, work and play in Fremont. The Department’s mission is to provide exceptional community experiences. This is accomplished by supporting residents and businesses being active outdoors and providing diverse recreation experiences for all ages that help create a healthy lifestyle. Our residents receive quality customer service through the management of recreation facilities, the provision of quality recreation and environmental programs, park planning, and maintenance of City parks, trees, and medians.

Major Services

Recreation

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

Parks, Medians, and Urban Landscape

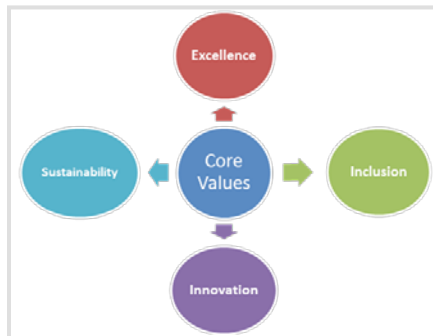
Provide park facilities and services to Fremont residents. Plan, coordinate, organize, and manage maintenance of the City’s park land, open space, facilities, median landscapes, and trees.

Environmental Services

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

Park Planning and Design

Manage park planning and development, park land acquisition, street median landscape, and public plaza projects. Review of development projects and administer landscape and tree policies.



Department Budgets | Community Services

Department Overview

The Community Services Department provides recreation activities, parks and community facilities, street median and park maintenance, urban forestry, community landscape architecture, and environmental services. The Park Division manages, maintains, and oversees the park and urban forestry system. The Park Planning & Design 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, park special events and historic programming. 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

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Recreation	\$ 7,436,991	8,239,161	9,812,183	11,255,179	10,764,140	11,253,096
Parks, Medians, & Urban Forestry	8,958,807	9,848,042	10,439,018	11,414,985	10,997,628	13,431,200
Environmental Services	13,342,244	13,202,284	14,033,017	16,586,934	15,059,326	16,465,560
Park Planning & Design	2,020,242	2,141,104	2,328,443	2,462,647	2,419,042	2,854,247
Ranger Program	917,758	943,494	1,124,340	1,142,578	1,125,167	1,192,090
Homeless Services	130,451	29,975	144,128	144,128	141,729	145,880
Total Community Services	\$ 32,806,493	\$ 34,404,060	\$ 37,881,129	\$ 43,006,451	\$ 40,507,032	\$ 45,342,073

* 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 2022/23

1. Partnered with Fremont Unified School District (FUSD) to provide safe, constructive alternatives in an afterschool education and enrichment program – After School Academy to students in 1st through 6th grade at Brier, Cabrillo, and Grimmer Elementary Schools.
2. Expanded the After-School Academy offering to include TK/Kinder students at the three FUSD sites providing social and emotional support, enrichment opportunities and creative expression.
3. Continued to advance the City towards the goal of net neutral for the Recreation Cost Center for FY 23/24 increasing the recreation NET by approximately \$750,000 year over year



4. Increased Recreation registrants by 5,000.
5. Continued to meet the parameters of the City's Tree City USA priority designation and planted over 1,379 trees.
6. Completed lease agreement for Mission Peak and Stanford Staging Area.
7. Advanced the City's storm response with Emergency Operation Center and community shelter participation and tree abatement services.
8. Partnered with East Bay Community Foundation for annual grant gift to support Shinn Park Arboreal and Park Maintenance projects.
9. Completed 8 playground surfacing projects including: Always Dream Park, Blacow Park, David Jones Park, Sylvester Harvey Park, Los Cerritos Park, California Terrace Park, Rix Park and Old Mission Park.
10. Completed removal and replacement of synthetic turf cricket pitches at Central Park, Northgate Community Park and Northgate Batting cages.
11. Successfully responded to approximately 1,000 requests for tree services, which included storm responses, hazard abatement, right of way clearance and emergency after-hours calls.
12. Conducted approximately 125 cleanup events at over 500 homeless encampment sites, removing approximately 375 tons of debris.
13. Conducted 75 volunteer creek restoration and park beautification events at Sabercat Creek and Stivers Lagoon with approximately 600 volunteers participating.
14. Installed 85 trash capture devices in City stormwater catch basins to intercept trash and reduce stormwater pollution.
15. Completed the construction of the new 4-acre Dusterberry Neighborhood Park.
16. Council adoption of the updated Urban Forestry Management Plan.
17. Completed and opened the second of 4 Innovation Plazas in the Warm Springs Innovation District.



Department Budgets | Community Services

18. Continued Completed upgrades to the Mammoth and Babbling Brook picnic areas at Central Park.
19. Completed construction of the Rix Park basketball relocation.
20. Completed design and purchase of two prefabricated restrooms scheduled for installation next fiscal year at Centerville Community Park and California Nursery Historical Park.
21. Council adoption of the 2023/24 to 2027/28 Parks Capital Improvement Program.
22. Awarded a contract with DCG Strategies, Inc. to assist the City assess potential land acquisition opportunities and conduct exploratory work to purchase or acquire new park land in strategic areas to increase the City's overall park land inventory by up to 15 additional acres. This will assist in meeting Council's objective to preserve the City park land standard of 5 acres of land per 1,000 population.
23. Reimbursed over 200 Fremont property owners and residents under the 50-50 Street Tree Program for a total of approximately \$125,000 of reimbursements citywide.
24. Completed design for multiple play area renovations including: Booster Neighborhood Park, Azaveda Neighborhood Park, Buena Vista Neighborhood Park, Centerville Community Park, Northgate Community Park, and Marshall Community Park.

Objectives FY 2023/24

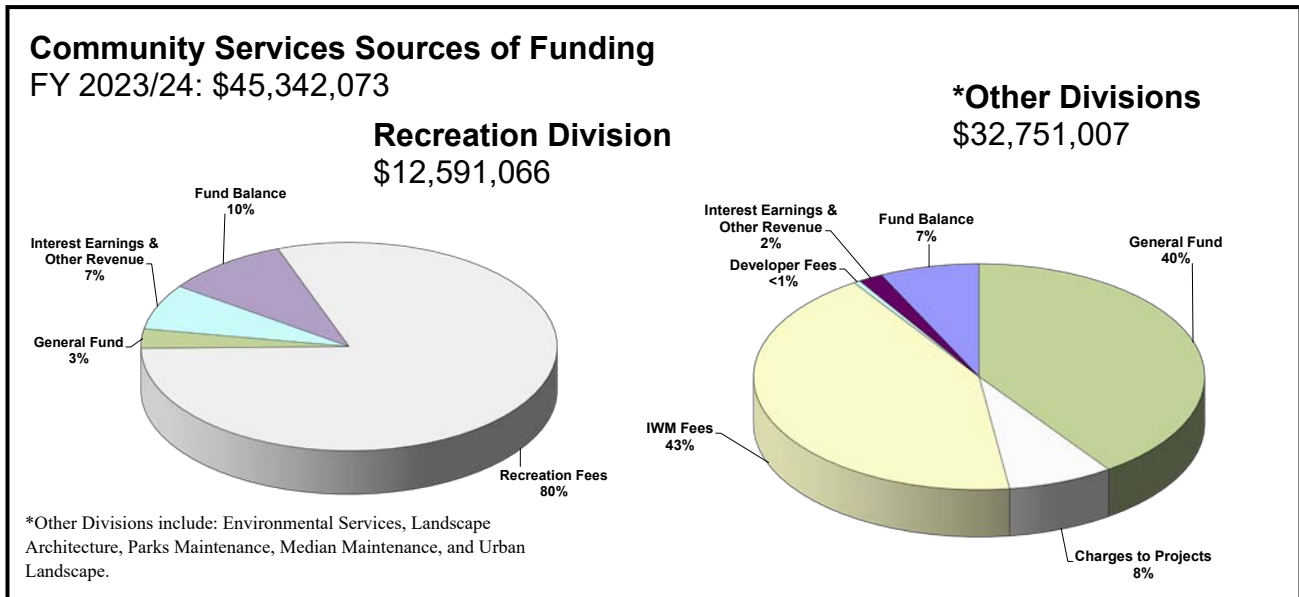
1. Continue to advance preventative maintenance measures to aid the City's efforts to manage safety and liability tree issues.
2. Award CalFire grant related contracts to implement the City's urban forestry expansion efforts.
3. Continue to work on the deployment of the Asset Maintenance and Management system known as Cityworks.
4. Start design and development work on the new Central Park Community Center and continue to secure funding.
5. Collaborate with Public Works in implementation plan for park-wide restroom upgrades and complete new restroom construction at Centerville Community Park.
6. Implement Marketing Plan for Recreation Cost Center to meet revenue goal of \$11.0 million.
7. Expand volunteer opportunities throughout the Community Services department.
8. Develop an aging park playground replacement strategy focusing on sustainability, inclusivity, and equitability of our parks system.
9. Complete construction of next phase California Nursery Historical Park projects including the Rose Garden Entry, Packing Shed stabilization, new restroom, interpretive sign program, and President's House improvements.

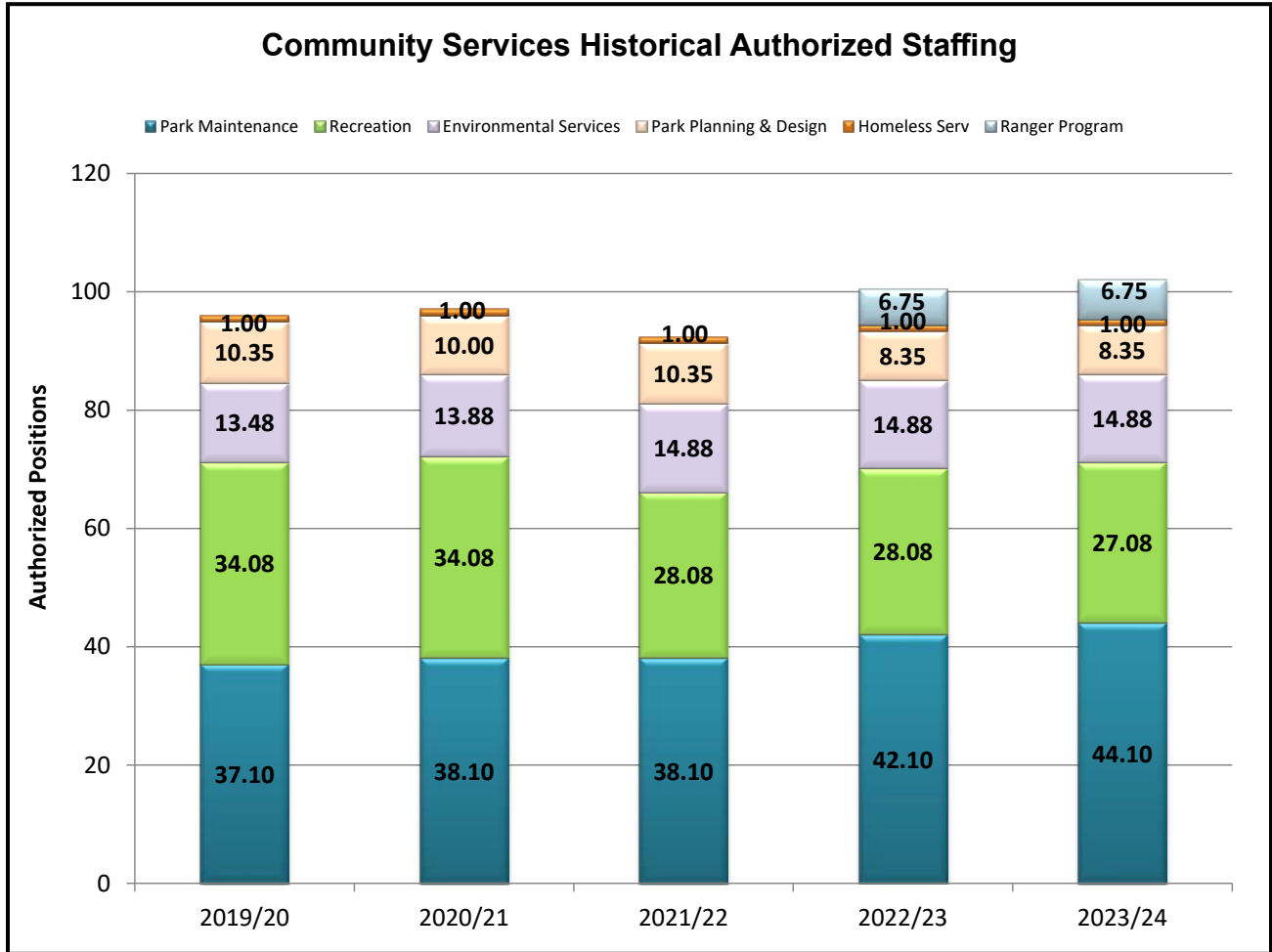
10. Complete construction of the new all-inclusive outdoor exercise equipment complex and East Meadow Path project at Central Park.
11. Complete construction for the Sylvester Harvey Park loop trail.
12. Complete construction for multiple play area renovations including: Booster Neighborhood Park, Azevada Neighborhood Park, Buena Vista Neighborhood Park, Centerville Community Park, Northgate Community Park, and Marshall Community Park.
13. Complete Pickleball courts and/or court conversions in Central Park.
14. Complete design and transition plan for Vallejo Mills Historical Park Phase 1.
15. Complete construction of Sylvester Harvey Community Park Loop Trail.
16. Complete design and approval of Pacific Commons Park Master Plan and Phase one construction documents.
17. Complete design and construction documents for the Centerville Community Park expansion.
18. Complete the site demolition and initiate the public engagement process for the development of the 12-acre Palm Avenue Community Park.
19. Expand participation of Fremont businesses and schools in county reusable food service ware campaign to reduce volume of single use disposables
20. Conduct 150 cleanup events at homeless encampment sites throughout the City.
21. Install an additional 75 trash capture devices in City stormwater catch basins to intercept trash and reduce stormwater pollution.
22. Install public litter cans at a minimum of 20 ACE transit bus stop locations.

Department Budgets | Community Services

Performance Measurement

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Increase Recreation program registrants over prior year	17,007	20,000	21,946	23,000
Increase number of creek clean-up volunteers	620	550	650	700
Increase Public Tree Planting	127	150	175	200





Community Services: Historical Expenditures/Budget, by Category

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Salaries & Benefits	\$ 14,838,327	\$ 15,903,354	\$ 18,084,310	\$ 20,534,549	\$ 20,031,172	\$ 23,964,713
Operating Expenditures	13,617,541	15,605,369	16,878,636	19,510,002	17,515,590	16,129,553
Capital Expenditures	536,319	417,252	148,645	137,831	137,831	1,603,990
Indirect Expense Allocation**	3,814,306	2,478,085	2,769,538	2,824,069	2,822,439	3,643,817
Totals	\$ 32,806,493	\$ 34,404,060	\$ 37,881,129	\$ 43,006,451	\$ 40,507,032	\$ 45,342,073

% increase/(decrease), including all funds, from FY 2022/23 Adopted Budget 11.9%

* 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 | Community Services

Major Changes

- The 2023/24 Community Services budget is \$4,835,041 (11.9%) more than the FY 2022/23 adopted budget.
- Salary and benefits are increasing by \$3,933,541 (19.6%) primary due to the addition of 1.0 FTE Urban Forester to support the Urban Forest Management Plan and the conversion of one Recreation Facility Supply Specialist position to Urban Landscape Manager.
- Operating expenditures are decreasing by \$1,386,037 (or -7.9%) mainly due changes in how transfers from Integrated Waste Management (IWM) are classified. Starting in FY 2023/24, transfers from IWM will be as classified as salary and benefits instead of operating expenditures.
- Capital expenditures are increasing by \$1,466,159 mainly due to street sweeper and vactor truck purchases.
- The indirect expense allocation is increasing by \$821,378 (or 29.1%) due to higher Information Technology costs and worker's compensation, liability, and property insurance premiums.

Staffing by Function - FY 2023/24

Community Services	
Park Maintenance	
Community Services Director	0.40
Deputy Director	0.40
Business Manager	1.00
Executive Assistant	0.30
Park Superintendent	2.00
Parks/Urban Landcape Manager	1.60
Associate Landscape Architect	1.00
Office Specialist II	1.00
Office Specialist I	1.00
Central Park	
Park Field Supervisor	1.00
Park Maintenance Worker II	2.00
Park Maintenance Worker I	5.00
North End Parks	
Park Field Supervisor	1.00
Park Maintenance Worker II	2.00
Park Maintenance Worker I	4.00
South End Parks	
Park Field Supervisor	1.00
Park Maintenance Worker II	3.00
Park Maintenance Worker I	5.00
Construction/Irrigation	
Park Field Supervisor	1.00
Construction	
Park Maintenance Worker II	1.00
Park Maintenance Worker I	2.00
Irrigation	
Park Maintenance Worker II	1.00
Park Maintenance Worker I	1.00
Urban Landscape	
Tree	
Parks/Urban Landcape Manager	0.40
Park Field Supervisor	1.00
Park Maintenance Worker II	2.00
Park Maintenance Worker I	2.00
Recreation	
Administrative & Support Services	
Community Services Director	0.30
Deputy Director	0.50
Recreation Superintendent II	3.00
Recreation Supervisor II	1.00
Management Analyst II	1.00
Executive Assistant	0.70
Accounting Specialist II	0.50
Office Specialist II	2.00
Park Visitor Services	
Park Ranger Supervisor	1.00
Park Ranger	4.75
Office Specialist II	1.00
Recreation Services	
Recreation Supervisor II	5.00
Recreation Supervisor I	8.00
Water Park Manager	2.00
Tiny Tot Specialist	3.08
<i>Program Staff - approx. 325*</i>	
Landscape Architecture	
Parks Planning and Design Manager	1.00
Senior Landscape Architect	2.00
Assoc. Landscape Architect	2.00
Landscape Architect/Designer II	3.00
Office Specialist II	0.35
Environmental Services	
City Attorney	0.08
Community Services Director	0.30
Deputy Director	0.10
Environmental Services Manager	1.00
Environmental Services Administrator	2.00
Sustainability Manager	0.75
Park Ranger/Naturalist	0.25
Info Systems Appl Spec III	0.40
Environmental Specialist II	6.00
Environmental Specialist I	3.00
Code Enforce Officer II	1.00
Homeless Services	
Park Ranger	1.00

*Temporary positions not counted in full-time equivalents.

Regular Full-Time Equivalents: 102.16

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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 commercial and public amenities.

Major Services

Business Development

Promote the expansion of existing businesses and attract new businesses to generate employment, increase City revenue, promote opportunities, and enhance community prosperity.

Marketing

Create and implement a dynamic, multi-faceted marketing strategy showcasing the City as a friendly place for businesses of all sizes to invest in and promote Fremont as an ideal location.

Small Business, Downtown and Business District Support

Support vitality in Fremont’s Downtown and neighborhood business districts (NBDs) through tactical small business support and programmatic efforts that activate and improve the overall commercial environment.

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

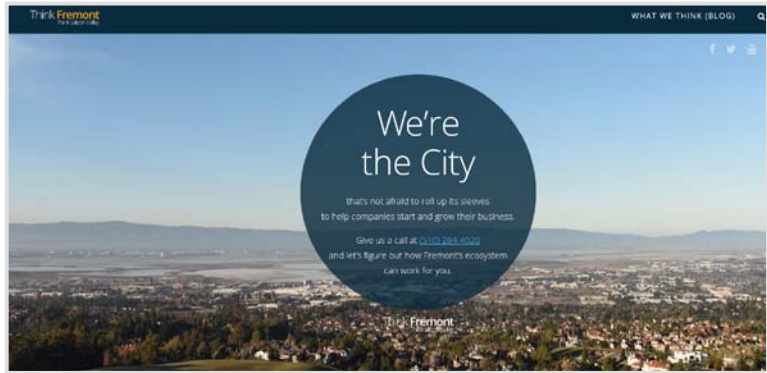
Build local and regional relationships, leverage resources, and develop strategic alignments between the City, private sector, nonprofits, and other public agencies to ensure that knowledge and resource transfer is taking place for the benefit of Fremont’s businesses and economy.

Advance Key Economic Development Initiatives

Support the development and implementation of multiple land use and industry efforts, including the planning areas of Downtown, Ardenwood, Bayside, and the Warm Springs Innovation District and the driving industries to facilitate awareness and development momentum, thereby strengthen the City’s economic resiliency.

Department Overview

The Economic Development Department proactively works with the business community, real estate brokers, developers, and property owners to create a supportive environment for desired retail, commercial, and technology/industrial investment. 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 business retention & attraction; assisting with site selection, marketing, and permitting; facilitating development aligned with City’s adopted land use plans; conducting business site visits; hosting and participating in a broad array of industry events; implementing a progressive, multimedia marketing strategy; and engaging with the City’s Economic Development Advisory Commission (EDAC). Furthermore, the department serves as a liaison between businesses, real estate brokers, property owners, developers, and City staff to ensure that development moves forward in a timely and supportive manner. The department also works with several development organizations to strengthen Fremont’s position at the regional, statewide, and national levels and supports the City Council’s leadership in economic development efforts.



Accomplishment Highlights FY 2022/23

In response to the significant impacts the COVID-19 pandemic has had on the business operating environment in Fremont and the ‘new normal’ that has emerged, the Economic Development Department developed an economic recovery and resiliency framework, which presented to City Council during a Special Work Session on April 20th, 2021. The framework focuses on creating an equitable and broad-based economic recovery through three pillars: 1) Small Business & District Support; 2) Workforce Development Initiatives; and 3) Jobs and Tax Revenue Growth. The Accomplishment Highlights section has been ordered to show work performed under each key pillar.

1. Small Business Support

- a. Launched a collaboration with Better Block to deliver a 2-day activation project to the Mission San Jose neighborhood business district (NBD) in September 2022, bringing together over a hundred volunteers, merchants, and businesses, as well as visitors from all over Fremont.
- b. Hosted Fremont’s inaugural Restaurant Week, a 10-day celebration of the community’s diverse food scene and small businesses, with over 40 participating restaurants. A new web page (fremontrestaurantweek.com) was developed to support the event, accompanied by a dynamic, multi-faceted marketing campaign. The event will become an annual fixture of Fremont to support restaurants during what is typically a slower time of year.



Department Budgets | Economic Development

- c. Hired an executive consultant to explore and pursue the process of creating a Business Improvement District in Downtown Fremont to pay for additional City services.
- d. Facilitated the successful completion of an adaptive reuse of the historic Centerville Theater, completing a complex historical review and renovation process. Restoring and ‘activating’ the Centerville Theater is a key component to creating a thriving town center in Centerville and is outlined as a strategy in the City’s General Plan.
- e. Redesigned the Department’s business website, thinksiliconvalley.com, adding a small business resource page as well as landing pages for Fremont’s Downtown and burgeoning ‘maker’ scene.



- f. Commenced a small business photography campaign, capturing high-resolution photographs, videos, and testimonials from two dozen small businesses from across the Fremont’s five neighborhood business districts as well as Downtown and City Center areas. The photographs’ copyrights were provided at no-cost to the businesses to support their online and social media presence.
- g. Introduced a Small Business Saturday ad campaign, which profiled 15 local small business owners and Fremont “main streets” to help market and drive local small business activity and recovery. The campaign was featured on City social platforms and newsletters and in a full page spread in the Tri-City Voice encouraging residents to shop locally on Small Business Saturday in November.
- h. Continued active membership in the Main Street Association, a nationwide network of cities, associations, and economic development organizations that seeks to create thriving and active “Main Street” environments. Main Street Association featured Downtown Fremont’s rise, including photos from the Downtown Event Center grand opening, and highlighting small business additions.
- i. Supported a public private partnership with local restaurants and Human Service’s Winter Relief Program by partnering with four diverse and popular Fremont restaurants to provide weekly prepared meals for program participants, with meal expenses are being covered by a corporate grant from Cargill made to the Humans Services Department.
- j. Provided dozens of small business tenant referrals and supported leasing efforts for Downtown Fremont and NBDs through marketing & business development activities.

Department Budgets | Economic Development

- k. Shepherded dozens of small businesses through the end-to-end process of opening a physical store in Fremont, assisting with site selection, zoning verification, City-issued tenant improvement permits, and approvals from external agencies including Union Sanitary, Alameda County Health Department, and California Alcohol & Beverage Control.
- l. Gathered matching corporate sponsorships for Gift Fremont, an online e-gift card portal. The program has provided free marketing and tens of thousands of dollars to-date to Fremont small businesses.
- m. Worked in collaboration with Community Development to develop Outdoor Commercial Patio Program, which created a permanent, streamlined, and low-cost permitting process for small businesses to bring their activities outdoors and enhance Fremont's overall retail environment.
- n. Partnered with the Information Technology Services Department and the City's Legislative Affairs team to successfully secure Congressional funding to build out a robust high-speed community Wi-Fi network in the City's major commercial districts, Downtown, and City Center. Once deployed, the wireless mesh nodes will provide free high-speed Wi-Fi to visitors, residents, and small business owners to support the vitality of the commercial districts.

2. Workforce Development

- a. Hosted Fremont's 11th annual Fremont Manufacturing Week event, drawing in hundreds of students from Ohlone College, Mission Valley ROP, Fremont Unified School District, and Cal State East Bay. Eleven companies hosted one or more tours during the week, including Tesla, Enovix, Lam Research, Western Digital, Boehringer Ingelheim, Anaspec, Bionova Scientific, Seagate, Evolve Manufacturing, Thermo Fisher Scientific, and ALOM Technologies.



- b. Expanded Fremont's Earn and Learn program, a workforce development partnership between Ohlone College, the City of Fremont, and Fremont-based advanced manufacturing companies, providing students of diverse backgrounds with 144 hours of intensive training in advanced manufacturing technologies. Participants were paired with sponsor companies and received paid on-the-job training, with an opportunity to join the company full time upon completion of the program. Participating companies included Tesla, Bloom Energy, and Evolve Manufacturing.

- c. Supported the resumption of Tesla's in-person Introduce a Girl to Engineering Day, providing a full day field trip for approximately 60 students from Hopkins Middle School and hundreds more local students through a virtual event. The program features female leaders and engineers at Tesla to encourage gender diversity in STEM careers.
- d. Facilitated the launch of Tesla's Manufacturing Development Program (MDP), in which students receive 1-year certificate from Ohlone College in Smart Manufacturing Technology. Instructional costs and hourly wages for students are provided by Tesla. Upon graduation, students are offered full-time, benefited jobs (including stock options) at Tesla in manufacturing operations across the company. Wrap-around support services are also provided (e.g., career counseling, free transportation, resume workshops) to ensure participant success.
- e. Connected Ohlone College to placement opportunities at local companies, supported by a National Science Foundation grant, including Tesla, Evolve Manufacturing, Lam Research, PrinterPrezz, Erling Klinger, and Owens Design..

3. Job and Tax Revenue Growth

- a. Facilitated development activity including:
 - i. Existing Company Expansion (sample): Boehringer Ingelheim, EnerVenue, Bloom Energy, Tesla, Bionova Scientific, Enovix, Lam Research, Quanta Manufacturing
 - ii. New Corporate Businesses (sample): Velo3D, Alexza Pharmaceuticals, Personalis, Hyundai Urban Air Mobility (DBA Supernal)
 - iii. New Retail/Hotel (sample): Homewood Suites by Hilton, Papé Machinery Osgood dealership, Enterprise car rental and dealership, Banter Bookstore, Forest & Flour Bakery, Five Below, Fremont Food Hall, Honest Kitchen, Din Ding Dumpling House
 - iv. Major Commercial Development Activity (sample):
 - Completion Continued to facilitate a robust development pipeline in the Downtown and City Center areas. Projects included an under construction 250-unit mixed use project by MIG, Fremont Bank Headquarters (expected to be completed this summer), and Kimco's 314-unit mixed use project at the Fremont Hub and 206-unit multifamily project at Gateway Plaza.
 - Enabled land sale transaction and project entitlement for Bayside Gateway, a six-building, 400,000+ square foot advanced manufacturing campus in Fremont's Bayside Technology Park. The development will lead to a multifold increase in property tax assessment once completed and provide modern facility spaces to support the growth of Fremont's driving industries.
 - Supported construction completion of Phase III and 90% lease-up of Pacific Commons South, a 2.2-million square foot advanced manufacturing campus.
 - Played an active role in facilitating the redevelopment of the former Globe shopping center site to the Fremont Tech Center, an over 400,000 square foot manufacturing



Department Budgets | Economic Development

and logistics hub. The project includes millions in one-time impact fees to the City and developer-paid offsite improvements.

- Assisted in the sale of the former Tailored Brands headquarters to transition the former corporate campus to biopharmaceutical R&D and manufacturing.
 - Facilitated the conversion of the former 42 school campus in Ardenwood to a modern life science research facility, securing the relocation of Personalis Inc.'s headquarters into Fremont.
 - Expediated the groundbreaking and leasing of Link Logistics' 209,000 square foot flex industrial campus on Kato Road, dubbed Fremont's 'Advanced Manufacturing Row'. The development's success has led to three new industrial redevelopment projects in the Kato Road corridor being proposed.
 - Completed the successful buildout of Facebook parent company Meta's Ardenwood campus, comprising 16 buildings in a campus-like setting.
 - Supported Prologis—Fremont's largest property owner—in achieving 100% leasing of its expansive R&D and flex industrial real estate portfolio in Fremont's Bayside, which spans approximately 4.5 million square feet across 55 buildings. The milestone marked the first time in the company's decades-long operating history in Fremont that it has achieved full occupancy.
- b. Launched Fremont Economy Monthly, a monthly newsletter covering the Department's work and upcoming events. The newsletter, which has a primarily business audience, reached 1,500 subscribers within its six months.
- c. Served as a co-applicant and Advisory Committee member to East Bay Economic Development Alliance's successful \$840,000 grant award with US EDA to launch Resilient East Bay, a regional economic recovery strategy focusing on improving economic vibrancy and resilience through enhancing the region's manufacturing ecosystem.
- d. Launched a digital marketing campaign in partnership with Biocom California, highlighting the Fremont's robust biomedical cluster. Fremont's life science sector has grown to over 150 companies.



- e. Partnered with Biocom to host a life sciences industry event spotlighting Fremont's growing life sciences industry and highlighting the unique attributes that are attracting companies to the City.

- f. Continued to serve as a private sector liaison for major City policy and planning efforts, including outreach to businesses in association with the City's Climate Action Plan, I-880 Innovation Bridge, Pacific Commons Bridge overcrossing, and SR 262 redesign.
- g. Guided business outreach for the City's Mobile Evaluation Team (MET) and CABS response focused on the area of Christy St., Albrae St., Boscell Rd., and Stewart Ave.
- h. Served as an agency advisor to BART in its US Department of Transportation planning grant to develop a strategy for transit-oriented job creation along the transit system's Line A, which includes the Fremont and Warm Springs stations.

Objectives FY 2023/24

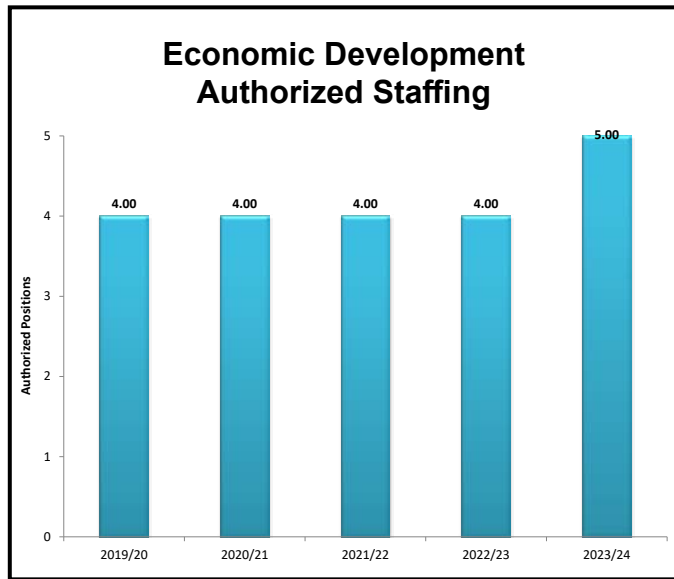
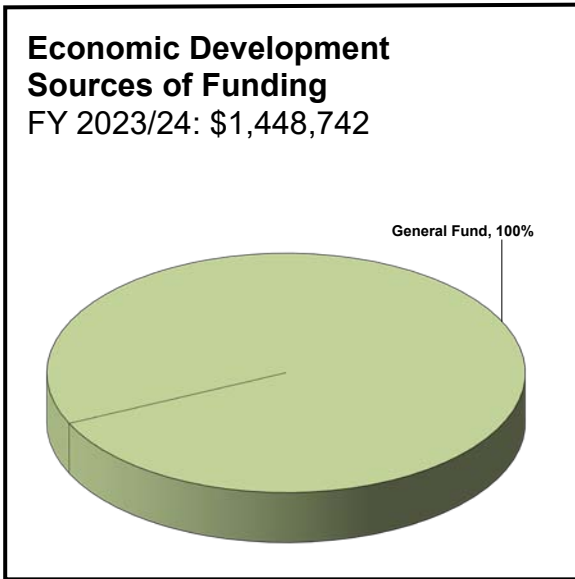
1. Continue implementing Fremont's economic resiliency strategy focused on three key pillars to building a healthy and equitable economy in Fremont:
 - i. Small Business, Downtown, and District Support
 - ii. Workforce Development and Economic Inclusion
 - iii. Jobs and City Tax Revenue Recovery
2. Expand activities and partnerships to support the small business environment in Downtown and neighborhood commercial districts, including increased communications to businesses and community stakeholders, enhancing vibrancy and activation, and promoting investment through marketing and direct small business support.
3. Facilitate development and leasing activity in Fremont's key employment districts of Warm Springs, Bayside, Ardenwood, and Pacific Commons.
4. Enhance communication and marketing efforts to Fremont's business stakeholders by hosting and participating in industry events, leveraging strategic partnerships, and launching promotional campaigns.

Department Budgets | Economic Development

Performance Measurement

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Number of businesses assisted by Economic Development Department	395	200*	392	400
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*	18	15*	20	20
Number of business appreciation visits and establishment of baseline for percentage of visits that lead to subsequent follow-up/interaction with City	20	35	33	35

* Initial targets for FY 22/23 were lowered due to anticipated staffing shortages.



Department Budgets | Economic Development

Economic Development: Historical Expenditures/Budget, by Category

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Salaries & Benefits	\$ 806,121	764,094	831,792	905,025	890,729	1,013,247
Operating Expenditures	98,195	143,260	295,390	318,548	254,825	276,125
Capital Expenditures	-	-	-	-	-	-
Indirect Expense Allocation**	85,712	108,574	116,854	116,854	116,854	159,370
Totals	\$ 990,028	\$ 1,015,928	\$ 1,244,036	\$ 1,340,427	\$ 1,262,408	\$ 1,448,742
	% increase/(decrease), including all funds, from FY 2022/23 Adopted Budget					14.8%
<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

- The FY 2023/24 Economic Development budget is \$186,334 (14.8%) more than the FY 2022/23 adopted budget.
- Salary and benefits are increasing by \$122,518 (13.8%) primary due to the addition of 1.0 FTE Economic Development Specialist to support downtown and neighborhood district vitality.
- Operating expenditures are increasing by \$21,300 (or 8.4%) due to an increase in professional services.
- The indirect expense allocation is increasing by \$42,516 (or 36.4%) due to higher Information Technology costs and worker's compensation, liability, and property insurance premiums.

Department Budgets | Economic Development

Staffing by Function - FY 2023/24

Economic Development	
Economic Development Director	1.00
Economic Development Coordinator	2.00
Economic Development Specialist	2.00

Regular Full-Time Equivalents: 5.00

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.

Major Services

Operations & Emergency Response

Preserve life and property by deploying resources and utilizing 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, recovery and mitigation programs aimed at reducing vulnerability to natural and human-caused 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 thirteen in-service fire companies from eleven 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 2022, the Fire Department responded to 17,655 calls for service, generating 22,952 engine and truck company responses.

Our multi-tiered inspection effort resulted in nearly 1,050 engine company, fire prevention and hazardous materials inspections being completed. Additionally, the Fire Prevention Bureau, through our permit center, reviewed over 3,588 sets of plans, 3,135 residential and commercial complexes, and 453 hazardous materials facilities within Fremont.

Fire: Historical Expenditures/Budget, by Major Service Area

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Operations/Emergency Medical Service	46,122,767	48,417,607	53,786,215	54,835,919	\$ 52,667,506	\$ 62,444,891
Administration	7,339,353	7,725,990	9,657,939	9,461,160	9,982,432	10,087,516
Prevention	2,240,864	2,029,314	1,986,216	2,674,188	2,552,609	2,921,888
Disaster Preparedness	32,215	56,437	753,032	996,591	217,995	611,535
Total Fire	\$ 55,735,200	\$ 58,229,347	\$ 66,183,402	\$ 67,967,858	\$ 65,420,542	\$ 76,065,830

* 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 2022/23

1. Operational Readiness

- a. Provide critical training to Operations Staff that included rope rescue operations, rope rescue technician, confined space rescue technician, tower rescue technician, airboat operations & safety, hazardous material technician and hazardous material specialist.
- b. Recruited Operations Staff to the Special Operations Task Force (SOTF), a team that provides specialized training and response to support the areas of technical rescue, hazardous materials and other associated emergencies.
- c. Deployed new standpipe high rise kits to each engine company to ensure that firefighters can connect to and operate from standpipe outlets in high-rise structures.



- d. Conducted ongoing collaborative training with Zonehaven, an evacuation management tool that bridges the gap between first responders and community members by providing instant alerts and emergency preparation resources.
- e. Implemented a new Tactical Water Tender, a large truck-mounted water tank apparatus used to fight wildland fires in the City of Fremont and mutual aid deployments.

2. Community Risk Reduction

- a. Reviewed and adopted, with updates to Fremont’s local amendments, the 2022 California Fire Code. State laws authorize local governments to enact ordinances making standard amendments to the California Building Standards Code.

3. Emergency Management and Disaster Resilience

- a. Coordinated the City’s response to the 2022-23 Winter Storms, a Presidentially declared Major Disaster. The Office of Emergency Services (OES) provided regular situation analysis and updates; activated the City’s Emergency Operations Center (EOC) at Level 2 – Partial Activation; facilitated interdepartmental coordination; collected and reported damage estimates; performed preliminary damage assessments with FEMA, Cal OES, Alameda County OES, and public works; and provided an organized system for the initiation of cost recoveries.



Department Budgets | Fire

- b. Coordinated the City's response to the 2022 Extreme Heat Event State of Emergency. In partnership with the Human Services, Community Services, and Public Works Departments, as well as Alameda County Library, six Cooling Centers opened over Labor Day Weekend, with 115 visits from community members.
- c. Secured a FEMA CalOES \$250,000 grant and hired a consultant to develop the Tri-Cities Multi-jurisdictional Local Hazard Mitigation Plan. The plan will analyze risk from natural hazards, propose strategies to reduce risk, and expand access to grant funding for risk-reduction projects. The project scope includes earthquake hazard modeling and development of a framework to reduce flood insurance premiums for residents and businesses.

4. Diversity and Inclusion

- a. Recruited new members to the Fire Department's Human Relations Committee to foster diversity and inclusion through a safe and respectful working environment, open communication, sourcing and developing training, and building relationships with local constituency groups.
- b. Conducted outreach to potential members interested in a firefighting career through recruitment events such as the California Firefighter Joint Apprenticeship Committee (Cal-JAC)/Fire Candidate Testing Center (FCTC) Firefighter Career Expo, NorCal Women in the Fire Service Girls Camp, and the Golden State Women in the Fire Service HERO Girls Fire Camp.



5. Health and Wellness

- a. Conducted annual medical exams for all suppression personnel with FEMA Assistance to Firefighters Grant (AFG) funding which helped to identify medical conditions that had not previously been identified.
- b. Delivered post-fire decontamination and proper personal protective equipment (PPE) removal training to prevent cross-contamination and reduce the risk of exposure to carcinogens. After the annual inspection of structural turnouts using a certified vendor to ensure it remains compliant to National Fire Protection Association (NFPA) standards, we retired and replaced non-compliant safety gear.

- c. Recruited three new Fire Department volunteer Chaplains to provide spiritual, emotional, and practical support to Fire Department employees, their families, and members of the Public.

6. Organizational Development

- a. Recruited and hired fifteen entry level Firefighters for the Department's September 2023 recruit academy class.
- b. Secured \$663,623 in FEMA AFG funding and sent four current emergency medical technicians (EMT) level firefighters to receive training with the goal of becoming firefighter/paramedics. This allows the department to be able to provide the highest level of care and Advance Life Support (ALS) capabilities by increasing the number of firefighter/paramedics on each apparatus.
- c. Redesigned the Fire Engineer test to ensure that promoted Engineers meet the highest standards for apparatus driving, pumping operations, and the rodeo (familiarity on driving emergency response vehicles).
- d. Recruited and hired a Deputy Fire Chief of Training & EMS to ensure all suppression personnel are effective and safe in their operations and provide the highest quality of emergency medical response.
- e. Implemented improvements in and increased oversight of performance metrics reporting, data analytics, records management assessment of Fire and EMS related incidents, and coordination with IT for related systems upgrades.

Objectives FY 2023/24

1. Operational Readiness

- a. Complete a Firefighter I/II recruit academy with fifteen graduates. New recruits will be trained in fire suppression, rope and technical rescue, emergency medical services, and truck company operations to ensure that the new Fremont firefighters meet the highest professional standards.
- b. Complete EMS Transport Study to determine how to best meet the emergency medical transportation service needs of the City of Fremont, specifically addressing first responder fees, ambulance feasibility, interfacility transport, surge capacity analysis, and Fremont Fire Department ambulance deployment program.
- c. Implement Tablet Command as an incident management platform which will allow firefighters to receive call notifications, view maps, and read Computer Aided Dispatch notes. This ensures seamless response within the City of Fremont and on mutual aid calls.
- d. Purchase and implement a new mechanical CPR system. A field study using the Lukas device was performed for 75 days and deployed ten times during the field test. This provided mechanical cardiac pulmonary resuscitation with positive outcomes and improved continuity of care with other EMS providers and hospitals.

2. Community Risk Reduction

Replace Fremont Fire's current station alerting system with a newer, more reliable system that can maintain compliance with Alameda County's upgrading Regional Emergency Communications Center (ACRECC) alerting system.

- a. Improve inspection compliance percentages within State mandated regulated occupancies with a higher life safety hazard in conjunction with a fully staffed Fire Prevention Division.
- b. Review and adopt updates to Fremont's local California Building Code amendments and the State's Fire Hazard Severity Zone Mapping as it applies to the local responsibility area. Chapter 7A of the 2023 California Building Code, as adopted and amended by the City of Fremont includes additional building standards applicable to new construction for projects located within the Very High Fire Hazard Severity Zone map.
- c. Enhance in-house training for Fire Prevention and Hazardous Materials inspectors in areas such as Enforcement, Hazardous Waste portal, Trades/Facilities. Fire Prevention and Hazardous Materials inspections often overlaps between the two disciplines. Familiarizing inspectors in both areas will improve recognition, regulation and enhance efficiencies between the respective divisions.

3. Emergency Management and Disaster Resilience

- a. Improve operational readiness of the Emergency Operations Center by adding voice and data capacity at City Hall.
- b. Complete the Tri-Cities Multi-jurisdictional Local Hazard Mitigation Plan project, to include enhanced seismic risk modelling, a flood risk-reduction framework, and other planning to reduce community risk to natural hazards.
- c. Convene the Disaster Council annually, providing an executive-level forum for updates on emergency management projects and initiatives. The council will include City leadership as well as public, private, and community-based partners and will encourage community participation.

4. Diversity and Inclusion

- a. Continue to actively seek out candidates from underrepresented groups and provide them with equal opportunities for employment and career advancement.
- b. Further develop the Department's recruitment and community engagement programs through targeted job postings, campus recruiting, diversity job fairs, and diversity and inclusion training.

5. Health and Wellness

- a. Expand the Department's behavioral health program to include wellness technology that provides first responders with preventative wellness support through anonymous self-assessments, peer support, instructional videos, therapists, and other wellness services.

- b. Continue ongoing evaluation of the staff’s health through annual firefighter medical exams to detect physical or medical conditions that could negatively affect their ability to perform essential job tasks.

6. Organizational Development

- a. Complete recruitment and promotional processes for Fire Chief, Division Chief, Fire Marshal, and Battalion Chief.
- b. Hire two additional Fire Prevention Inspectors within the Fire Prevention Bureau.



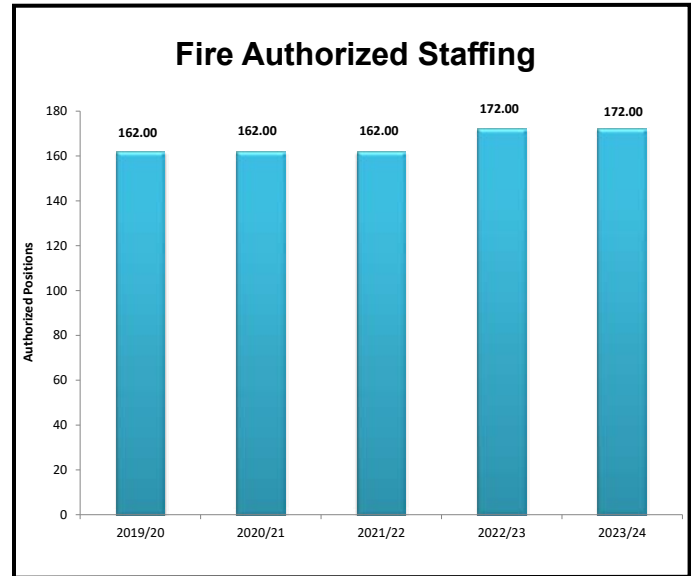
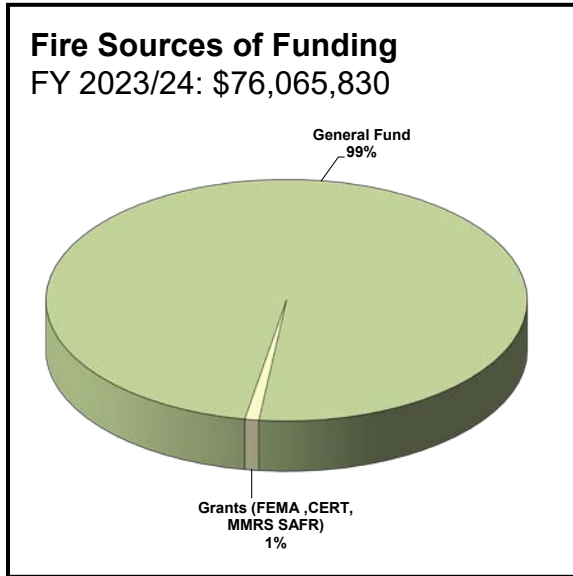
Performance Measurement

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
911 calls processed within 1:30 minutes	90.0%	90.0%	90.0%	90.0%
Crew responding within 2:00 minutes of dispatch	90.5%	93.8%	90.0%	90.0%
Crew travels to incident within 4:00 minutes of dispatch	99.4%	99.5%	90.0%	90.0%
FFD Paramedic on scene of a medical emergency within 7:30 minutes from 911 call	88.2%	88.1%	90.0%	90.0%
Fire Engine arrives at the scene of a fire within 7:30 from 911 call	87.7%	85.2%	90.0%	90.0%
Ladder Truck arrives at the scene of a fire or rescue within 11:30 from 911 call	91.5%	92.5%	90.0%	90.0%

Performance Measurement (continues)

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Vegetation fire is confined to one acre or less	97.5%	97.8%	90.0%	90.0%
Structure fire is contained to the room of origin	94.4%	88.2%	90.0%	90.0%
Patient extricated from a vehicle collision within 30 minutes	82.4%	100%	90.0%	90.0%
Provide sufficient amount of quality training to maintain operational readiness	33 hours per person per month	35 hours per person per month	20 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	Required licenses and certifications 100% compliance	Met this measure with 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 2020	Met this measure with 46% compliance, down from 54% in CY 2021	Complete inspections of 95% of SFM regulated occupancies in a given year	Complete inspections of 100% of SFM regulated occupancies in a given year
Percent of inspections of permitted Hazardous Materials (Haz Mat) facilities	Completed 30% of Haz Mat Facility and 100% of Underground Storage Tank (UST) inspections	Met measure by completeing 39% of the Haz Mat Facility and 100% of the Underground Storage Tank (UST) inspections	Completed 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 in a given year

* Data tracked on a calendar basis.



Fire: Historical Expenditures/Budget, by Category

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Salaries & Benefits	\$ 48,086,453	\$ 49,369,606	\$ 54,748,989	\$ 56,386,213	\$ 54,450,348	\$ 62,004,923
Operating Expenditures	2,197,516	1,987,207	3,304,173	3,463,175	3,113,945	3,452,666
Capital Expenditures	268,391	445,010	762,001	750,224	488,003	702,889
Indirect Expense Allocation**	5,182,840	6,427,524	7,368,240	7,368,246	7,368,246	9,905,352
Totals	\$ 55,735,200	\$ 58,229,347	\$ 66,183,402	\$ 67,967,858	\$ 65,420,542	\$ 76,065,830
	% increase/(decrease), including all funds, from FY 2022/23 Adopted Budget					16.3%
* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.						
** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.						

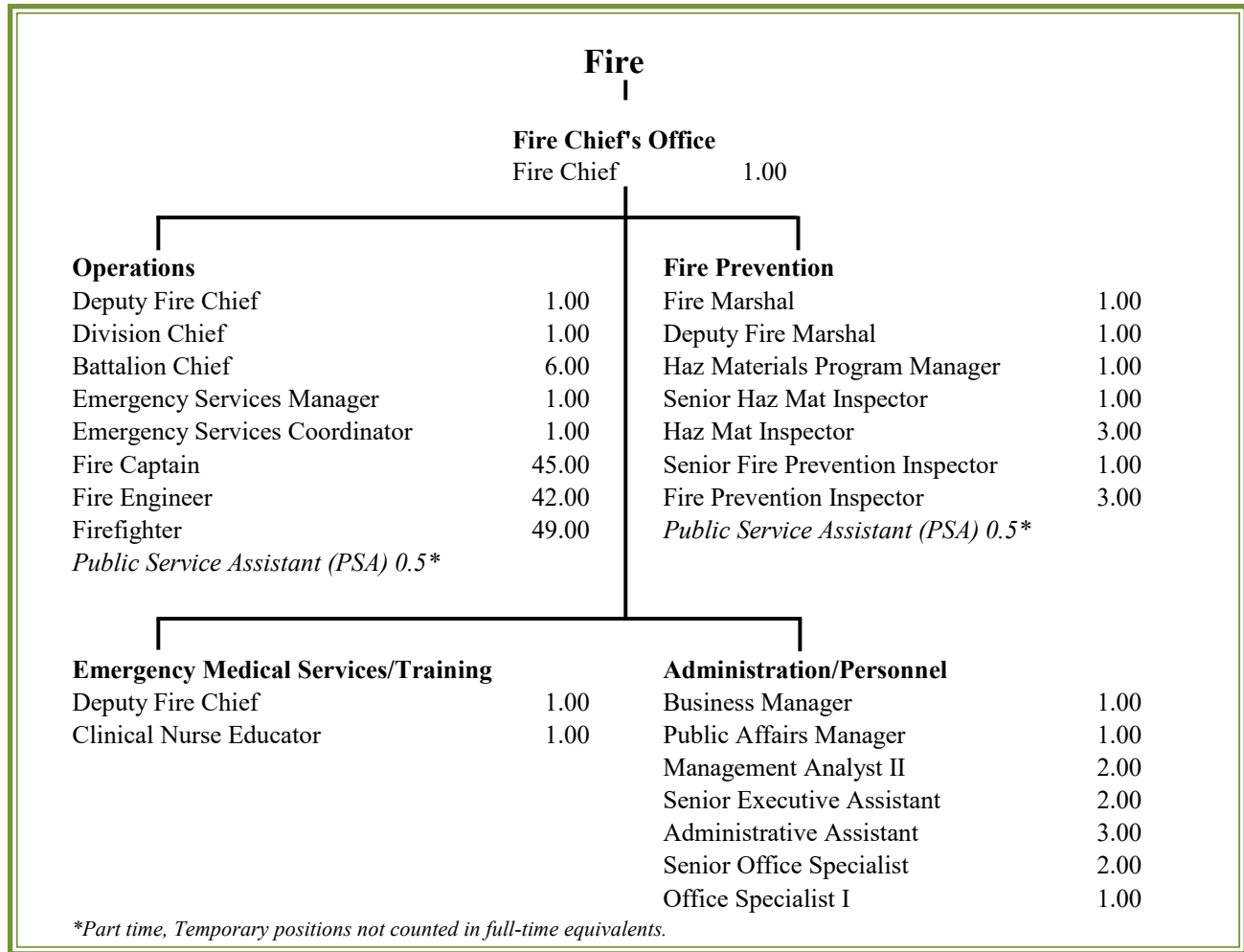
Major Changes

- The FY 2023/24 Fire Department budget is \$10,645,288 (16.3%) more than the FY 2022/23 adopted budget.
- Salary and benefits are increasing by \$7,554,575 (13.9%) primary due to the inclusion of five temporary Firefighter over-hires.
- Operating expenditures are increasing by \$338,721 (or 10.9%) due to a new Fire Academy and increase in professional service costs.

Department Budgets | Fire

- Capital expenditures are increasing by \$214,886 mainly due to the one-time cost of radio equipment replacement.
- The indirect expense allocation is increasing by \$2,537,106 (or 34.4%) due to higher Information Technology costs and worker’s compensation, liability, and property insurance premiums.

Staffing by Function - FY 2023/24



Regular Full-Time Equivalents: 172.00

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 behavioral 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, and safe 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 Care and Response

Serve community members experiencing homelessness, through a racial equity lens, by creating and expanding quality of life services, advocating for mental health and SUD stabilization programs and promoting the development of permanent affordable housing and affordable supportive housing for all who need it.

Administration

Administer the City's social service and federal grant funds, the Rent Review Program, and communications and fund development initiatives, 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. A Social Service grant process, managed by the Human Services Department, funds local non-profits providing a city-wide safety net of services for low- and moderate-income families.





As the COVID-19 pandemic began to subside, the Human Services Department reinstated in-person services. For many services, virtual opportunities remain, allowing clients to pick an option that will work best for them. Many in the community experienced lingering impacts from the pandemic, and Human Services maintained many of its expanded essential mental health, substance use disorder, crisis intervention, and homeless services.

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

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Family Resource Center	\$ 6,811,670	\$ 15,089,824	\$ 6,090,107	\$ 4,385,650	\$ 4,276,743	\$ 4,317,781
Youth and Family Services	3,200,445	3,143,765	3,290,237	4,360,900	4,013,211	4,436,269
Aging and Family Services	4,091,694	7,295,270	4,849,727	5,567,285	5,361,556	6,132,462
CDBG/Rent Review	2,875,767	2,062,083	2,243,061	3,505,272	2,961,147	3,793,531
Paratransit	1,478,208	1,616,473	2,200,020	2,200,020	2,200,020	2,339,782
Administration	2,168,207	2,789,167	2,465,703	2,881,125	2,833,523	3,294,416
Social Services Grants	569,222	858,547	840,339	821,533	821,533	879,359
Home Grant	300,221	309,979	493,683	493,683	404,791	430,035
Homeless Services	1,920,080	2,586,547	4,188,374	5,498,233	4,427,166	4,476,430
Total Human Services	\$ 23,415,514	\$ 35,751,655	\$ 26,661,251	\$ 29,713,701	\$ 27,299,690	\$ 30,100,065

* 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 2022/23

1. Successfully concluded the Afghan Relief Help fundraising campaign, which raised over \$482,901 from 1,213 donors and distributed these funds to 32 organizations for many crucial needs, including housing and basic necessities, technology enhancements, case management support, after-school programs, culturally appropriate food, transportation, and more.
- 
2. The Housing Navigation Center (HNC) entered into its third year of operations at reduced COVID-19 capacity. As of June 30, 2023, the HNC has served over 85 individuals and moved over 65% of those served into stable rehousing.
 3. Aging & Family Services (AFS) care coordination staff, consisting of experienced social workers and nurses, assisted over 200 seniors (average age 77 years) to remain in their home by providing over 800 supportive home visits. Staff assisted clients with their most pressing day to day needs such as cooking and dressing; transportation and financial assistance; along with combating depression.
 4. The Aging & Family Services Family Caregiver Support Program assisted residents who are caring for a loved one with over 100 support groups, 250 hours of individual counseling, and community education sessions such as caring for an individual with dementia and understanding brain health.
 5. The City's two Age Well Centers, which offer a place for adults over the age of 55 years to stay vibrant, well-informed and engaged, provided 17,000 nutritious meals and 1,500 health screenings and produced 75,500 Age Friendly Fremont newsletters for the community.
 6. The Winter Relief program operated from December 1, 2022, through March 31, 2023, utilizing 29 hotel rooms, serving 31 households (20 individuals and 11 families).
 7. The Safe Parking Host Site Pilot Program, a collaboration with faith-based host sites offering their parking lot as a safe overnight parking location, completed its first year and expanded to a fifth host site. To date, 31 unduplicated individuals have been supported in this rotational, overnight parking program.
- 
8. Phase I of Keep Fremont Housed (KFH) successfully concluded on November 30, 2022. KFH is a program to distribute Federal rental and utility assistance to households below 80% of area median income who had been negatively impacted by COVID-19. KFH provided over \$17.2 million in assistance to approximately 1,540 households. The program prioritized lower income households at 30% of median income. Within those tenants assisted, there were 428 unique landlord and property managers assisted with \$16.5 million in assistance disbursed over 1,531 units.

Department Budgets | Human Services

9. Launched the Keep Fremont Housed Stability Program funded by the remainder of administrative funds as the eviction moratorium lifted to assist and support low-income Fremont families most at risk of homelessness and eviction by providing services such as case management, legal first aid, and information and referrals to resources in the community.
10. Subsidized over 22,000 rides through the Ride-On Tri-City Program allowing program participants' to attend to essential health care appointments, grocery shopping, errands, and other daily needs. – This represents a return to 90% of pre-pandemic ridership and demand is rising steadily. Additionally, Ride-On Tri-City provided mobility management support to over 900 seniors and individuals with disabilities and distributed over 500 senior Clipper cards to community members.
11. SparkPoint Fremont assisted over 385 low-income individuals to improve their credit score, lower their debt, increase their income or increase their savings. 75% of clients made significant progress toward at least one of these four goals. During the Pandemic, the program moved to virtual coaching to assist families dealing with economic stress due to the COVID-19 crisis.
12. In its 21st consecutive year, the FRC provided free tax preparation as part of the Bay Area Free Tax Help Coalition, including “Virtual VITA” services for low income families. In person services returned this year. Virtual appointments and drop off services were also available. VITA volunteers helped ensure that individuals and families impacted by COVID-19 were able to access their Economic Impact Payments and other public and private resources.
13. Youth and Family Services (YFS) staff recruited and trained 14 graduate level clinical counseling interns, providing 12,000 volunteer service hours, bringing a value of more than half a million dollars in mental health counseling services to youth and families in the community.
14. YFS staff screened 600 referrals for youth behavioral healthcare services and provided more than 10,000 direct services to 400 youth and their families. There was a 16% increase from FY21/22 in students referred by FUSD.
15. The YFS Substance Use Disorder (SUD) treatment team reached over 1650 students and 200 teachers through educational workshops. More than 1,200 intensive individual and group services were provided for adolescents and young adults.
16. City of Fremont received the first of a series of national legal settlement payments made to cities and counties to address the impact of the opioid epidemic. YFS team members provided City staff and community training on the prevalence and impact of opioid-related psychoactive substances. It also partnered with Fremont Unified School District to expand existing SUD services to include, opioid education and prevention activities aimed at reaching thousands of students, parents, educators, and community members.
17. YFS hosted the Sixth Annual Children’s Mental Health Awareness Art Competition, with the theme “My Happy Place.” Hundreds of students participated, and a virtual art gallery was launched on May 11th, the National Children Mental Health Awareness Day.

18. In September 2022, Human Services partnered with the Human Relations Commission to host the Disability Resource Festival & Opportunity to Meet First Responders. This free event provided families with information about disability services in the Tri-Cities, with 20 agencies on-site sharing their information. The Fremont Police and Fire Departments also held demonstrations of some of their services. The highlight of the event was a performance by the Dream Achievers, Musicians with Autism. Over 400 families attended the event and provided positive feedback when surveyed.
19. The Stay Housed Program assisted 17 families with \$117,446 in longer-term rental assistance as well as wrap-around services, enabling them to build assets to become financially self-sufficient.

Objectives FY 2023/24

1. Transition Continue to evolve programs to meet the needs of the public.
2. Serve Fremont residents most at risk of homelessness and eviction in the Keep Fremont Housed Stability program, a housing stability program funded by the remainder of Keep Fremont Housed administrative funds.
3. Implement specific strategies and action steps outlined in Year One of the FRC's 5-year Strategic Plan 2024- 2029.
4. Begin a new community needs assessment to solicit input from older adult residents and hear from them what can be done to improve the City's Age Friendly efforts and update the City's Aging Action Plan.
5. Increase the number of extremely vulnerable elders receiving intensive care management from a nurse/social worker team from 50 to 100 clients to assist them in living at home even though they would qualify for nursing home admission.
6. 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 2023/24 goal is to serve 360 participants.
7. Increase the financial assets of low-income families through the FRC's VITA program by helping 1,500 low-income households claim a total of \$2 million in Federal Refunds including the Earned Income Tax Credits (EITC).
8. With federal HOME funds, assist up to 25 families facing economic crises to remain in their homes and return to financial stability by providing short-term rental assistance through Stay Housed and SparkPoint services.
9. Continue to increase and strengthen diversified funding streams for the Humans Services Department to offset service costs, by cultivating and expanding of relationships with individuals, foundations, and corporate partners and improving stewardship efforts to enhance donor retention.

Department Budgets | Human Services

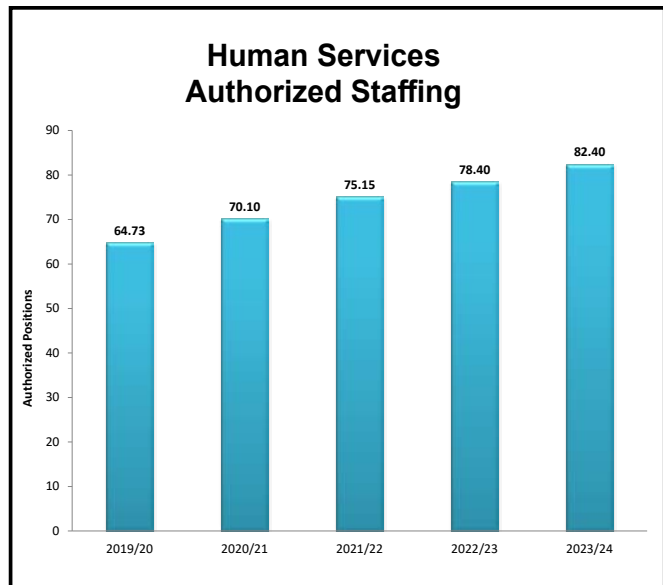
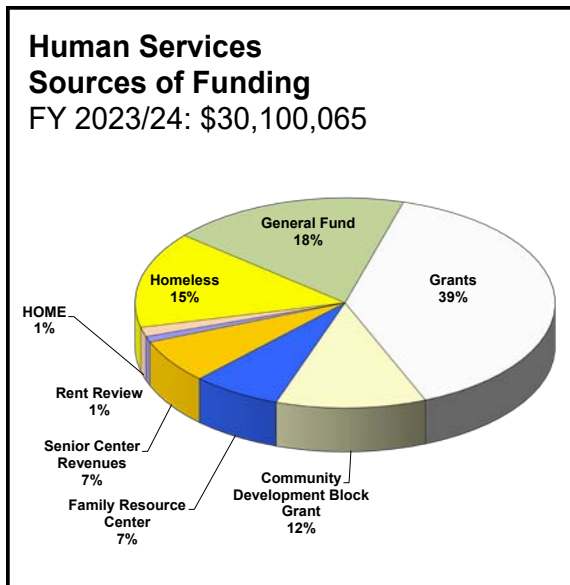
Performance Measurement

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Percent of Long-term SparkPoint Clients achieving economic mobility ¹	75%	75%	72%	75%
Increase number of paid members at both Age Well Centers ²	1,116	1,194	1,635	1,750
Percent of youth who improved in their social behavioral health and were observed as stable after receiving counseling services ³	75%	75%	75%	75%

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

² Measured by number of members in Active Net, the Age Well Center’s registration system.

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



Human Services: Historical Expenditures/Budget, by Category

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Salaries & Benefits	\$ 11,060,128	\$ 11,918,310	\$ 12,511,361	\$ 14,584,672	\$ 14,200,078	\$ 15,245,165
Operating Expenditures	10,674,117	19,104,610	12,035,161	12,759,513	10,823,379	11,934,418
Capital Expenditures	140,240	2,909,537	103,602	325,241	233,598	397,598
Indirect Expense Allocation**	1,541,029	1,819,198	2,011,127	2,044,275	2,042,635	2,522,884
Totals	<u>\$ 23,415,514</u>	<u>\$ 35,751,655</u>	<u>\$ 26,661,251</u>	<u>\$ 29,713,701</u>	<u>\$ 27,299,690</u>	<u>\$ 30,100,065</u>
% increase/(decrease), including all funds, from FY 2022/23 Adopted Budget						10.3%
<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 2023/24 Human Services budget is \$2,800,375 (10.3%) more than the FY 2022/23 adopted budget.
- Salary and benefits are increasing by \$1,045,087 (7.4%) primary due to the addition of 4.0 FTE including 1.0 FTE Case Manager to support housing assistance programs, 1.0 FTE Human Services Specialist to support homeless care and response, and 2.0 FTE Counselors to focused on Asian mental health.
- Operating expenditures are increasing by \$1,111,039 (or 10.3%) due to an increase in CDBG funded projects.
- Capital expenditures are increasing by \$164,000 mainly due to costs associated with fixture improvements and sign replacement at Age Well Centers located at South Fremont and Lake Elizabeth.
- The indirect expense allocation is increasing by \$480,249 (or 23.5%) due to higher Information Technology costs and worker’s compensation, liability, and property insurance premiums.

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

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Patrol Operations/Dispatch	\$ 51,119,943	\$ 52,165,699	\$ 55,306,794	\$ 61,707,623	\$ 59,956,107	\$ 66,561,795
Administration/Records	19,016,276	20,188,139	23,629,315	23,716,156	22,837,800	26,055,982
Investigations	15,952,396	12,389,556	12,770,081	14,275,822	13,903,954	14,731,997
Detention and Evidence Storage	3,097,964	2,519,922	2,717,161	2,998,993	3,629,062	3,119,469
Aminal Services	1,403,200	1,579,537	1,537,911	1,852,326	2,917,959	1,926,687
Community Engagement/Public Affairs	1,072,372	3,206,580	3,293,260	3,680,349	1,824,545	4,010,555
Mobile Evaluation Team	868,294	971,844	1,071,345	1,106,588	1,075,552	1,297,404
SWAT Team	651,085	421,515	682,039	691,735	649,425	722,273
Totals	\$ 93,181,530	\$ 93,442,792	\$ 101,007,906	\$ 110,029,592	\$ 106,794,404	\$ 118,426,162

* 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 2022/23

1. In partnership with the Special Investigative Unit, Gun Violence Reduction Team personnel prioritized firearms-related crimes, including shootings and illegal possession of firearms. This partnership and proactivity led to a 24% decrease in shootings and a 48% decrease in total firearm recoveries. On January 21, 2023, the Department hosted a voluntary gun buy-back initiative and collected 267 firearms that were unwanted, unneeded, or unused from community members.
2. Property Crime Detectives conducted several operations to combat the rise in catalytic converter thefts, including a long-term investigation into a recycling center illegally purchasing stolen catalytic converters. Created an Organized Retail Crime Detective position who will work closely with Fremont’s business community and Chamber of Commerce as a liaison. Completed further development of the Real Time Information Center (RTIC) and deployment of the StarChase system.
3. The Property Unit processed 9,833 pieces of property and evidence. Of those, 1,307 articles were returned to their respective owners, 86 items were released to the court, and 2,554 items were sent to auction. The Supervisor of the Property Unit was awarded Property and Evidence Officer of the Year from both the Northern California Association of Property and Evidence Property Officer of the Year, Nor-Cal Chapter, and the California Association for Property and Evidence.
4. Continued illegal side-show/street racing mitigation efforts and partnered with the City Attorney’s Office to approve a city ordinance prohibiting a person from organizing or supporting this activity.
5. The Police Department has continued to prioritize the hiring of new police officers and dispatchers.





6. The Traffic Unit participated in several California Office of Traffic Safety (OTS) initiatives, including Pedestrian Safety, Click it or Ticket, Distracted Drivers Awareness, Bicycle Safety, and Child Passenger Safety.
7. Despite significant staffing challenges, the Dispatch Center continued to exceed the state's call answer standard of 95% of all 9-1-1 calls answered within 15 seconds or less.
8. Community Engagement held over thirteen special events and community meetings, including, but not limited to, National Night Out, Public Safety Fair, National Drug Take-Back, AB 418 Military Equipment display, City of Fremont Disability Fair, Lunar New Year Celebration, Festival of Arts, and Festival of Lights. The Neighborhood Crime Watch program resumed in January, and the team is now actively managing over 200 neighborhoods.
9. The Animal Shelter transitioned to an appointment-based model to increase the team's efficiency in responding to calls for service by the community. The shelter secured grant funding for various animal welfare programs and participated in multiple national and local adoption events.



10. The School Resource Officer (SRO) team was awarded the "Model SRO Program" by the National Association of School Resource Officers. The SRO program enhanced its partnerships with the Alameda County Community Assessment and Transport Team (CATT) and Fremont PD MET (Mobile Evaluation Team) members. The SRO program also assisted the Chief of Police with establishing the first Youth Advisory Board.
11. The Mobile Evaluation Team (MET) worked with the Traffic Unit, four local tow companies, and the City Attorney's Office regarding the towing of recreational vehicles (RV) and motorhomes. To make the process less tenuous, a new form and certified letter were created, which references the appropriate vehicle code section and provides the necessary information when towing and dismantling an RV or motorhome.

Objectives FY 2023/24

1. Develop, promote, and implement data-driven crime reduction strategies, including crime prevention, disruption, and apprehension to reduce criminal activity.
2. Research and procure new technological resources or equipment, per best practices, to enhance community and officer safety. Assess the outcome and feasibility of the Drone as First Responder (DFR) pilot program.
3. Reduce gun violence through intelligence sharing and analysis in partnership with the Gun Violence Reduction Team (GVRT).
4. Traffic personnel will focus on reducing injury collisions and enhancing roadway safety.
5. Reduce sworn and professional vacancies across all departmental positions and leverage innovative strategies learned from partnering with Human Resources, PD hiring/recruiting self-assessments and utilization of a professional marketing and recruitment firm.
6. The Animal Shelter will restart the trap-neuter-release program for community cats.
7. MET officers will continue to collaborate and build relationships with other mental health and social service providers to link those suffering from mental health crises with appropriate services
8. The Community Engagement Unit will resume neighborhood meetings and crime prevention seminars with block captains from over two hundred participating neighborhoods.
9. The School Resource Officer program, in partnership with the School District, will continue to prioritize the best interests of students and each campus and, when feasible, utilize Youth Diversion to avoid entering juveniles into the criminal justice system.
10. Enhance the Crime Laboratory's National Integrated Ballistic Information Network (NIBIN) capabilities to provide expedited investigative leads for violent crimes involving firearms.



Performance Measurement

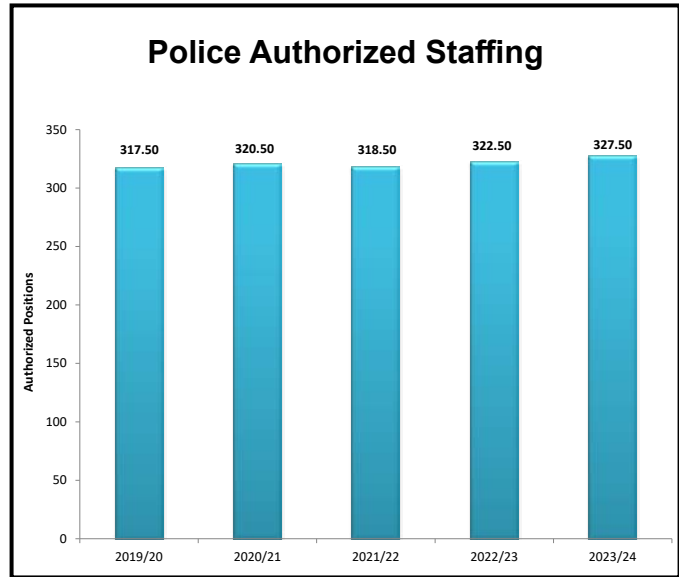
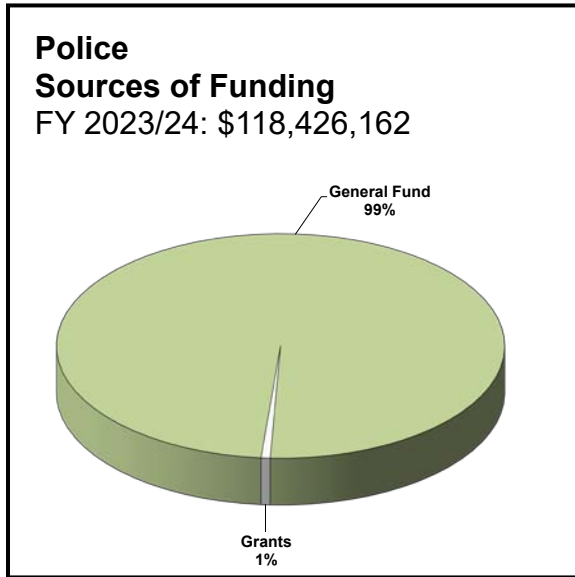
Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Continue to apply the strategies, tactics, and methods used to sustain present level or further reduce the incidence of residential burglaries	263 ¹ (single/multiple residences only)	Sustain present level or further reduction from the previous year	246 ² (single/multiple residences only)	Sustain present level or further reduction from the previous year ³
Continue to apply the strategies, tactics, and methods used to sustain the present level or further reduce the incidence of violent crimes and property crimes	469 ¹ (violent crimes) 5,693 ¹ (property crimes)	Sustain present level or further reduction from the previous year	281 ² (violent crimes) 6,555 ² (property crimes)	Sustain present level or further reduction from the previous year
Minimize the number of injury collisions as compared to the previous year	430 ¹	Reduction from the previous year	526 ²	Reduction from the previous year
Identifying and implementing additional wellness initiatives across the department	1	Increase from the previous year	2	3
Increase staffing levels for the positions of Police Officer and Communications Dispatcher	138 out of 156 = 88% (Police Officer) 17 out of 24 = 71% (Dispatcher)	Increase from the previous year	135 out of 158 = 85% (Police Officer) 13 out of 24 = 54% (Dispatcher)	144 out of 160 = 90% (Police Officer) 17 out of 24 = 71% (Dispatcher)

¹ Calendar Year 2021 – figures reported by Uniform Crime Reporting (UCR) for January through December 2021.

² Calendar Year 2022 – Internal reporting figures due to the switch from UCR reporting (January – April, 2022) to NIBRS reporting (May – December, 2022).

³ Calendar Year 2023 - figures to be reported by National Incident Based Reporting System (NIBRS) calendar year.

Department Budgets | Police



Police: Historical Expenditures/Budget, by Category

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Salaries & Benefits	\$ 80,863,815	\$ 79,513,325	\$ 83,727,248	\$ 93,318,032	\$ 90,793,122	\$ 100,110,375
Operating Expenditures	3,974,771	4,677,824	5,205,068	5,493,634	5,326,308	5,499,007
Capital Expenditures	1,386,178	520,411	2,200,179	1,342,515	799,563	1,675,970
Indirect Expense Allocation**	6,956,766	8,731,232	9,875,411	9,875,411	9,875,411	11,140,810
Totals	\$ 93,181,530	\$ 93,442,792	\$ 101,007,906	\$ 110,029,592	\$ 106,794,404	\$ 118,426,162
						10.9%

% increase/(decrease), including all funds, from FY 2022/23 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

- FY 2023/24 Police Department budget is \$11,631,758 (10.9%) more than the FY 2022/23 adopted budget.
- Salary and benefits are increasing by \$9,317,253 (10.3%) primary due to the addition of 5.0 FTE including 2.0 FTE Police Officers, 1.0 FTE Community Service Officer to support the mobile evaluation team, and 2.0 FTE Police Service Technicians to support department staffing needs.
- Capital expenditures are increasing by \$876,407 mainly due to one-time costs for technology and field equipment purchases.

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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 200 traffic signals.

Engineering - Project Delivery

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

Maintenance - Streets

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

Maintenance - Buildings

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

Maintenance - Fleet

Provide maintenance, procurement, and administrative support for approximately 460 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. A key service includes reducing greenhouse gas emissions by transitioning to electric vehicles and alternative fuel sources.

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 (Alameda CTC), 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. Public Works currently manages about 50 consultant contracts to support the delivery of public works projects and services.



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

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Hazardous Materials	\$ 360,943	\$ 343,301	\$ 443,172	\$ 378,760	\$ 376,497	\$ 481,083
Streets	3,841,451	2,029,623	4,325,444	4,822,963	4,738,221	5,376,590
Public Buildings	7,696,362	8,238,952	9,050,126	9,094,707	8,914,242	9,930,465
Fleet Maintenance	3,699,298	4,279,574	4,476,397	4,430,777	4,364,213	4,926,660
Engineering	16,014,363	16,607,646	16,005,653	17,818,661	17,518,940	20,692,041
Administration	1,770,248	2,113,876	2,347,676	2,336,925	2,404,627	2,239,560
Total Transportation & Operations	\$ 33,382,665	\$ 33,612,971	\$ 36,648,468	\$ 38,882,793	\$ 38,316,740	\$ 43,646,399

* 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 2022/23

1. During January 2023, severe winter storms created flooding, mud flows and rockslides affecting City roads, bridges and neighborhood streets. Public Works crews worked overtime and around the clock, as part of the City’s emergency response team, to provide sandbags to the community, manage local flooding incidents, and to clean up mud and debris on City streets. The community impacts of the storm were lessened as a result of the City’s annual proactive storm season preparation work that includes cleaning storm drains and creek channels in the Fall and training staff on storm response protocols. The most significant issues occurred at Morrison Canyon Road, Old Canyon Road bridge, Mill Creek Road, and in the Canyon Heights and Rancho Higuera neighborhoods. Reimbursement for clean-up and damage repairs are being pursued via state and federal disaster response programs.



2. Construction of the Fremont Boulevard Safe and Smart Corridor Project was substantially completed in Spring 2023, providing for more efficient traffic flow and enhanced safety. This \$11 million signal modernization and smart transportation corridor demonstration project installed new modern traffic signal controllers, adaptive signal coordination systems, vehicle and bicycle video detection cameras, intersection analytic systems, modern emergency vehicle preemption systems, connected vehicle communication equipment, smart transportation/street light systems, and new fiber optic communication lines along a 9-mile segment of Fremont Boulevard (between Ardenwood and South Fremont). The project also installed a new smart parking management and enforcement system at the Centerville Train Depot parking lots, as well as several dynamic message radar signs along the corridor for traffic calming, incident management, and railroad crossing preemption notification purposes.

3. Fremont’s General Plan and Mobility Action Plan place an emphasis on increasing walking and bicycling as a travel mode. In FY2022/23, construction was completed on 3 new pedestrian crossing safety beacons at Mission/Ohlone College, Walnut/Godfrey (near the School for the Blind), and Paseo Padre/Onondegá (near Wiebel Elementary). In 2023, construction is planned



to start on other multimodal street improvements along Fremont Blvd. in the Irvington, Downtown and Centerville areas. Fremont’s Safe Routes to Schools program has been ramping up activities and participation since students have returned to in-class learning. City Council and Fremont Unified School District Board of Trustees adopted a goal to have all Fremont schools significantly participate in “walk and roll to school” activities by Spring 2023. In October 2022, a record level of 90% of Fremont schools and 10,000 students participated in the International Walk and Roll to School Day event.

Department Budgets | Public Works

4. Fremont's Vision Zero traffic safety program continues to receive attention as a national best practice, due to having a fatality crash rate significantly below the national, state, and Bay Area averages. Following Fremont's receipt of the national safety achievement of the year award in 2021 from the Institute of Transportation Engineers, in 2022 staff supported various publications and peer exchange learning opportunities on Fremont's Vision Zero program from organizations including the Federal Highway Administration, League of California Cities, and the American Automobile Association.
5. Progress continues to be made to advance the planning and design of major projects. Among the significant milestones achieved were: environmental clearance approval for the Sabercat Trail Extension project and receipt of \$12 million in State grants; and approval of environmental clearance for the East Bay Greenway Trail section in the South Fremont Innovation District area, including a new trail bridge over I-880. Other projects in progress include: Irvington BART station; upgrading State Route 262 (Mission Blvd.) between I-680 and I-880; freeway interchange modernization projects at I-680/Mission (North) and I-880/Decoto; the Dumbarton to Quarry Lakes trail corridor; the Niles Canyon Trail; complete street improvements in the Decoto Road and Fremont Boulevard corridors; and the Centerville Railroad Crossing Quiet Zone.



6. Core street maintenance activities for 2022/23 are on track to include repairs to over 1,300 potholes, ongoing street sweeping, and the clearing of over 15,000 linear feet of storm lines. Graffiti is trending upward and the Public Works Street Maintenance section anticipates abating over 800 reported incidences of graffiti. Sidewalk repairs continue to be a high priority and over 1,500 sections of uneven sidewalk are expected to be grinded and ramped. Annual projects continue to be delivered to fix aging streets and sidewalks. For 2022/23, the City Council approved public works construction contracts for pavement rehabilitation (\$3.5 million), pavement sealing (\$3.8 million), and sidewalk repairs and ADA curb ramps (\$2.6 million). The overall Pavement Condition Index (PCI) for Fremont streets is rated as "good" (PCI 71). Fremont's pavement conditions are better than the average condition for all Bay Area cities, which is PCI 67.
7. 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. Significant improvement projects that were implemented in 2022/23 include: Fremont Family Resource Center (FRC) Building I & II ADA Improvements, Police Outdoor Firing Range rehabilitation, Centerville Tiny Tots building, Police Center back-up generator replacement, upgrade of the City's card access system, and various other building security and fire alarm system upgrades.

8. The Public Works Fleet Maintenance section provides scheduled maintenance services to ensure reliable performance and to maximize the life cycle of the City's 600 vehicles and equipment, including 410 vehicles for police and fire services. Approximately 2,400 service activities are completed annually ranging from minor to major repairs, oil changes, tune ups, tire rotations/replacements to testing and troubleshooting advanced public safety communication systems. In an effort to reduce greenhouse gas emissions and align with the City's Climate Action Plan, the City is now purchasing electric vehicles as the primary replacement vehicle for aging equipment. In February 2023, five new electric vehicle charging ports were added to the Police Center.



9. 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); and various affordable housing projects (Granite Ridge Apartments, Allied Senior Housing, Osgood North & South Apartments). In December 2022, the City Council approved an annual report on the City's use of Development Impact Fees and a 13.65% fee adjustment to align with the Bay Area Construction Cost Index.
10. Public and private utility work has been very active. Annually, Public Works reviews and issues approximately 700 encroachment permits for work related to water, sewers, gas lines, electrical power, and communication systems.

Objectives FY 2023/24

The core work objective for the Public Works Department in 2023/24 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 2023/24:

1. Build upon the improvements from the Fremont Boulevard Safe and Smart Corridor project and expand signal modernization work to other priority corridors across the Citywide traffic signal network for improved traffic flow reliability and safety. The City will also begin the design of a new Traffic Management Center to interact and employ the new traffic operation and management systems to improve traffic signal operation to meet variable traffic conditions and demand.

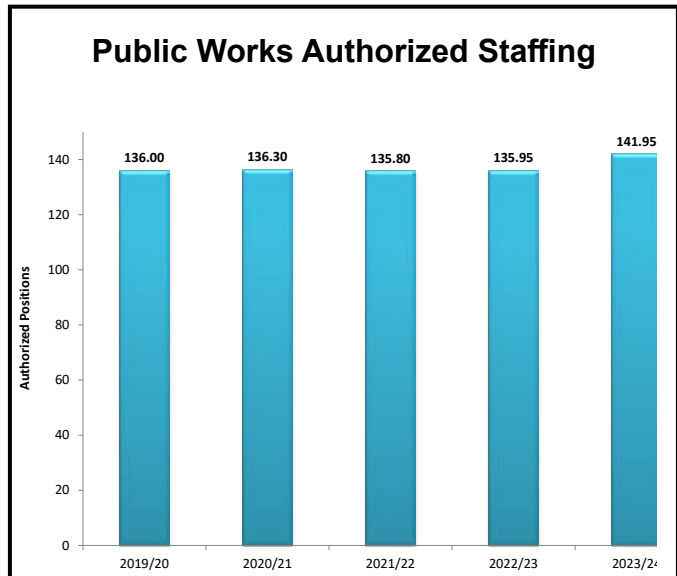
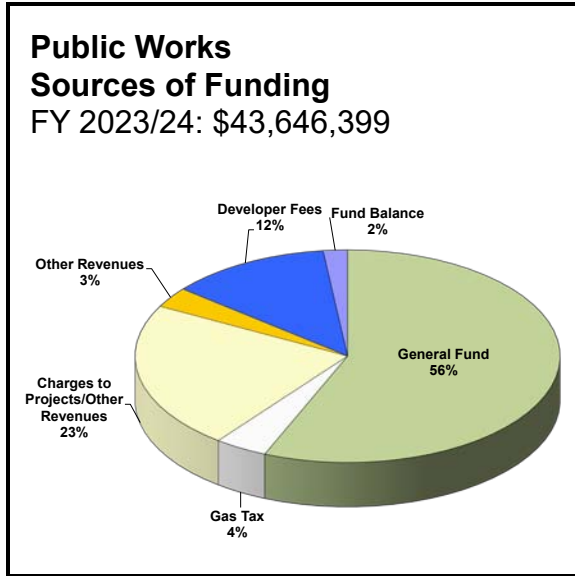


2. Prepare a new Active Transportation Plan to update the City's master plans for pedestrian and bicycling facilities for the next five years. The planning effort will include a robust community participation opportunity with surveys, online input tools, and in-person meetings. The plan will identify improvements that are important to various areas of Fremont and that can support increased walking and bicycling to local places like schools, parks, retail opportunities, and transit services. A complete plan is proposed for Council consideration in early 2024.
3. Expedite delivery of new General Fund Capital projects identified as priorities by the City Council. General Fund revenues have been allocated by the City Council to address urgent priorities including: new Central Park Community Center (replacing the aging Teen Center and Fremont Community Center); replacing aging and outdated park restrooms; addressing deferred maintenance at City Hall buildings (roof, HVAC and fire alarms); and installing electric vehicle charging infrastructure to support City vehicle fleet electrification.

Performance Measurement

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Percent of preventative maintenance repairs Fleet services performed on-schedule (e.g., completed within two weeks of scheduled service)	62%	75%	70%	75%
Number of “clean fuel” vehicles in City fleet	80	93	87	94
Number of persons severely or fatally injured in traffic crashes on City streets Note: The traffic fatality rate (fatalities per 100,000 population) in Fremont was 3.0 in 2022, and is significantly below the national rate of 12.9 (in 2021) and the California rate of 10.9 (in 2021).	25 in Calendar Year 2021 (7 fatalities)	Continuous improvement	27 in Calendar Year 2022 (7 fatalities)	Continuous improvement
Percent of graffiti removal calls responded to within one business day for Priority 1 graffiti (gang-related or profane) / one business week for Priority 2 graffiti for all other types	50% / 87%	Continuous improvement	53% / 90%	60% / 92%

Department Budgets | Public Works



Public Works: Historical Expenditures/Budget, by Category

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Salaries & Benefits	\$ 21,884,217	\$ 19,561,145	\$ 21,817,455	\$ 24,556,419	\$ 24,201,555	\$ 24,315,632
Operating Expenditures	8,873,316	11,004,863	11,248,354	10,745,253	10,623,261	14,271,922
Capital Expenditures	230,363	86,259	118,575	117,037	32,826	442,090
Indirect Expense Allocation**	2,394,769	2,960,704	3,464,084	3,464,084	3,459,098	4,616,755
Totals	\$ 33,382,665	\$ 33,612,971	\$ 36,648,468	\$ 38,882,793	\$ 38,316,740	\$ 43,646,399

% increase/(decrease), including all funds, from FY 2022/23 Adopted Budget 13.9%

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

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

Major Changes

- The FY 2023/24 Public Works budget is \$5,329,659 (13.9%) more than the FY 2022/23 adopted budget.
- Operating expenditures are increasing by \$3,648,661 (or 34.3%) mainly due to contractual service increases, utility, gasoline, and maintenance items.
- Capital expenditures are increasing by \$409,264 mainly due to one-time vehicle and field equipment purchases.
- The indirect expense allocation is increasing by \$1,157,657 (or 33.5%) due to higher Information Technology costs and worker's compensation, liability, and property insurance premiums.

Department Budgets | Public Works

Staffing by Function - FY 2023/24

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

Regular Full-Time Equivalents: 141.95

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 2023/24

City Manager’s Office

1. Pursue staff actions and projects that assist with and enhance the implementation of the top three Council priorities for the year, as re-affirmed at the 2023 City Council Retreat: 1. Continue to innovate and find solutions to address and respond to homelessness in Fremont; 2. Enhance public safety; and 3. Increase the vitality of commercial corridors.
2. Pursue legislative efforts and strengthen state and federal partnerships to promote the best interests of the City, while implementing the Council’s 2023/24 Legislative Guiding Principles and Priorities.
3. Prepare and implement a Citywide Homeless Response Strategic Plan to further the City’s short and long-term strategies for homeless solutions.
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. Continue 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.

Department Budgets | Administrative Departments

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 MyFremont as an effective communication tool.

City Attorney's Office

9. Attend and provide legal advice at City Council meetings. Provide updates on any changes in state law regarding public meetings and conflicts of interest.
10. Assist the City Council and the City Manager's Office to implement City Council priorities.
11. Attend and provide legal advice at public meetings of City boards and commissions, as required or assigned.
12. Train and provide legal advice to City boards, commissions, and employees on the Brown Act, Public Records Act, and conflicts of interest.
13. Assist the City Council and City departments to transition from the COVID-19 emergency following the conclusion of the California and local state of emergencies.
14. Represent the City in lawsuits and administrative hearings and pursue cost-effective resolution of pending litigation matters.
15. Defend the City against government tort claims and workers' compensation, including rejection or settlement of claims as appropriate. \
16. Support the City Council, City Manager's Office, and Human Resources, and other City departments on labor and employment matters.
17. Support staff on issues related to homelessness and additional development of affordable housing including compliance with evolving state housing laws and meeting state regional housing needs allocation.
18. Advise City departments regarding leases, land use-related agreements, acquisition of park land, development project applications, infrastructure projects and franchise agreements, and ADA issues.

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 with continued messaging that online business tax account registration and renewal are easier and safer for businesses and allow more efficient use of staff time.
25. Continue implementation of improvements to the City's purchase card program.
26. Deploy Tyler Citizen Self Service, which will enable customers to pay Accounts Receivable invoices online.

Human Resources

27. Reduce Citywide position vacancies.
28. Continue to assess, analyze, and implement new and innovative recruitment practices to attract a diverse and high qualified work force.
29. Facilitate ongoing COVID-19 related service delivery recovery and process improvements for City of Fremont staff.
30. Complete revision of the City's Personnel Rules in partnership with the City's nine bargaining units.
31. Seek professional services consultant to assist in the development of a workforce initiative to advance critical work in diversity, equity, and inclusion for the benefit for our employee population.
32. Continue to invest in organizational health and development and provide increased opportunities for training, including required anti-harassment training.
33. Assess and make improvements to the current Citywide performance evaluation system to ensure it is meeting the needs of the organization.
34. Continue to implement outcomes from negotiated three-year successor MOUs (July 2022 to June 2025).

Information Technology Services

35. Computer Aided Dispatch (CAD) and Records Management System (RMS). In partnership with the Fremont Police Department and the Union City Police Department, ITS will commence the installation phase of the project, which includes successful delivery of approximately thirty integrations with government agencies and third-party vendors.
36. Tyler Munis and Cashiering Upgrade. The Finance Department and ITS will complete the upgrade to Tyler Munis Enterprise ERP version 2021.6 and Tyler Cashiering 2021.7. Both platforms will provide a new, modern user experience as well as enhanced security features, such as Multi-Factor Authentication through a partnership with OKTA.
37. New Records/Document Management System. In collaboration with the City Manager's Office, ITS will begin the process of replacing the existing records management system. The new system shall make managing the records' lifecycle more effective, support stringent compliance regulations facing government entities, and allow for workflow automation.
38. New Legislative Management System. In collaboration with the City Manager's Office, ITS will begin the process of replacing the existing agenda management system. The new system will manage our agenda, minutes, video, voting, and records on one digital and automated platform. This will make managing the agenda creation/meeting management more effective.
39. Cityworks Fleet Management. In partnership with the Public Works Department, ITS will implement the Fleet solution from Cityworks. The new system will allow Public Works staff to track costs, easily schedule maintenance, reduce downtime, and manage the vehicle's lifecycle. All fleet related data will be stored in one place.
40. Multi-Factor User Authentication. ITS will implement multi-factor authentication (MFA) technology to increase the security of the network and its applications. MFA is an access control system that requires a minimum of two methods of authentication from different categories that verify a user's identity to log in account. MFA also helps meet regulatory requirements such as the Health Insurance Portability and Accountability Act (HIPAA) and California Justice Information Systems (CJIS).
41. Wi-Fi Deployment in the 6 Business Districts in Fremont. With Congress' passage of the FY 2023 Omnibus Bill, Fremont was awarded \$1.5 million to strategically deploy community Wi-Fi zones in Fremont's six community business districts. These include Centerville, Irvington, Niles, Mission San Jose, Warm Springs, and Downtown/City Center. The free, high-speed and high-bandwidth Wi-Fi zones will help address the digital divide by allowing for equitable access among residents and small businesses who may otherwise not have access to or the means for high-speed Wi-Fi internet access. Bringing Wi-Fi to these six districts will involve deploying high-capacity Wi-Fi mesh 'nodes' at multiple locations in each district to create a robust and consistent coverage area. These nodes can be installed in many arrangements, including on existing street poles and traffic signals. Wi-Fi will be fast, free, and simple to access for both businesses and visitors in these commercial districts, including during larger gatherings such as farmer's markets, street closure events, and events at the City's new Downtown Event Center.

42. Broadband for the Niles District. As part of the City's Fiber Master Plan, the Niles District has been identified as a "gap" area where fast broadband is lacking in the area. Fire Station #2 lacks fast network access to the City's network resources. Hence, ITS will be installing high speed wireless Siklu devices to extend the City's fiber network via Wi-Fi to the Niles District. In the future, benefits of broadband in the area will include free public Wi-Fi as well as to provide support for Traffic Engineering's signal modernization project throughout the City.
43. Cybersecurity Incident Response Plan. As part of the City's on-going cybersecurity initiative, ITS will develop and exercise a cyber security incident response plan. The plan will include a set of guidelines that instructs teams on how to prepare for, identify, respond to, and how to recover from a cyber-attack. The goal of the plan will be to help mitigate the impact of an attack, remediate vulnerabilities, and secure the overall organization in a coordinated manner.
44. GIS Strategic Plan. The plan's main purpose is to provide the City's Information Technology GIS Team with recommended phases and priorities to improve its GIS service delivery with improved efficiency and effectiveness to both internal and external customers. Phase I of III is currently in progress. The Phase I GIS Needs Assessment included interviewing 24 City departments and 2 interviews with external agencies. A survey for the public to provide feedback on GIS Services will be available in February through MyFremont, the City's digital community engagement tool. Phase I estimated completion date of August 2023.
45. Address Data Management Design study update. The City's Information Technology GIS Team identified 2 phases to implement the 28 recommendations identified in the study. Phase I has 18 recommendations; the ITS/GIS Division Staff completed 9 recommendations with 4 recommendations currently in progress, and 5 recommendations to be outsourced for implementation. Phase I has an estimated completion date of Fall of 2023. Phase II has 10 recommendations, which are dependent on Phase I to be completed, will follow for implementation.
46. CIP Story Map. The GIS Team is collaborating with the Public Works Department to develop a CIP Projects Project Locator/Story Map. 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, and the same app can be used on a browser or device.
47. Pictometry. Pictometry is an aerial image that shows an overhead and side views of buildings and ground locations. Discussions are being held with the Alameda County and EagleView to obtain an update of the Pictometry imagery covering the Tri-City area. This is a tool used frequently by the agencies along with a change detection function between Pictometry aerials of different date vintages, building outlines and pool finder service. Pictometry is an essential component to Fremont's Wildland Urban Interface Map.

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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 strategically promote and coordinate communication among all City departments, and to inform the public and media/press on Fremont’s innovative programs, services, and best practice.

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.



Department Budgets | City Manager

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

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
City Manager's Office	\$ 2,933,857	\$ 3,149,396	\$ 3,009,113	\$ 3,492,476	\$ 3,274,327	\$ 3,851,814
Communications and Marketing	419,434	618,009	696,663	744,524	724,390	799,130
Homeless Services						240,098
Total City Manager's Office	\$ 3,353,291	\$ 3,767,406	\$ 3,705,776	\$ 4,237,000	\$ 3,998,717	\$ 4,891,042

* 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 2022/23

1. Presented a balanced FY 2022/23 Budget to the City Council, with multiple budget balancing and financial health and stability measures.
2. Engaged City Council members and executive staff to affirm top Council priorities, facilitate the development of norms and protocols, and strengthen Council-staff teamwork.
3. Enhanced the City’s legislative affairs efforts through increased coordination with City lobbyists and more frequent interaction with state and federal delegations. Through these efforts, staff secured \$20.5M in the 2021 CA State Budget for the City’s Housing Navigation Center, Sabercat Bridge and Trail project and the new Community Center at Central Park. \$1.5M was secured via Federal Appropriations for a Wi-Fi project that will benefit several Fremont business districts and residents.
4. Continued support for small businesses by staffing a small business hotline; facilitating multiple new small business openings in business districts; commissioning a small business marketing and photography campaign; supporting programs such as Pop-up Patio, Better Block Mission San Jose, Fremont Restaurant Week and Gift Fremont; and promoting federal and state funding opportunities for business support.
5. Furthered Fremont’s short and long-term interests in Homeless Solutions:
 - Repositioned and enhanced the authority of the City of Fremont’s Homeless Services Manager to address homeless solutions in a citywide approach involving all City departments.
 - Commenced development of a centralized data inventory system and dashboard on homelessness through the Bloomberg Harvard City Leadership Initiative. The inventory includes Police and Fire calls for service, encampment information, debris figures, and other information.
 - Launched the Safe Parking Host Site Pilot Program in January 2022. The program is a rotational partnership with faith-based organizations across the City designed as a safe, transitional space for individuals living in their vehicle to spend the night.
 - Created a multi-disciplinary team with Human Services, Police, and Economic Development that regularly meets with business owners and commercial property owners to discuss

challenges related to homeless activities and provide resources and assistance to mitigate impacts.

6. Administered the Afghan Refugee Help Fund to support refugee resettlement organizations and local non-profits to meet the many needs of new arrivals from Afghanistan. At its close in August 2022, the fund raised over \$482,901 from 1,213 donors. The Human Services Department distributed 100% to families and individuals to receive access to essential services.
7. Hosted approximate 180 events during the first year of operation of the Downtown Event Center and Plaza (DTEC) with a steady increase in rentals, events, and gatherings.
8. Continued to enhance Fremont's professional communications and community engagement initiatives with highlights including:
 - Formed communications action teams to develop strategic communications on key topics such as traffic safety and homelessness.
 - Created a new employee e-newsletter, The Employee Connection, that is delivered bi-monthly to all City employees. The newsletter highlights employee accomplishments, recognitions and helps facilitate timely announcements.
 - Worked with the Chamber of Commerce to co-sponsor State of the City. The annual event was moved to June, to better align with fiscal year announcements and accomplishments. Additionally, the event was held at the new Downtown Event Center in 2022 and is once again being planned at the same venue for 2023.
 - Implemented a citywide language access pilot program to provide and expand translation services in order to broaden and diversify access to City fo Fremont communications.
 - Launched the new MyFremont community engagement tool. The online public engagement platform allows residents to provide input, feedback and share ideas on City programs, concepts and initiatives. Several topics were posted during the inaugural year which included the Police Department's annual community survey, a survey on the City of Fremont Animal Ordinance Update on beekeeping, a Short-term rental ordinance survey and information on the Sabercat Trail and Fossil museum projects.
 - Organized a community grand opening event for the new Warm Springs/Innovation District Plaza and Bridge.
9. Managed a successful citywide emergency operations response to the 2023 record-breaking winter storms in Northern California:
 - The City's Office of Emergency Services (OES), activated Fremont's Emergency Operations Center (EOC) to provide organized coordination and information sharing among City agencies and other local partners.
 - The Public Works Department distributed more than 14,000 sandbags and over 275 tons of sand to residents within the first week of the new year. Public Works Street Maintenance assisted the community with storm-related issues, including clearing fallen trees, mudslides, blocked storm drains, and flooded areas.

Department Budgets | City Manager

- Community Services' Parks Maintenance crews responded to more than 120 tree requests for services and inspections.
- Fremont Fire and Police responded to numerous emergencies, including downed power lines and traffic accidents. Fire Department units also responded to multiple calls for serious flooding in homes and businesses, taking actions to reduce property damage.
- In partnership with Fremont Unified School District, Human Services and Community Services staff worked with the District to provide sheltering of storm evacuees at Washington High.

Objectives FY 2023/24

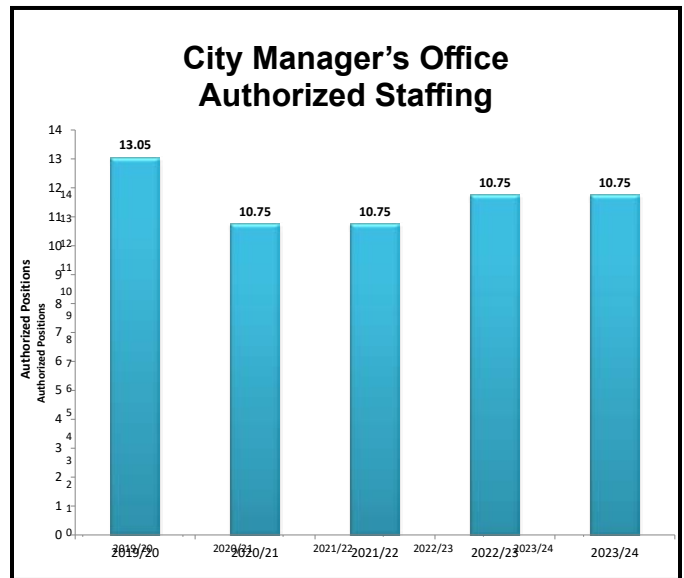
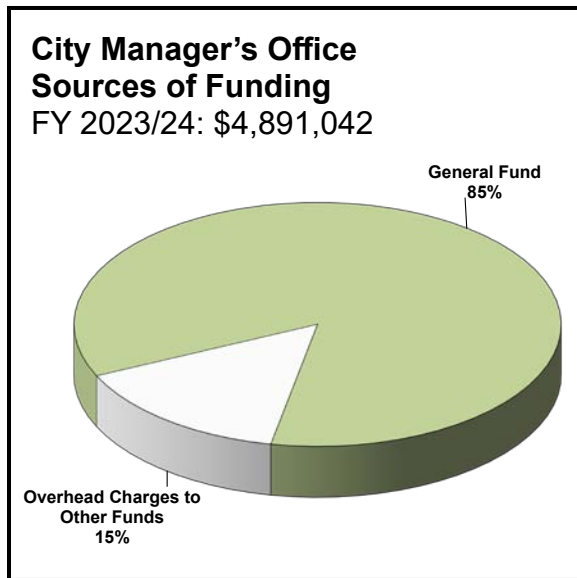
1. Pursue staff actions and projects that assist with and enhance the implementation of the top three Council priorities for the year, as re-affirmed at the 2023 City Council Retreat: 1. Continue to innovate and find solutions to address and respond to homelessness in Fremont; 2. Enhance public safety; and 3. Increase the vitality of commercial corridors.
2. Pursue legislative efforts and strengthen state and federal partnerships to promote the best interests of the City, while implementing the Council's 2023/24 Legislative Guiding Principles and Priorities.
3. Prepare and implement a Citywide Homeless Response Strategic Plan to further the City's short and long-term strategies for homeless solutions.
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. Continue 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 MyFremont as an effective communication tool.

Performance Measurement

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Percent of residents that agree that Fremont is a “good” or “excellent” place to live ¹	N/A	77%	N/A	75%
Percent of employees that feel “prepared” and “trained” to do their jobs ²	N/A	N/A	N/A	80%
Number of likes, followers and subscribers of the social media accounts	247,141	282,000	285,295	325,236

¹ The community survey is a biennial survey. Due the continuation of the COVID-19 pandemic, the survey did not occur FY 2022/23. The community survey is expected to be conducted in FY 2023/24.

² The employee survey is a biennial survey. Due the continuation of the COVID-19 pandemic, the survey did not occur FY 2022/23. The next one is anticipated to take place in FY 2023/24.



Department Budgets | City Manager

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

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Salaries & Benefits	\$ 2,560,020	\$ 2,914,788	\$ 2,761,108	\$ 3,045,204	\$ 2,950,056	\$ 3,592,419
Operating Expenditures	626,322	619,832	686,483	935,211	867,076	912,077
Capital Expenditures	287	2,781	4,600	3,000	3,000	3,000
Indirect Expense Allocation**	166,662	230,004	253,585	253,585	253,585	383,547
Totals	\$ 3,353,291	\$ 3,767,406	\$ 3,705,776	\$ 4,237,000	\$ 4,073,717	\$ 4,891,042
	% increase/(decrease), including all funds, from FY 2022/23 Adopted Budget					20.1%
<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 information technology, vehicle replacement, workers' compensation costs, and general liability insurance.</p>						

Major Changes

- The FY 2023/24 City Manager’s Office budget is \$817,325 (20.1%) more than the FY 2022/23 adopted budget.
- Salary and benefits are increasing by \$642,363 (21.8%) primarily due to the shift of one Homeless Services Manager position from Human Services.
- The indirect expense allocation is increasing by \$129,962 (or 51.2%) due to higher Information Technology costs and worker’s compensation, liability, and property insurance premiums.

Staffing by Function - FY 2023/24

City Manager's Office	
City Manager	1.00
Assistant City Manager	2.00
Assistant to the City Manager	0.75
Management Analyst II	3.00
Executive Assistant to the City Manager	1.00
Executive Assistant	1.00
Communications Office	
Communications & Legislative Affairs Director	1.00
Communications Manager	1.00
Homeless Services Manager	1.00

Regular Full-Time Equivalents: 11.75

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

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
City Attorney	\$ 2,783,263	\$ 2,089,439	\$ 2,730,401	\$ 2,908,170	\$ 2,842,221	\$ 2,902,431
Risk Management	8,272,795	10,188,105	10,196,088	10,206,595	10,153,088	11,307,640
Total City Attorney’s Office	\$ 11,056,058	\$ 12,277,544	\$ 12,926,489	\$ 13,114,765	\$ 12,995,309	\$ 14,210,071

* 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 2022/23

1. Assisted staff with City Council priorities by supporting the City’s response to homelessness, contributing to the City’s financial health by effectively managing the legal budget, and helping to achieve public safety priorities.
2. Delivered a Brown Act training to the City Council, which included the closed session process, updates to state law regarding teleconferencing, communication protocols on social media platforms, and addressing disruptive behavior at Council meetings. Provided Brown Act advice to the City Council and City advisory bodies.
3. Drafted revisions and supported the City Council update to its Handbook of Rules and Procedures.
4. Recruited and hired an Executive Assistant to the City Attorney and a Paralegal within the City Attorney’s Office.
5. Managed the legal defense of the City against civil lawsuits pending in state and federal court.
6. Analyzed and managed disposition of government tort and workers’ compensation claims.
7. Assisted staff with revisions and updates to City policies and regulations including, but not limited to, the Live/ Work Preference Policy for City Regulated Affordable Housing Developments, the Fiberoptic Master Plan, Police Department administrative regulations and policies, the Hybrid Telework Policy, and the Public Records Act policy.
8. Drafted, supported and/or reviewed updates to the Fremont Municipal Code, including the following ordinances: Street Racing and Sideshow Ordinance, the Animal Ordinance, the 2022 California Building Code updates, and Flood Damage Prevention Ordinance.
9. Supervised the drafting of, and supported the City’s efforts to negotiate, the Mission Peak lease agreement with East Bay Regional Park for the purpose of public park, recreation, and open space use.
10. Assisted with the preparation, review and timely adoption of state-mandated General Plan Housing Element Update and submittal to State Department of Housing and Community Development.
11. Reviewed federal opioids settlements with pharmaceutical distributors and provided advice and support to staff regarding City participation, use of allocated funds, and reporting requirements.

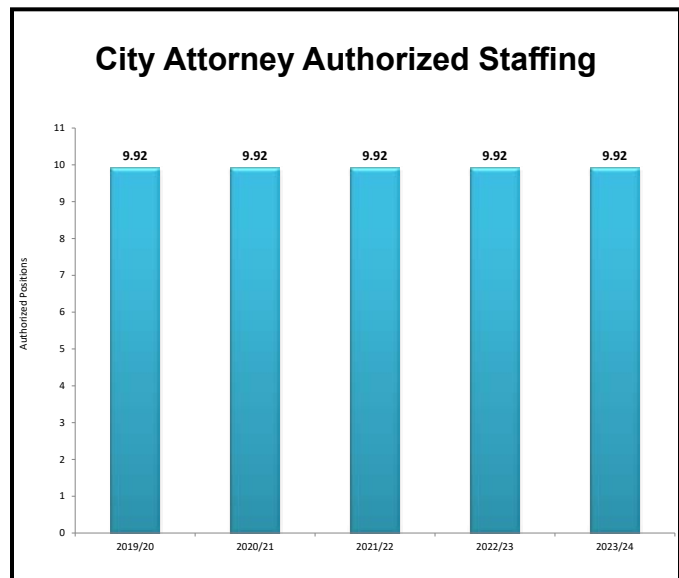
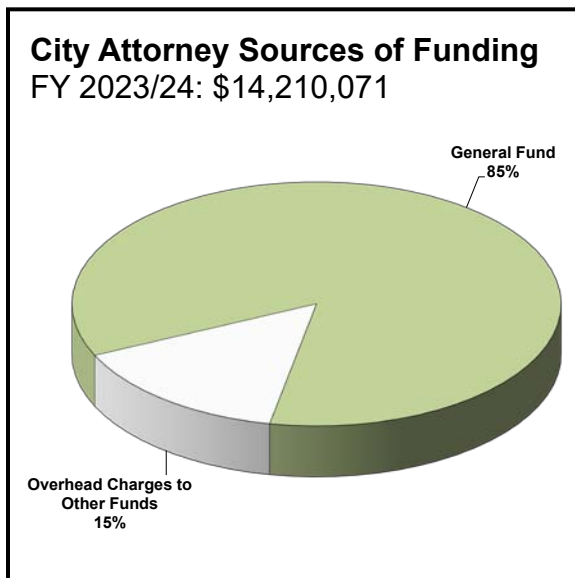
12. Supported the City Clerk's Office's implementation of NextRequest software to facilitate the City's Public Records Act program and supported City departments in responding to Public Records Act requests and production of records.
13. Advised on procurement issues and bid protests to facilitate City contracting efforts for goods, services, and facilities.
14. Performed legal review of City contracts, including adequacy of insurance coverage and mitigation of risk of liability exposure to the City. Updated the City contract forms and related documents (signature authority memos, review checklists, bond requirements, etc.).
15. Reviewed and facilitated updates to labor agreements between the City and all labor groups.
16. Advised and trained staff on legal issues regarding wired telecommunication projects, enforcement of the City's underground utility district ordinance, and relevant provisions of California's Public Utilities Code.

Objectives FY 2023/24

1. Attend and provide legal advice at City Council meetings. Provide updates on any changes in state law regarding public meetings and conflicts of interest.
2. Assist the City Council and the City Manager's Office to implement City Council priorities.
3. Attend and provide legal advice at public meetings of City boards and commissions, as required or assigned.
4. Train and provide legal advice to City boards, commissions, and employees on the Brown Act, Public Records Act, and conflicts of interest.
5. Assist the City Council and City departments to transition from the COVID-19 emergency following the conclusion of the California and local state of emergencies.
6. Represent the City in lawsuits and administrative hearings and pursue cost-effective resolution of pending litigation matters.
7. Defend the City against government tort claims and workers' compensation, including rejection or settlement of claims as appropriate.
8. Support the City Council, City Manager's Office, and Human Resources, and other City departments on labor and employment matters.
9. Support staff on issues related to homelessness and additional development of affordable housing including compliance with evolving state housing laws and meeting state regional housing needs allocation.
10. Advise City departments regarding leases, land use-related agreements, acquisition of park land, development project applications, infrastructure projects and franchise agreements, and ADA issues.

Performance Measurement

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 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

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Salaries & Benefits	\$ 3,354,475	\$ 2,742,170	\$ 3,241,398	\$ 3,417,295	\$ 3,366,560	\$ 3,430,019
Operating Expenditures	7,573,177	9,356,039	9,465,538	9,477,916	9,409,195	10,524,237
Capital Expenditures	1,500	-	-	-	-	-
Indirect Expense Allocation**	126,906	179,335	219,554	219,554	219,554	255,815
Totals	\$ 11,056,058	\$ 12,277,544	\$ 12,926,489	\$ 13,114,765	\$ 12,995,309	\$ 14,210,071
						9.3%

% increase/(decrease), including all funds, from FY 2022/23 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 2023/24 City Attorney’s Office budget is \$1,214,762 (9.3%) more than the FY 2022/23 adopted budget.
- Operating expenditures are increasing by \$1,115,042 (or 11.9%) mainly due to higher insurance premium costs.
- The indirect expense allocation is increasing by \$16.5 (or 16.5%) due to higher Information Technology costs and worker’s compensation, liability, and property insurance premiums.

Department Budgets | City Attorney

Staffing by Function - FY 2023/24

City Attorney's Office	
City Attorney	0.86*
Assistant City Attorney	1.00
Senior Deputy City Attorney II	2.00
Senior Deputy City Attorney	1.00
Law Office Supervisor	1.00
Paralegal	1.00
Risk Management	
City Attorney	0.06*
Risk Manager	1.00
Safety Coordinator	1.00
Risk Management Technician	1.00

** This position is mainly budgeted in the City Attorney's Office and its 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 completed 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.

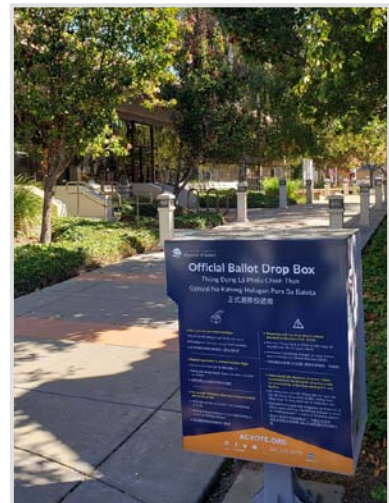
The City Clerk is the administrator and filing officer for the Fair Political Practices Commission and City of Fremont Conflict of Interest regulations and also oversees a records management system that provides for the electronic research and storage of City records, responds to public requests for information, and oversees distribution of 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 2022/23

1. Continued to lead 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 continuation COVID-19 Pandemic.
2. Managed the Boards and Commissions Vacancy Process and assisted with the transition of boards and commissions members.
3. Administered the Ceremonial Document Request webpage to allow for customers to easily to request and fill out the form online. The City received 107 requests.
4. Assisted City departments with review and completed the update of department's Records Retention Schedules to ensure the schedules are current.
5. Administered the 2022 November Election, swearing-in, and transition of the newly elected Councilmember(s).
6. Assisted with the development and introduction of the new Agenda Center
7. Assisted with implementation of the Public Records Act request software (NextRequest) to improve tracking and timely responses to requests.

Objectives FY 2023/24

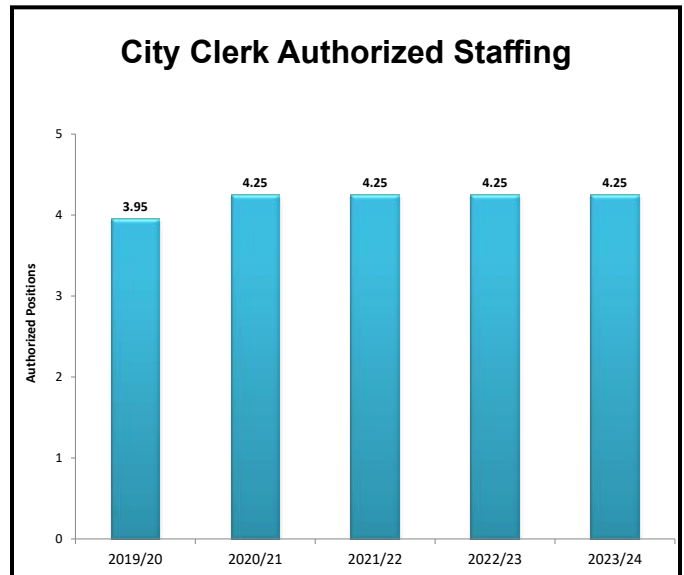
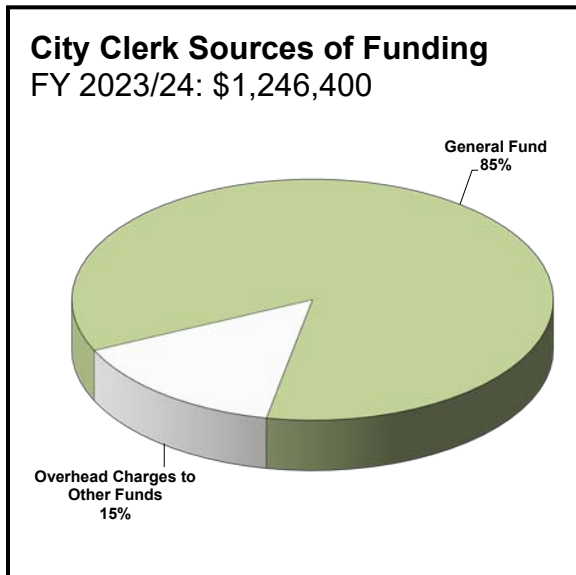
1. Ensure open access to information, documents, and the legislative process that increase transparency in City government.
2. Achieve and maintain prompt responses across all City departments for routine public records requests.
3. Continue to efficiently and accurately manage the electronic preparation 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 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Percent of time City Council Meeting minutes are posted online no later than 2 weeks after the original City Council Meeting date*	90%	90%	90%	95%
Percentage of Public Records Requests that received a responsive email within the 10-day compliance period under the California Public Records Act	90%	95%	90%	95%

*City Council meetings are held the first three Tuesdays of each month. When a Council Meeting is not held for more than two weeks, having minutes posted by the next scheduled meeting is compliant with this performance measure.



Department Budgets | City Clerk

City Clerk: Historical Expenditures/Budget, by Category

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Salaries & Benefits	\$ 762,084	\$ 789,145	\$ 841,479	\$ 846,952	\$ 826,627	\$ 865,098
Operating Expenditures	165,197	166,826	191,768	235,380	235,380	260,380
Capital Expenditures	-	77	-	6,000	6,000	6,000
Indirect Expense Allocation**	48,409	67,341	79,650	79,650	79,651	114,922
Totals	\$ 975,690	\$ 1,023,390	\$ 1,112,897	\$ 1,167,982	\$ 1,147,658	\$ 1,246,400
	% increase/(decrease), including all funds, from FY 2022/23 Adopted Budget					8.6%
<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

- Operating expenditures are increasing by \$25,000 (or 10.6%) mainly due to an increase in professional service costs.
- The indirect expense allocation is increasing by \$35,272 (or 44.3%) due to higher Information Technology costs and worker's compensation, liability, and property insurance premiums.

Staffing by Function - FY 2023/24

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

Regular Full-Time Equivalents: 4.25

Finance

Mission:

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

Major Services

Accounting

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

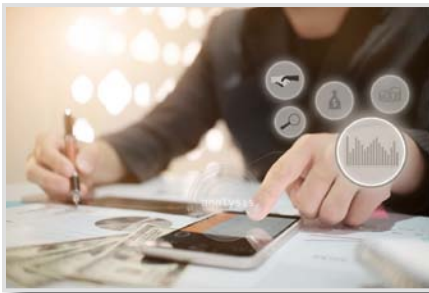
Provide accounts payable and purchasing services.

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.

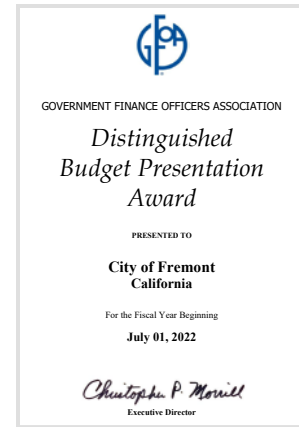


Department Overview

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. 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. The department also supports the organization's business needs including procuring and paying for goods and services, invoicing and collecting revenues, and facilitating in-person and online financial transactions.

Accomplishment Highlights FY 2022/23

1. Received Awarded the Excellence in Financial Reporting Award for the 38th consecutive year and Distinguished Budget Presentation Award for the 26th consecutive year from the Government Finance Officers Association of the United States and Canada (GFOA).
2. Completed an independent auditor evaluation of the City's purchase card program and began implementation of recommended improvements.
3. Continued to promote the City's online business tax services by emphasizing online correspondence and self-service capabilities.
4. Restored in-person service at the Permit Center Revenue Counter.



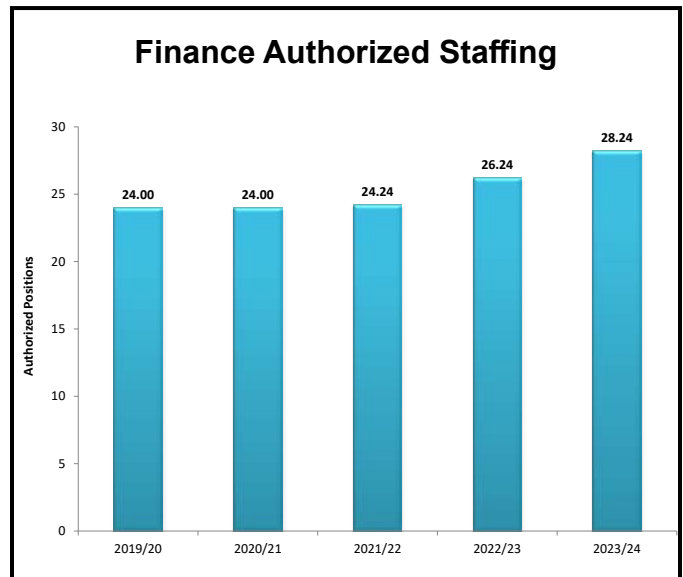
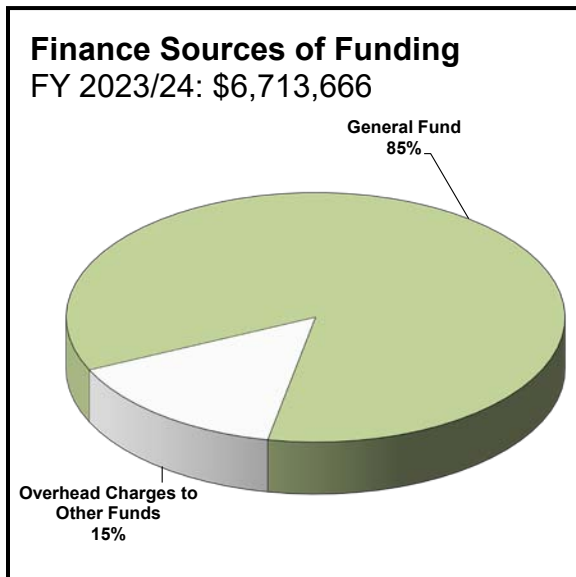
5. Implemented new Tyler Cashiering system and enhanced its integration with existing Tyler Munis financial management system, Accela permit system, and HdL business tax system.

Objectives FY 2023/24

1. Continue to emphasize and encourage public use of the City's online business tax offerings with continued messaging that online business tax account registration and renewal are easier and safer for businesses and allow more efficient use of staff time.
2. Continue implementation of improvements to the City's purchase card program.
3. Deploy Tyler Citizen Self Service, which will enable customers to pay Accounts Receivable invoices online.

Performance Measurement

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Number of bids/RFPs issued	50	60	56	60
Percent of Business Tax certificates issued online	68%	69%	73%	75%



Finance: Historical Expenditures/Budget, by Category

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Salaries & Benefits	\$ 4,351,366	\$ 4,177,489	\$ 4,126,012	\$ 5,046,085	\$ 4,918,174	\$ 5,508,441
Operating Expenditures	488,911	560,543	505,889	531,092	530,524	542,525
Capital Expenditures	12,496	1,497	21,540	13,101	13,101	7,500
Indirect Expense Allocation**	290,007	381,041	406,712	406,701	406,701	655,200
Totals	\$ 5,142,781	\$ 5,120,570	\$ 5,060,153	\$ 5,996,979	\$ 5,868,500	\$ 6,713,666

% increase/(decrease), including all funds, from FY 2022/23 Adopted Budget 14.4%

* 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, such as accrued employee leave cash out.

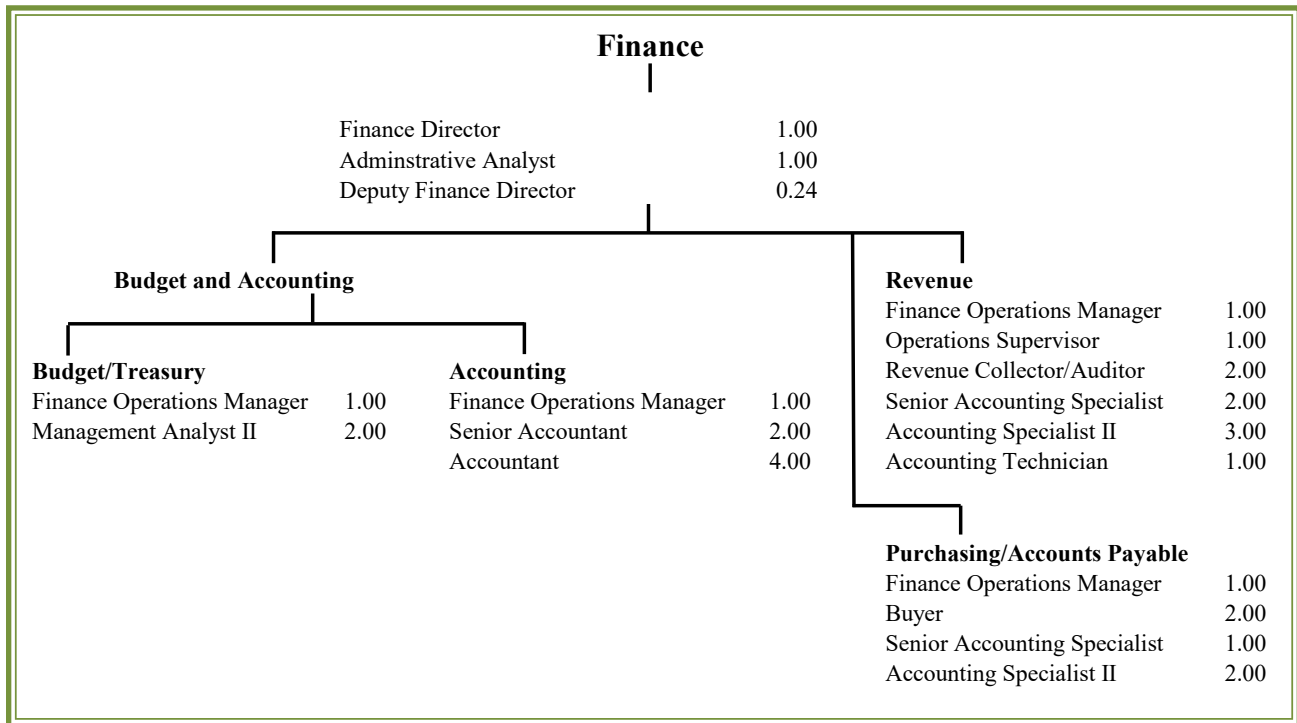
** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.

Department Budgets | Finance

Major Changes

- The FY 2023/24 Finance Department budget is \$845,166 (14.4%) more than the FY 2022/23 adopted budget.
- Salary and benefits are increasing by \$590,267 (12.0%) primarily due to the addition of 2.0 FTE including 1.0 FTE Finance Operations Manager and 1.0 FTE Accounting Technician.
- Capital expenditures are decreasing by \$5,601 due to removal of a one-time prior year equipment purchase.
- The indirect expense allocation is increasing by \$248,499 (or 61.1%) due to higher Information Technology costs and worker’s compensation, liability, and property insurance premiums.

Staffing by Function - FY 2023/24



Regular Full-Time Equivalents: 28.24

Human Resources

Mission:

The Department of Human Resources provides leadership, direction and support to City departments to attract, hire and retain an innovative, diverse, and high performing workforce. The department is responsible for administering employee benefit programs, coordinating and delivering citywide training and workforce development opportunities, providing equal employment opportunities, and ensuring the consistent and uniform administration of collective bargaining agreements.

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 to increase resiliency.

Recruitment, Hiring, Classification, and Compensation

Attract and retain an innovative, talented and diverse 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 ensures compliance with Federal and State employment and income tax laws.



Accomplishment Highlights FY 2022/23

1. Completed labor negotiations and implemented three-year successor MOU's with the City's nine bargaining units.
2. Continued to implement local, state and federal requirements related to COVID-19 pandemic recovery.
3. Provided three free flu shot clinics for employees in partnership with health provider.
4. Enhanced communication and virtual services related to open enrollment, benefit changes and updates.
5. Established an employee funded Retiree Health Savings Plan for Fremont Police Association employees.
6. Offered various leadership training opportunities, such as the LIFT Academy and the Alameda County Leadership Academy to support succession planning efforts.



7. Initiated 79 recruitments in FY 2021/22 and projecting to initiate 100 recruitments in FY 2022/23).
8. Developed and implemented new recruitment strategies to streamline the process and incentivize candidates.
9. Processed timely and effective issuance of approximately 2,500 paychecks per month.

Objectives FY 2023/24

1. Reduce Citywide position vacancies.
2. Continue to assess, analyze, and implement new and innovative recruitment practices to attract a diverse and high qualified work force.
3. Facilitate ongoing COVID-19 related service delivery recovery and process improvements for City of Fremont staff.
4. Complete revision of the City's Personnel Rules in partnership with the City's nine bargaining units.

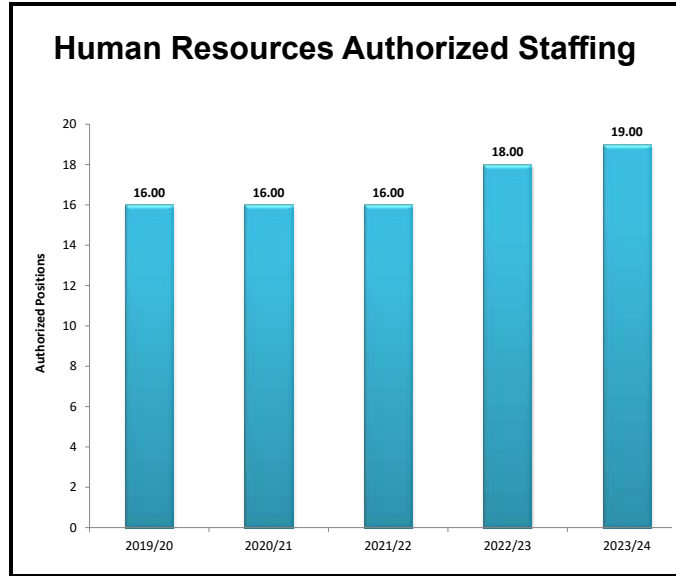
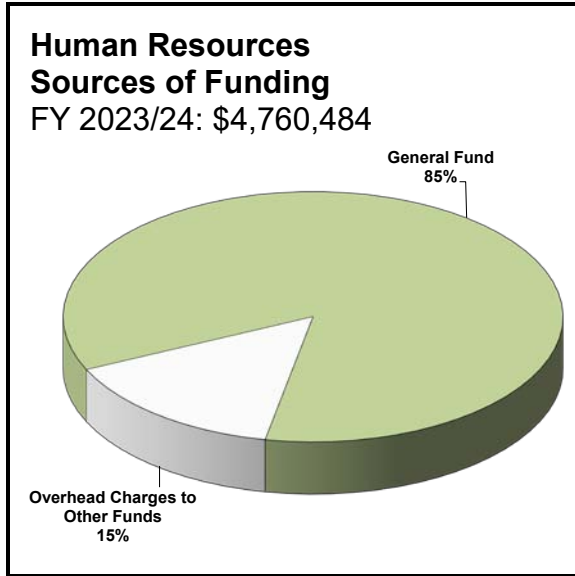
Department Budgets | Human Resources

5. Seek professional services consultant to assist in the development of a workforce initiative to advance critical work in diversity, equity, and inclusion for the benefit for our employee population.
6. Continue to invest in organizational health and development and provide increased opportunities for training, including required anti-harassment training.
7. Assess and make improvements to the current Citywide performance evaluation system to ensure it is meeting the needs of the organization.
8. Continue to implement outcomes from negotiated three-year successor MOUs (July 2022 to June 2025).

Performance Measurement

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
% of employees participating in a 457(b) deferred compensation plan for retirement savings	74%	80%	73%	80%
Total number of citywide recruitments opened (full-time and part-time) ¹	79	N/A ¹	TBD	100
Average days between prospective police officer application and issuance of offer letter (police officer) ²	206 ²	124	TBD	124
Average days between application and issuance of offer letter (all non-sworn police positions)	200	183	TBD	183
¹ New measure for FY 2023/24. ² 21 Police Officers were hired in FY 2021/22.				

Department Budgets | Human Resources



Human Resources: Historical Expenditures/Budget, by Category

	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Salaries & Benefits	\$ 2,733,340	\$ 2,807,293	\$ 3,393,385	\$ 3,457,115	\$ 3,372,445	\$ 3,928,896
Operating Expenditures	140,564	229,406	447,484	445,380	445,380	410,380
Capital Expenditures	-	-	-	-	-	-
Indirect Expense Allocation**	174,141	228,630	241,173	241,173	241,173	421,208
Totals	\$ 3,048,045	\$ 3,265,329	\$ 4,082,042	\$ 4,143,668	\$ 4,058,998	\$ 4,760,484
% increase/(decrease), including all funds, from FY 2022/23 Adopted Budget						17.3%

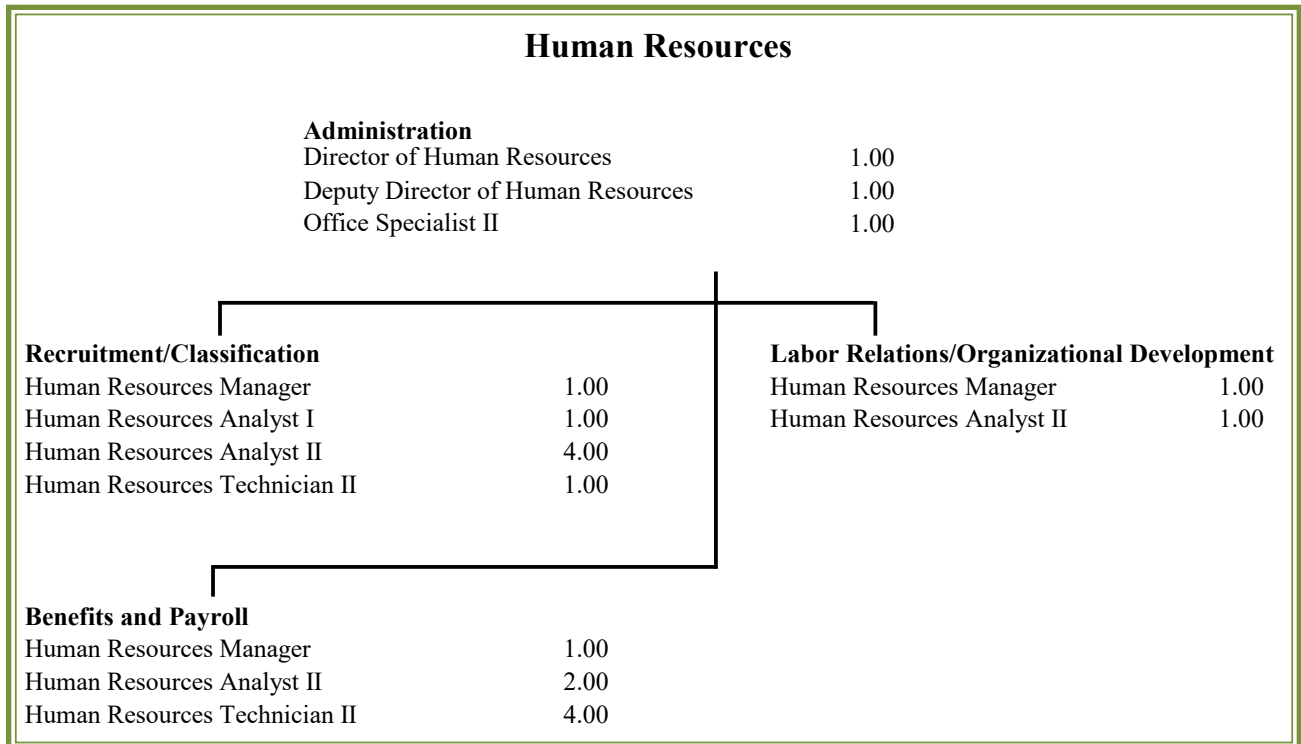
* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.

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

Major Changes

- The FY 2023/24 Human Resources Department budget is \$701,486 (17.3%) more than the FY 2022/23 adopted budget.
- Salary and benefits are increasing by \$556,451 (16.5%) primarily due to the addition of 1.0 FTE Human Resources Manager to enhance recruitment capacity and address organizational recruitment needs.
- Operating expenditures are decreasing by \$35,000 (or -7.9%) due to a decrease in professional service costs.
- The indirect expense allocation is increasing by \$180,035 (or 74.6%) due to higher Information Technology costs and worker’s compensation and liability insurance premiums.

Staffing by Function - FY 2023/24



Regular Full-Time Equivalents: 19.00

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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, cybersecurity, 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.

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.

Cybersecurity

Incorporate Governance, Risk management, and Compliance (GRC) practices in all of the City of Fremont systems and processes. Apply security best practices and meet applicable regulatory requirement to ensure City systems and data confidentiality, integrity, and continuous availability of the City of Fremont enterprises to its customers.

Department Overview

The Information Technology Services (ITS) Department supports and enhances computer, telecommunications, enterprise applications, cybersecurity readiness, 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 2022/23

1. **Story Maps.** The City's Information Technology GIS Team and Community Development created an Affordable Housing in Fremont (a Story Map) showcasing the City's existing and upcoming affordable housing developments.
2. **Cisco Phone Upgrade.** ITS replaced 900+ phone sets City-wide as part of a forklift upgrade to replace an aging phone system. The new Cisco phone system is based on newer technology and uses the Voice-over-IP (VoIP) protocol. New collaboration tools include IP telephony for voice calling, web and video conferencing, voice mail with integration into email, mobility, desktop sharing, instant messaging, and user presence. The new telephony system will provide seamless user experiences that help employees work together more effectively and contribute to increased user productivity.
3. **Wi-Fi at Lila Bringham Community Park.** ITS deployed the City's first free Wi-Fi in the park. The location of Lila Bringham Community Park was strategically chosen due to its unique amenities that encourages the gathering of people in the community. These include an amphitheater, playground, basketball courts, a track field and an open green lawn area for events. With access to free Wi-Fi, guests at the park are more likely to post on social media while visiting the Warm Springs District – which means more posts, more geo-location tags, and more views for attractions from their friends and family. Free Wi-Fi is also a great way to connect customers with deals or packages they may not have known about otherwise. When customers join the Wi-Fi network, the City will have the opportunity to tell them about shops and business services in the Warm Springs District.
4. **City Internet Bandwidth Upgrade to 10Gbps.** The City was presented with an unique opportunity to connect City owned fiber into Hurricane Electric, an ISP in Fremont. This fiber connection provides the City with 10Gbps bandwidth access to the internet. Today, the City relies on the internet for many business applications hosted in the cloud including Office 365, the City's intranet and internet, Accela Land Management, Customer Relationship Management (CRM), Geographic Information Systems (GIS) as well as backing up the City's data to cloud storage. Larger internet bandwidth also allows for faster download speeds, support for the growing number of virtual private network connections (VPN) for remote workers, virtual meetings via TEAMS and Zoom, and reliable streaming of Council meetings.

Department Budgets | Information Technology Services

5. Computer Aided Dispatch (CAD) and Records Management System (RMS). In partnership with the Fremont Police Department and the Union City Police Department, ITS has commenced the initial phases 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 is 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 leverages the City's investment in Microsoft's premier infrastructure (SSRS reporting, SQL Servers, Power BI Platform).
6. Work Order Management System. In partnership with Public Works and Community Services Departments, ITS assisted with the deployment of a new work order management system, Cityworks. Cityworks provides improved asset tracking, mobile access, enhanced geo-location services, dashboards for operational insights, and CRM integration which translates into improved services for Fremont residents.
7. Online Presence - Restaurant Week. In collaboration with the City Manager's Office, ITS created a new webmaster position to improve the City's online presence by making City related news, events, and messaging more functional, appealing, and easily discoverable by search engines. The City's Economic Development Department immediately took advantage of the new position to implement a marketing strategy showcasing local cuisine, as restaurants rolled out limited-time specials for Fremont's inaugural Restaurant Week.
8. New Tyler Cashiering System. The Finance Department and ITS completed the implementation of the Tyler Cashiering system in May of FY21/22 but was not recognized as an accomplishment last fiscal year. This was a great team accomplishment - important contributions were made by all team members that participated in this implementation.
9. Addressing Story Maps. As an outcome of the many Address Data Management Design RFP tasks identified to be implemented, the City's Information Technology GIS Team created a collection of 8 Story Maps title as Addressing by the City of Fremont, CA Story Map which provide information on Fremont's addressing policy, guidelines, and requirements from requesting a new address or verifying an existing address to review of proposed street names.
10. District Locator. The GIS Team updated the City of Fremont - Council District Locator, the interactive Fremont Council Districts map that provides an easy way for residents to look up a location and the resulting district number.
11. Cisco Email Security (CES) Deployment. Email is a common attack vector for cybercriminals and to help mitigate this threat, ITS deployed a new email filter appliance to protect against malicious email activity. The new solution engineered by Cisco monitors and prevents phishing attempts and offers malware protection. It will also quarantine email with malicious links that can lead to credential theft, fraudulent payments, trojan installation, and ransomware delivery.

Objectives FY 2023/24

1. Computer Aided Dispatch (CAD) and Records Management System (RMS). In partnership with the Fremont Police Department and the Union City Police Department, ITS will commence the installation phase of the project, which includes successful delivery of approximately thirty integrations with government agencies and third-party vendors.
2. Tyler Munis and Cashiering Upgrade. The Finance Department and ITS will complete the upgrade to Tyler Munis Enterprise ERP version 2021.6 and Tyler Cashiering 2021.7. Both platforms will provide a new, modern user experience as well as enhanced security features, such as Multi-Factor Authentication through a partnership with OKTA.
3. New Records/Document Management System. In collaboration with the City Manager's Office, ITS will begin the process of replacing the existing records management system. The new system shall make managing the records' lifecycle more effective, support stringent compliance regulations facing government entities, and allow for workflow automation.
4. New Legislative Management System. In collaboration with the City Manager's Office, ITS will begin the process of replacing the existing agenda management system. The new system will manage our agenda, minutes, video, voting, and records on one digital and automated platform. This will make managing the agenda creation/meeting management more effective.
5. Cityworks Fleet Management. In partnership with the Public Works Department, ITS will implement the Fleet solution from Cityworks. The new system will allow Public Works staff to track costs, easily schedule maintenance, reduce downtime, and manage the vehicle's lifecycle. All fleet related data will be stored in one place.
6. Multi-Factor User Authentication. ITS will implement multi-factor authentication (MFA) technology to increase the security of the network and its applications. MFA is an access control system that requires a minimum of two methods of authentication from different categories that verify a user's identity to log in account. MFA also helps meet regulatory requirements such as the Health Insurance Portability and Accountability Act (HIPAA) and California Justice Information Systems (CJIS).
7. Wi-Fi Deployment in the 6 Business Districts in Fremont. With Congress' passage of the FY 2023 Omnibus Bill, Fremont was awarded \$1.5 million to strategically deploy community Wi-Fi zones in Fremont's six community business districts. These include Centerville, Irvington, Niles, Mission San Jose, Warm Springs, and Downtown/City Center. The free, high-speed and high-bandwidth Wi-Fi zones will help address the digital divide by allowing for equitable access among residents and small businesses who may otherwise not have access to or the means for high-speed Wi-Fi internet access. Bringing Wi-Fi to these six districts will involve deploying high-capacity Wi-Fi mesh 'nodes' at multiple locations in each district to create a robust and consistent coverage area. These nodes can be installed in many arrangements, including on existing street poles and traffic signals. Wi-Fi will be fast, free, and simple to access for both businesses and visitors in these commercial districts, including during larger gatherings such as farmer's markets, street closure events, and events at the City's new Downtown Event Center.

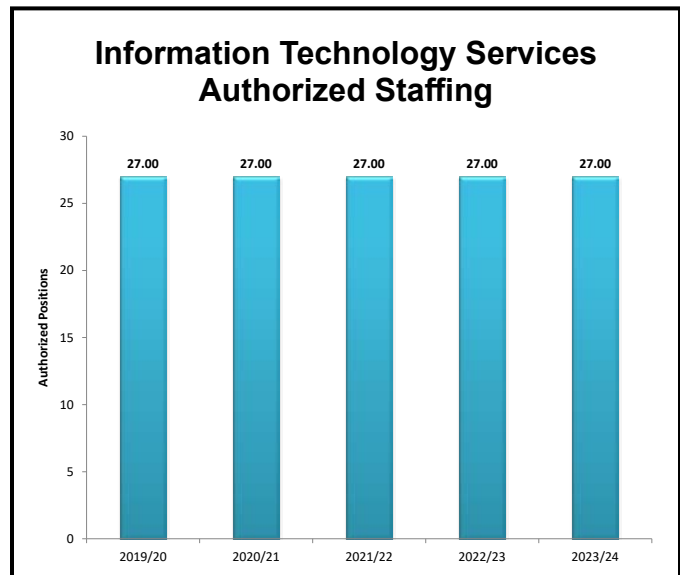
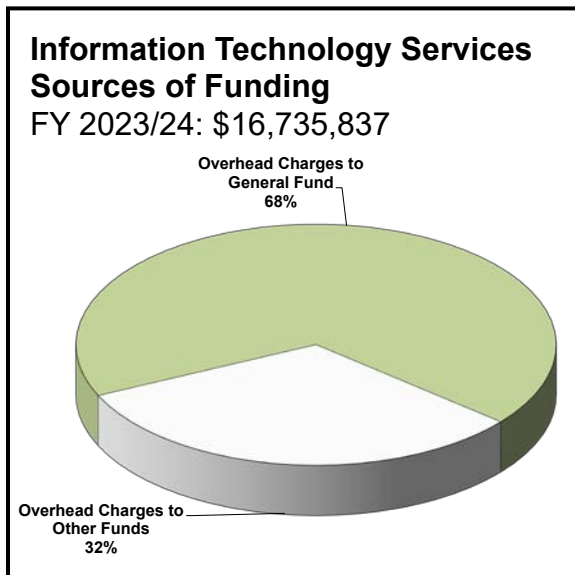
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8. Broadband for the Niles District. As part of the City's Fiber Master Plan, the Niles District has been identified as a "gap" area where fast broadband is lacking in the area. Fire Station #2 lacks fast network access to the City's network resources. Hence, ITS will be installing high speed wireless Siklu devices to extend the City's fiber network via Wi-Fi to the Niles District. In the future, benefits of broadband in the area will include free public Wi-Fi as well as to provide support for Traffic Engineering's signal modernization project throughout the City.
9. Cybersecurity Incident Response Plan. As part of the City's on-going cybersecurity initiative, ITS will develop and exercise a cyber security incident response plan. The plan will include a set of guidelines that instructs teams on how to prepare for, identify, respond to, and how to recover from a cyber-attack. The goal of the plan will be to help mitigate the impact of an attack, remediate vulnerabilities, and secure the overall organization in a coordinated manner.
10. GIS Strategic Plan. The plan's main purpose is to provide the City's Information Technology GIS Team with recommended phases and priorities to improve its GIS service delivery with improved efficiency and effectiveness to both internal and external customers. Phase I of III is currently in progress. The Phase I GIS Needs Assessment included interviewing 24 City departments and 2 interviews with external agencies. A survey for the public to provide feedback on GIS Services will be available in February through MyFremont, the City's digital community engagement tool. Phase I estimated completion date of August 2023.
11. Address Data Management Design study update. The City's Information Technology GIS Team identified 2 phases to implement the 28 recommendations identified in the study. Phase I has 18 recommendations; the ITS/GIS Division Staff completed 9 recommendations with 4 recommendations currently in progress, and 5 recommendations to be outsourced for implementation. Phase I has an estimated completion date of Fall of 2023. Phase II has 10 recommendations, which are dependent on Phase I to be completed, will follow for implementation.
12. CIP Story Map. The GIS Team is collaborating with the Public Works Department to develop a CIP Projects Project Locator/Story Map. 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, and the same app can be used on a browser or device.
13. Pictometry. Pictometry is an aerial image that shows an overhead and side views of buildings and ground locations. Discussions are being held with the Alameda County and EagleView to obtain an update of the Pictometry imagery covering the Tri-City area. This is a tool used frequently by the agencies along with a change detection function between Pictometry aerials of different date vintages, building outlines and pool finder service. Pictometry is an essential component to Fremont's Wildland Urban Interface Map.

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Performance Measurement

Measure	FY 2021/22 Actual	FY 2022/23 Target	FY 2022/23 Estimate	FY 2023/24 Target
Percent of service desk calls resolved at first point of contact (when call is placed to the ITS Service Desk)	89%	80%	82%	80%
Percent of network availability as measured using a monitoring tool uptime algorithm	99%	99%	99%	99%
Percent of service tickets resolved within the stated service level agreements (SLAs) for the type and criticality of each request	61.5%	80%	70%	80%
Percent of requests for GIS Street Naming and Addressing projects completed within agreed-upon time frames	94%	80%	94%	80%



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Information Technology Services: Historical Expenditures/Budget, by Category

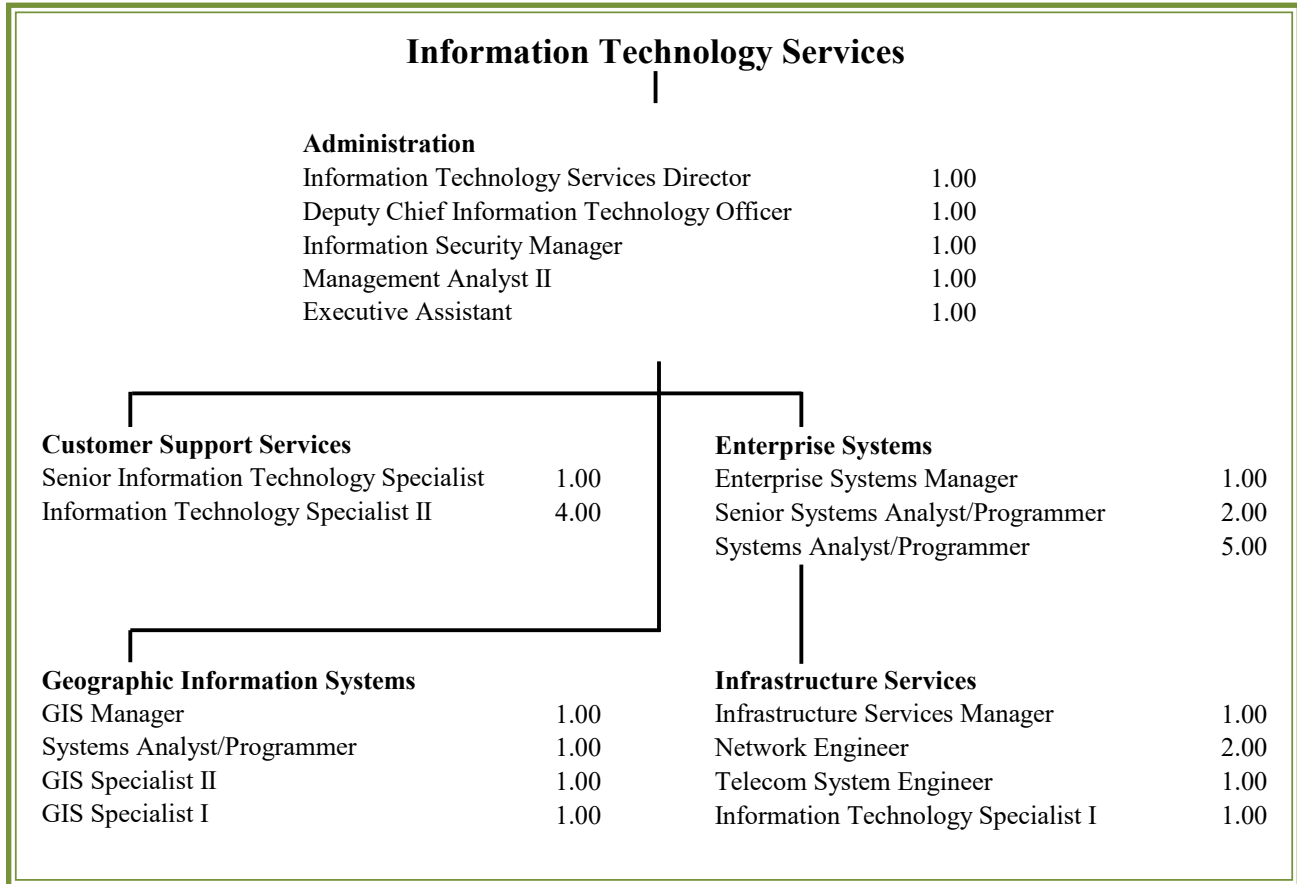
	2020/21 Actual	2021/22 Actual	2022/23 Estimated Actual	2022/23* Adjusted Budget	2022/23 Adopted Budget	2023/24 Proposed Budget
Salaries & Benefits	\$ 4,965,644	\$ 4,310,406	\$ 5,837,306	\$ 6,024,566	\$ 5,924,957	\$ 6,213,554
Operating Expenditures	3,092,291	3,605,745	6,209,023	6,204,535	5,851,437	6,270,692
Capital Expenditures	1,915,919	2,056,791	2,851,215	2,851,055	1,963,250	4,045,779
Indirect Expense Allocation**	617,252	126,008	162,122	162,122	162,122	205,812
Totals	\$ 10,591,106	\$ 10,098,950	\$ 15,059,666	\$ 15,242,278	\$ 13,901,766	\$ 16,735,837
	% increase/(decrease), including all funds, from FY 2022/23 Adopted Budget					20.4%
<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 \$419,255 (or 7.2%) mainly due to increases in contractual service costs.
- Capital expenditures are increasing by \$2,082,529 due to various one-time technology related upgrades and enhancement costs.
- The indirect expense allocation is increasing by \$43,690 (or 26.9%) due to higher Information Technology costs and worker's compensation and liability insurance premiums.

Department Budgets | Information Technology Services

Staffing by Function - FY 2023/24



Regular Full-Time Equivalents: 27.00

Staffing

Regular Position Summary

Overview

The total authorized regular staffing level of 1,019.72 for FY 2023/24 has increased by 21 full time equivalent (FTE) positions from the FY 2022/23 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 2023/24 staffing increases serve to enhance public safety response capability and local economic vitality, address housing, homelessness, and mental health, improve service delivery, and support other wrap-around services to the community.

The Community Development Department staffing increase of 1.0 FTE Fire and Life Safety Plans Examiner supports development plans and permit activities.

The Community Services Department staffing increase of 1.0 FTE represents the addition of 1.0 FTE Urban Forester to support the Urban Forest Management Plan. In addition, 1.0 FTE Urban Landscape Manager was added with the elimination of 1.0 FTE Recreation Facility Supply Specialist position to better align with business needs.

The Economic Development Department staffing increase of 1.0 FTE represents the addition of 1.0 FTE Economic Development Specialist to support downtown and neighborhood district vitality.

	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
<u>PUBLIC SAFETY</u>						
Fire	161.00	162.00	162.00	162.00	172.00	172.00
Police	314.50	317.50	320.50	318.50	322.50	327.50
TOTAL	475.50	479.50	482.50	480.50	494.50	499.50
<u>OTHER COMMUNITY SERVICES</u>						
Community Development	80.25	81.25	81.55	83.55	87.55	88.55
Community Services	94.01	96.01	97.06	98.41	101.16	102.16
Economic Development	4.00	4.00	4.00	4.00	4.00	5.00
Human Services	65.40	64.73	70.10	75.15	78.40	82.40
Public Works	129.65	136.00	136.30	135.80	135.95	141.95
TOTAL	373.31	381.99	389.01	396.91	407.06	420.06
<u>ADMINISTRATIVE SYSTEMS</u>						
City Manager's Office	12.05	13.05	10.75	10.75	11.75	11.75
City Attorney	9.92	9.92	9.92	9.92	9.92	9.92
City Clerk	3.95	3.95	4.25	4.25	4.25	4.25
Finance	24.00	24.00	24.00	24.24	26.24	28.24
Human Resources	15.00	16.00	16.00	16.00	18.00	19.00
Information Technology Services	23.00	27.00	27.00	27.00	27.00	27.00
TOTAL	87.92	93.92	91.92	92.16	97.16	100.16
CITYWIDE TOTAL	936.73	955.41	963.43	969.57	998.72	1,019.72

Note: Total number of positions anticipated at the end of June 2023 shown for FY 2022/23.

Staffing | Regular Position Summary

The Finance Department staffing increase of 2.0 FTE includes the addition of 1.0 FTE Finance Operations Manager and 1.0 FTE Accounting Technician to staff divisions at appropriate levels for the demand and volume of activities.

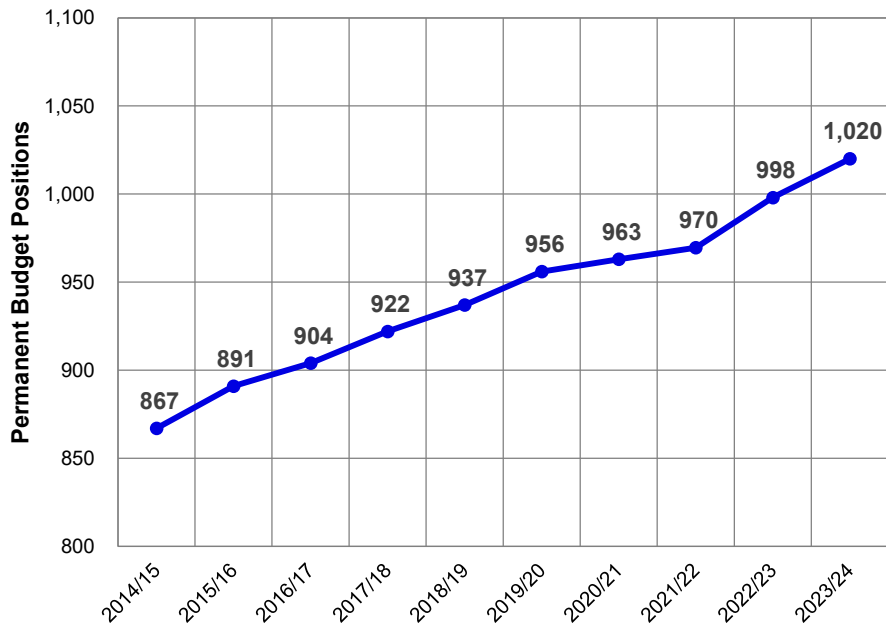
The Human Resources Department staffing increase of 1.0 FTE represents the addition of 1.0 FTE Human Resources Manager to enhance recruitment capacity and address organizational recruitment needs.

The Human Services Department staffing increase of 4.0 FTE includes 1.0 FTE Case Manager to support housing assistance programs, 1.0 FTE Human Services Specialist to support homeless care and response, and 2.0 FTE Counselors to focused on Asian mental health.

The Police Department staffing increase of 5.0 FTE includes the addition of 2.0 FTE Police Officers, 1.0 FTE Community Services Officer to support the mobile evaluation team, and 2.0 FTE Police Service Technicians to support department staffing needs.

The Public Works Department staffing increase of 6.0 FTE includes the addition of one new street maintenance crew, consisting of 1.0 FTE Street Field Supervisor, 1.0 FTE Street Maintenance Worker II, and 2.0 FTE Street Maintenance Worker I positions. In addition, 1.0 FTE Street Sweeper Operator to enhance street sweeping services and 1.0 FTE Fleet Mechanic I to support vehicle maintenance activities were also included.

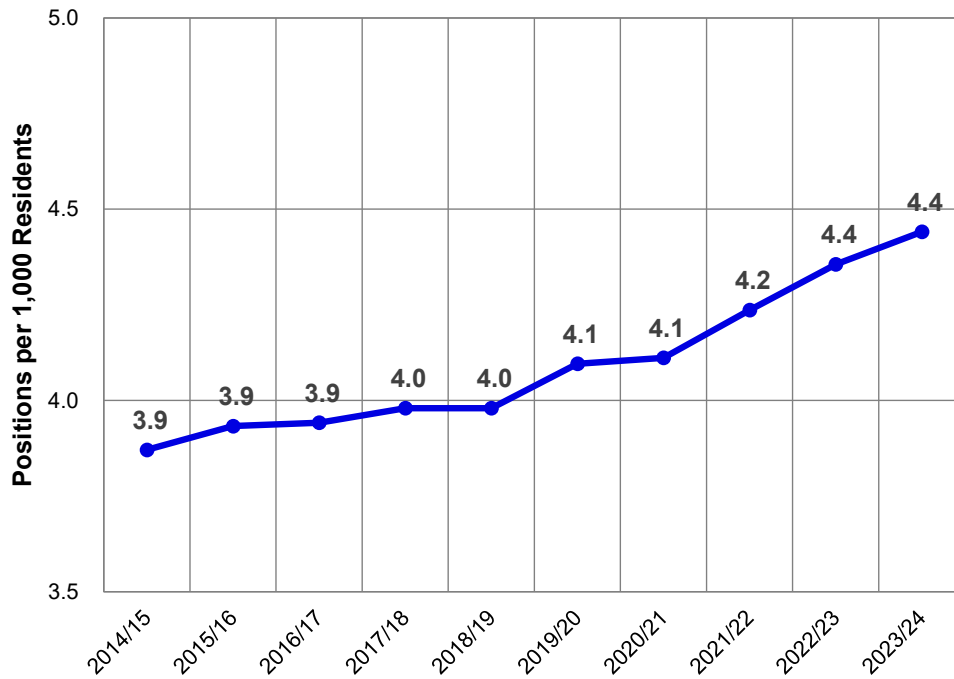
Budgeted Positions



Historical Perspective

City staffing has increased gradually over the past 10 years, growing by under 2% per year to the modest level of 4.4 FTEs per 1,000 residents. 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 over the years.

City Workforce per 1,000 Residents



The FY 2023/24 budget continues the City’s modest staffing and related service levels even though the FY 2023/24 overall staffing level has increased by 21.0 FTEs compared to FY 2022/23. The addition of two police officers and a new street maintenance crew, as well as planning, economic development, human resources, human services, and other maintenance positions serve to enhance public safety response capabilities, improve service delivery, provide support to homeless residents, and meet the growing demands of City residents and businesses.

The Staffing Level Comparison table on the next page reveals that the City maintains a low ratio of budgeted positions to residents. Fremont’s low staffing ratio continues to work due to prudent planning and efficient City operations. Through FY 2023/24, the City of Fremont continues to have one of the lowest per capita staffing levels in the area.

Staffing | Regular Position Summary

Staffing Levels Relative to Other Communities

Positions per 1,000 Residents

City	2022 Population	Citywide Positions	Positions per 1,000 Residents
Palo Alto	67,973	704	10.35
Oakland	421,806	4,183	9.92
San Jose	963,745	6,201	6.43
Santa Clara	130,462	779	5.97
Sunnyvale	156,364	769	4.92
Union City	67,702	321	4.73
Livermore	85,870	384	4.47
Fremont	229,122	996	4.35
Pleasanton	77,524	332	4.28
Newark	47,150	176	3.74

Source: FY2022/2023 published city budgets and California Department of Finance Population Estimates for 2022 (published May 1, 2023).

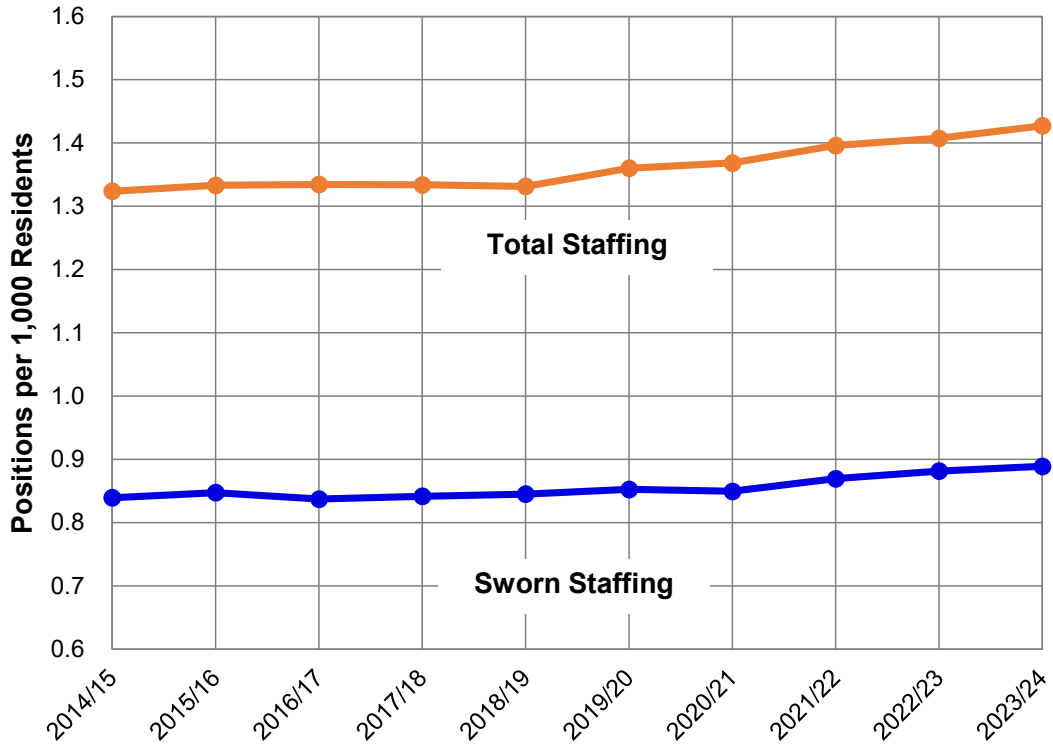
Note: Services provided by each community surveyed, and respective funding arrangements, vary widely among cities. The table reflects staffing levels in various communities, with the following adjustments to improve comparability with Fremont:

- Oakland:** total positions reduced by the number of positions supporting library services, city auditor, and race & equity city auditor, police commission, public ethics commission, violence prevention, and workplace and employment standards (not provided by the City of Fremont)
- Palo Alto:** total positions reduced by the number of positions supporting utility, library services, and city auditor (not provided by the City of Fremont)
- 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)
- San Jose:** total positions reduced by the number of positions supporting airport, library, city auditor, independent police auditor, and retirement services (not provided by the City of Fremont)
- 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
- Pleasanton:** total positions reduced by the number of positions supporting library, water, and sewer storm water services (not provided by the City of Fremont)
- Sunnyvale:** total positions reduced by the number of positions supporting library, NOVA workforce services, water, wastewater, and solid waste services (not provided by the City of Fremont)
- 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. The 2021 Annual Comprehensive Financial Report was not available, used most current report, 2020 ACFR.
- Livermore:** total positions reduced by the number of positions supporting library, water, water resources, and airport services (not provided by the City of Fremont)

Police

Police Department staffing increased by 5.0 FTE for FY 2023/24. Sworn staffing has increased by two police officers for FY 2023/24, at a per capita staffing level of 0.89 sworn officers per 1,000 residents. This level of police officer coverage per thousand residents has increased only slightly over the last ten years. The service level is illustrated by the graph below.

Police Positions per 1,000 Residents



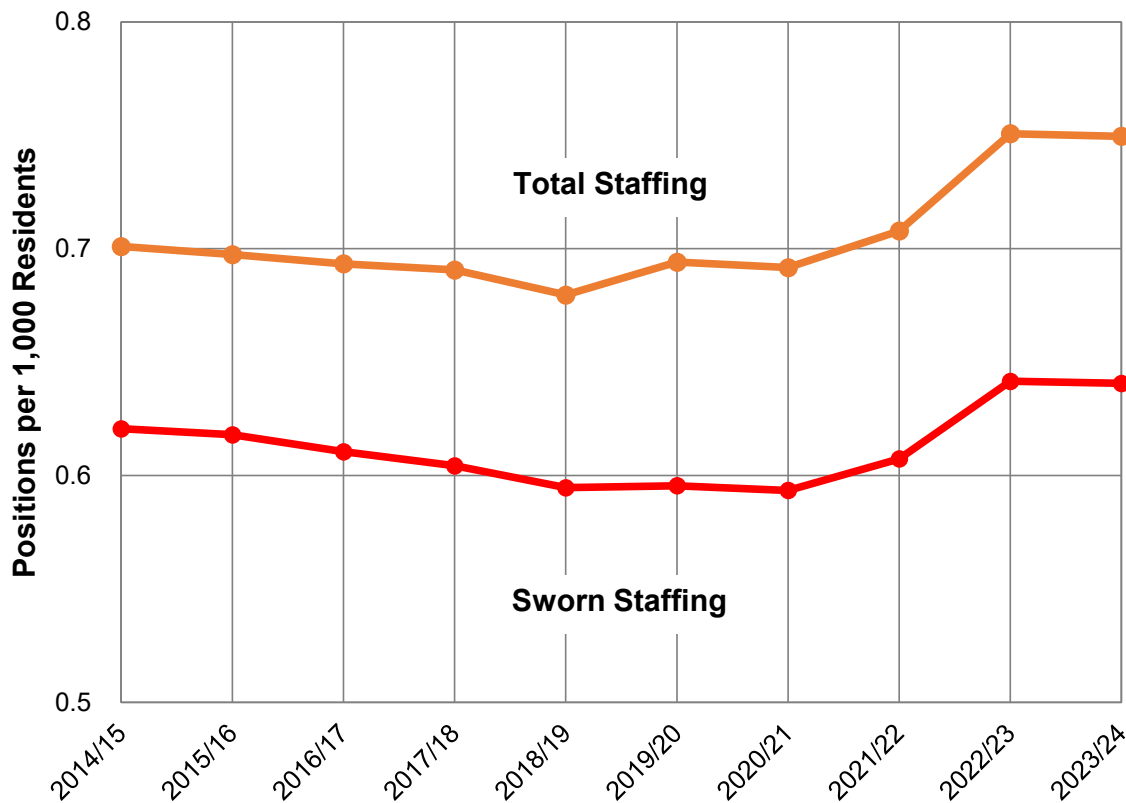
Staffing | Regular Position Summary

Fire

Fire Department staffing has no changes for FY 2023/24. As illustrated by the graph below, the budgeted addition of a fire truck company last year returned the level of staffing to just above where it was ten years ago.

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

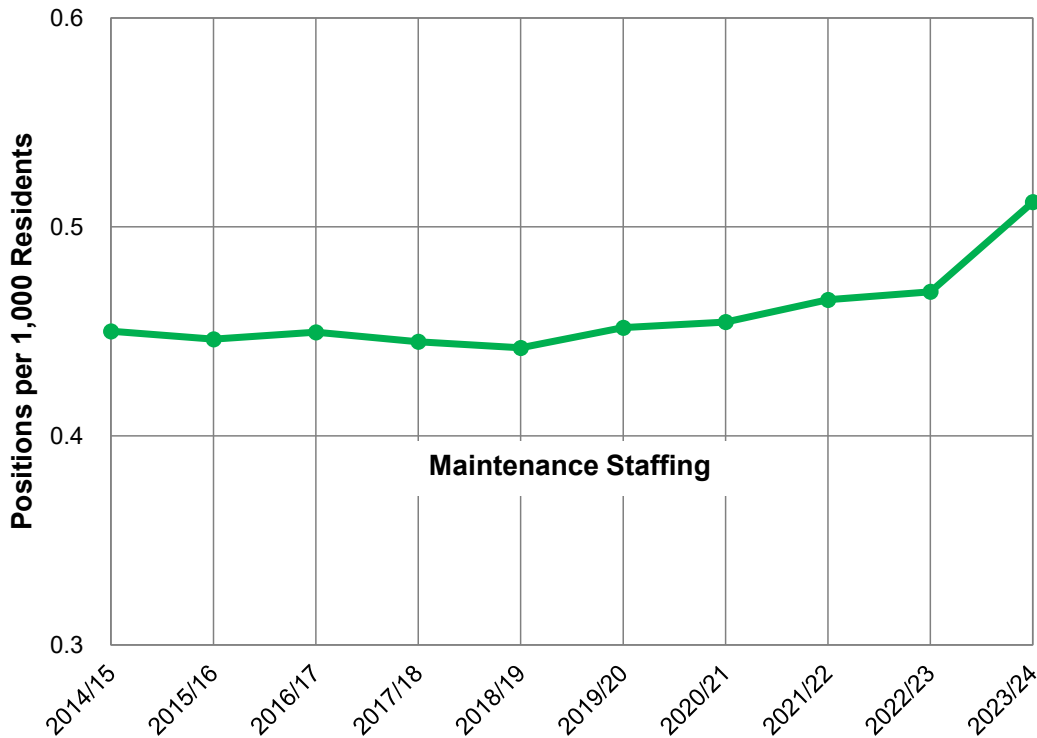
Low staffing presents a challenge to City efforts to maintain its public buildings, streets, parks, and urban forestry. The following table illustrates the maintenance needs:

FY 2023/24 Maintenance Statistics

Asset	FY 2023/24
Public Buildings	896,176 sq ft
Streets	1,094 lane miles
Trees Along Streets	55,392 trees
Park Land	1,224 acres

The staffing level of 0.5 maintenance workers per 1,000 residents has remained relatively stable since FY 2013/14 when the City outsourced its median maintenance activities. The addition of a new street maintenance crew in 2023/24 represents a significant service enhancement and should help to improve the condition of the City’s streets.

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 will hear a presentation of the City Manager’s proposed FY 2023/24 budget at a televised meeting on May 16, 2023. Televised public hearings will be held on June 6 and June 13, 2023.

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 is scheduled for adoption on June 13, 2023, and appropriates funds for projects and maintenance activities for FY 2023/24 and FY 2024/25. 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 2023/24-2027/28 CIP began during the summer of 2022. Appropriations reflect any changes in other City funding capabilities. Conversely, the capital projects adopted in the FY 2023/24-2027/28 CIP informs the FY 2023/24 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 81% 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 Annual Comprehensive Financial Report (ACFR).

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 233). The operating budget for the 2023/24 fiscal year will be adopted on June 13, 2023. The fiscal years before FY 2023/24 shown in the operating budget are for contextual purposes only and are not adopted by the City Council in its budget resolution for FY 2023/24.

The budget is generally prepared on the same basis of accounting used by the City in its ACFR. 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 ACFR, 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 ACFR for the fiscal year ended June 30, 2022, may be obtained on the City’s website at www.fremont.gov, or by contacting the City’s Finance Department. The ACFR for the fiscal year ending June 30, 2023, will be available no later than December 31, 2023.

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 ACFR. 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 ACFR 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 \$1,000,000 for general liability and \$500,000 for 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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