



# FISCAL YEAR 2024/25 **PROPOSED OPERATING BUDGET**



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Zoraida Diaz, Fire Chief  
Tina Gallegos, Human Resources Director  
Susan Gauthier, City Clerk  
Hans Larsen, Public Works Director  
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David Persselin, Finance Director  
Dan Schoenholz, Community Development Director  
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## Budget Team

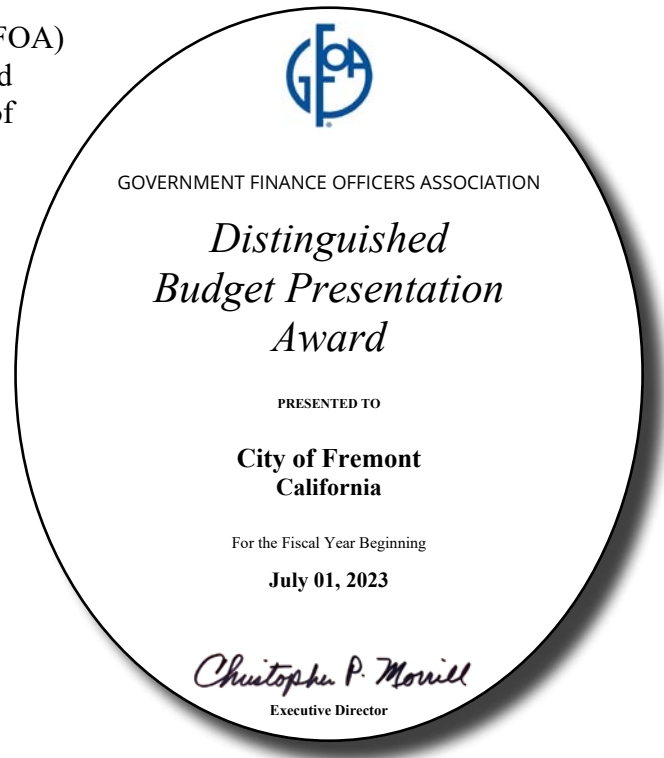
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The Government Finance Officers Association (GFOA) of the United States and Canada presented an award for Distinguished Budget Presentation to the City of Fremont for its annual budget for the fiscal year beginning July 1, 2023.

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-seventh 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.

### Department Budget Coordinators

<b>Department</b>	<b>Department Coordinators</b>
City Attorney/Risk Management	Elaine Roche; Steven Schwartz
City Clerk/Council/Manager	Alberto Quintanilla; Allen DeMers
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Community Services	Andrew Freeman
Economic Development	Donovan Lazaro, Vanessa Ware
Finance	Joe Fan
Fire	Corina Campbell
Human Resources	Tina Gallegos; Kelly Wright
Human Services	Arquimides Caldera; Leticia Leyva
Information Technology Services	Jeremy Huynh; Gunjan Kanwal Chaudhri
Police	Diane Brasil
Public Works	Michelle Silva-Salinas; Tiffany Curotto



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# Guide to the Document

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

## Document Organization

### *Budget Overview*

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

### *Summary Information*

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

### *General Fund*

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

### *Other Funds*

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

## Guide to the Document

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### *Capital Budget Summary*

The Capital Improvement Program (CIP) is adopted biennially and the proposed CIP that was adopted by the City Council in tandem with the 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 priorities 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.

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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.

This proposed budget addresses a near-term revenue shortfall brought about by the overpayment of sales tax revenue by the State to the City during FY 2022/23. We expect the State to reallocate approximately \$19.5 million over the last quarter of FY 2023/24 and the first quarter of FY 2024/25. Combined with reduced ongoing sales tax revenue estimates, those reallocations will require the use of one-time funds to maintain the current level of services to the community in FY 2024/25.

Fortunately, the City Council's prudent decisions to set aside the General Fund unreserved ending fund balance from FY 2022/23, to increase the General Fund Budget Uncertainty Reserve at the beginning of FY 2023/24, and to further augment the Budget Uncertainty Reserve at mid-year, provide us with the resources we need to offset the near-term revenue shortfall. Our General Fund forecast indicates that our ongoing revenues will again be sufficient to cover our ongoing expenditures, without the further use of reserves, beginning in FY 2025/26.

Supplemented by funding from the Budget Uncertainty Reserve, total General Fund budgeted resources in the coming fiscal year are estimated to be more than adequate to support total budgeted expenditures of \$276.3 million. Reflecting moderate projected growth in the local economy, ongoing General Fund resources are estimated to increase by 3.5% in FY 2024/25.

The proposed budget continues to incorporate the City Council's and community's highest priorities by maintaining funding for addressing and preventing homelessness, ensuring public safety, and pursuing environmental sustainability.

In this message, I will highlight the following:

- FY 2024/25 Fiscal Outlook
- Economic Update
- Key Budget Assumptions
- Discussion of Unmet Needs
- Major City Initiatives

## Budget Overview

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### FY 2024/25 Fiscal Outlook

Staff anticipates that the local economy will continue to grow at a moderate rate during FY 2024/25. Total General Fund ongoing resources (revenues and transfers in) of \$261.2 million are projected to increase by 3.5% over estimated actual ongoing resources in FY 2023/24.

Property tax and sales tax are the City's most significant revenue sources. Property tax revenues are estimated to total \$141.0 million in FY 2023/24, and staff projects those revenues will increase to \$147.3 million in FY 2024/25, an increase of 4.5%. 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 2024/25 tax roll is an increase of 2%. An estimated increase in value from changes in ownership of 2.6% is based on property transfer tax data for calendar year 2023 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 \$55.4 million in FY 2023/24, increasing by 3.8% to \$57.5 million in FY 2024/25. These estimates incorporate the \$19.5 million of overpaid sales tax to be recovered by the State, as well as an additional revenue reduction of \$4.3 million of Countywide pooled sales tax revenue.

Business taxes are projected to yield \$14.1 million in FY 2023/24. Although that total represents a decrease of 1.1% from the prior year, all of the decrease is attributable to a significantly lower level of development-related residential construction business tax. After adjusting for approximately \$600,000 of one-time prior year collections, the non-development general business tax category is expected to increase by almost 6%. The FY 2024/25 business tax estimate is \$14.0 million, an increase of 3.9% from the adjusted FY 2023/24 amount.

After double-digit post-pandemic growth in the two prior years, occupancy rates and room rates appear to have plateaued. The estimate for FY 2023/24 hotel/motel tax revenue is \$6.1 million, a 1.7% increase from the prior year. However, based on an acceleration in activity over the last several months, FY 2024/25 hotel/motel tax revenues are estimated to reach \$6.5 million, an increase of 6.4% from the current year.

The FY 2024/25 proposed operating budget maintains the General Fund Contingency Reserve at 16.7% of budgeted expenditures and transfers out, or \$46.1 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 2023/24 at \$24.4 million.



## Economic Update

**The national economy is expected to continue expanding at a moderate rate.** The Federal Reserve anticipates growth of approximately 2% in 2024 and 2025. Calendar year 2023 saw the national economy expand at a healthy 2.5% annual rate, with particularly high growth in the third and fourth quarters. Consistent with an economic expansion, the labor market has remained tight, with the national unemployment rate remaining close to record low levels.

The advance estimate for the first quarter of 2024 reports that gross domestic product (GDP) increased by 1.6%, slowing from the 3.4% increase in the fourth quarter of 2023. The seasonally adjusted unemployment rate rose slightly to 3.9% in April 2024, increasing only slightly above the historically low level we've seen over the past two years.

To combat inflation, the Federal Reserve has raised interest rates repeatedly over the last two years, and that intervention appears to be working, with the consumer price index declining from 6.4% in January 2023 to 3.5% in March 2024. Despite that drop, the Federal Reserve does not yet appear to be ready to start reducing interest rates, so tight credit for businesses and homebuyers will continue to act as a drag on the economy as we start the new fiscal year.

The press release from the most recent meeting of the Federal Reserve Open Market Committee on May 1st notes that "... economic activity has continued to expand at a solid pace. Job gains have remained strong, and the unemployment rate has remained low. Inflation has eased over the past year but remains elevated."

Although the favorable labor market has been supporting strong consumer spending, high prices and borrowing rates raise concerns about the future. According to The Conference Board Consumer Confidence Survey, "Confidence retreated further in April... elevated price levels, especially for food and gas, dominated consumer's concerns, with politics and global conflicts as distant runners-up."

The City's revenue forecast assumes continued increases over the next few years, but the continuation of domestic political polarization and international armed conflicts create significant economic uncertainties.

## 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 2024/25 proposed budget:

1. The State's partial recovery of misallocated sales tax revenue and adjustments for the lower level of ongoing revenue will consume the \$21.9 million unreserved ending fund balance from FY 2022/23 and reduce the General Fund Budget Uncertainty Reserve from \$30 million to \$24.4 million by the end of FY 2023/24.
2. The local economy will grow at a moderate rate during FY 2024/25. Total General Fund ongoing resources (revenues and transfers in) are projected to increase by 3.5% over estimated actual ongoing resources in FY 2023/24.

## Budget Overview

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3. The second half of the State's sales tax revenue reallocation in FY 2024/25 will require additional use of the Budget Uncertainty Reserve to balance the proposed budget while maintaining services at the current level. The Budget Uncertainty Reserve is projected to end FY 2024/25 with a balance of \$6 million.
4. In accordance with City Council policy, an additional pension contribution of \$6.7 million to pay down the City's unfunded liability more rapidly has been incorporated into the proposed General Fund budget.
5. Total expenditures in the FY 2024/25 proposed budget include a savings assumption of \$21.2 million (approximately 7.5% of total budgeted expenditures in FY 2024/25) to reflect the City's historical experience of under-spending total allocated resources, primarily due to salary savings from vacant positions.
6. The FY 2024/25 proposed budget includes continued funding for streets, sidewalks, and facilities maintenance, parks and street medians capital replacement, and capital improvements to achieve compliance with ADA standards.
7. The General Fund Contingency Reserve will be maintained at 16.7% of total budgeted expenditures and transfers out, the minimum level recommended by the Government Finance Officers Association of the United States and Canada (GFOA).
8. The proposed budget does not include funding to restore the General Fund Budget Uncertainty Reserve, but reestablishing that reserve at an appropriate level will be considered a top priority. As part of the FY 2023/24 Year-End Report in Fall 2024, staff will bring forward recommendations for allocating any 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, is 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, traffic signal modernization, and construction of major bicycle and pedestrian infrastructure 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 and converting City buildings from gas to electric heating 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 over \$100 million over the next 25 years.

As the City will be experiencing a revenue shortfall in FY 2024/25, the proposed budget includes very few General Fund service enhancements. One of the highlights of FY 2024/25 will be the activation of the City's new fire truck company in early 2025. Additional service proposals include increased spending for business district activation throughout the City, higher funding for the special event sponsorship program to accommodate expanded events and higher fees, and a new police lieutenant position to focus on public accountability, enhanced policing standards, emergency preparedness, and support for community field operations. Outside the General Fund, integrated waste management fees will fund more frequent homeless encampment cleanups, and contracts with the County will pay for additional staff to serve youth and family services clients at the Fremont Family Resource Center.

The proposed operating budget also incorporates a cost-neutral shift of the City's Environmental Services Division from the Community Services Department to the Community Development Department, which currently houses the City's environmental sustainability function. The combined resources will better position the organization to pursue the City Council's goal of prioritizing environmental sustainability.

### 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.

## Budget Overview

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### 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.



Warm Springs BART Station



West Access Bridge

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.

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. Both the national and regional commercial real estate markets remain weak for speculative office and hotel developments, impacting the near-term viability of certain projects. However, there are several prime opportunity sites in the area that will allow for flexible commercial and mixed-use redevelopment when market conditions improve.

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 seven projects under review totaling approximately 1.3 million square feet (SF); two projects under construction totaling approximately 662,000 SF; and two projects recently completed totaling approximately 316,000 SF, including a 110,000 SF project leased entirely to autonomous vehicle company Zoox and a 206,000 SF facility leased entirely to RK Group. RK Group is planning for what will ultimately become the largest and most state of the art facility in California for handling of lithium-based batteries.

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.



Tesla’s Fremont Factory



Warm Springs Retail Plaza

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.



Fremont Downtown

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

## **Budget Overview**

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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.

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.



Downtown/Capitol Avenue

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 this first-generation retail space have been strong, with all eleven of the commercial spaces leased to locally owned restaurants, shops, and health and beauty services.

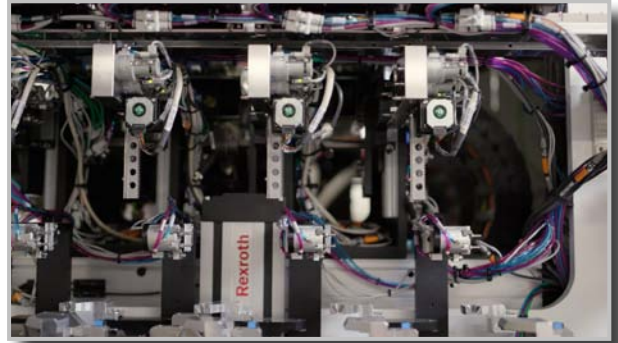
The substantial public investment and City planning efforts for Downtown have become a catalyst for attracting additional private investment as several projects in the immediate area are under construction by a variety of developers, including Fore Properties, MIG Real Estate and Fremont Bank. A 275-unit 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. Currently, the project's sponsors are finalizing building permits while waiting for financing conditions to improve.



Bayside Industrial Zone

### **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.



Ardenwood Technology Park

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



## Budget Overview

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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. While Meta has downsized its local workforce and placed several of the buildings on the market for sublease, the company has indicated that it expects to retain most of the core campus to accommodate future growth.

***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.

Other recent additions include genomics sequencing equipment maker Ultima Genomics, 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 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. Over the past two years, 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



## Budget Overview

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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 2024, the City and the Fremont Chamber of Commerce launched the second annual Fremont Restaurant Week. The event included 45 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.



To help tell the stories of the people who make up Fremont's small businesses, Economic Development launched the Shop Small series. The series features short videos profiling individual businesses to showcase the small businesses that help make Fremont unique, highlighting the stories of the business owners behind the scenes through a monthly video series on the City's social channels and YouTube channel. In a similar vein, the City also launched Small Business Saturday and Small Business Week campaigns, taking out full-page ads in the Tri-City Voice and posting across the City's social channels.

2023 also marked a major milestone with the completed adaptive reuse of the historic Centerville Theater. The multi-year rehabilitation required facilitating extensive site improvements -- including the rebuilding of the iconic marquee sign, fire prevention, HVAC, and accessibility -- all of which will allow for numerous future commercial uses, including a basketball league space in the near-term and an envisioned public market and food hall in the longer term.

***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

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**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; 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 West Access Bridge and Plaza at the Warm Springs BART Station, and the new Dusterberry Neighborhood Park.

Looking ahead, the City’s adopted five-year CIP (FY 2023/24 through FY 2027/28) includes projects and programs valued at \$296 million. The highlights of the adopted CIP are as follows.

- **General Fund Special Projects.** The adopted 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 recently completed is the “Fremont Boulevard Safe and Smart Corridor” project (\$9 million) which modernized 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 new Active Transportation Plan is being prepared with significant community input and the final plan is scheduled for completion in Fall 2024.
- 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 the adopted CIP include the following:
  - Major Park Improvements – Ongoing major park projects include California Nursery Historical Park, Centerville Community Park, and Palm Avenue Community Park. Improvements to Rix Neighborhood Park were recently completed.
  - Upgrades throughout the Park System – Upgrades to play areas are being installed at Booster, Buena Vista, Azevada, Los Cerritos, and Centerville Parks; new dog parks are proposed at Patterson Ranch and Vallejo Mill; and new pickle ball courts are planned at Vallejo Mill and Pacific Commons. Upgrades were recently completed at Marshall Park and Northgate Park, and new pickle ball courts were completed at Central Park.



- Trail and Pedestrian Improvements throughout the Park System – Trails are being upgraded at Central Park and a new trail was recently completed at Sylvester Harvey 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.



## Budget Overview

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- New Outdoor Closed Roof Community Spaces – New outdoor gathering and community spaces are proposed for Northgate Community Park.
- Land Acquisition for New Neighborhood Parks – To support the adopted goal of having a park within a 10-minute walk for all Fremont residents, a parkland acquisition program is funded to purchase properties within under-served neighborhoods as opportunities become available.





**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. In June 2023, the City Council reviewed and approved Fremont’s Legislative Framework which establishes guiding principles and priorities and serves as the City’s foundation for pursuing major initiatives and funding opportunities. Adopting a legislative framework 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 April of 2024, the Fremont City Council once again confirmed financial health and sustainability as the City’s foundational principle. Additionally, the City Council renewed consensus on the need to continue to address homelessness and prioritize public safety as top priority areas for the coming year. Additionally, the City Council added environmental sustainability as a new priority area this year, replacing commercial corridor vibrancy and health, due to significant milestones reached over the last couple of years:



- **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.
- **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.
- **Prioritize Environmental Sustainability;** Implement the measures outlined in Fremont’s updated Climate Action Plan, Climate Ready Fremont, which leverage infrastructure, technologies, policies, programs, and public engagement to reduce community-wide greenhouse gas emissions, achieve carbon neutrality goals, address climate change, and create a more sustainable, equitable, and resilient community.

## Budget Overview



A record number of bills were introduced by State lawmakers in 2024 during the second year of California’s 2023/24 legislative cycle. Key issues the City is keeping an eye on this session include the State’s budget, housing and homelessness, environment and climate change, health care, transportation and public safety. Staff’s work plan includes the process of reviewing and monitoring dozens of bills, analyzing and advocating for legislation and regulations that affect our community, partnering with local jurisdictions, and seeking funding opportunities that support these priorities, as well as other Council adopted policies and plans including but not limited to the City’s General Plan, Housing Element, Climate Action Plan, Mobility Action Plan, and the Parks and Recreation Master Plan.

Fremont is fortunate to work with lobbyist representatives who have been instrumental in helping the City to be aware of funding opportunities and service programs at the State and federal level. In 2023, the City was successful in securing funding opportunities for key priority projects:

- (1) Under the Congressional earmark process that provides local governments and nonprofits the opportunity to submit projects under the Community Project Funding process, the City received support from Congressman Ro Khanna in the amount of \$850,000 to revitalize the Auto Mall Parkway center median, and under Congressman Eric Swalwell, the City was awarded \$500,000 for the Central Park Community Center and \$963,000 for the police community camera equipment replacement/upgrade.
- (2) Through the 2023 California state budget process, with the support of Fremont’s State Senator Aisha Wahab and Assemblymember Alex Lee, the City was awarded \$500,000 to

support the Housing Navigation Center, \$1 million for the Central Park Community Center, and \$1.5 million for commercial district community wi-fi.

In spring of 2024, the City submitted several new funding requests through our State and federal representatives for consideration.

Over the next year, staff will continue to work with our legislative advocates 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.



### Conclusion

By making use of the reserves specifically established to address temporary revenue shortfalls, this proposed budget maintains essential services focused 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 most recent challenge, 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.

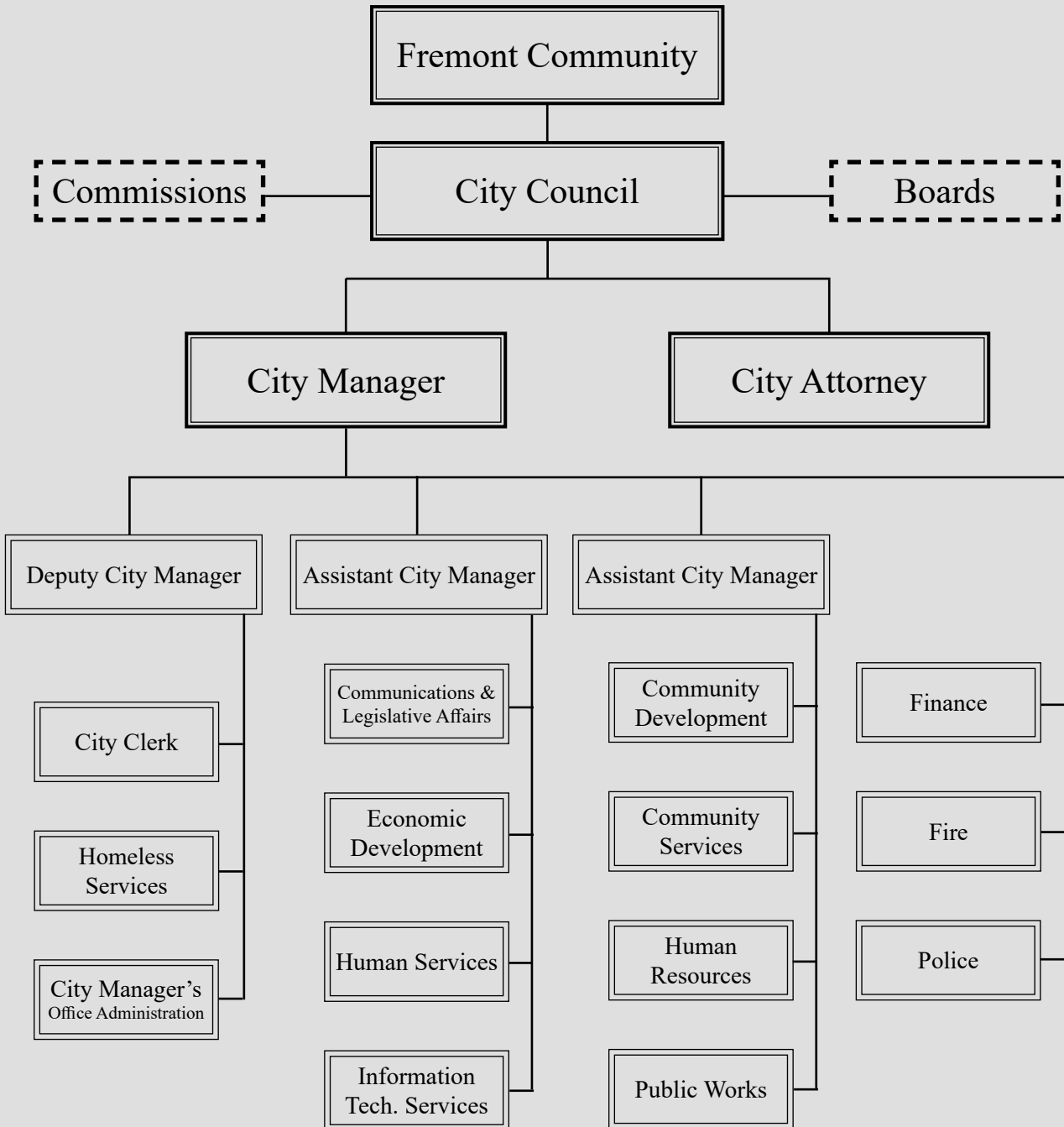
A handwritten signature in black ink, appearing to read 'Karena Shackelford'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Karena Shackelford  
City Manager

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# Summary Information

## City of Fremont Organization Chart Fiscal Year 2024/25





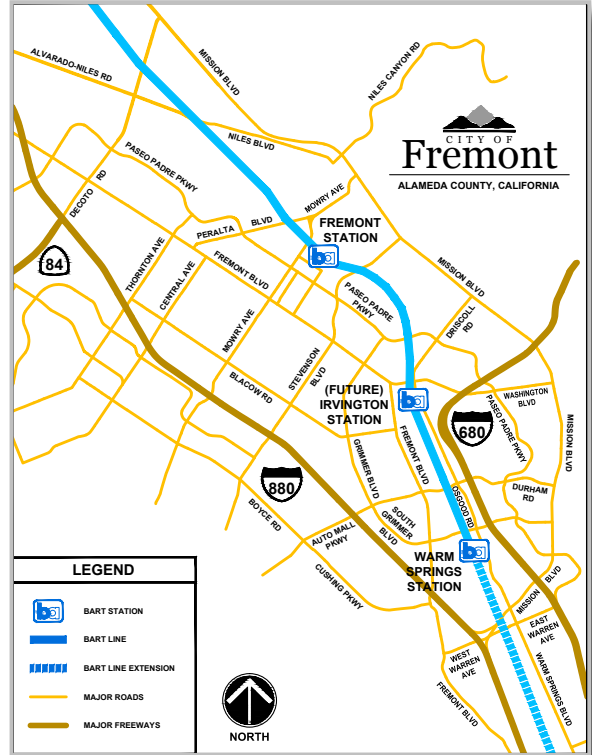
## City of Fremont, California Regional View



## City of Fremont Profile

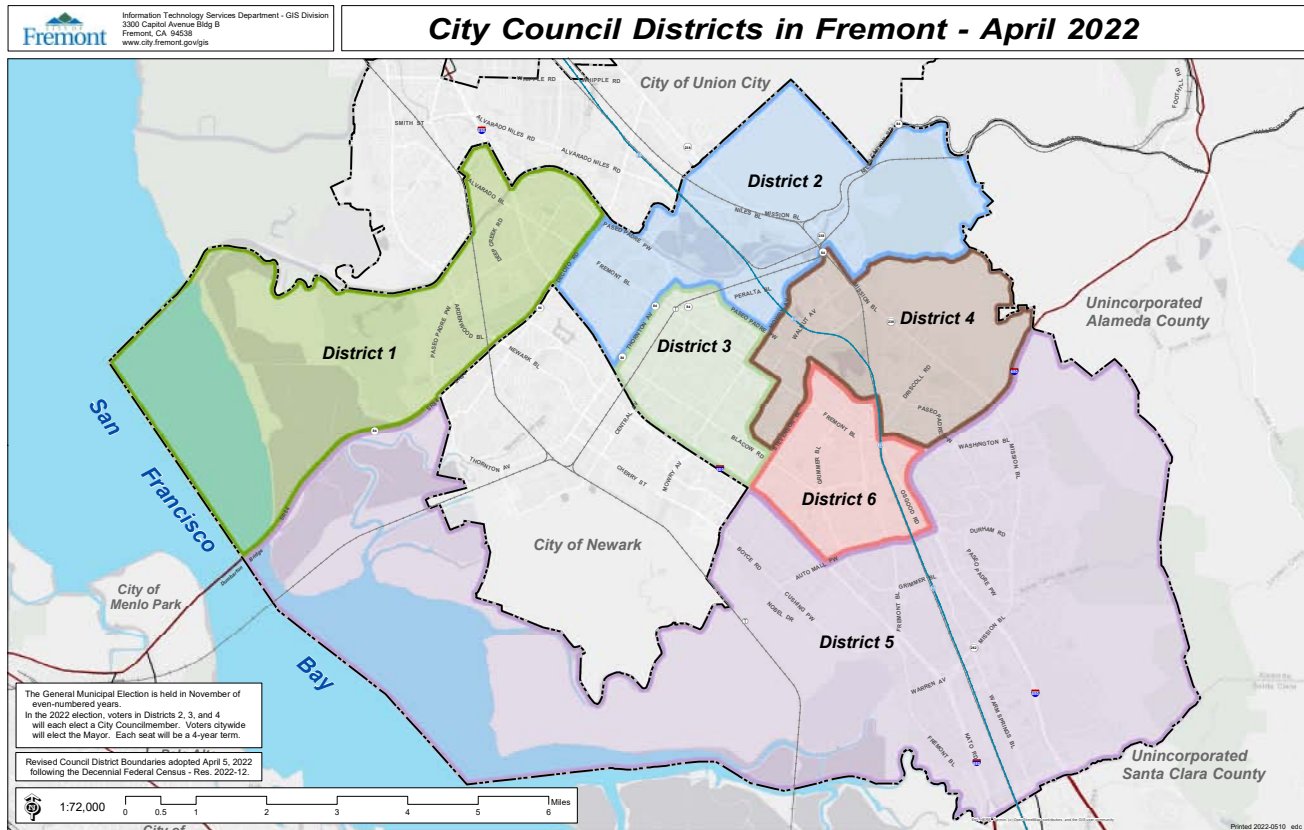
### History

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



On June 13, 2017, the City Council adopted an ordinance establishing six council districts and a by-district election process for six Councilmembers, with the Mayor continuing to be separately elected to a four-year term by a citywide vote. The district boundaries are shown on the map located at [www.Fremont.gov/DistrictElectionsMap](http://www.Fremont.gov/DistrictElectionsMap).

## 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 229,250, 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, six 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: 9

Full-time Employees FY 2024/25 <sup>1</sup>	
Community Development	103.03
Community Services	87.93
Economic Development	5.00
Fire	172.00
General Government	100.16
Human Services	84.15
Police	326.00
Public Works	142.95
<b>Total</b>	<b>1,021.22</b>

## Demographics

Population <sup>2</sup>	
1956	22,443
1960	43,634
1970	102,321
1980	127,454
1990	173,116
2000	203,413
2010	214,089
2020	230,504
2024	229,250

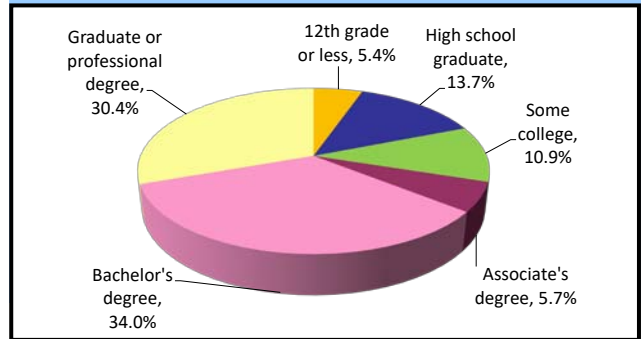
Land Area: 92 square miles

### Climate<sup>3</sup>

Average Temperature: 60°F (15.6°C)

Average Annual Precipitation: 15.19"

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

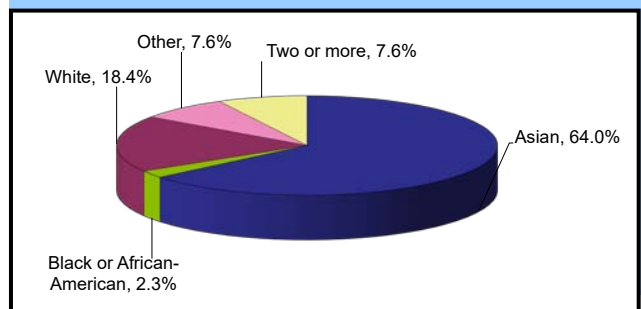


Median Age<sup>4</sup>: 39.3

Mean Household Income: \$162,336

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

(Hispanic/Latino may be of any race)



# Summary Information | City of Fremont Profile

## Business

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

- Boehringer Ingelheim, 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 and Recreation acreage	1,224
Senior Center	2
Community Centers	6
Fire Stations	11

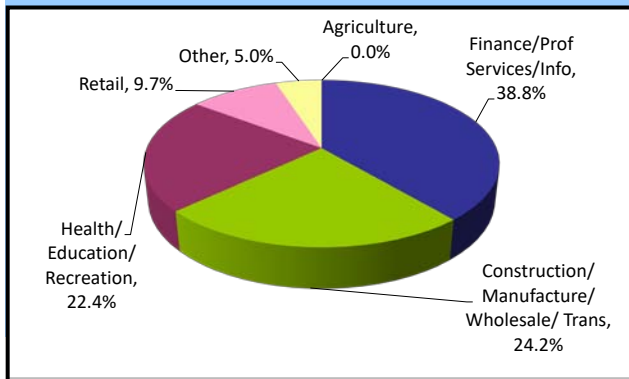
## Education

Fremont Unified School District (FUSD) has:

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

On the California School Dashboard (Dashboard), districts and schools that serve students in grade twelve receive the College/Career Indicator (CCI). This indicator looks at how well local educational agencies and schools are preparing graduates for college and/or career. Graduates who meet specific CCI “prepared” criteria are included in the calculations of the CCI rate<sup>6</sup>.

Distribution of Jobs by Major Employment Sectors<sup>4</sup>  
Total Jobs = 114,811



CCI Table	
FUSD	71.40%
County	53.00%
State	43.92%

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



## Services by Other Governmental Units

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

### Notes:

<sup>1</sup> FY 2024/25 Proposed Operating Budget, City of Fremont

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

<sup>3</sup> The Weather Channel

<sup>4</sup> US Census Bureau

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

<sup>6</sup> California Department of Education

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

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## All City Funds Schedule

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

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

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

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

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

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

# Summary Information | All City Funds Schedule

## Summary of All Funds (Thousands of Dollars)

	General Fund	Cost Center/ Internal Service Funds	Special Revenue Funds	Capital Funds	Total
<b>Sources</b>					
Beginning Unreserved Fund Balance	\$ -	\$ 29,980	\$ 104,043	\$ 86,929	\$ 220,952
Revenues					
Taxes:					
Property Tax	147,306	-	2,657	-	149,963
Sales Tax	57,510	-	1,681	-	59,191
Business Tax	13,994	-	-	-	13,994
Hotel/Motel Tax	6,507	-	-	-	6,507
Property Transfer Tax	2,054	-	-	-	2,054
Paramedic Tax	1,225	-	-	-	1,225
Franchise Fees	13,103	-	-	-	13,103
Charges for Services	7,503	44,708	23,523	-	75,734
Fines	2,759	-	-	-	2,759
Use of Money and Property	2,336	576	534	1,124	4,570
Intergovernmental	498	704	13,762	20,668	35,632
Other Revenues	64	2,139	1,921	11,345	15,469
Total Revenues	254,859	48,127	44,078	33,137	380,201
Transfers In	6,295	4,459	3,376	7,650	21,780
<b>Total Sources</b>	<b>261,154</b>	<b>82,566</b>	<b>151,497</b>	<b>127,716</b>	<b>622,933</b>
<b>Uses</b>					
Expenditures					
General Government	26,178	-	-	-	26,178
Police	122,981	-	532	-	123,513
Fire	76,401	-	167	-	76,568
Maintenance (Streets/Facilities)	26,886	-	-	6,079	32,965
Maintenance (Parks/Street Medians/Landscape)	12,551	2,615	4,608	-	19,774
Human Services	5,445	2,076	16,007	-	23,528
Code Enforcement/Community Development Admin	2,274	-	342	-	2,616
Housing	-	-	17,557	-	17,557
Environmental Services	-	-	14,142	-	14,142
Engineering	-	16,762	-	-	16,762
Planning	-	5,751	-	-	5,751
Building and Safety	-	14,309	-	-	14,309
Recreation	-	11,194	-	-	11,194
Homeless Services	-	-	3,812	-	3,812
Non-departmental	3,190	5,027	-	-	8,217
Capital	-	2,368	-	30,599	32,967
Less: Citywide Savings	(21,200)	-	-	-	(21,200)
Debt Service	6,773	-	3,052	-	9,825
Total Expenditures	261,479	60,102	60,219	36,678	418,478
Transfers Out	14,834	3,882	1,990	1,000	21,706
<b>Total Uses</b>	<b>276,313</b>	<b>63,984</b>	<b>62,209</b>	<b>37,678</b>	<b>440,184</b>
<b>Ending Fund Balance</b>					
Reserved Fund Balance	52,191	35,616	8,824	-	96,630
Unreserved Fund Balance	-	18,340	88,236	76,858	183,435
<b>Total Ending Fund Balance</b>	<b>\$ 52,191</b>	<b>\$ 53,956</b>	<b>\$ 97,060</b>	<b>\$ 76,858</b>	<b>\$ 280,065</b>



## Citywide Position Changes Overview

The total authorized regular staffing level of 1,021.22 for FY 2024/25 has increased by 2.75 full time equivalent (FTE) positions from the FY 2023/24 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 2024/25 staffing increases serve to enhance public safety response capability and support other wrap-around services to the community.

The Police Department staffing increase of 1.0 FTE represents the addition of 1.0 FTE Police Lieutenant to focus on public accountability, enhanced policing standards, emergency preparedness, and support for community field operations.

The Human Services Department staffing increase of 1.75 FTE represents the addition of 1.0 FTE Human Services Specialist II position to the department’s Youth and Family Service Division to support mental health services to low-income children and families. The remaining 0.75 FTE increase allows the department to better service the community and meet increased service needs by turning two part-time Office Specialist II positions to full-time positions.

	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
<b><u>PUBLIC SAFETY</u></b>						
Fire	162.00	162.00	162.00	172.00	172.00	<b>172.00</b>
Police	317.50	320.50	318.50	322.50	325.00	<b>326.00</b>
<b>TOTAL</b>	<b>479.50</b>	<b>482.50</b>	<b>480.50</b>	<b>494.50</b>	<b>497.00</b>	<b>498.00</b>
<b><u>OTHER COMMUNITY SERVICES</u></b>						
Community Development	81.25	81.55	83.55	87.55	103.03	<b>103.03</b>
Community Services	96.01	97.06	98.41	101.16	87.93	<b>87.93</b>
Economic Development	4.00	4.00	4.00	4.00	5.00	<b>5.00</b>
Human Services	64.73	70.10	75.15	78.40	82.40	<b>84.15</b>
Public Works	136.00	136.30	135.80	135.95	142.95	<b>142.95</b>
<b>TOTAL</b>	<b>381.99</b>	<b>389.01</b>	<b>396.91</b>	<b>407.06</b>	<b>421.31</b>	<b>423.06</b>
<b><u>ADMINISTRATIVE SYSTEMS</u></b>						
City Manager's Office	13.05	10.75	10.75	11.75	11.75	<b>12.00</b>
City Attorney	9.92	9.92	9.92	9.92	9.92	<b>9.92</b>
City Clerk	3.95	4.25	4.25	4.25	4.25	<b>4.00</b>
Finance	24.00	24.00	24.24	26.24	28.24	<b>28.24</b>
Human Resources	16.00	16.00	16.00	18.00	19.00	<b>19.00</b>
Information Technology Services	27.00	27.00	27.00	27.00	27.00	<b>27.00</b>
<b>TOTAL</b>	<b>93.92</b>	<b>91.92</b>	<b>92.16</b>	<b>97.16</b>	<b>100.16</b>	<b>100.16</b>
<b>CITYWIDE TOTAL</b>	<b>955.41</b>	<b>963.43</b>	<b>969.57</b>	<b>998.72</b>	<b>1,018.47</b>	<b>1,021.22</b>

Note: Environmental Services was moved from the Community Services Department to the Community Development Department during FY 2023/24. Total number of positions anticipated at the end of June 2024 shown for FY 2023/24.

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## 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 2024/25, and its future annual debt service requirements.

### Changes in Outstanding Debt

	Amounts Outstanding 06/30/2023	Incurred or Issued	Matured or Retired	Amounts Outstanding 06/30/2024	Amounts Due Within One Year	Amounts Due in More than One Year
<b>General Obligation Bonds</b>						
2017 Fire Safety Bonds Maturity – 08/01/2038	\$ 10,215,000	\$ -	\$ (445,000)	\$ 9,770,000	\$ 470,000	\$ 9,300,000
2021 Fire Safety Bonds Maturity – 08/01/2034	15,205,000	-	(1,050,000)	14,155,000	1,095,000	13,060,000
<b>Total General Obligation Bonds</b>	<b>25,420,000</b>	<b>-</b>	<b>(1,495,000)</b>	<b>23,925,000</b>	<b>1,565,000</b>	<b>22,360,000</b>
<b>General Fund Bonds</b>						
2019 Lease Revenue Bonds Maturity – 10/01/2038	59,570,000	-	(5,145,000)	54,425,000	5,420,000	49,005,000
<b>Total General Fund Bonds</b>	<b>59,570,000</b>	<b>-</b>	<b>(5,145,000)</b>	<b>54,425,000</b>	<b>5,420,000</b>	<b>49,005,000</b>
<b>Total City Long-term Debt</b>	<b>\$ 84,990,000</b>	<b>\$ -</b>	<b>\$ (6,640,000)</b>	<b>\$ 78,350,000</b>	<b>\$ 6,985,000</b>	<b>\$ 71,365,000</b>

### Budgeted Debt Service - FY 2024/25

	Principal	Interest	Fees	Total
<b>General Obligation Bonds</b>				
2017 Fire Safety Bonds	\$ 470,000	\$ 377,100	\$ 750	\$ 847,850
2021 Fire Safety Bonds	1,095,000	680,375	750	1,776,125
<b>Total General Obligation Bonds</b>	<b>1,565,000</b>	<b>1,057,475</b>	<b>1,500</b>	<b>2,623,975</b>
<b>General Fund</b>				
2017B Lease Revenue Bonds	-	-	750	750
2019 Lease Revenue Bonds	4,516,178	2,253,087	3,070	6,772,335
<b>Total General Fund</b>	<b>4,516,178</b>	<b>2,253,087</b>	<b>3,820</b>	<b>6,773,085</b>
<b>Community Development Block Grant</b>				
2019 Lease Revenue Bonds	547,000	-	-	547,000
<b>Family Resource Center</b>				
2019 Lease Revenue Bonds	356,822	71,563	-	428,385
<b>Total Budgeted Debt Service</b>	<b>\$ 6,985,000</b>	<b>\$ 3,382,125</b>	<b>\$ 5,320</b>	<b>\$ 10,372,445</b>

## Summary Information | City Debt Summary

### Annual Debt Service Requirements

Year Ending June 30	General Obligation Bonds		General Fund		Family Resource Center	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,565,000	\$ 1,057,475	\$ 5,063,178	\$ 2,253,087	\$ 356,822	\$ 71,563
2026	1,635,000	977,475	5,330,307	1,993,250	384,693	53,025
2027	1,720,000	893,600	4,497,802	1,747,547	417,198	32,978
2028	1,795,000	805,725	3,799,044	1,540,126	450,956	11,274
2029	1,875,000	713,975	4,060,000	1,343,650	-	-
2030 - 2034	10,255,000	2,065,750	15,335,000	4,316,875	-	-
2035 - 2039	5,080,000	331,300	14,730,000	1,531,600	-	-
<b>Total</b>	<b>\$ 23,925,000</b>	<b>\$ 6,845,300</b>	<b>\$ 52,815,331</b>	<b>\$ 14,726,135</b>	<b>\$ 1,609,669</b>	<b>\$ 168,840</b>

### 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. The Authority uses the lease revenue received from the City to pay principal and interest on the lease obligations. The City has two outstanding series of lease revenue bonds: the 2017B Lease Revenue Bonds and the 2019 Lease Revenue Bonds, which were issued to finance or refinance the acquisition or construction of various capital assets including building improvements and fire equipment.

The 2017B Lease Revenue Bonds were defeased (pre-paid into an escrow fund) 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 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.

Standard & Poor’s maintains ratings of AA+ (stable outlook) on the City’s 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 \$23,925,000 of outstanding debt subject to the legal debt limit and a legal debt limit of \$2,683,305,127 the City is not at risk of exceeding this limit.

### Computation of Legal Debt Margin as of June 30, 2024

<b>Assessed Valuation (net)<sup>1</sup></b>	<b>\$ 71,554,803,386</b>
25% of Assessed Valuation	17,888,700,847
<b>Debt Limit: 15% of Assessed Valuation</b>	<b><u>2,683,305,127</u></b>
Less Outstanding Debt (subject to legal debt limit)	(23,925,000)
<b>Legal Debt Margin</b>	<b><u>\$ 2,659,380,127</u></b>

<sup>1</sup> Source: Auditor-Controller of Alameda County, Certificate of Assessed Valuation, Fiscal Year 2023/24.

## Summary Information | City Debt Summary

### Debt Management Policy General Fund Debt Service Limit

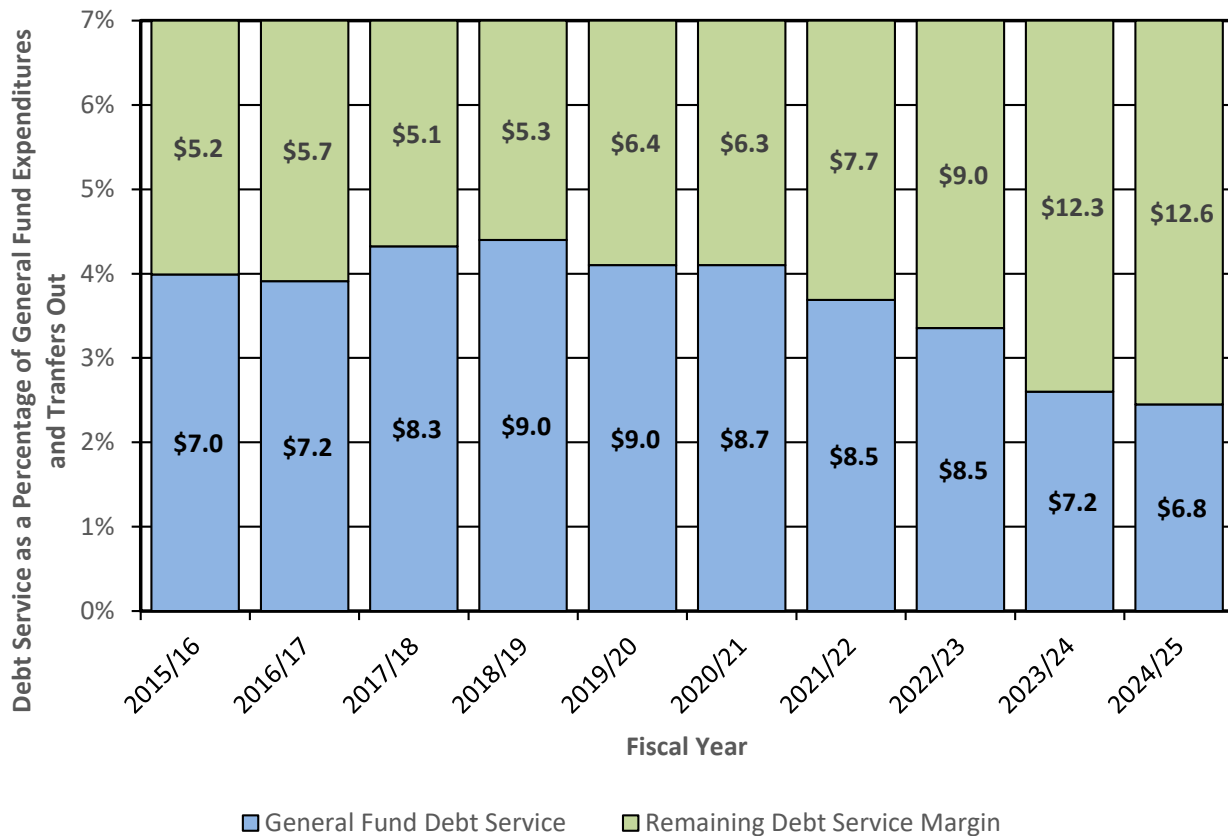
The City of Fremont’s Debt Management Policy, adopted by the City Council on April 4, 2017, requires that debt service supported by the General Fund will not exceed 7% of total General Fund budgeted expenditures and transfers out. With FY 2024/25 debt service supported by the General Fund estimated at \$6,769,265 and a debt service limit of \$19,341,910, the City is not projected to exceed its debt service limit.

#### Compliance with General Fund Debt Service Limit

<b>Total General Fund Budgeted Expenditures and Transfers Out</b>	<b>\$ 276,313,000</b>
<b>Debt Management Policy Limit of 7%</b>	19,341,910
Less Debt Service Supported by the General Fund	<u><u><b>(6,769,265)</b></u></u>
<b>Debt Service Margin</b>	<b>\$ 12,572,645</b>

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

#### Annual Debt Service vs. Policy Limit



## Appropriations Limit

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

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

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

multiplied by

*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 April 30, 2024, the State Department of Finance notified each city of the population change factor and the per capita personal income factor to be used in determining the appropriations limit. The percentage change in per capita income is 3.62%. The calculation as applied to the City of Fremont for FY 2024/25 is as follows:

The population change from January 1 of the previous year (230,713) to the population on January 1, 2024 (229,250) is -1,463, or a 0.63% decrease.

The change in per capita personal income is 3.62%.

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

$$\frac{-0.63 + 100}{100} \quad \times \quad \frac{3.62 + 100}{100} \quad = \quad 1.0297$$

## Summary Information | Appropriations Limit

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Applying this year's factor of 1.0297 to last year's limit of \$917,853,080 yields the Appropriations Limit for FY 2024/25 of \$945,113,316.

Based on an operating budget of \$276,313,000 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 2024/25 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.

During FY 2023/24, the City Council adopted an update to its Climate Action Plan, entitled *Climate Ready Fremont*, to direct local actions that reduce greenhouse gas emissions from the atmosphere. One of the local actions identified is to “Modify City budgeting processes to incorporate priorities established by *Climate Ready Fremont*.” The budget principles have accordingly been expanded to reflect that guidance.

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 and Environmental Impact 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 and Environmental Impact 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
- Prioritize projects and programs that reduce greenhouse gas emissions and/or increase resiliency to climate change
- CIP projects may proceed only if there is sufficient funding for ongoing operating and maintenance costs

## Summary Information | Budget Principles

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- 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 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
Percent of standard contracts reviewed within 5 business days of receipt*	N/A	N/A	N/A	N/A
Percent of liability (damage) claims reviewed and insufficiency noted within 14 days of receipt (statutory requirement)	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%
* Measure being revised to reflect implementation of electronic document workflow.				

### City Clerk

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 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.				

## Summary Information | Performance Measurement

### City Manager

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
Percent of residents that agree that Fremont is a “good” or “excellent” place to live <sup>1</sup>	N/A	75%	64%	N/A
Number of likes, followers, and subscribers of the social media accounts	282,000	325,236	310,628	326,159

<sup>1</sup> The community survey is a biennial survey. Due to 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.

### Community Development

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
Reduce waits for public counter assistance to a maximum of 15 minutes	90%	90%	90%	90%
Achieve entitlement processing schedules	90%	90%	90%	90%
Achieve building permit processing schedules	90%	90%	75%	90%
Increase number of creek clean-up and restoration event volunteers	983	700	990	1,050

**Community Services**

<b>Measure</b>	<b>FY 2022/23 Actual</b>	<b>FY 2023/24 Target</b>	<b>FY 2023/24 Estimate</b>	<b>FY 2024/25 Target</b>
Increase Recreation program registrants over prior year	20,658	23,000	20,944	21,500
Increase Park Maintenance Tree Planting	127	150	175	200

**Economic Development**

<b>Measure</b>	<b>FY 2022/23 Actual</b>	<b>FY 2023/24 Target</b>	<b>FY 2023/24 Estimate</b>	<b>FY 2024/25 Target</b>
Number of businesses assisted by Economic Development Department	400	400	415	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	20	20	22	20
Number of business appreciation visits and establishment of baseline for percentage of visits that lead to subsequent follow-up/interaction with City	35	35	36	35



**Summary Information | Performance Measurement**

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**Finance**

<b>Measure</b>	<b>FY 2022/23 Actual</b>	<b>FY 2023/24 Target</b>	<b>FY 2023/24 Estimate</b>	<b>FY 2024/25 Target</b>
Number of bids/RFPs issued	55	60	70	65
Percent of Business Tax certificates issued online	68%	75%	72%	75%

## Summary Information | Performance Measurement

### Fire

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
Call Processing Time Goal <1:30 minutes Time to process and dispatch to incident	90.0%	100%	90.0%	90.0%
Paramedic & EMS Goal <7:30 minutes Time from 911 call to FFD unit on scene	88.1%	86.9%	90.0%	90.0%
Fire Contained to 1 acre	97.8%	98.5%	90.0%	90.0%
Turnout and Travel Time Goal <2:00 minutes Time from apparatus in route to incident	93.8%	89.9%	90.0%	90.0%
OSHA in/out Goal <8:00 minutes From dispatch	95.6%	91.1%	90.0%	90.0%
Fire Contained to room of origin	87.5%	88.1%	90.0%	90.0%
Turnout and Travel Time Goal <6:00 minutes From time of call to arrival	83.7%	81.3%	90.0%	90.0%
1 <sup>st</sup> Alarm Goal <10:00 minutes Response time for 4 engines, 1 truck, and I Battalion Chief to arrive on scene	85.7%	84.6%	90.0%	90.0%
Extrication Goal <30 minutes Time to extricate first victim from auto collision	100%	100%	90.0%	90.0%

## Summary Information | Performance Measurement

### Human Resources

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
% of employees participating in a 457(b) deferred compensation plan for retirement savings	73%	80%	69%	80%
Total number of citywide recruitments opened (full-time and part-time)	79	N/A <sup>1</sup>	76	100
Citywide Vacancy Rate	N/A	N/A <sup>2</sup>	15%	10%
<sup>1</sup> New measure for FY 2023/24. <sup>2</sup> New measure for FY 2024/25.				

### Human Services

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
Percent of Long-term SparkPoint Clients achieving economic mobility <sup>1</sup>	75%	75%	72%	65%
Increase number of paid members at both Age Well Centers <sup>2</sup>	1,428	1,750	1,780	1,870
Percent of youth who improved in their social behavioral health and were observed as stable after receiving counseling services <sup>3</sup>	75%	75%	73%	75%
<sup>1</sup> Long-term SparkPoint clients will improve in one of four SparkPoint metrics (Higher Credit Score, Lower Debt to Income Ratio, Higher Income or Higher Savings) by at least 5%. Since the number of SparkPoint clients who are new to the US financial banking systems is increasing, the process will take longer, thus a slightly lower percentage of those achieving economic stability is projected. <sup>2</sup> Measured by number of members in Active Net, the Age Well Center's registration system. <sup>3</sup> Measured by clinicians using the Child and Adolescent Needs and Strengths Assessment, an evidenced based instrument that measures client change over time.				

Information Technology Services

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 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	83%	80%	80%	80%
Percent of requests for GIS Street Naming and Addressing projects completed within agreed-upon time frames	94%	80%	97%*	80%
*Important Note: 97% completed in 2023/24 - 47 more addressing requests in 2023 than in 2022 – most likely due to all the new ADU’s				

## Summary Information | Performance Measurement

### Police

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
Continue to apply the strategies, tactics, and methods to address Organized Retail Theft (provide focused patrols and enforcement known to ORT activity based on intelligence and analysis) <sup>1</sup>	718	Sustain present level or further increase from the previous year	972	Sustain present level or further increase from the previous year <sup>3</sup>
Continue to apply the strategies, tactics, and methods used to sustain the present level or further reduce the incidence of crimes against persons, property, or society (Group “A” Offenses in NIBRS) <sup>2</sup>	10,834	Sustain present level or further reduction from the previous year	10,598 (2.2% reduction)	Sustain present level or further reduction from the previous year
MET outreach/ collaboration efforts to increase intervention on repeat clients; services and partnerships to decrease mental health evaluations <sup>3</sup>	N/A Tracking began in FY 2023/24	N/A Tracking began in FY 2023/24	1,215	Increase from the previous year
Increase staffing levels for the positions of Police Officer and all Professional employee positions <sup>4</sup>	129 out of 158 = 82% (Police Officer)  88 out of 102.5 = 73% (Professional)	Increase from the previous year	125 out of 160 = 78% (Police Officer)  98 out of 125.5 = 78% (Professional)	128 out of 160 = 80% (Police Officer)  107 out of 125.5 = 85% (Professional)
<sup>1</sup> Based on theft, robbery, and shoplifting reports in identified hot spots in the Records Management System software <sup>2</sup> Group “A” offenses reported by the National Incident-Based Reporting System (NIBRS) <sup>3</sup> Based on Calls for Service for MET officer assigned calls in the Computer Aided Dispatch Software <sup>4</sup> Based on hires minus separations for the fiscal year for full-time positions in the rank of Police Officer and all professional				



Public Works

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
Percent of preventative maintenance repairs Fleet services performed on-schedule (e.g., completed within two weeks of scheduled service)	56%	75%	70%	75%
Number of “clean fuel” vehicles in City fleet	85	105	98	115
Number of persons severely or fatally injured in traffic crashes on City streets  Notes: The traffic fatality rate (fatalities per 100,000 population) in Fremont was 2.6 in 2023, which is significantly below the national rate of 12.7 (in 2022) and the California rate of 11.2 (in 2022)	30 in Calendar Year 2022 (8 fatalities)	Continuous improvement	39 in Calendar Year 2023 (6 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%	60%/92%	57%/95%	65%/100%

### 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 Work with property owners of multi-family buildings to educate and implement requirements of SB 721 and SB 326 to ensure the safety of elevated, exterior elements, such as balconies, stairs, and walkways. 
- 2 Implement Short Term Rental (STR) ordinance by contracting with a host compliance company and developing a permit application/process, as well as working with STR operators to obtain the required permit and to comply with the STR ordinance. 
- 3 Through the Code Enforcement and Housing Divisions, support implementation of the City's Homeless Response Plan. 
- 4 Complete modernization project for the Permit Center to better utilize its limited area, including creating a kiosk center to facilitate the public's use of the increasing number of online services. 
- 5 Implement in-person and virtual appointment-based plan review, as well as establish a virtual public counter for general permitting questions. 
- 6 Create videos for the public on how to use Citizen Access, the City's online permitting portal; and on how to search and apply for affordable housing in Fremont. 
- 7 Update the City's seismic ordinance to consider updated technical guidance and changes in State law. 
- 8 Work with developers of several pipeline affordable housing projects to issue building permits, begin construction, complete construction, and/or move tenants into the units, as appropriate for each project. 
- 9 Work with Ava Community Energy to select one or more locations to serve as hub for publicly accessible electric vehicle fast charging and to secure permits for installation. 
- 10 Work with Ava Community Energy to enter contracts for installation of solar/battery microgrids at several City facilities. 
- 11 Expand participation of Fremont businesses and schools in county reusable food service ware campaign, implement an adopt-a-drain program, evaluate the street sweeping program, conduct a waste audit at City facilities and prioritize efforts, and implement a battery collection program at 11 fire stations within Fremont available for community use. 
- 12 Generate design options for the City-owned Fremont/Decoto site and, after receiving community and Council input, recommend a preferred development option to the Council for approval. 

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             |
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### **COMMUNITY DEVELOPMENT DEPARTMENT (continued):**

- 13 Continue to implement and report on the second-year program commitments of the certified 2023-2031 Housing Element and update municipal codes and City policies to reflect changes in State laws regarding development.  
- 14 Continue to facilitate timely permitting to support the revitalization of the City's commercial districts, aid the vitality and growth of local companies, and the creation of new affordable and market-rate housing.  
- 15 Continue to oversee the development of new affordable housing, including monitoring of existing City-regulated affordable housing for conformance with affordability restrictions and general habitability standards.   
- 16 Continue to provide educational training and resource information to housing providers and low-income home seekers.   
- 17 Continue to provide the public with the latest updates in Community Development through newsletters, email/text message notifications, social media, department webpages, and printed materials.  
- 18 Continue staff educational training to maintain City and State mandated building and fire code certifications and licenses with the 2022 California Building Code.  
- 19 Continue streamlining accessory dwelling unit (ADU) and pre-approved accessory dwelling unit (PDU) review processes including simplification of requirements, processing, and issuance.   

### **COMMUNITY SERVICES DEPARTMENT:**



- 1 Urban Forestry will continue to implement the Urban Forestry Management plan, advance preventative maintenance measures to aid the City's efforts to manage safety and liability tree issues, manage the CalFire urban forestry grant-related contracts to implement the City's urban forestry expansion effort, initiate U.S. Forest Service urban forestry grant, and revise the marketing and outreach efforts on available services and programs.   
- 2 Park Maintenance will continue its implementation of the City Council approved Park & Recreation Master Plan by initiating a zone management plan and the implementation of the Cityworks software.   

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### COMMUNITY SERVICES DEPARTMENT (continued):

- 3 Park Projects will include the continued design, development and funding on the new Central Park Community Center, park-wide restroom upgrades, Vallejo Mill Park Renovation, projects at California Nursery, multiple playground renovations and resurfacing, begin design and environmental work on the Pac Commons Sports Park Master Plan and complete other scheduled Capital Improvement Plan projects.  
- 4 The Recreation Cost Center will continue to operate at a net positive year over year and work towards contributing to and improving the Recreation Fund Balance, to reinvest back into the Cost Center.  

### ECONOMIC DEVELOPMENT DEPARTMENT:

- 1 Continue implementing Fremont’s economic resiliency strategy focused on four key pillars to building a prosperous, dynamic, and equitable economy in Fremont.   
- o Small Business, Downtown, and District Assistance
  - o Driving Jobs and City General Fund Revenues
  - o Workforce Development Support
  - o Marketing and Strategic Initiatives
- 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 Technology Park, Ardenwood Technology Park, 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.   
- 5 Continue to pursue business development opportunities to enhance and diversify Fremont’s leading industry base, by attracting new employers and fostering the expansion of existing Fremont companies.  






















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# Summary Information | Citywide Goals and Objectives

## Objectives Summary

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### **FIRE DEPARTMENT:**































- 1 Upgrade Fremont Fire's current station alerting system to a more advanced and reliable platform. 
- 2 Certify 16 new academy graduates as Hazardous Materials specialists. 
- 3 Upgrade the TeleStaff software, a tool for workforce scheduling and resource allocation, by transitioning from an on-premise model to a Software as a Service (SaaS) solution. 
- 4 Provide more training and education on hazards associated with lithium battery incidents. 
- 5 Continue to revise and update department policies and procedures to align with current best practices and regulatory standards. 
- 6 Continue to implement the City of Fremont Drones for First Responder Program in partnership with the Police Department. 
- 7 As a result of an ambulance feasibility study, implement the study's findings to enhance our patient transport services, aiming to increase reliability and efficiency in delivering crucial medical assistance to the community.  
- 8 Utilize Deccan's data-driven decision-making methods for resource deployment and placement of the 14th company within one of the department's 11 stations. 
- 9 Improve response in rural and compromised areas within the City through the purchase of 2 Utility Task Vehicle's (UTV).  
- 10 Apply for an Assistance to Firefighters Grant (AFG) to address mental health increase concerns.  
- 11 Organize and host "Explosives and Toxic Clan Lab Response" class with focus on methamphetamine and fentanyl for City of Fremont inspectors, Special Operations Task Force, Incident Commanders, and County CUPA personnel.  
- 12 Research and analyze Fire Inspection software programs with intention to move towards a paperless Fire Inspection platform, reducing inspection time and increasing quality and efficiency.  
- 13 Finalize the CUPA's triennial State Evaluation with CalEPA.  
- 14 Reestablish the Community Emergency Response Team (CERT) Program, reinforcing community resilience through preparedness, education, and empowerment for effective response to emergencies.  

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

## Objectives Summary

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### **FIRE DEPARTMENT (continued):**

- |                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 15 Maintain and expand capability to activate the Emergency Operations Center (EOC) at Level 3: Monitoring. This level involves monitoring active threats and hazards, including weather-related incidents, while providing regular Situation Reports and Updates to City departments and partner agencies. |                                                                                             |
| 16 Develop operational readiness to activate the EOC at Level 2: Partial Activation and Level 1: Full Activation. These levels expand on Level 3 to include real-time, in person coordination in response to the most complex incidents.                                                                    |                                                                                             |
| 17 Provide Diversity, Equity, Inclusion, & Belonging department-wide training.                                                                                                                                                                                                                              |                                                                                             |
| 18 Participate in the Women in Fire conference and host a girls' camps to encourage women to join the fire service.                                                                                                                                                                                         |    |
| 19 Continue to work with Royal Ambulance on Career Bridge Program that facilitates career transition to fire departments.                                                                                                                                                                                   |                                                                                         |
| 20 Continue ongoing partnership with Emergency Medical Services University (EMSU) to ensure the success of the EMT Ride-Along program.                                                                                                                                                                      |    |
| 21 Integrate public safety counseling to provide mental health services and support to the department.                                                                                                                                                                                                      |                                                                                         |
| 22 Continue conducting firefighter medical exams to ensure the ongoing health and well-being of our personnel.                                                                                                                                                                                              |                                                                                         |
| 23 Update the department's Injury Illness and Prevention Plan which identifies all workplace hazards and outlines training needs and requirements to prevent workplace injuries.                                                                                                                            |                                                                                         |
| 24 Research and develop methods to address entry-level recruitment and retention initiatives.                                                                                                                                                                                                               |                                                                                         |
| 25 Develop probationary training policy and an evaluation program for every rank to ensure thorough training procedures and enhance performance assessment.                                                                                                                                                 |                                                                                         |
| 26 Conduct Captain and Engineer promotional examinations.                                                                                                                                                                                                                                                   |                                                                                         |
| 27 Collaborate with external organization to help with Firefighter I academy training.                                                                                                                                                                                                                      |                                                                                         |
| 28 Partner with an educational organization to establish a comprehensive fire science program.                                                                                                                                                                                                              |                                                                                         |










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# Summary Information | Citywide Goals and Objectives

## Objectives Summary

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### HUMAN SERVICES DEPARTMENT:

- 1 Continue to evolve programs to meet the needs of the public. 
- 2 Guaranteed Basic Income (GBI) programs are generally designed to alleviate poverty and replace other need-based social programs that potentially require greater bureaucratic involvement. Beginning in January 2024, Fremont SparkPoint staff and participants will be helping design program eligibility criteria, implementation, and outcome measures. 
- 3 Serve Fremont residents most at risk of homelessness and eviction in the Keep Fremont Housed (KFH) Stability program, funded by the remainder of KFH administrative funds. 
- 4 Implement specific strategies and action steps outlined in Year Two of the FRC's 5-year Strategic Plan 2024- 2028 such as: designing new signage and wayfinding; celebrating the FRC's 25th anniversary with a fundraiser and resource fair to raise awareness for the FRC. 
- 5 Complete an update to the City's Age Friendly Action plan through a community process that solicits input from older adult residents to help shape the City's Age Friendly efforts. 
- 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. 
- 7 Increase access to mental health education and services for Asian American Pacific (AAPI) older Adults by providing engaging workshops in familiar community settings facilitated by professional counselors. Classes, offered in Chinese, Tagalog and other languages will include information, activities and support on aging well, addressing mental health stigma, and celebrating cultural identity. 
- 8 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). 
- 9 With federal HOME funds, assist up to 20 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. 





















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## Objectives Summary

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### 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. Implement 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 Reduce sworn and professional vacancies across all departmental positions and leverage innovative strategies learned from partnering with Human Resources, Police Department hiring/recruiting self-assessments, and utilizing a professional marketing and recruitment firm. 
- 5 Implement and deploy a full-time Real Time Information Center (RTIC) to leverage multiple technologies to increase situational awareness, enhance decision-making, and improve overall safety.  
- 6 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.  
- 7 The Community Engagement Unit will revamp the Crime Free Program into a new Crime Watch Program for businesses to meet new California legislation.    
- 8 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.    
- 9 Complete conversion to portions of the Detention Center in order to house emergency responders overnight during a natural disaster or critical incident.  

### PUBLIC WORKS DEPARTMENT:

- 1 Continue delivery of General Fund Capital Projects identified as priorities by the City Council including the new Community Center at Central Park; replacing aging and outdated park restrooms; and installing electric vehicle charging infrastructure to support City vehicle fleet electrification.   




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# Summary Information | Citywide Goals and Objectives













## Objectives Summary

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### **PUBLIC WORKS DEPARTMENT (continued):**

- 2 Expand the Traffic Signal Modernization program to provide signal timing coordination to other arterial corridors, including Fremont Boulevard (south), Auto Mall Parkway, Thornton Avenue, Decoto Road, Blacow Road, and Grimmer Boulevard. 
- 3 Finalize the Active Transportation Plan identifying priority actions over the next five years for improving travel for people walking, bicycling, and using wheelchairs, and with City Council approval proposed for Summer 2024.  

### **ADMINISTRATIVE DEPARTMENTS:**













- 1 Top three Council priorities for the year: 1. Continue to innovate and find solutions to address and respond to homelessness in Fremont; 2. Enhance public safety; and 3. Prioritize environmental sustainability.  
- 2 Pursue legislative efforts and strengthen state and federal partnerships to promote the best interests of the City, while implementing the City of Fremont's adopted Legislative Framework.  
- 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.  

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### **ADMINISTRATIVE DEPARTMENTS (continued):**

- 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. 
- 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 Represent the City in lawsuits and administrative hearings and pursue cost-effective resolution of pending litigation matters. 
- 14 Defend the City against government tort claims and workers’ compensation, including rejection or settlement of claims as appropriate. 
- 15 Support the City Council, City Manager’s Office, and Human Resources, and other City departments on labor and employment matters. 
- 16 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. 
- 17 Advise City departments regarding leases, land use-related agreements, acquisition of park land, development project applications, infrastructure projects and franchise agreements, and ADA issues. 
- 18 Ensure open access to information, documents, and the legislative process that increase transparency in City government. 


















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**ADMINISTRATIVE DEPARTMENTS (continued):**




- 19 Achieve and maintain prompt responses across all City departments for routine public records requests. 
- 20 Continue to efficiently and accurately manage the electronic preparation and distribution of agenda packets. 
- 21 Monitor the changing postal service environment and accommodate changes as needed to the mail room during the fiscal year. 
- 22 Continue to work with City departments to review and update each department's Records Retention Schedule, to ensure the schedules are current. 
- 23 Administer the 2024 November Election. 
- 24 In coordination with the IT Services Department, implement a new Document Management System and a new Agenda Management System. 
- 25 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. 
- 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 workforce. 
- 29 Continue expanding and enhancing recruitment activities and improve the use of technology for efficiencies. 
- 30 Partner with a professional services consultant to develop and begin implementation of a workforce initiative to advance critical work in diversity, equity, and inclusion for the benefit for our employee population. 
- 31 Continue to invest in organizational health and development and provide increased opportunities for training. 
- 32 Assess and make improvements to the current Citywide performance evaluation system to ensure it meets the needs of the organization. 
- 33 Negotiate successor labor agreements with the City's nine bargaining units. 
- 34 Negotiate revisions and updates to the City's Personnel Rules, last revised in 1995, with the City's nine bargaining units. 
- 35 Partner with deferred compensation providers to offer financial wellness and retirement planning educational workshops to employees. 

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### **ADMINISTRATIVE DEPARTMENTS (continued):**

- 36 Continue to implement enhancements to the City’s PeopleSoft Human Capital Management system to improve efficiencies for payroll processing in partnership with the Information Technology Services Department. 
- 37 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 integration and testing phases of the project, which includes successful delivery of approximately thirty integrations with government agencies and third-party vendors as well as the formal testing phases as the new software system. 
- 38 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. 
- 39 New IT Service Management system. ITS will select and implement a new Information Technology Service Management (ITSM) solution to replace the existing work order system and add a new asset management solution to provide better services to city staff. 
- 40 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. 
- 41 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. 
- 42 Wi-Fi Deployment in the six Fremont business districts. With Congress’ passage of the FY2023 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. 
- 43 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. 





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# Summary Information | Citywide Goals and Objectives

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### **ADMINISTRATIVE DEPARTMENTS (continued):**

- 44 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. 
- 45 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. 
- 46 ArcGIS Indoors. ArcGIS Indoors is an indoor mapping, wayfinding & space management software available for desktop and mobile devices. This software can integrate with Cityworks for Asset Management. Public Safety will be able to use this software for real time floor aware mapping. Public Works and Parks will be able to easily locate facility assets to maintain. 
- 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. 

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# General Fund

## General Fund Summary

The General Fund is the City's primary operating fund and accounts for the City's discretionary funding sources (e.g., property tax, sales tax, 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 2024/25 General Fund budget, including budget assumptions, expenditure and revenue highlights, transfers to other funds, reserves, and a multi-year forecast.

The FY 2024/25 proposed budget addresses a near-term revenue shortfall brought about by the overpayment of sales tax revenue by the State to the City during FY 2022/23. The State is expected to reallocate approximately \$19.5 million over the last quarter of FY 2023/24 and the first quarter of FY 2024/25. Combined with reduced ongoing sales tax revenue estimates, those reallocations will require the use of the General Fund Budget Uncertainty Reserve to maintain the current level of services to the community in FY 2024/25.

As the City will be experiencing a revenue shortfall in FY 2024/25, the proposed budget includes very few General Fund service enhancements. Although already funded in the FY 2023/24 budget, one of the highlights of FY 2024/25 will be the activation of the City's new fire truck company in early 2025.

The table on the next page shows that total General Fund budgeted resources in the coming year, supplemented by funding from the Budget Uncertainty Reserve, are estimated to be adequate to support total budgeted expenditures of \$276.3 million. Anticipating moderate growth in the local economy, ongoing General Fund resources are estimated to increase by 3.5% in FY 2024/25.

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 2024/25 (Thousand of Dollars)

	Adopted FY 23/24	Est Actual FY 23/24	Proposed FY 24/25
<b>Sources</b>			
Beginning Unreserved Fund Balance	\$ 13,861	\$ 23,139	\$ -
Revenues			
Taxes:			
Property Tax	135,743	141,012	147,306
Sales Tax	100,904	55,398	57,510
Business Tax	13,893	14,075	13,994
Hotel/Motel Tax	7,342	6,115	6,507
Property Transfer Tax	1,678	2,054	2,054
Paramedic Tax	1,232	1,219	1,225
Franchise Fees	12,108	12,603	13,103
Charges for Services	7,042	7,321	7,503
Fines	2,842	2,759	2,759
Use of Money and Property	1,947	3,498	2,336
Intergovernmental	449	2,206	498
Other Revenues	101	66	64
Total Revenues	285,281	248,326	254,859
Transfers In	6,042	16,042	6,295
<b>Total Sources</b>	<b>305,184</b>	<b>287,507</b>	<b>261,154</b>
<b>Uses</b>			
Expenditures			
General Government	23,892	22,151	26,178
Police	117,653	108,889	122,981
Fire	75,349	69,410	76,401
Maintenance (Streets/Facilities)	25,005	23,012	26,886
Maintenance (Parks/Street Medians)	12,880	11,854	12,551
Human Services	5,531	5,085	5,445
Code Enforcement/Community Development Admin	2,259	2,077	2,274
Non-departmental	3,910	3,788	3,190
Less: Citywide Savings	(17,800)	-	(21,200)
Debt Service	7,206	7,206	6,773
Total Expenditures	255,885	253,472	261,479
Transfers Out	22,167	20,905	14,834
<b>Total Uses</b>	<b>278,052</b>	<b>274,377</b>	<b>276,313</b>
<b>Ending Fund Balance</b>			
Reserved Fund Balance	66,435	67,350	52,191
Unreserved Fund Balance	14,917	-	-
<b>Total Ending Fund Balance</b>	<b>\$ 81,352</b>	<b>\$ 67,350</b>	<b>\$ 52,191</b>

## 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 2024/25 budget:

- 1. The State will recover approximately \$19.5 million of misallocated sales tax in the last quarter of FY 2023/24 and the first quarter of FY 2024/25.**

In FY 2023/24, the State's partial recovery of misallocated sales tax revenue and adjustments for the lower level of ongoing revenue will consume the \$21.9 million unreserved ending fund balance from FY 2022/23 and reduce the General Fund Budget Uncertainty Reserve from \$30 million to \$24.4 million.

The second half of the State's sales tax revenue reallocation in FY 2024/25 will require additional use of the Budget Uncertainty Reserve to balance the proposed budget while maintaining services at the current level. The Budget Uncertainty Reserve is projected to end FY 2024/25 with a balance of \$6 million.

- 2. The local economy will grow at a moderate rate during FY 2024/25.**

Total General Fund ongoing resources (revenues and transfers in) are projected to increase by 3.5% over estimated actual ongoing resources in FY 2023/24.

- 3. The FY 2024/25 proposed budget includes continued funding for streets, sidewalks, and facilities maintenance, parks and street medians capital replacement, and capital improvements to achieve compliance with ADA standards.**

The proposed budget also addresses pressing needs in other areas of the organization and the community, including increased spending for business district activation throughout the City, higher funding for the special event sponsorship program to accommodate expanded events and higher fees, and a new police lieutenant position to focus on public accountability, enhanced policing standards, emergency preparedness, and support for community field operations.

Following the City's sustainable budgeting principles, service enhancements or staffing increases for FY 2024/25 are limited to levels that can be supported on an ongoing basis.

- 4. In accordance with City Council policy, an additional pension contribution of \$6.7 million to pay down the City's unfunded liability more rapidly has been incorporated into the proposed General Fund budget.**

## General Fund | General Fund Summary

- Total expenditures in the FY 2024/25 proposed budget include a savings assumption of \$21.2 million (approximately 7.5% of total budgeted expenditures in FY 2024/25) to reflect the City's historical experience of under-spending total allocated resources, primarily due to salary savings from vacant positions.**

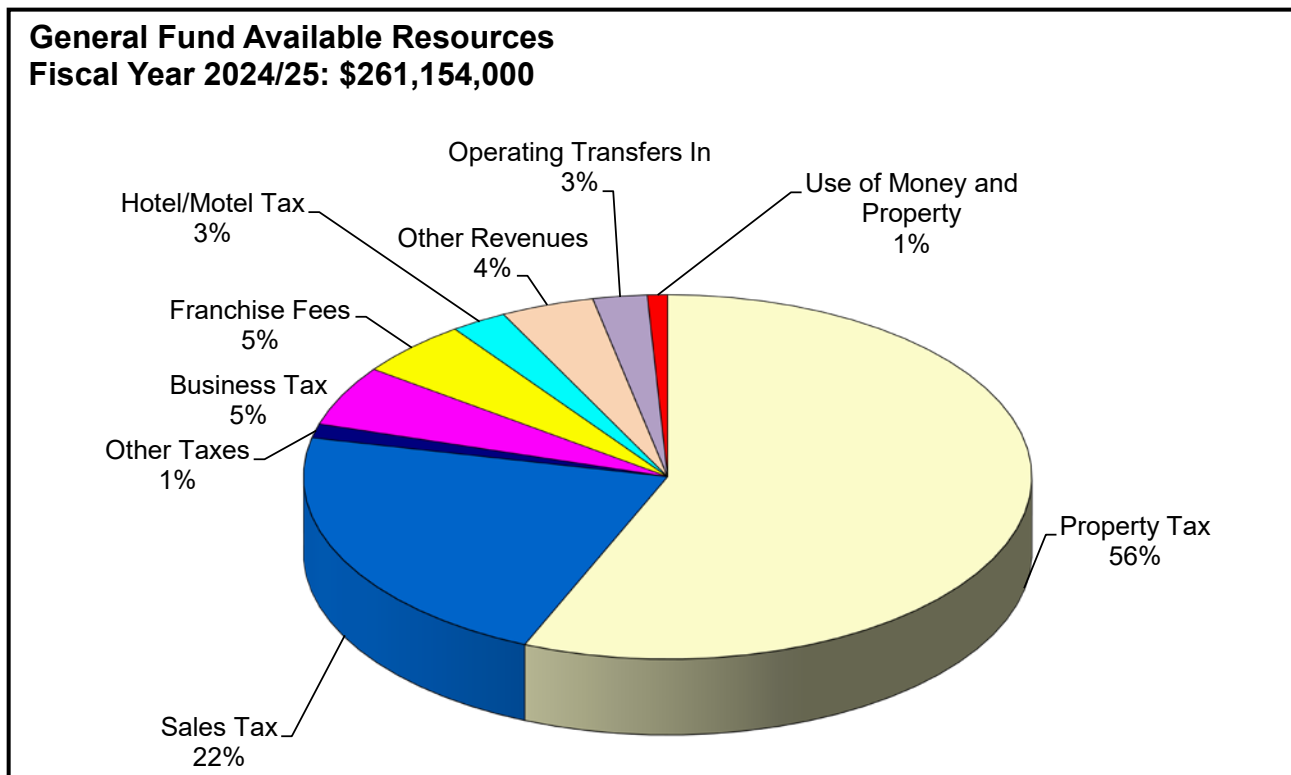
Managers continue to contain operational costs wherever possible, and normal turnover within the City's labor force creates vacancy savings. Consequently, the City's actual expenditure totals each year will fall below the budgeted levels. To ensure the City efficiently uses all of its available resources to provide services, savings assumptions for these expenses are built into the budget.

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

Because budgeted expenditures and transfers out are lower for FY 2024/25 than for the prior year, the reserve requirement is decreasing by \$0.3 million.

- The proposed budget does not include funding to restore the General Fund Budget Uncertainty Reserve but reestablishing that reserve at an appropriate level will be considered a top priority.**

As part of the FY 2023/24 Year-End Report in Fall 2024, staff will bring forward recommendations for allocating any 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. Combined with \$15.1 million from the Budget Uncertainty Reserve, budgeted resources of \$261.2 million will support total budgeted expenditures of \$276.3 million.

Property tax revenues are estimated to total \$141.0 million in FY 2023/24, and staff projects those revenues will increase to \$147.3 million in FY 2024/25, an increase of 4.5%. 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 2024/25 tax roll is an increase of 2%. An estimated increase in value for FY 2024/25 from changes in ownership of 2.6% is based on property transfer tax data for calendar year 2023 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 56.4% of estimated FY 2024/25 General Fund resources.

Sales tax revenues are estimated to total \$55.4 million in FY 2023/24, increasing by 3.8% to \$57.5 million in FY 2024/25. These estimates include the State's recovery of approximately \$19.5 million of sales tax revenue it overallocated to the City during FY 2022/23, as well as the associated reduction of a projected \$4.3 million in Countywide pool revenue. Sales tax revenues comprise 22.0% of General Fund resources.

Business taxes are projected to yield \$14.1 million in FY 2023/24, decreasing to \$14.0 million in FY 2024/25. Business tax makes up 5.4% of General Fund resources.

FY 2024/25 hotel/motel tax revenues are projected to reach \$6.5 million, an increase of 6.4% from the prior year level of \$6.1 million, 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 2023/24 estimate is \$12.6 million, with a 4.0% increase estimated for FY 2024/25. The projected FY 2024/25 franchise fees revenue of \$13.1 million represents 5.0% of General Fund resources.

## General Fund | General Fund Summary

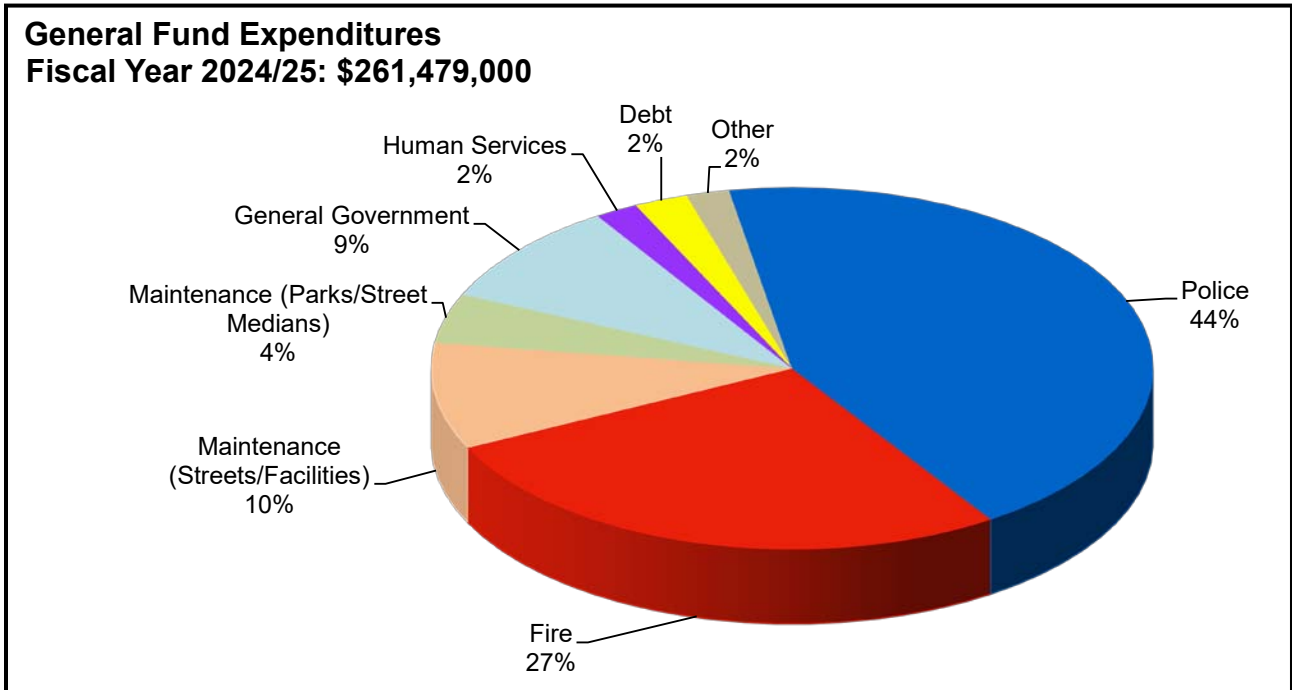
### Change in General Fund Resources FY 2023/24 to FY 2024/25 (\$ millions)

Budgeted Resources	FY 2023/24 Budget	FY 2024/25 Budget	Difference
<b>Revenues</b>			
Property Tax	\$ 135.7	\$ 147.3	\$ 11.6
Sales Tax	100.9	57.5	(43.4)
Franchise Fees	12.1	13.1	1.0
Business Tax	13.9	14.0	0.1
Hotel/Motel Taxes	7.3	6.5	(0.8)
Other Revenues	15.4	16.5	1.1
<b>Subtotal</b>	285.3	254.9	(30.4)
<b>Transfers In</b>	6.0	6.3	0.3
<b>Total Budgeted Resources</b>	<b>\$ 291.3</b>	<b>\$ 261.2</b>	<b>\$ (30.1)</b>

The Change in General Fund Resources table includes a line for “other revenues,” which includes charges for services, interest earnings, law enforcement fines, paramedic tax, property transfer tax, and state reimbursements for mandated services. After adjusting for one-time revenue items in FY 2023/24, most of these items are anticipated to increase in FY 2024/25 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 2023/24, transfers from other funds are expected to reach \$16.0 million, including a one-time transfer of \$10.0 million from the accrued leave liability reserve in the Employee Benefits internal service fund to supplement the Budget Uncertainty Reserve and 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 2024/25, transfers from other funds are expected to total \$6.3 million, or 2.4% of available resources.





## Expenditures

The \$261.5 million budgeted for expenditures in FY 2024/25 is 2.2% higher than the FY 2023/24 adopted budget.

As displayed in the Budget by Department chart on page 77, the proposed budget maintains the City Council’s long-time funding priorities by allocating 83% 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 94% 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 increase from the FY 2023/24 adopted budget is the result of increasing labor-related costs; primarily compensation and benefit increases specified in labor agreements.

### Non-Departmental Budget

Appropriations and expenditure savings not directly associated with specific departments are classified as “non-departmental.” This includes expenditures such as the cost of additional library hours and administrative fees paid to the County, the special events sponsorship program, and assumed citywide savings. Beginning in FY 2024/25, the transfer of annual leave accruals to the accrued leave reserve in the Employee Benefits internal service fund is included in departmental budgets rather than the non-departmental category.

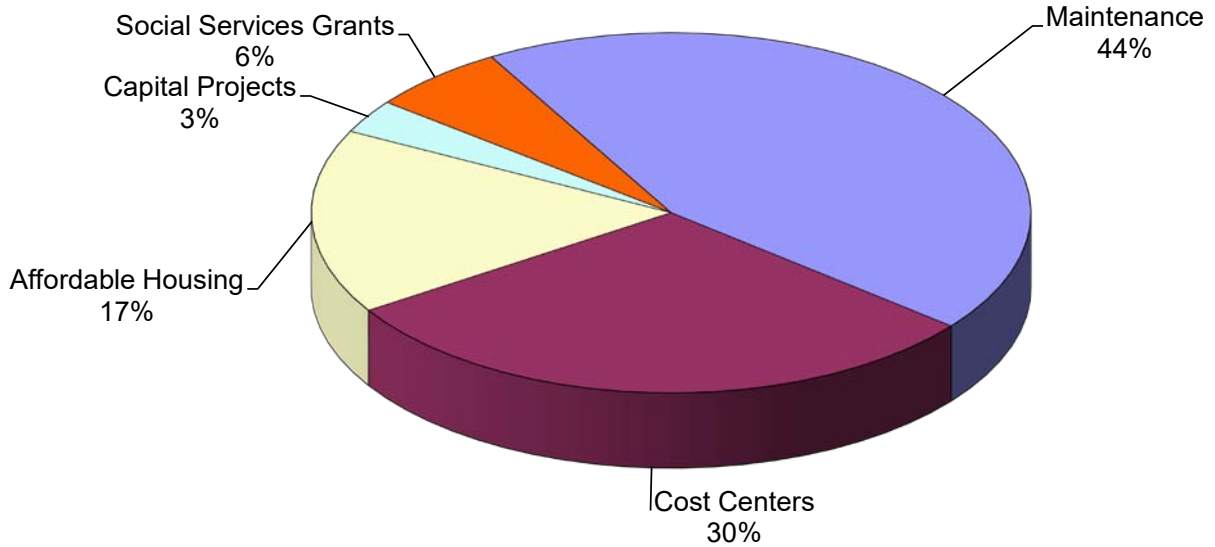
#### Budgeted Expenditures

• Annual Operating Contingency	\$ 1,000,000
• Election Costs	729,000
• Fremont Library Additional Hours	598,000
• Property Tax Administration Fee	463,000
• Special Events Sponsorship Program	350,000
• Tuition Reimbursement	50,000
<b>Non-Departmental Budget</b>	<b>\$ 3,190,000</b>
• Citywide Savings	\$(21,200,000)

### Transfers Out to Other Funds

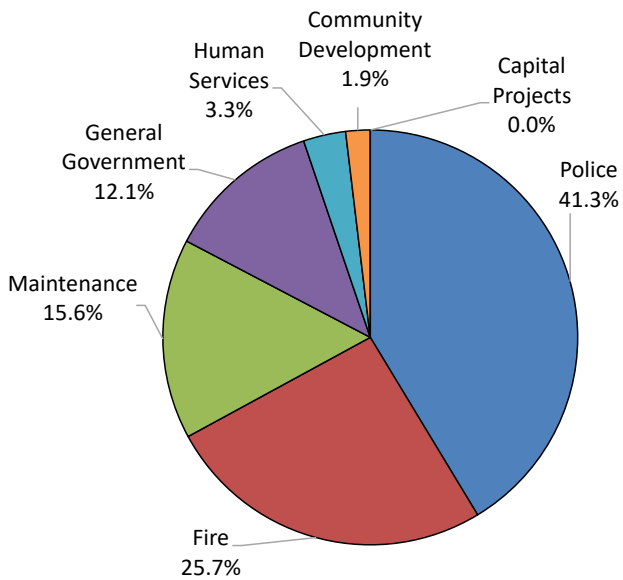
In addition to direct expenditures, the General Fund transfers resources to other funds to support activities that cannot be supported through fees, grants, or charges for service. These activities normally include capital projects and capital maintenance, cost center operations, affordable housing and homeless services, 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. A detailed listing of the General Fund transfers out to other funds is shown on page 94.

**General Fund Transfers Out  
Fiscal Year 2024/25: \$14,834,000**

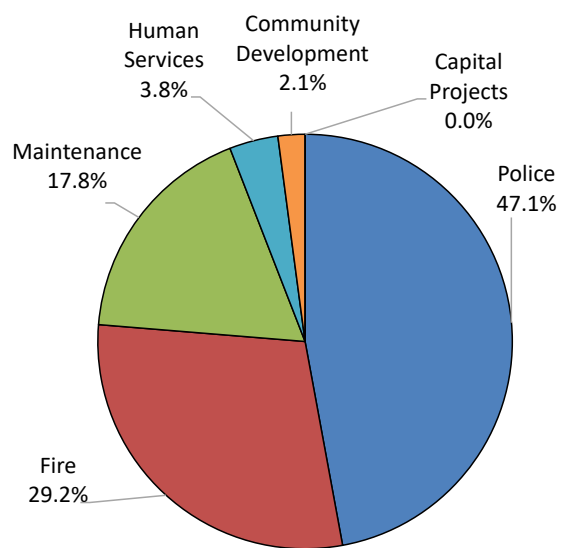


**FY 2024/25  
General Fund Budgeted Expenditures and Transfers Out**

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.

In FY 2023/24, the City Council appropriated \$3.4 million from the General Fund Contingency Reserve to begin repair work on City infrastructure that was damaged by the winter storms, with the expectation that a portion of those costs would be reimbursed by the federal government. 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.

As discussed in the Budget Assumptions section, the State is expected to reallocate approximately \$19.5 million over the last quarter of FY 2023/24 and the first quarter of FY 2024/25. Combined with reduced ongoing sales tax revenue estimates, those reallocations will require the use of the General Fund Budget Uncertainty Reserve to maintain the current level of services to the community.

In FY 2023/24, the State's partial recovery of misallocated sales tax revenue and adjustments for the lower level of ongoing revenue are expected to consume the \$21.9 million unreserved ending fund balance from FY 2022/23 and reduce the General Fund Budget Uncertainty Reserve from \$30 million to \$24.4 million. The second half of the State's sales tax revenue reallocation in FY 2024/25 will require additional use of the Budget Uncertainty Reserve to balance the proposed budget while maintaining services at the current level. The Budget Uncertainty Reserve is projected to end FY 2024/25 with a balance of \$6 million.

The table below summarizes the FY 2024/25 projected funding levels for each reserve. The General Fund Contingency Reserve will be established at \$46.1 million, and the General Fund Budget Uncertainty Reserve will begin the fiscal year at \$24.4 million.

## General Fund | General Fund Summary

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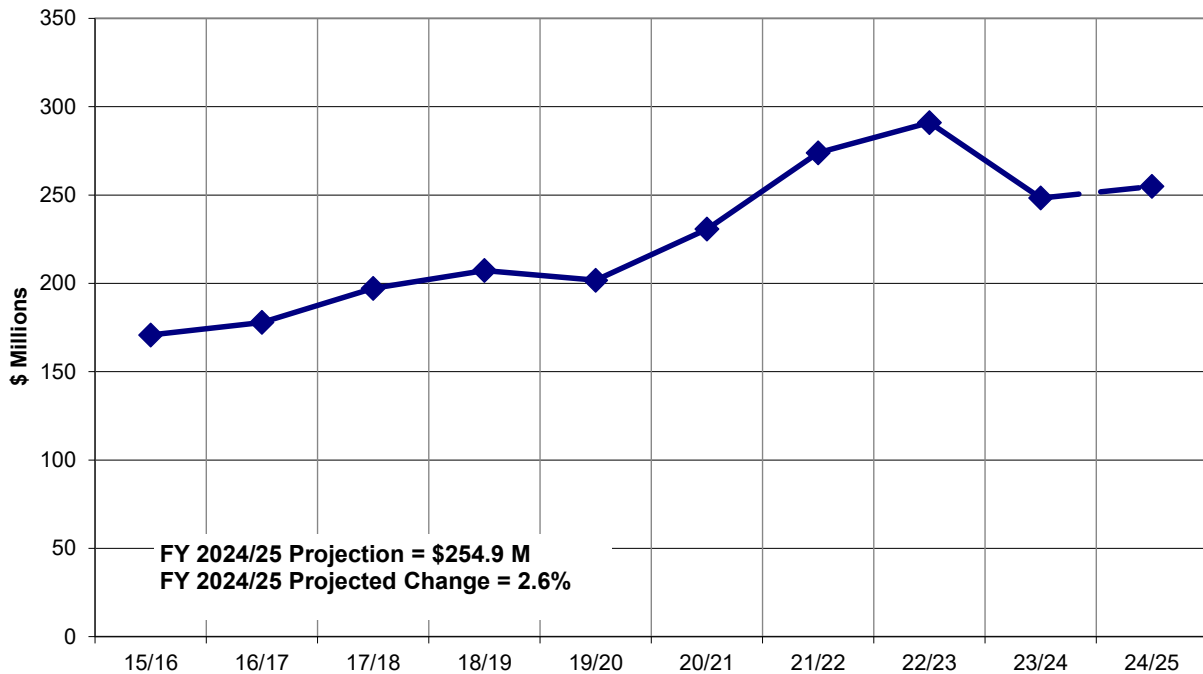
### General Fund Reserves (\$ thousands)

	<b>FY 2023/24 Balance</b>	<b>FY 2024/25 Increase</b>	<b>FY 2024/25 Projected Use</b>	<b>FY 2024/25 Balance</b>
Contingency Reserve	\$ 42,995	\$ 3,149	\$ -	\$ 46,144
Budget Uncertainty Reserve	24,355	-	18,308	6,047
<b>Total General Fund Reserves</b>	<b>\$ 67,350</b>	<b>\$ 3,149</b>	<b>\$ 18,308</b>	<b>\$ 52,191</b>

## General Fund Revenues Overview

Total FY 2024/25 General Fund revenue (excluding transfers in from other funds) is projected at \$254.9 million, which is \$6.5 million, or 2.6%, more than total estimated revenue for FY 2023/24. After removing \$0.6 million of one-time business tax revenue and \$1.5 million of federal reimbursements for declared emergencies from the FY 2023/24 total, ongoing General Fund revenue is projected to increase by 3.5% in FY 2024/25.

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



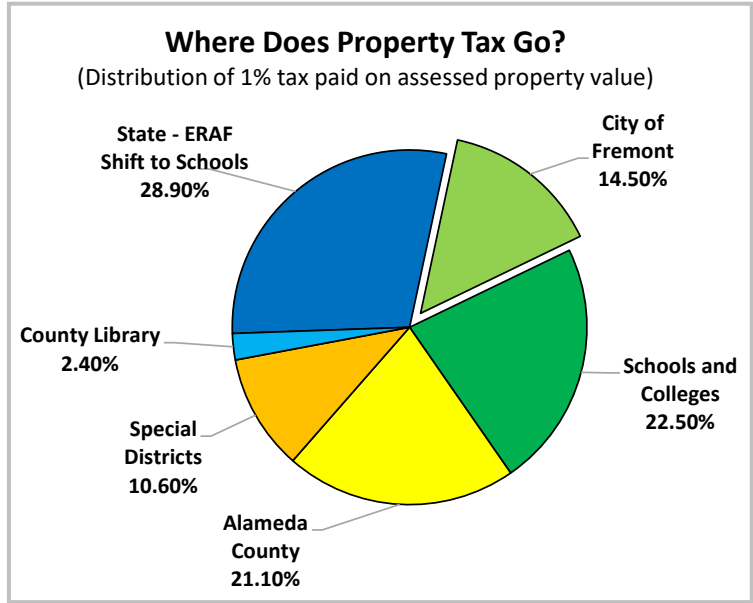
This section provides additional background and forecast information for the following five key General Fund revenue categories that together make up over 93% of General Fund ongoing revenues:

- 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 increases 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 57.8% of total FY 2024/25 projected revenues, or \$147.3 million.



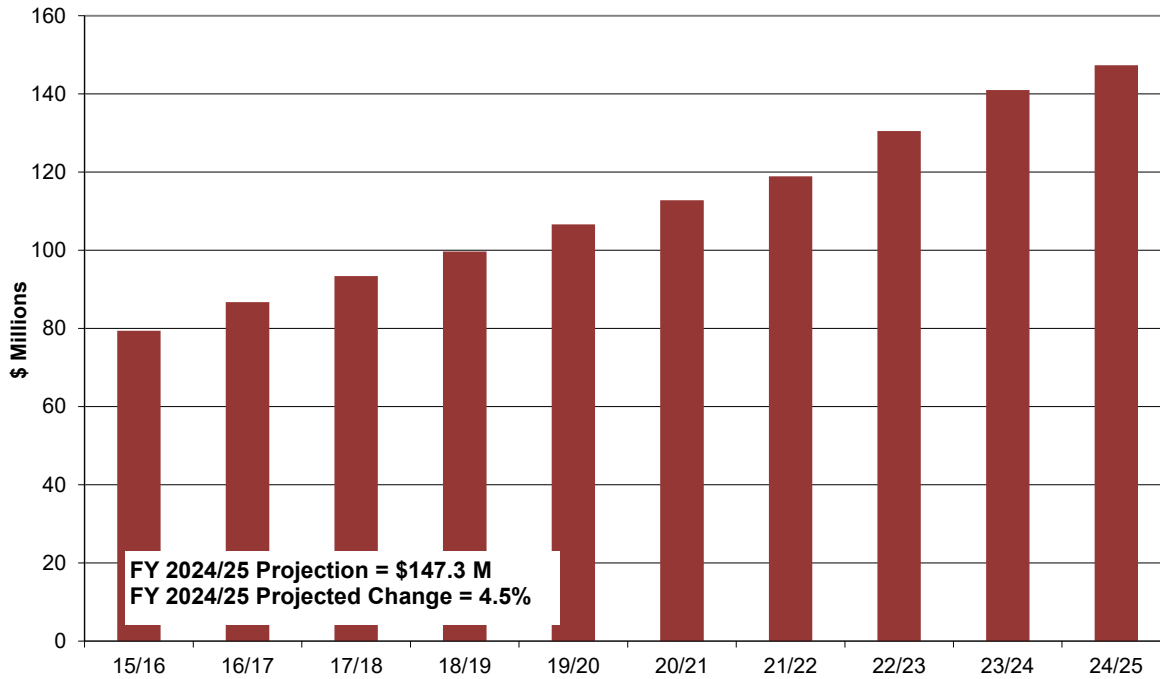
The City of Fremont receives approximately 15 cents of every dollar of property tax paid. Alameda County and the schools, including Fremont Unified School District, receive most of the revenue from property taxes assessed on property located in the City.

**Forecast:** Property tax revenues are estimated to total \$141.0 million in FY 2023/24. Staff projects property tax revenues for FY 2024/25 will increase to \$147.3 million. The assessed valuation for secured property is based on the value as of January 1, 2024. The change in total property tax from FY 2023/24 to FY 2024/25 is an increase of 4.5%.

**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.

## General Fund | General Fund Revenues

### Property Tax History and Forecast (FY 2015/16 - FY 2024/25)



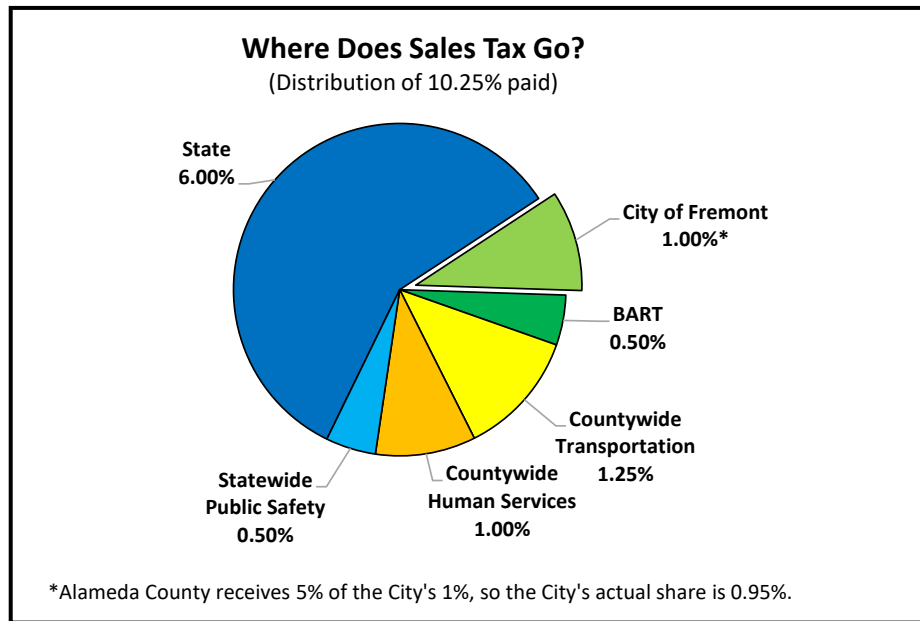
Under Proposition 13, assessed values of all real property adjust with the California Consumer Price Index (CCPI), with a 2% limit, unless there is a change in ownership or new construction. The CCPI adjustment for the FY 2024/25 tax roll is an increase of 2%. The estimated increase in secured property value for FY 2024/25 from changes in ownership of 2.6% is based on property transfer tax data for calendar year 2023 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.

### 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 purchases distributed through the County pool make up close to 80% of total sales tax revenue.

Sales and use taxes are collected by the State. Sales tax is collected on sales of taxable goods that take place within Fremont (sometimes referred to as “point-of-sale” transactions). Use tax is the corresponding tax on transactions involving taxable goods purchased over the internet or out of state for use or storage in Fremont. The State distributes sales tax revenue from point-of-sale transactions directly to the jurisdiction where the sale was made, while use tax revenue is allocated to countywide pools based on the location of the first functional use of the purchase. Each quarter, the countywide pool revenue is allocated to the cities within the county based on their share of that quarter’s total countywide point-of-sale revenue.

Sales and use taxes (collectively, “Sales Taxes” in the budget) are the City’s second-largest revenue source and comprise about 22.6% of FY 2024/25 General Fund projected revenues.



Projection Component	FY 2023/24 Estimated	FY 2024/25 Proposed	Difference
Sales and Use Tax	\$53.2 million	\$55.2 million	\$2.0 million
Proposition 172 Sales Tax	2.2 million	2.3 million	0.1 million
<b>Total</b>	<b>\$55.4 million</b>	<b>\$57.5 million</b>	<b>\$2.1 million</b>

## General Fund | General Fund Revenues

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**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.

The current economic environment suggests a continuation in FY 2024/25 of the level of retail sales activity that we've experienced during FY 2023/24. Consequently, sales tax revenue is only projected to increase by about 3.8% from its ongoing base.

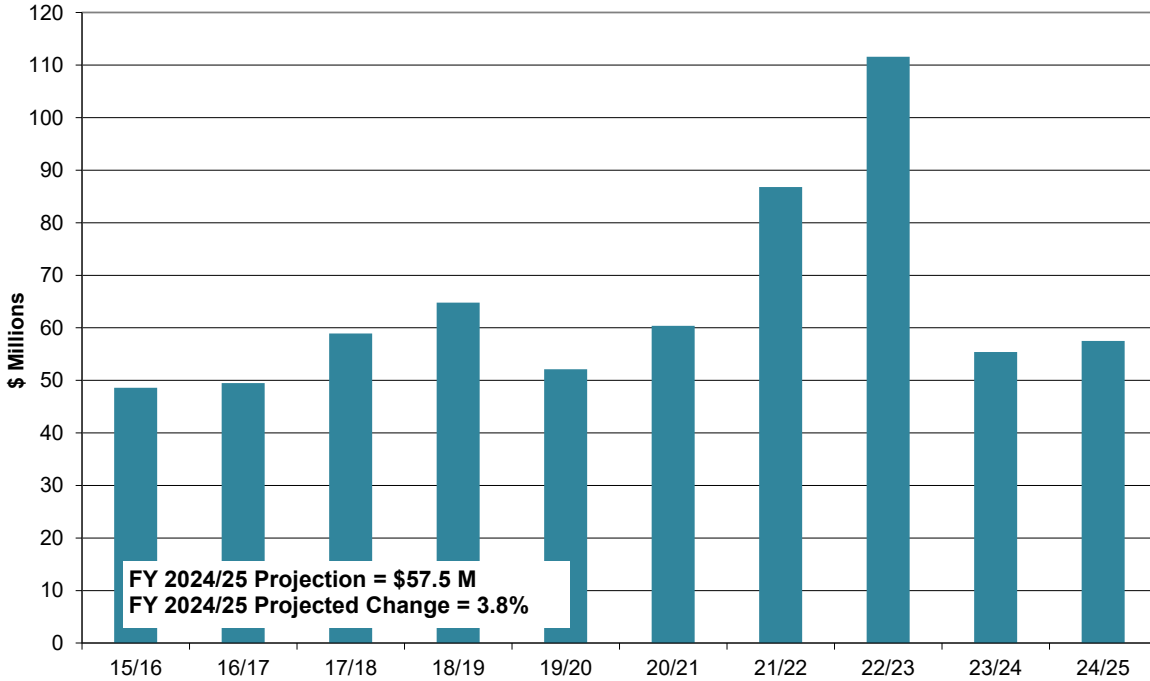
In February 2024, City staff were notified by the California Department of Tax and Fee Administration (CDTFA) that it had overpaid the City approximately \$19.5 million of sales tax during FY 2022/23 and would recover that amount by reducing future sales tax allocations. The City currently anticipates that the State will recover the overpayment during the last quarter of FY 2023/24 and the first quarter of FY 2024/25. Because the amount of City point-of-sale revenue will be reduced in each of those quarters, the City's share of Countywide pool revenue will also be reduced. Staff estimates that additional revenue loss will total \$4.3 million. Consequently, the sales tax estimates for FY 2023/24 and FY 2024/25 reflect reductions of approximately \$11.9 million in each year. The sales tax revenue projection for FY 2025/26 in the General Fund forecast assumes the overpayment has been fully recovered by the State.

With two quarters of revenue data available, we are estimating FY 2023/24 revenue of \$53.2 million, and projecting FY 2024/25 sales tax revenue of \$55.2 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 2023/24, the City's share is expected to be approximately \$2.2 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 2024/25, the Proposition 172 component of the City's sales tax revenues is projected to increase slightly to \$2.3 million.

The graph on the next page displays the sales tax revenue history and forecast.

Sales Tax History and Forecast  
(FY 2015/16 - FY 2024/25)



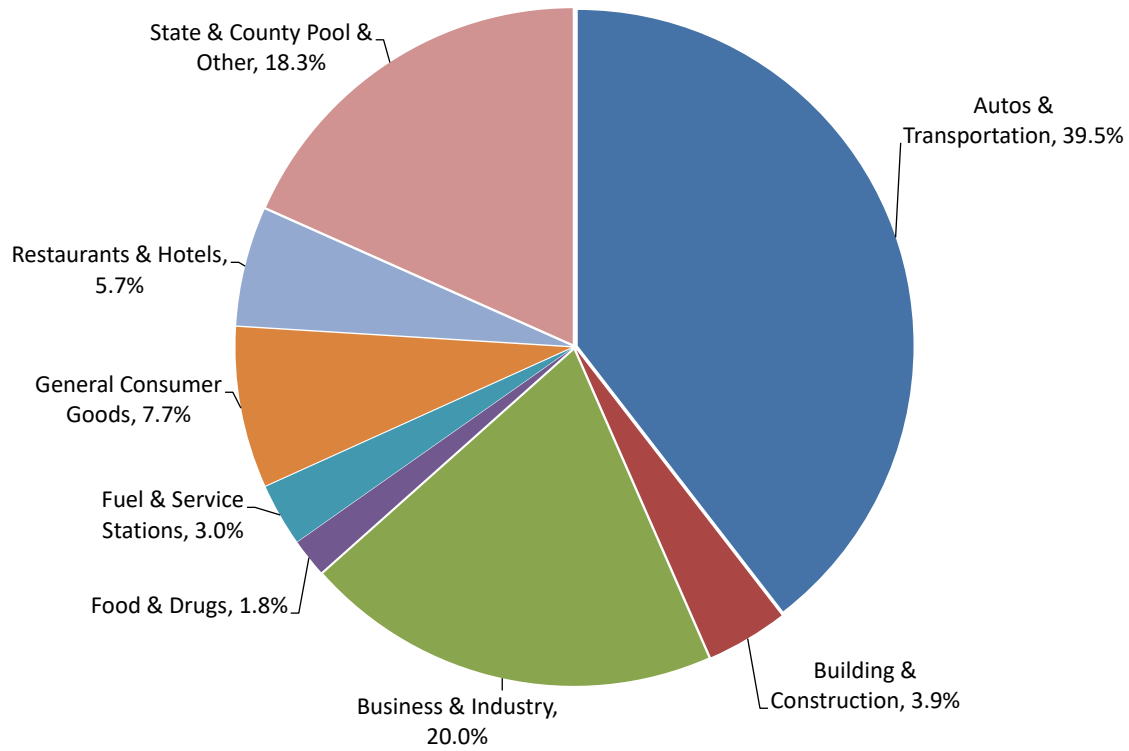
**Key Factors in the Forecast:** The City has a well-diversified sales tax base, with auto sales, business-to-business activity, and purchases going to the Countywide pool each contributing significant amounts. The biggest factor in the near-term forecast is the timing of the State’s recovery of the prior-year overpayment. While the forecast assumes that the first half of the recovery will occur during the fourth quarter of FY 2023/24, staff has not yet received confirmation from the State. If the full recovery takes place in FY 2024/25, projected revenue would be reduced by an additional \$11.9 million, but that would be offset by a corresponding amount of higher revenue in FY 2023/24.

## General Fund | General Fund Revenues

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

### Sales Tax Base Composition Calendar Year 2023



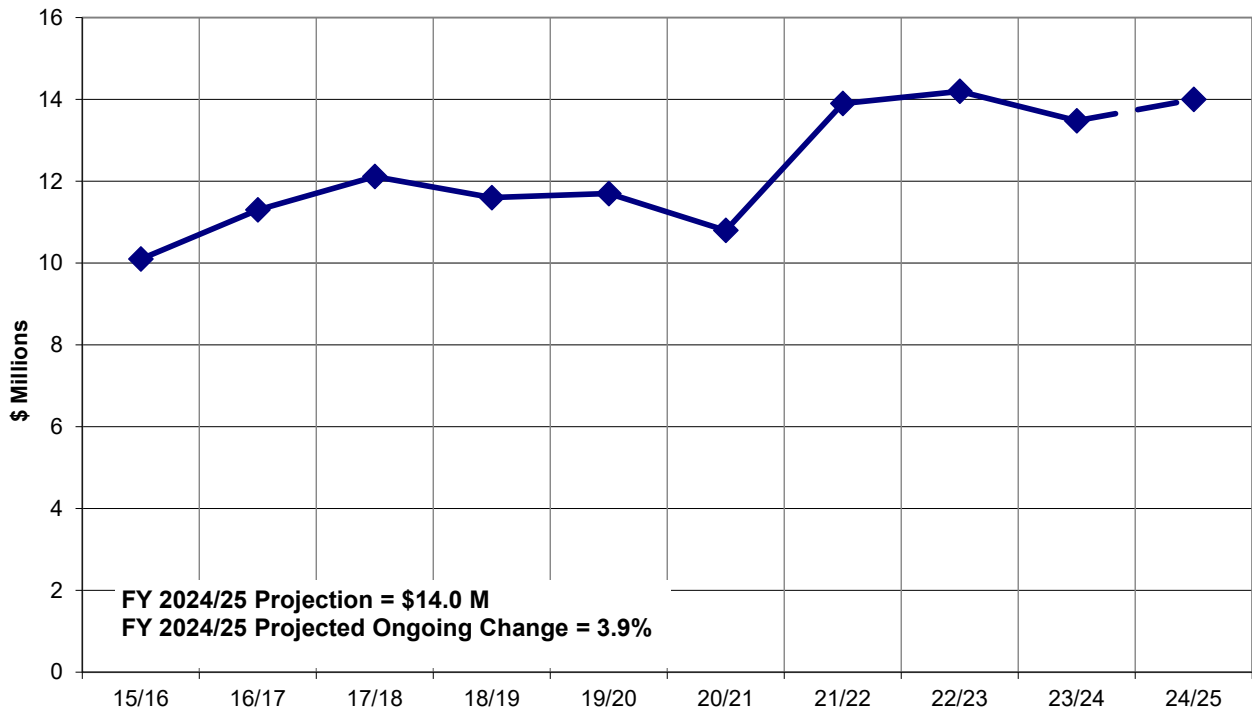
### Business Taxes

**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 \$14.1 million in FY 2023/24, bolstered by approximately \$600,000 of one-time prior year collections. Although that total represents a decrease of 1.1% from the prior year, all of that decrease is attributable to a significantly lower level of development-related residential construction business tax. After adjusting for the one-time revenue, the non-development general business tax category is expected to increase by almost 6%. The FY 2024/25 business tax estimate is \$14.0 million, an increase of 3.9% from the ongoing FY 2023/24 amount. Business tax makes up 5.5% of General Fund revenues.

**Key Factors in the Forecast:** The forecast assumes no growth in the residential construction business tax category but applies the ten-year historical average growth rate to the general business tax category in FY 2024/25 and the subsequent years.

### Business Tax History and Forecast (FY 2015/16 - FY 2024/25)





# General Fund | General Fund Revenues

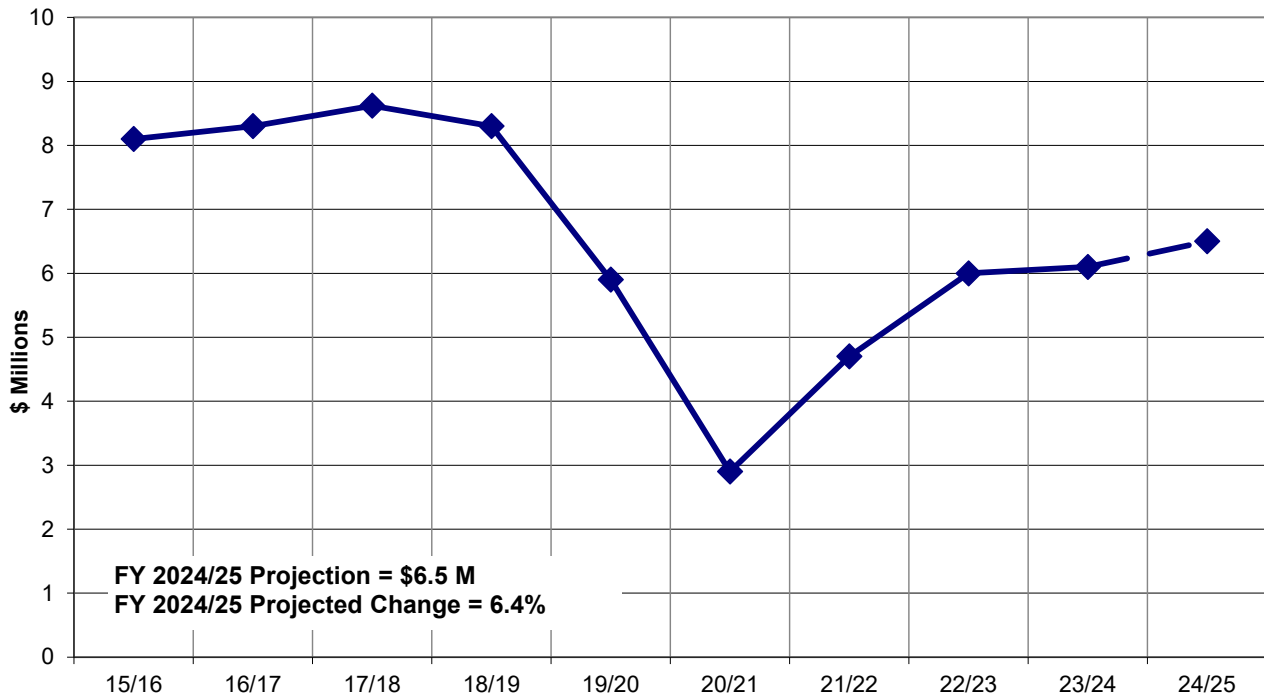
## Hotel/Motel Occupancy Taxes

**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 \$6.1 million in FY 2023/24, an increase of 1.7% from the prior year. After strong post-pandemic growth in the two prior years, occupancy rates and room rates appear to have plateaued. FY 2024/25 hotel/motel occupancy tax revenues are estimated at \$6.5 million, an increase of 6.4%, constituting 2.6% of General Fund revenues.

**Key Factors in the Forecast:** Although occupancy and room rates plateaued in mid-2023, activity has been accelerating through March 2024, and the forecast years are projected to increase at the pre-pandemic average rate.

### Hotel/Motel Tax History and Forecast (FY 2015/16 - FY 2024/25)



## 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 the 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 2024/25 will likely be computed as 1% of PG&E's adjusted gross revenues for calendar year 2024 (the 1% of revenues method generally results in a greater fee than the 2% of invested assets method) and will be received by the City in April 2025.

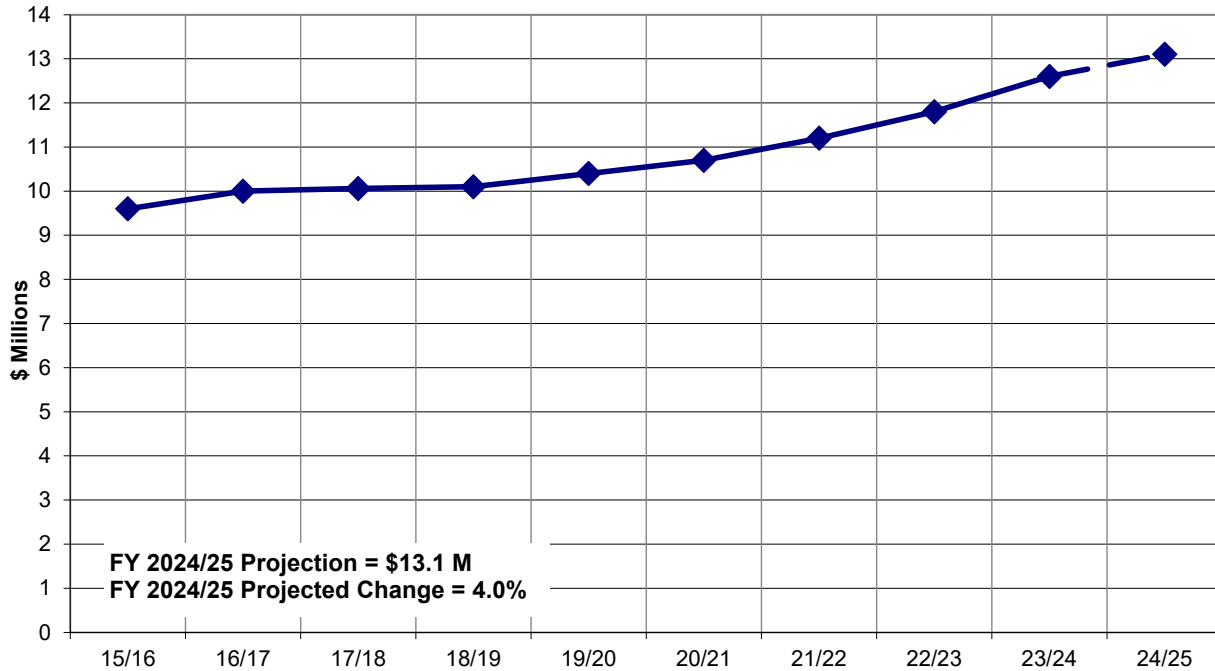
In addition to the rate applied to PG&E gross revenues, a surcharge on gas and electricity consumption is charged to customers using other energy providers. As East Bay Community Energy is the primary energy provider for Fremont residents and businesses, just over 40% of the total electric franchise fee revenues are captured through the surcharge.

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 2023/24 estimate is \$12.6 million, with a 4.0% increase projected for FY 2024/25. The projected FY 2024/25 franchise fees revenue of \$13.1 million represents 5.1% of General Fund revenues

## General Fund | General Fund Forecast

### Franchise Fees History and Forecast (FY 2015/16 - FY 2024/25)



#### 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 2023/24 is \$4.9 million, a 13.4% increase from the prior year. The forecast assumes that the City’s gas and electricity franchise fees will increase by 6.4% in FY 2024/25 to \$5.3 million, reflecting the ten-year average.
- **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 2023/24 estimate is \$1.4 million. The estimate reflects an 8.2% decrease from the prior year. The FY 2024/25 projection of \$1.3 million assumes a 6.0% 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 \$6.2 million in FY 2023/24, with a projected increase in FY 2024/25 of 4.3% for revenue of \$6.5 million. Solid waste rate increases typically occur every other year, in even years, with the next increase occurring in January 2026. 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 has 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 scenario 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 2025/26 and FY 2026/27. Added value from changes in property ownership is expected to have slowed 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.
- Following the temporary reduction of sales tax revenue in FY 2024/25, when the State is expected to recover the second half of its \$19.5 million prior-year overpayment, collections are projected to increase at the pre-pandemic average rate of just under 6%.
- Business tax growth in the forecast years is projected at the long-term average of just over 4%.
- Hotel/motel tax revenue appears to have reached a post-recovery plateau and is projected to resume growth 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 or 2026/27.
- 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 2024/25 proposed budget has been included in the forecast.
- Commitments for all scheduled debt service costs are included.

## General Fund | General Fund Forecast

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- Annual transfers for maintenance and ADA projects will continue at the FY 2023/24 adjusted budget level of \$7 million.
- 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 Budget Uncertainty Reserve is projected to be reduced from \$24.4 million to \$6.0 million during FY 2024/25. The forecast does not project any use of or increase to the Budget Uncertainty Reserve in the following two years.
- The General Fund forecast is located on page 93 of the budget document. Estimated resources will cover proposed costs in FY 2024/25 and the following two fiscal years.

## General Fund | General Fund Forecast

### General Fund Proposed Budget and Forecast Through FY 2026/27 (Thousands of Dollars)

	Est Actual FY 23/24	Proposed FY 24/25	Projected FY 25/26	Projected FY 26/27
<b>Sources</b>				
Beginning Unreserved Fund Balance	\$ 23,139	\$ -	\$ -	\$ 6,297
Revenues				
Taxes:				
Property Tax	141,012	147,306	155,814	164,838
Sales Tax	55,398	57,510	72,864	77,074
Business Tax	14,075	13,994	14,534	15,096
Hotel/Motel Tax	6,115	6,507	6,923	7,366
Property Transfer Tax	2,054	2,054	2,159	2,269
Paramedic Tax	1,219	1,225	1,231	1,237
Franchise Fees	12,603	13,103	13,640	14,215
Charges for Services	7,321	7,503	7,701	7,855
Fines	2,759	2,759	2,759	2,759
Use of Money and Property	3,498	2,336	2,211	2,211
Intergovernmental	2,206	498	498	498
Other Revenues	66	64	64	64
Total Revenues	248,326	254,859	280,398	295,482
Transfers In	16,042	6,295	6,446	6,602
<b>Total Sources</b>	<b>287,507</b>	<b>261,154</b>	<b>286,844</b>	<b>308,381</b>
<b>Uses</b>				
Expenditures				
General Government	22,151	26,178	26,399	26,542
Police	108,889	122,981	124,021	124,691
Fire	69,410	76,401	77,047	77,464
Maintenance (Streets/Facilities)	23,012	26,886	27,113	27,260
Maintenance (Parks/Street Median/Landscape)	11,854	12,551	12,657	12,726
Human Services	5,085	5,445	5,491	5,521
Code Enforcement/Community Development Admin	2,077	2,274	2,293	2,306
Non-departmental	3,788	3,190	2,514	3,335
Less: Citywide Savings		(21,200)	(19,900)	(18,600)
Debt Service	7,206	6,773	7,327	6,249
Total Expenditures	253,472	261,479	264,964	267,493
Transfers Out				
Capital Projects	13,540	7,000	7,000	7,000
Cost Center Allocations	4,287	4,458	4,458	4,458
Homeless and Affordable Housing	2,199	2,461	2,604	2,755
Social Services Grants	879	915	915	915
Total Transfers Out	20,905	14,834	14,977	15,128
<b>Total Uses</b>	<b>274,377</b>	<b>276,313</b>	<b>279,941</b>	<b>282,621</b>
<b>Ending Fund Balance</b>				
Contingency Reserve	42,995	46,144	46,750	47,198
Budget Uncertainty Reserve	24,355	6,047	6,047	6,047
Reserved Fund Balance	67,350	52,191	52,797	53,245
Unreserved Fund Balance	-	-	6,297	25,312
<b>Total Ending Fund Balance</b>	<b>\$ 67,350</b>	<b>\$ 52,191</b>	<b>\$ 59,094</b>	<b>\$ 78,557</b>

## General Fund | Transfer Detail

	Estimated Actual FY 2023/24	Proposed FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
<b>Transfers In</b>				
<b>Overhead Transfers In From Other Funds:</b>				
Development Cost Center (Funds 391, 392, 393)	\$ 3,280	\$ 3,232	\$ 3,330	\$ 3,430
Human Services (various grant funds)	608	767	790	814
Environmental Services (Fund 115)	484	508	523	539
Bond/CFD Funds (Funds 070, 757, 758, 759)	109	107	110	113
Affordable Housing Funds (Funds 111, 196)	115	146	150	155
Paratransit Grants (Funds 176, 178, 252)	158	202	208	214
Lighting/Landscape Maint Dist (Fund 160)	25	40	41	42
Rent Review (Fund 197)	13	43	44	45
<b>Sub-total Transfers In from Other Funds</b>	<b>4,792</b>	<b>5,045</b>	<b>5,196</b>	<b>5,352</b>
<b>Miscellaneous Recurring Transfers In:</b>				
Impact Fee Debt Service Reimbursement	1,000	1,000	1,000	1,000
Family Resource Center Maintenance Support	250	250	250	250
<b>Sub-total Misc. Recurring Transfers In</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>
<b>TOTAL OPERATING TRANSFERS IN</b>	<b>\$ 6,042</b>	<b>\$ 6,295</b>	<b>\$ 6,446</b>	<b>\$ 6,602</b>

	Estimated Actual FY 2023/24	Proposed FY 2024/25	Projected FY 2025/26	Projected FY 2026/27
<b>Transfers Out</b>				
<b>Transfers to the CIP:</b>				
Street and Sidewalk Maintenance	\$ 2,550	\$ 2,550	\$ 2,550	\$ 2,550
Parks and Median Capital Replacement	5,100	2,000	2,000	2,000
Facilities Maintenance	2,000	2,000	2,000	2,000
ADA Facility Improvements	450	450	450	450
Other Capital Projects	3,440	-	-	-
<b>Sub-total - Transfers to the CIP</b>	<b>13,540</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>
<b>Cost Center Allocations:</b>				
Community Development Cost Center	3,188	3,315	3,315	3,315
Senior Center Cost Center	1,099	1,143	1,143	1,143
<b>Sub-total - Cost Center Allocations</b>	<b>4,287</b>	<b>4,458</b>	<b>4,458</b>	<b>4,458</b>
<b>Other Transfers from the GF:</b>				
Affordable Housing and Homeless Services	2,199	2,461	2,604	2,755
Social Service Grants	879	915	915	915
<b>Sub-total - Other transfers</b>	<b>3,078</b>	<b>3,376</b>	<b>3,519</b>	<b>3,670</b>
<b>TOTAL OPERATING TRANSFERS OUT</b>	<b>\$ 20,905</b>	<b>\$ 14,834</b>	<b>\$ 14,977</b>	<b>\$ 15,128</b>



## General Fund | Historical Comparison

### General Fund Historical and Proposed Budget FY 2024/25 (Thousands of Dollars)

	FY 19/20 Actual	FY 20/21 Actual	FY 21/22 Actual	FY 22/23 Actual	FY 23/24 Estimated Actual	FY 24/25 Proposed Budget
<b>Sources</b>						
Beginning Unreserved Fund Balance	\$ 16,726	\$ 1,665	\$ 27,102	\$ 44,616	\$ 23,139	\$ -
Revenues						
Taxes:						
Property Tax	106,563	112,813	118,943	130,525	141,012	147,306
Sales Tax	52,067	60,430	86,799	111,575	55,398	57,510
Business Tax	11,677	10,824	13,933	14,234	14,075	13,994
Hotel/Motel Tax	5,915	2,848	4,722	6,012	6,115	6,507
Property Transfer Tax	1,844	2,282	3,398	1,818	2,054	2,054
Paramedic Tax	1,185	1,202	1,209	1,212	1,219	1,225
Franchise Fees	10,421	10,727	11,213	11,813	12,603	13,103
Charges for Services	6,261	5,955	6,840	7,098	7,321	7,503
Fines	1,761	1,124	2,966	2,883	2,759	2,759
Use of Money and Property	2,145	1,146	1,202	3,346	3,498	2,336
Intergovernmental	611	20,327	22,593	430	2,206	498
Other Revenues	1,325	993	76	111	66	64
Total Revenues	201,775	230,671	273,894	291,057	248,326	254,859
Transfers In	7,348	7,576	6,446	5,698	16,042	6,295
<b>Total Sources</b>	<b>225,849</b>	<b>239,912</b>	<b>307,442</b>	<b>341,371</b>	<b>287,507</b>	<b>261,154</b>
<b>Uses</b>						
Expenditures						
General Government	17,023	17,005	16,982	21,108	22,151	26,178
Police	89,134	91,320	92,607	107,791	108,889	122,981
Fire	53,915	55,708	58,181	66,544	69,410	76,401
Maintenance (Streets/Facilities)	16,921	16,776	17,979	20,936	23,012	26,886
Maintenance (Parks/Street Medians)	9,140	8,954	9,463	11,138	11,854	12,551
Human Services	4,827	4,339	4,401	5,345	5,085	5,445
Code Enforcement/Community Development Admin	1,929	1,490	1,451	2,313	2,077	2,274
Non-departmental	1,021	1,430	1,063	1,634	3,788	3,190
Less: Citywide Savings	-	-	-	-	-	(21,200)
Debt Service	9,066	8,639	8,534	25,762	7,206	6,773
Total Expenditures	202,976	205,661	210,661	262,571	253,472	261,479
Transfers Out	13,530	8,242	44,630	50,077	20,905	14,834
<b>Total Uses</b>	<b>216,506</b>	<b>213,903</b>	<b>255,291</b>	<b>312,648</b>	<b>274,377</b>	<b>276,313</b>
<b>Ending Fund Balance</b>						
Reserved Fund Balance	42,194	41,101	48,636	54,220	67,350	52,191
Unreserved Fund Balance	1,665	27,102	44,616	23,139	-	-
<b>Total Ending Fund Balance</b>	<b>\$ 43,859</b>	<b>\$ 68,203</b>	<b>\$ 93,252</b>	<b>\$ 77,359</b>	<b>\$ 67,350</b>	<b>\$ 52,191</b>

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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
<b>Sources</b>				
Beginning Unreserved Fund Balance	\$ 29,980	\$ 104,043	\$ 86,929	\$ 220,952
Revenues				
Taxes:				
Property Tax	-	2,657	-	2,657
Sales Tax	-	1,681	-	1,681
Business Tax	-	-	-	-
Hotel/Motel Tax	-	-	-	-
Property Transfer Tax	-	-	-	-
Paramedic Tax	-	-	-	-
Franchise Fees	-	-	-	-
Charges for Services	44,708	23,523	-	68,231
Fines	-	-	-	-
Use of Money and Property	576	534	1,124	2,234
Intergovernmental	704	13,762	20,668	35,134
Other Revenues	2,139	1,921	11,345	15,405
Total Revenues	48,127	44,078	33,137	125,342
Transfers In	4,459	3,376	7,650	15,485
<b>Total Sources</b>	<b>82,566</b>	<b>151,497</b>	<b>127,716</b>	<b>361,779</b>
<b>Uses</b>				
Expenditures				
General Government	-	-	-	-
Police	-	532	-	532
Fire	-	167	-	167
Maintenance (Streets/Facilities)	-	-	6,079	6,079
Maintenance (Parks/Street Medians)	-	4,608	-	4,608
Code Enforcement/Community Development Admin	-	342	-	342
Housing	-	17,557	-	17,557
Environmental Services	-	14,142	-	14,142
Engineering	16,762	-	-	16,762
Planning	5,751	-	-	5,751
Building and Safety	14,309	-	-	14,309
Human Services	2,076	16,007	-	18,083
Recreation	11,194	-	-	11,194
Landscape	2,615	-	-	2,615
Homeless Services	-	5,929	-	5,929
Non-departmental	5,027	-	-	5,027
Capital	2,368	-	30,599	32,967
Less: Citywide Savings	-	-	-	-
Debt Service	-	3,052	-	3,052
Total Expenditures	60,102	62,336	36,678	159,116
Transfers Out	3,882	1,990	1,000	6,872
<b>Total Uses</b>	<b>63,984</b>	<b>64,326</b>	<b>37,678</b>	<b>165,988</b>
<b>Ending Fund Balance</b>				
Reserved Fund Balance	35,616	8,824	-	44,439
Unreserved Fund Balance	18,340	88,236	76,858	183,435
<b>Total Ending Fund Balance</b>	<b>\$ 53,956</b>	<b>\$ 97,060</b>	<b>\$ 76,858</b>	<b>\$ 227,874</b>

## Cost Centers and Internal Service Funds

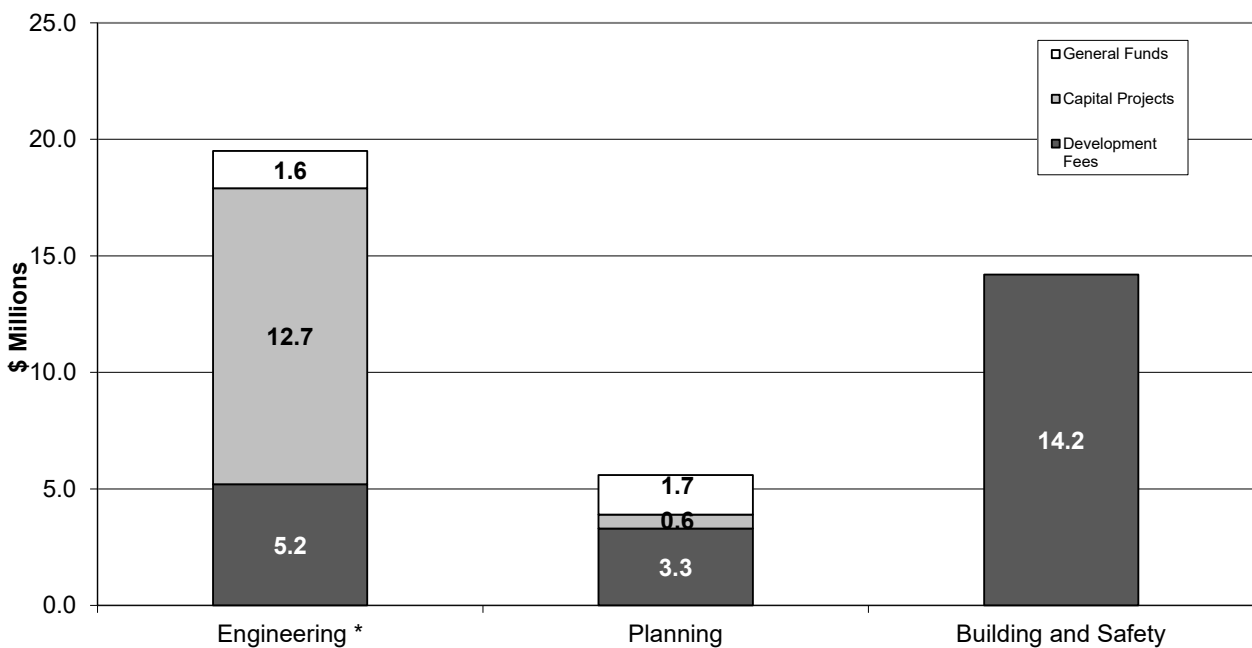
The City uses cost centers to account for City activities that are predominantly fee-based. These funds receive revenues from external users in the form of fees for services and transfers from other funds for work on City projects. The cost centers are intended to maintain their fund balances from year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

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

### Development Cost Center

The Development Cost Center budget relies on a combination of development fees, charges to City capital projects, and charges to the General Fund (made in the form of a transfer) for work benefiting the community in general. In FY 2024/25, the General Fund will transfer \$3.3 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 2024/25 Budget



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

## Other Funds | Cost Centers and Internal Service Funds

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The City Council has established a Development Cost Center operational contingency reserve to help maintain service levels during temporary slowdowns in development activity, as well as a technology and system improvement reserve to provide funding for investments in permitting technology. The Development Cost Center also collects a Community Planning Fee to recover a portion of the costs associated with the annual maintenance and comprehensive updates to the General Plan and Zoning Ordinance. The Community Planning Fee is assessed on each building permit plan checked and issued. At the end of FY 2024/25, the fund balance is projected to be \$16.3 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 2024/25, the Recreation Cost Center expects to receive 91% of its \$11 million in ongoing resources from program and user fees, with 9% coming from state grant, other revenue, and investment income.

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 \$1.7 million for FY 2024/25. 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 2024/25, 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 2024/25, the amount of General Fund support for the Senior Center Cost Center will be \$1.14 million, or 4% more than the FY 2023/24 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 \$11.5 million in FY 2024/25.

### 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 \$16.4 million in FY 2024/25 for information technology services operations and various capital replacement purchases and software upgrades. The expenditure budget for this fund is increasing by \$2 million, or 12% from the adopted FY 2023/24 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 2024/25, the budgeted contribution to the CERBT for retiree healthcare is \$9.0 million.

During FY 2022/23, the City Council used General Fund surplus revenue to establish a \$15 million reserve for unfunded accrued leave liabilities in the Employee Benefits Fund. This reserve will be used to pay accrued leave balances when employees retire or terminate employment, or as part of an annual leave cash-out. During FY 2023/24, the City Council transferred \$10 million back to the General Fund to supplement the Budget Uncertainty Reserve. For FY 2024/25, the estimated accrued leave inflow from the operating departments is \$1.8 million and the budgeted payments are \$2.1 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 2024/25 contribution from the General Fund is budgeted at \$4.5 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 2024/25 are budgeted to total \$1.9 million.

## Other Funds | Cost Centers and Internal Service Funds

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

	Budget 2022/23	Budget 2023/24	Proposed 2024/25
<b>Sources</b>			
Beginning Unreserved Fund Balance	\$ 24,557	\$ 30,165	\$ 29,980
Revenues			
Taxes:			
Property Tax	-	-	-
Sales Tax	-	-	-
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	42,404	44,461	44,708
Fines	-	-	-
Use of Money and Property	636	476	576
Intergovernmental	440	742	704
Other Revenues	2,426	1,839	2,139
Total Revenues	45,906	47,518	48,127
Transfers In	3,923	4,287	4,459
<b>Total Sources</b>	<b>74,386</b>	<b>81,970</b>	<b>82,566</b>
<b>Uses</b>			
Expenditures			
General Government	-	-	-
Police	-	-	-
Fire	-	-	-
Engineering	15,306	16,191	16,762
Planning	5,572	5,518	5,751
Building and Safety	12,641	13,596	14,309
Human Services	1,824	2,025	2,076
Recreation	10,391	10,874	11,194
Landscape	2,239	2,499	2,615
Non-departmental	1,049	286	5,027
Capital	(284)	1,223	2,368
Less: Citywide Savings	-	-	-
Debt Service	-	-	-
Total Expenditures	48,738	52,212	60,102
Transfers Out	3,546	4,130	3,882
<b>Total Uses</b>	<b>52,284</b>	<b>56,342</b>	<b>63,984</b>
<b>Ending Fund Balance</b>			
Reserved Fund Balance	30,144	32,261	35,616
Unreserved Fund Balance	22,419	24,781	18,340
<b>Total Ending Fund Balance</b>	<b>\$ 52,563</b>	<b>\$ 57,042</b>	<b>\$ 53,956</b>

## Other Funds | Cost Centers and Internal Service Funds

### Cost Centers/Internal Service Funds FY 2024/25 (Thousands of Dollars)

	Development Cost Center	Recreation Cost Center	Senior Center
<b>Sources</b>			
Beginning Unreserved Fund Balance	\$ 5,548	\$ 1,334	\$ 2,469
Revenues			
Taxes:			
Property Tax	-	-	-
Sales Tax	-	-	-
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	34,468	9,876	364
Fines	-	-	-
Use of Money and Property	280	50	16
Intergovernmental	-	704	-
Other Revenues	1,500	240	349
Total Revenues	36,248	10,870	729
Transfers In	3,316	-	1,143
<b>Total Sources</b>	<b>45,112</b>	<b>12,204</b>	<b>4,341</b>
<b>Uses</b>			
Expenditures			
General Government	-	-	-
Police	-	-	-
Fire	-	-	-
Engineering	16,762	-	-
Planning	5,751	-	-
Building and Safety	14,309	-	-
Human Services	-	-	2,076
Recreation	-	11,194	-
Landscape	2,615	-	-
Non-departmental	-	-	-
Capital	-	-	-
Less: Citywide Savings	-	-	-
Debt Service	-	-	-
Total Expenditures	39,437	11,194	2,076
Transfers Out	3,882	-	-
<b>Total Uses</b>	<b>43,319</b>	<b>11,194</b>	<b>2,076</b>
<b>Ending Fund Balance</b>			
Reserved Fund Balance	14,830	3,929	-
Unreserved Fund Balance	1,470	835	2,265
<b>Total Ending Fund Balance</b>	<b>\$ 16,300</b>	<b>\$ 4,764</b>	<b>\$ 2,265</b>

**Notes:**

\* For the purpose of display 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. Recreation facility rental revenue is shown in "Use of Money and Property."

## Other Funds | Cost Centers and Internal Service Funds

Internal Services						
Risk Management	Information Technology	Employee Benefits	Vehicle Replacement	Fire Capital Replacement	Internal Services Reclas*	Total
\$ 3,598	\$ 10,179	\$ -	\$ 4,991	\$ 1,861	\$ -	\$ 29,980
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,500	16,426	10,876	1,945	4,460	(45,207)	44,708
-	-	-	-	-	-	-
150	-	-	80	-	-	576
-	-	-	-	-	-	704
-	-	-	50	-	-	2,139
11,650	16,426	10,876	2,075	4,460	(45,207)	48,127
-	-	-	-	-	-	4,459
<b>15,248</b>	<b>26,605</b>	<b>10,876</b>	<b>7,066</b>	<b>6,321</b>	<b>(45,207)</b>	<b>82,566</b>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	16,762
-	-	-	-	-	-	5,751
-	-	-	-	-	-	14,309
-	-	-	-	-	-	2,076
-	-	-	-	-	-	11,194
-	-	-	-	-	-	2,615
13,989	13,525	11,132	-	-	(33,619)	5,027
-	5,183	-	3,023	5,750	(11,588)	2,368
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13,989	18,708	11,132	3,023	5,750	(45,207)	60,102
-	-	-	-	-	-	3,882
<b>13,989</b>	<b>18,708</b>	<b>11,132</b>	<b>3,023</b>	<b>5,750</b>	<b>(45,207)</b>	<b>63,984</b>
-	-	-	-	-	-	-
12,713	-	4,144	-	-	n/a	35,616
1,259	7,897	-	4,043	571	n/a	18,340
<b>\$ 13,972</b>	<b>\$ 7,897</b>	<b>\$ 4,144</b>	<b>\$ 4,043</b>	<b>\$ 571</b>	<b>n/a</b>	<b>\$ 53,956</b>

### 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 80% of the department's total funding sources in FY 2024/25. The table on page 112 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 2024/25, the General Fund will transfer \$914,533 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 utilizes Measure B and Measure BB sales tax revenue from the Alameda County Transportation Commission to provide mobility management, travel training and transportation services. In FY 2024/25 Paratransit is expecting to receive a total of \$1.7 million from Measure BB funding which includes direct local distribution funding of \$1.5 million and \$200,000 of grant funding to support supplemental transportation services for elderly and disabled Tri-City residents. The City is also expected to receive \$422,110 from the City of Newark and the 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 increase by \$120,000 in FY 2024/25.

### 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 2024/25 budget of \$2.5 million is a decrease of \$1 million from the FY 2023/24 budget.

## Other Funds | Special Revenue Funds

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### Rent Review Program

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

The Rent Review Program budget relies solely on fees collected from all non-exempt residential rental unit owners, with no General Fund support. The Rent Review Program fee is adjusted annually to reflect each year's budgeted program expenditures, the rental unit inventory, and the estimated collection rate. FY 2024/25 budgeted expenditures are \$378,000.

### 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 2024/25 budget is \$460,000.

### 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 2024/25, \$4.4 million in revenues is anticipated to be received, to be used to develop affordable housing in the future.

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

This fund accounts for all affordable housing revenues and expenditures except those fees related to the Affordable Housing Ordinance, including all housing assets and all housing-related obligations of the former RDA. Estimated expenditures are \$1.2 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 2024/25 are \$5.0 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 2024/25, the estimated fund balance will be \$3.2 million. For FY 2024/25, \$2.5 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. **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.
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 7.2%, from \$16.5 million in FY 2023/24 to \$17.6 million in FY 2024/25.

## Other Funds | Special Revenue Funds

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### 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 accounts 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 2022/23	Budget 2023/24	Proposed 2024/25
<b>Sources</b>			
Beginning Unreserved Fund Balance	\$ 108,874	\$ 98,256	\$ 104,043
Revenues			
Taxes:			
Property Tax	3,080	4,460	2,657
Sales Tax	1,475	1,647	1,681
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	14,397	16,214	23,523
Fines	-	10	-
Use of Money and Property	527	234	534
Intergovernmental	12,590	15,008	13,762
Other Revenues	10,560	6,422	1,921
Total Revenues	42,629	43,995	44,078
Transfers In	3,111	3,280	3,376
<b>Total Sources</b>	<b>154,614</b>	<b>145,531</b>	<b>151,497</b>
<b>Uses</b>			
Expenditures			
General Government	-	-	-
Police	793	773	532
Fire	186	717	167
Maintenance (Parks/Street Medians)	2,846	4,567	4,608
Code Enforcement/Community Development Admin	577	584	342
Housing	29,330	12,678	17,557
Environmental Services	11,970	13,082	14,142
Human Services	16,221	16,109	16,007
Recreation	-	-	-
Landscape	-	-	-
Homeless Services	2,684	5,029	5,929
Non-departmental	-	-	-
Less: Citywide Savings	-	-	-
Debt Service	3,231	3,162	3,052
Total Expenditures	67,838	56,701	62,336
Transfers Out	1,701	1,663	1,990
<b>Total Uses</b>	<b>69,539</b>	<b>58,364</b>	<b>64,326</b>
<b>Ending Fund Balance</b>			
Reserved Fund Balance	6,430	7,239	8,824
Unreserved Fund Balance	84,513	87,830	88,236
<b>Total Ending Fund Balance</b>	<b>\$ 90,943</b>	<b>\$ 95,069</b>	<b>\$ 97,060</b>

# Other Funds | Special Revenue Funds

## Special Revenue Funds FY 2024/25 (Thousands of Dollars)

	Human Services						
	Grants	Paratransit	FRC	Human Services	CDBG	City Funded Aff Housing & Homeless Services	Rent Review
<b>Sources</b>							
Beginning Unreserved Fund Balance	\$ 5,997	\$ 3,799	\$ 1,502	\$ 739	\$ -	\$ 4,550	\$ 143
Revenues							
Taxes:							
Property Tax	-	-	-	-	-	-	-
Sales Tax	-	1,681	-	-	-	-	-
Business Tax	-	-	-	-	-	-	-
Hotel/Motel Tax	-	-	-	-	-	-	-
Property Transfer Tax	-	-	-	-	-	-	-
Paramedic Tax	-	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-	-
Charges for Services	40	60	1,519	532	-	-	378
Fines	-	-	-	-	-	-	-
Use of Money and Property	7	15	16	15	-	-	-
Intergovernmental	8,714	357	2	-	2,524	50	-
Other Revenues	482	-	274	-	15	-	-
Total Revenues	9,243	2,113	1,811	547	2,539	50	378
Transfers In	-	-	-	915	-	2,461	-
<b>Total Sources</b>	<b>15,240</b>	<b>5,912</b>	<b>3,313</b>	<b>2,201</b>	<b>2,539</b>	<b>7,061</b>	<b>521</b>
<b>Uses</b>							
Expenditures							
General Government	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Maintenance (Parks/Street Medians)	-	-	-	-	-	-	-
Code Enforcement/Community Development Admin	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-
Environmental Services	-	-	-	-	-	-	-
Human Services	7,689	2,236	1,473	1,737	2,537	-	335
Recreation	-	-	-	-	-	-	-
Landscape	-	-	-	-	-	-	-
Homeless Services	2,117	-	-	-	-	3,812	-
Non-departmental	-	-	-	-	-	-	-
Less: Citywide Savings	-	-	-	-	-	-	-
Debt Service	-	-	428	-	-	-	-
Total Expenditures	9,806	2,236	1,901	1,737	2,537	3,812	335
Transfers Out	677	203	337	-	2	-	43
<b>Total Uses</b>	<b>10,483</b>	<b>2,439</b>	<b>2,238</b>	<b>1,737</b>	<b>2,539</b>	<b>3,812</b>	<b>378</b>
<b>Ending Fund Balance</b>							
Reserved Fund Balance	-	-	-	261	-	-	-
Unreserved Fund Balance	4,757	3,473	1,075	203	-	3,249	143
<b>Total Ending Fund Balance</b>	<b>\$ 4,757</b>	<b>\$ 3,473</b>	<b>\$ 1,075</b>	<b>\$ 464</b>	<b>\$ -</b>	<b>\$ 3,249</b>	<b>\$ 143</b>

## Other Funds | Special Revenue Funds

HOME	Low/Mod Inc Housing	Affordable Housing Ord	Public Safety Grant	Environmental Services Funds	Misc Operating Revenue (Tree Program/ Grants)	Landscape Maintenance District 88	CFD 1 Services Special Tax	CFD 3 Services Special Tax	GO Bonds Debt Service	Total
\$ -	\$ 7,316	\$ 60,162	\$ 1,131	\$ 1,858	\$ 2,070	\$ 483	\$ 11,047	\$ 1,096	\$ 2,150	\$ 104,043
-	-	-	-	-	-	-	-	-	2,657	2,657
-	-	-	-	-	-	-	-	-	-	1,681
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	4,000	-	15,099	-	222	1,462	211	-	23,523
-	-	-	-	-	-	-	-	-	-	-
-	40	350	-	77	14	-	-	-	-	534
460	-	-	796	698	161	-	-	-	-	13,762
-	1,100	-	50	-	-	-	-	-	-	1,921
460	1,140	4,350	846	15,874	175	222	1,462	211	2,657	44,078
-	-	-	-	-	-	-	-	-	-	3,376
<b>460</b>	<b>8,456</b>	<b>64,512</b>	<b>1,977</b>	<b>17,732</b>	<b>2,245</b>	<b>705</b>	<b>12,509</b>	<b>1,307</b>	<b>4,807</b>	<b>151,497</b>
-	-	-	-	-	-	-	-	-	-	-
-	-	-	532	-	-	-	-	-	-	532
-	-	-	167	-	-	-	-	-	-	167
-	-	-	-	2,825	121	190	1,462	10	-	4,608
-	-	-	-	169	173	-	-	-	-	342
460	4,822	12,275	-	-	-	-	-	-	-	17,557
-	-	-	-	14,142	-	-	-	-	-	14,142
-	-	-	-	-	-	-	-	-	-	16,007
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	5,929
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	2,624	3,052
460	4,822	12,275	699	17,136	294	190	1,462	10	2,624	62,336
-	144	2	-	508	-	40	-	1	33	1,990
<b>460</b>	<b>4,966</b>	<b>12,277</b>	<b>699</b>	<b>17,644</b>	<b>294</b>	<b>230</b>	<b>1,462</b>	<b>11</b>	<b>2,657</b>	<b>64,326</b>
-	-	-	-	8,563	-	-	-	-	-	8,824
-	3,490	52,235	1,278	1,414	1,951	475	11,047	1,296	2,150	88,236
<b>\$ -</b>	<b>\$ 3,490</b>	<b>\$ 52,235</b>	<b>\$ 1,278</b>	<b>\$ 9,977</b>	<b>\$ 1,951</b>	<b>\$ 475</b>	<b>\$ 11,047</b>	<b>\$ 1,296</b>	<b>\$ 2,150</b>	<b>\$ 97,060</b>

### 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.

### 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, 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 remain the same as FY 2023/24.

### **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 2024/25 (Thousands of Dollars)

	Budget 2022/23	Budget 2023/24	Proposed 2024/25
<b>Sources</b>			
Beginning Unreserved Fund Balance	\$ 86,488	\$ 129,821	\$ 86,929
Revenues			
Taxes:			
Property Tax	-	-	-
Sales Tax	-	-	-
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	333	-	-
Fines	-	-	-
Use of Money and Property	1,694	1,128	1,124
Intergovernmental	17,521	20,035	20,668
Other Revenues	18,500	12,195	11,345
Total Revenues	38,048	33,358	33,137
Transfers In	8,274	15,450	7,650
<b>Total Sources</b>	<b>132,810</b>	<b>178,629</b>	<b>127,716</b>
<b>Uses</b>			
Expenditures			
General Government	-	-	-
Police	-	-	-
Fire	-	-	-
Maintenance (Streets/Facilities)	1,675	1,759	6,079
Planning	-	-	-
Building and Safety	-	-	-
Human Services	-	-	-
Recreation	-	-	-
Capital	26,228	49,979	30,599
Less: Citywide Savings	-	-	-
Debt Service	-	-	-
Total Expenditures	27,903	51,738	36,678
Transfers Out	1,287	1,000	1,000
<b>Total Uses</b>	<b>29,190</b>	<b>52,738</b>	<b>37,678</b>
<b>Ending Fund Balance</b>			
Reserved Fund Balance	-	-	-
Unreserved Fund Balance	91,738	113,280	76,858
<b>Total Ending Fund Balance</b>	<b>\$ 91,738</b>	<b>\$ 113,280</b>	<b>\$ 76,858</b>

Capital Improvement Funds FY 2024/25  
(Thousands of Dollars)

	General Fund Group	Gas Tax & Meas B, BB	Park & Acq Impact Fees	Traffic Impact Fees	Committed/ Restricted Group	Expenditure Reclass*	Total
<b>Sources</b>							
Beginning Unreserved Fund Balance	\$ 17,975	\$ 68	\$ 66,753	\$ 4	\$ 2,129	\$ -	\$ 86,929
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	897	100	25	-	1,124
Intergovernmental	-	20,668	-	-	-	-	20,668
Other Revenues	-	-	7,325	750	3,270	-	11,345
Total Revenues	-	20,770	8,222	850	3,295	-	33,137
Transfers In	7,000	-	-	-	650	-	7,650
<b>Total Sources</b>	<b>24,975</b>	<b>20,838</b>	<b>74,975</b>	<b>854</b>	<b>6,074</b>	<b>-</b>	<b>127,716</b>
<b>Uses</b>							
Expenditures							
General Government	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Maintenance (Streets/Facilities)	4,250	1,829	-	-	-	-	6,079
Planning	-	-	-	-	-	-	-
Building and Safety	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital	17,450	18,845	4,384	850	2,250	(13,180)	30,599
Less: Citywide Savings	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Total Expenditures	21,700	20,674	4,384	850	2,250	(13,180)	36,678
Transfers Out	-	-	-	-	1,000	-	1,000
<b>Total Uses</b>	<b>21,700</b>	<b>20,674</b>	<b>4,384</b>	<b>850</b>	<b>3,250</b>	<b>(13,180)</b>	<b>37,678</b>
<b>Ending Fund Balance</b>							
Reserved Fund Balance	-	-	-	-	-	-	-
Unreserved Fund Balance	3,275	164	70,591	4	2,824	-	76,858
<b>Total Ending Fund Balance</b>	<b>\$ 3,275</b>	<b>\$ 164</b>	<b>\$ 70,591</b>	<b>\$ 4</b>	<b>\$ 2,824</b>	<b>\$ -</b>	<b>\$ 76,858</b>

Notes:

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

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# Capital Budget Summary

## Capital Budget Summary

*The un-italicized text that follows is excerpted from the FY 2023/24-FY 2027/2028 Adopted Capital Improvement Program (CIP) dated June 13, 2023. The City Council adopted document is a five-year program/plan. A few minor edits may have been made to the text for the purpose of incorporating this information into the Operating Budget.*

### Executive Summary

Every two years, staff embarks on a significant effort to produce the Capital Improvement Program (CIP). The scope of the City's CIP is focused on investments to maintain and improve the City's infrastructure related to Transportation, Parks, and Civic Facilities. The sources of funds that support the CIP include: County and state transportation taxes; grants; City Development Impact Fees; and allocations from the City General Fund. The City's CIP is updated every two years and includes a two-year Capital Budget (FY 2023/24 and FY 2024/25) and, for planning purposes, a combined five-year CIP (FY 2023/24 through FY 2027/28).

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

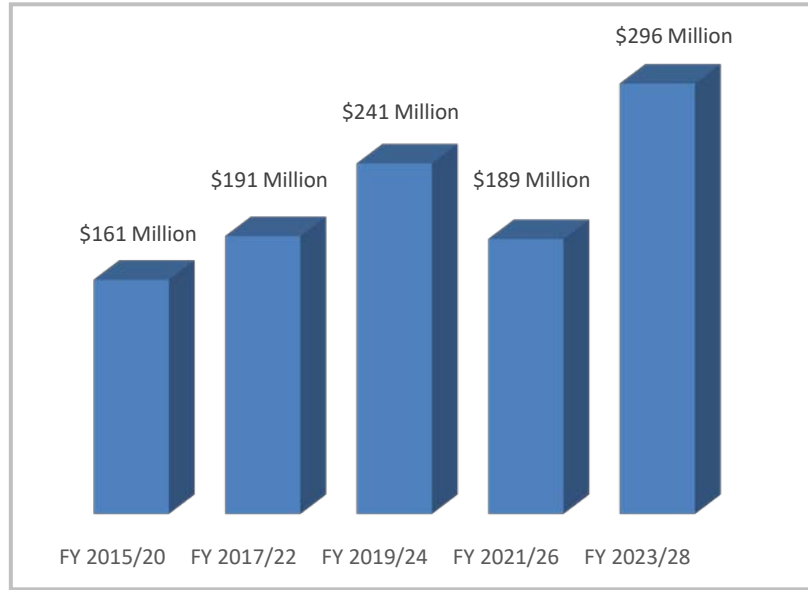
This Introduction/Executive Summary highlights some of the major projects included in the plan. The plan itself contains more detailed project descriptions and fund group summaries. The new CIP programs approximately \$296 million over the next five years. This is a significant increase above the previous CIP, which was constrained by economic factors due to the COVID pandemic. Notably, the following factors contributed to the increased projected total revenues:

- A \$10 million increase in General Fund transfers to the CIP for capital maintenance activities over the CIP cycle; \$2 million per year for five years. This increase was approved by the City Council last year.
- A \$27.5 million increase in new General Fund transfers to the CIP for capital maintenance (pavement, buildings, parks, and street trees); \$5.5 million per year for five years.
- One-time General Fund transfers to the CIP in the amount of \$58 million, previously approved by the City Council.
- A projection of future revenue in the amount of \$23 million for the Central Park Multi-Service Community Center project anticipated from state, federal, and/or private contribution sources, to provide full funding for a \$58 million project.

# Capital Budget Summary

It is noted that the CIP revenue estimates include a significant reduction in Development Impact Fees due to a decline in forecasted residential development activity compared to past CIP cycles. This CIP incorporates reductions in Development Impact Fee revenue for projects that support Parks and Transportation and provides a plan for project delivery that aligns with anticipated revenue. In addition, revenues from transportation taxes (from sales tax and gas tax sources) are projected to be higher than past CIP cycles, which were previously lower due to the influence of the COVID pandemic.

## 5-Year CIP Revenue History



## 5-Year CIP Funding

Sources and Uses by Major Program Areas

	Transportation (\$136M)	Parks & Landscaping (\$39M)	Civic Facilities & Other (\$121M)
<b>Restricted Funds</b> (\$173M)	<u>Sources:</u> State Gas Tax, County Measures, Development Impact Fees, Grants <u>Uses:</u> Pavement Maintenance, Safety, Bike/Ped, Major Projects (\$112M)	<u>Sources:</u> Development Impact Fees, Grants <u>Uses:</u> New Park Acquisition; Construction (\$21M)	<u>Sources:</u> Development Impact Fees, Grants <u>Uses:</u> Fire Facilities; City Buildings; IT Infrastructure (\$40M)
<b>General Fund Annual</b> (\$64M)	Pavement Maintenance, "50/50" Sidewalk Repair Program (\$24M)	Park and Median Island Capital Replacement, "50/50" Tree Program (\$18M)	Building Repair & Renovation, ADA Improvements (\$22M)
<b>General Fund One-Time</b> (\$59M)			Proposed for allocation to 9 projects; 4 located in parks (\$59M)

## CIP Funding Uses

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

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

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

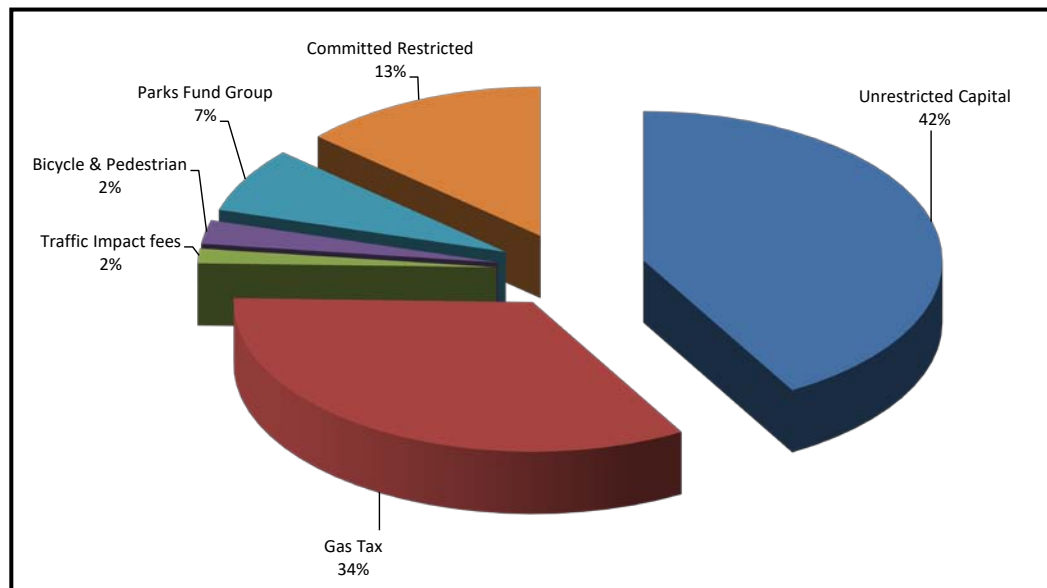
Traffic Impact Fee - This fund group accounts for monies received from private developers to mitigate impacts on the City’s transportation network resulting from new development.

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

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

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

## Fiscal Year 2023/24 - 2027/28: Expenditures by Fund Group



# Capital Budget Summary

## General Fund Annual Transfers to the CIP

The CIP continues a \$7 million annual transfer (a total of \$35 million over five years) of funding from the General Fund for capital maintenance activities that was approved by the City Council as part of the FY 2022/23 operating budget. Also, a supplemental increase of \$5.5 million in the annual transfer is to be allocated as follows (increasing the annual transfer for capital maintenance facilities to \$62.5 million over five years):

- \$2.5 million to pavement maintenance
- \$2.0 million to building maintenance
- \$0.9 million to capital replacement for parks
- \$0.1 million to the street tree 50/50 program

Program (\$000)	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Pavement Maintenance <i>(increased by \$2.5M annually)</i>	4,725	4,725	4,725	4,725	4,725	23,625
Building Maintenance <i>(increased by \$2.0M annually)</i>	4,000	4,000	4,000	4,000	4,000	20,000
Parks Capital Replacement <i>(increased by \$0.9M annually)</i>	2,250	2,250	2,250	2,250	2,250	11,250
ADA Facility Improvements	450	450	450	450	450	2,250
50/50 Sidewalk Repair/Street Tree <i>(increased by \$0.1M annually)</i>	425	425	425	425	425	2,125
Playground Resurfacing	400	400	400	400	400	2,000
Water Conservation/Median Islands <i>(increased by \$2.1M one-time)</i>	2,350	250	250	250	250	3,350
<b>Total</b>	<b>\$14,600</b>	<b>\$12,500</b>	<b>\$12,500</b>	<b>\$12,500</b>	<b>\$12,500</b>	<b>\$64,600</b>

## General Fund One-Time Transfers to the CIP

The most significant change in the CIP is the allocation of new one-time funding transferred from the General Fund to the CIP in the amount of \$58 million based on past Council actions, and a new \$2.1 million transfer. In summary, the use of these allocations is as follows:.



Rendering of new Central Park Community Center.

- \$21 million for the Central Park Multi-Service Community Center project as a City General Fund contribution to an overall \$58 million project. Other secured and proposed funding sources include: \$8 million from a State grant; \$1 million from previously adopted CIP funds; \$5 million from the Parks CIP; and \$23 million in proposed future revenue from grants and private contributions.
- \$15 million to replace 21 old restroom buildings in City parks.
- \$8 million to replace old and outdated heating, ventilation and air conditioning (HVAC) systems in 11 City buildings with modern environmentally sustainable equipment.
- \$5 million to provide electric vehicle charging infrastructure for City fleet vehicles to support the City's climate action policies and comply with State mandates for transitioning to zero emission vehicles.
- \$5 million to rehabilitate and replace aging building systems at City Hall including the roof, fire alarms, and HVAC.
- \$1.7 million for a new Fire Alerting System to align with new County standards for emergency communications.
- \$1.65 million for a new Vehicle Evidence and Storage Building at the Police Center to meet standards for securing evidence from vehicles involved in crime investigations or traffic crashes. This closes a construction funding gap for a project previously approved by the City Council.
- \$826,000 for the Central Park Synthetic Turf Replacement project to replace the aging turf at the dog park.
- \$506,000 for Central Park Sports Lighting Transformer Replacement Project to replace aging infrastructure.
- \$2.1 million as a one-time General Fund transfer to the existing Water Conservation and Median Upgrades program as a contribution for an overall \$5.1 million project to landscape the median islands along Auto Mall Parkway. The City is requesting a federal grant for \$3 million which is currently under review.



### Transportation Investment Highlights

The Transportation CIP includes projects (totaling \$112 million) focused in the areas of: pavement and sidewalk maintenance; 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 traffic safety (Vision Zero), complete streets (providing mobility equity for all travel modes, ages and abilities), and improving traffic flow. Provided below is a summary of investments, funding levels and new projects:



## Capital Budget Summary

- Basic Maintenance Projects – The highest level of funding in the Transportation CIP is allocated to ongoing annual projects to: repave City streets; repair sidewalks, curbs, and gutters in the worst condition; and build ADA curb ramps. The overall funding amount for basic maintenance is \$74 million. In the next two years, work will be completed on a multi-year program to repair sidewalks in a severely damaged condition, where the sidewalk deflection exceeded four inches.



- Traffic Operations and Signal Projects – The investments in traffic operations and signal projects include annual expenditures to maintain existing traffic signals (195 signals); maintain or expand fiber optic communication network within the roadway; modernize equipment for more efficient operations; construct new traffic signals at priority locations to improve safety and operation; and to respond to community interests and concerns related traffic operations. The overall funding amount for traffic operations and signal projects is approximately \$20 million. Key traffic operation projects included in this CIP budget cycle include the development of reliable signal coordination timing along key north-south and east-west regional corridors (e.g., Paseo Padre Parkway, Fremont Boulevard, Decoto Road, Mowry Avenue, Stevenson Boulevard, Warm Springs Boulevard, Osgood Road, Auto Mall Parkway, Thornton Avenue, and Grimmer Boulevard) to manage traffic speeds and minimize the amount of red lights experienced by motorists, as well as the design and construction of a new Traffic Management Center at the City’s Development Center office to allow for enhanced monitoring and management of signal operations.



- Bike/Pedestrian Projects – The City receives dedicated funds from the County Measure BB program and State grants for improvements and expansion to the City’s bicycle and pedestrian facilities as identified in the City’s Bicycle and Pedestrian Master Plan, Vision Zero program, and Safe Routes to Schools program. The overall funding amount for the bike/ped projects is approximately \$11 million. It is noted that other Transportation CIP programs and projects (e.g., complete street roadway projects) may also include bicycle and pedestrian facility elements that are in addition to these bike/pedestrian projects.



I-680/Sabercat Bridge and Trail

- Major Projects – A portion 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 County Transportation Commission (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 over 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, and a complete street corridor project along Decoto Road. Work is also ongoing for the “Centerville Railroad Quiet Zone Corridor Project”. The overall amount of new funding for major projects in the CIP is \$6 million. A notable grant-funded project included in the prior CIP is the Centerville Complete Streets Project, which is planned to be bid out for construction in Fall 2023.



Irvington BART Station

# Capital Budget Summary

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## Parks Investment Highlights

The Parks CIP includes project allocations (totaling approximately \$20.9 million) focused in the areas of: continued funding for existing major projects underway; upgrades to play areas; expansion of trail and pedestrian facilities; and new pickleball court and dog park facilities. Projects are consistent with the previously adopted Parks and Recreation Master Plan adopted in March of 2022. The Recreation Commission considered proposed projects in three meetings during October and November of 2022, and January 2023. During the Commission's review, they considered projects consistent with the Parks and Recreation Master Plan.

This year the Recreation Commission addressed significant revenue shortfalls in the Parks Development Impact Fee program along with high inflationary pressures in the construction industry and throughout the economy. The primary focus is to address a shortfall of approximately \$8 million in Parks Development Impact Fee revenues, address shortfalls in existing project budgets due to construction cost inflation, and to address community demand for pickleball courts and dog parks. Several projects, such as Central Park Loop Trail/Parking Lot and Pacific Commons Sports Park (phase two), are scheduled for delay due to the \$8 million shortfall, but these previously approved projects and priorities have not been eliminated.

On January 18, 2023, the Recreation Commission voted unanimously to forward the following Parks CIP to the City Council for consideration. Significant themes in the CIP include the following:

- Major Park Improvements – Much of this year's capital investment is for continued support for on-going major park projects including: Centerville Community Park, Palm Avenue Community Park, and Rix Neighborhood Park Expansion. Allocations in this CIP will complete funding for these projects.
- Investments in Pickleball Courts and Dog Parks – New pickleball courts and a dog park at Vallejo Mills Historic Park to address strong community demand for these facilities. In addition to Vallejo Mills, a new dog park for the park property at Ardenwood Blvd. and Paseo Padre Parkway and a large pickleball complex is planned for the first phase of Pacific Commons Sports Park.
- New Central Park Community Center – A significant contribution from Park Impact Fees is allocated for exterior improvements associated with the Community Center.

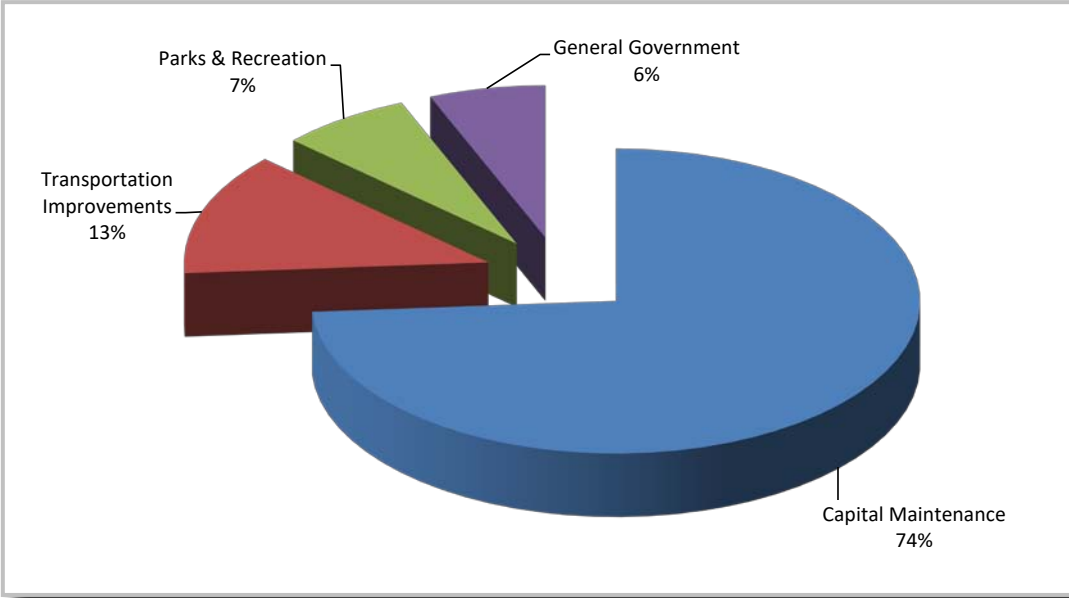


**General Government / Public Facilities Investment Highlights**

The General Government / Public Facilities CIP allocations total \$39.6 million. The largest amount of \$23 million is programmed to collect contributions and grants in support of the new Central Park Community Center. Approximately \$18 million is being accumulated from Development Impact Fees collected for new or expanded infrastructure to support City growth with funding to be used for Fire Department and Capital facilities. Of this \$18 million, \$5 million is allocated to pay debt on public facilities completed in the past, \$10 million is programmed to support the development agreement for the Age Well Center in South Fremont, and \$343,000 is allocated to purchase fire equipment and uniforms. The remaining amount is not being budgeted at this time until sufficient funds are accumulated. Department internal funds support the development permitting system in an amount of \$1.3 million.

**Fiscal Years 2023/24 through 2027/28**

<i>Expenditures by Program Category</i>	
Capital Maintenance	\$218,948,650
Transportation Improvements	\$38,530,000
Parks & Recreation	\$20,613,162
General Government	\$18,332,676



# Capital Budget Summary

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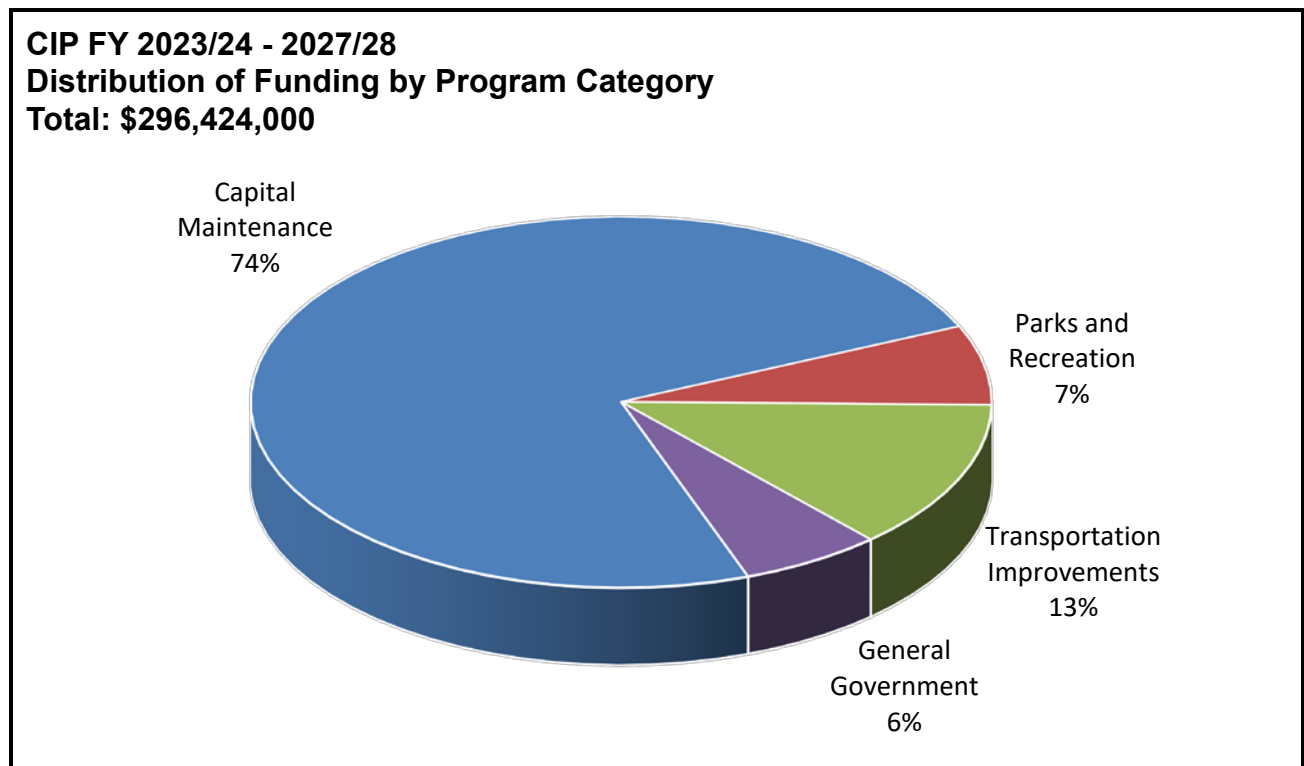
## Capital Improvement Project Highlights

The Capital Improvement Program (CIP) budget is developed every two years. The CIP forecasts and allocates the resources the City will use to build and maintain its infrastructure. The plan allocates money for capital projects and maintenance of existing infrastructure for two years and, for planning purposes, defines a plan that looks forward five years. The CIP is a budget, but it is also a tool to facilitate strategic thought and comprehensive capital planning.

The Capital Improvement Program (CIP) development process involves a comprehensive internal project planning effort and multiple opportunities for the City Council to review the progress of the CIP Development and provide direction to staff. In a series of City Council meetings, staff provide an overview of the CIP process, current CIP investments, and new Citywide investment interests along with revenue projections and identification of projects in the major program areas: Capital Maintenance, Transportation Improvements, Parks and Recreation, and General Government.

Within the CIP, projects are categorized by major funding sources and among four programs: Capital Maintenance, Traffic/Transportation Improvements, Parks and Recreation, and General Government. The chart below shows that the largest share of the CIP budget, 74%, supports capital maintenance related activities.

The following section provides a summary of key projects within each program category. Information about CIP funds summarized in the operating budget can be found in the Other Funds section of this document. A comprehensive list of projects is available in the adopted CIP for Fiscal year 2023/24 through 2027/28.



# Capital Budget Summary | Capital Improvement Project Highlights

## Capital Maintenance

### 1. Title: ADA Upgrades

**Project Description:** This project funds the construction of prioritized ADA upgrades to city streets and facilities, based on the recommendations and prioritization developed in the 2014-15 ADA Transition Plan Update.

**Funding Source:** Capital Improvement Fund (501)

**Project Cost:**

FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five year total
\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$2,250,000

**Operational Impact:** Achieve compliance with requirements of the Americans with Disabilities Act, thereby reducing any potential liabilities.

### 2. Title: Concrete Repair Program, Citywide

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

**Funding Source:** ACTIA Measure BB Local Streets and Roads Fund  
Measure F New Vehicle Registration Fee Fund

**Project Cost:**

FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five year total
\$800,000	\$925,000	\$800,000	\$890,000	\$1,000,000	\$4,415,000

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

### 3. Title: Pavement Maintenance

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

**Funding Source:** Capital Improvement Fund (501)  
ACTC Measure BB Local Streets and Roads Fund  
Measure F New Vehicle Registration Fee Fund

**Project Cost:**

FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five year total
\$9,125,000	\$9,125,000	\$8,125,000	\$8,225,000	\$8,225,000	\$42,825,000

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



## Capital Budget Summary | Capital Improvement Project Highlights

**4. Title: Pavement Rehabilitation**

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

**Funding Source:** State Gas Tax Funds

**Project Cost:**

FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five year total
\$4,000,000	\$4,500,000	\$5,000,000	\$6,750,000	\$6,750,000	\$27,200,000

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

**5. Title: Street Maintenance**

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

**Funding Source:** State Gas Tax Funds

**Project Cost**

FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five year total
\$1,758,750	\$1,829,100	\$1,829,100	\$1,829,100	\$1,829,100	\$9,075,150

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



Street maintenance project



Asphalt patching in residential area



# Capital Budget Summary | Capital Improvement Project Highlights

## Traffic Improvements

**1. Title: Pedestrian Improvements**

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

**Funding Source:** ACTC Measure BB Bike and Pedestrian Fund

**Project Cost:**

FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five year total
\$400,000	\$650,000	\$625,000	\$650,000	\$650,000	\$2,975,000

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

**2. Title: Traffic Improvement Program**

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

**Funding Source:** ACTC Measure BB Local Streets and Roads Fund  
Measure F New Vehicle Registration Fee Fund  
Traffic Impact Fee Fund

**Project Cost:**

FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five year total
\$650,000	\$1,800,000	\$825,000	\$825,000	\$825,000	\$4,925,000

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

**3. Title: Traffic Signal System Upgrade & Modernization**

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

**Funding Source:** Traffic Impact Fee Fund  
State Gas Tax Funds

**Project Cost:**

FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five year total
\$450,000	\$0	\$600,000	\$650,000	\$650,000	\$2,350,000

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

# Capital Budget Summary | Capital Improvement Project Highlights

## Parks and Recreation

**1. Title: California Nursery Development**

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

**Funding Source:** Park Facility Impact Fee Fund

**Project Cost:**

FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five year total
\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000	\$3,000,000

**Operational Impact:** Implement projects consistent with adopted Master Plan for the California Nursery Historical Park with opportunity to enhance revenues.

**2. Title: Central Park All Inclusive Exercise Equipment**

**Project Description:** Develop new adult exercise area at the North Meadow of Central Park. Area to include safety surfacing, eight equipment stations, drinking water refill station, and shade structure. Edge of fitness area is planted with shrubs and lawn.

**Funding Source:** Park Facility Impact Fee Fund (540)

**Project Cost:**

FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five year total
\$347,000	\$0	\$0	\$0	\$0	\$347,000

**Operational Impact:** The project will create a state-of-the-art fitness facility for all age groups and skill levels. Maintenance impacts will be sma.

**3. Title: Palm Avenue Community Park**

**Project Description:** Develop 12.1 acres of new community park.

**Funding Source:** Park Facility Impact Fee Fund (540)

**Project Cost:**

FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five year total
\$2,400,000	\$800,000	\$0	\$0	\$0	\$3,200,000

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

# Capital Budget Summary | Capital Improvement Project Highlights

## General Government

**1. Title:** Development Permitting System Support

**Project Description:** Ongoing maintenance and upgrades utilized in the development permitting process, including software used by the public to access development permitting activity.

**Funding Source:** Development Cost Center Reserves Fund

**Project Cost:**

FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five year total
\$350,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,350,000

**Operational Impact:** Implement necessary maintenance of major software system used to support all development permitting activities with opportunity to enhance efficiency and revenues.



Permit Center

# 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

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Salaries & Benefits	\$ 287,272	\$ 296,062	\$ 296,113	\$ 332,781	\$ 345,467	\$ 341,145
Operating Expenditures	171,848	223,340	180,534	227,210	227,210	232,210
Capital Expenditures	-	-	-	-	-	-
Indirect Expense Allocation**	21,733	25,274	26,136	26,134	26,134	54,488
<b>Totals</b>	<b>\$ 480,853</b>	<b>\$ 544,676</b>	<b>\$ 502,783</b>	<b>586,125</b>	<b>598,811</b>	<b>627,843</b>

% increase/(decrease), including all funds, from FY 2023/24 Adopted Budget 4.8%

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

\*\* Indirect expense allocation includes the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, general liability insurance, and accrued leave liquidation. In FY 2022/23, the City established an accrued leave liquidation reserve in the Employee Benefits internal services fund, which resulted in a one-time increase in departmental indirect cost allocations. In FY2023/24, liquidation of accrued leave shifted from departments to the accrued leave liquidation reserve, resulting in a reduction in personnel expenditures compared with previous years.

## 2024 Key City Priorities

At the City Council retreat held in February 2024, the Council established three top priority policy areas for the City in FY 2024/25:

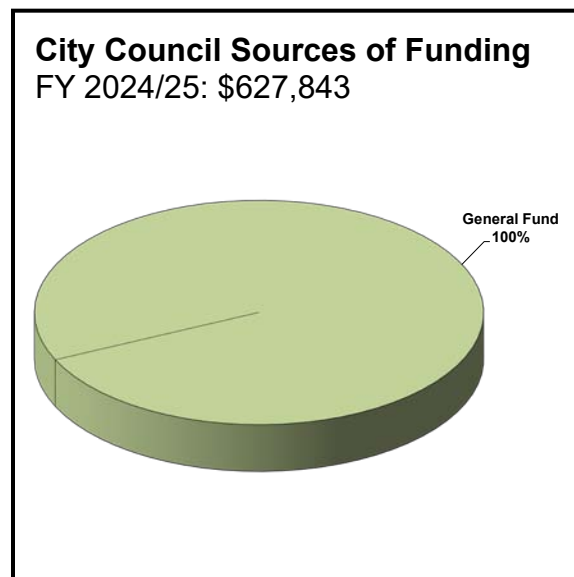
1. Continue to address homelessness.
2. Focus on public safety.
3. Prioritize environmental sustainability.





## 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.



# Department Budgets | City Council

## Major Changes

- The FY 2024/25 City Council indirect expense allocation is increasing by \$28,354 mainly due to higher Information Technology costs.



## Community Development

### Mission:

The 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, environmental programs, and project-by-project actions.

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**Major Services**

**Planning**

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

**Building and Safety**

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

**Code Enforcement**

*Respond to community concerns and proactively seek out violations of the Fremont Municipal Code to preserve community health and safety. Provide guidance and resolution as needed.*

**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.*

**Environmental Services**

*Administer programs related to climate action plan implementation and sustainability practices, effective solid waste management and recycling, urban runoff quality and the flow of clean storm water into streams and the San Francisco Bay.*

**Housing**

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

## Department Overview

The Community Development Department provides planning, development review, code enforcement services, building and fire permit issuance, construction and fire safety inspection, housing, business assistance services and environmental programs. 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, to maintain and increase the range of housing alternatives, and to implement sustainable, environmentally beneficial programs to enhance the quality of life for Fremont residents and businesses.



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

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Planning	\$ 4,348,186	\$ 4,818,513	\$ 5,000,838	\$ 6,053,327	\$ 6,000,809	\$ 6,284,389
Planning Administration	491,685	809,039	572,466	607,767	607,767	463,068
Building and Safety	11,404,068	12,387,339	12,318,017	15,048,318	14,887,621	15,238,093
Code Enforcement	959,151	1,503,922	1,607,763	1,651,068	1,651,069	1,810,497
Environmental Services	13,202,284	13,751,666	15,275,830	17,645,718	16,465,560	17,644,308
Homeless Services Code Enforcement	186,669	187,771	191,305	200,049	200,049	209,487
SB2 & LEAP Housing Grants	290,735	394,472	399,742	517,937	400,000	173,000
Affordable Housing Investment	942,292	5,050,533	1,198,273	1,352,086	1,352,086	4,966,146
Affordable Housing Ordinance	2,568,484	23,036,509	8,034,524	11,011,904	11,011,904	12,277,063
<b>Total Community Development</b>	<b>\$ 34,393,554</b>	<b>\$ 61,939,763</b>	<b>\$ 44,598,758</b>	<b>\$ 54,088,174</b>	<b>\$ 52,576,865</b>	<b>\$ 59,066,051</b>

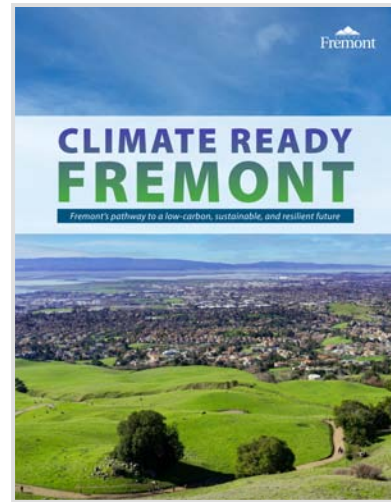
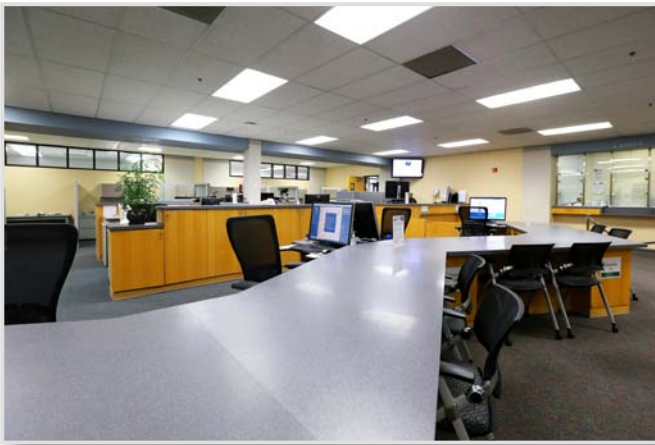
\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

## Accomplishment Highlights FY 2023/24

1. Continued to update the Fremont Municipal Code to address new land use laws and to support City goals, including implementation of the 2023-2031 Housing Element.
2. Code Enforcement coordinated with Human Services, Police, and Environmental Services in support of the City’s homelessness response efforts.
3. Adjusted citation amounts for planning and building code violations to the extent allowed by State law as a way to incentivize compliance.
4. Facilitated 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.

## Department Budgets | Community Development

- Continued 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.
- Updated user fees for a variety of planning and building services to ensure that these services continue to be 100% fee supported.
- Continued to provide the public with the latest updates in Community Development through newsletters, email/text message notifications, social media, department webpages, and printed materials.
- Initiated modernization project for the City's 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.



- Finalized an update to the Climate Action Plan.
- Created a public data dashboard to track implementation of priority actions included in the Climate Action Plan.
- Received Council approval of a Resolution establishing Ava Community Energy's Renewable 100 as the default electricity service plan for Fremont residents and businesses.
- Continued educational training of staff to maintain City and State mandated building and fire code certifications and licenses with the 2022 California Building Code.
- As an implementation requirement of the Housing Element, initiated planning for the development of housing on City-owned property on Decoto Road.
- Worked with Community Services staff to utilize Federal Energy Efficiency and Conservation Block Grant (EECBG) funds to install energy efficient lighting at outdoor recreation facilities.



15. Issued a Notice of Funding Availability (NOFA) resulting in Council awards of \$35 million for three new affordable housing developments that will create almost 500 units of new affordable housing.



16. Launched the Instant Solar Permit with the help of SolarAPP+, an online portal for permitting new residential rooftop solar and storage systems.
17. Received Platinum designation from the national SolSmart program, recognizing exceptional achievements in advancing solar energy use at the local level; Fremont is the first community in the country to earn this prestigious designation.
18. Installed 58 new and repaired 36 trash capture devices in City stormwater catch basins to intercept trash and reduce stormwater pollution and conducted approximately 156 cleanup events at over 1,150 homeless encampment sites, removing approximately 498 tons of debris.

### Objectives FY 2024/25

1. Work with property owners of multi-family buildings to educate and implement requirements of SB 721 and SB 326 to ensure the safety of elevated, exterior elements, such as balconies, stairs, and walkways.
2. Implement the Short Term Rental (STR) ordinance by contracting with a host compliance company and developing a permit application/process, as well as working with STR operators to obtain the required permit and to comply with the STR ordinance.
3. Through the Code Enforcement and Housing Divisions, support implementation of the City's Homeless Response Plan.
4. Complete the Permit Center modernization project to better utilize its limited area, including creating a kiosk center to facilitate the public's use of the increasing number of online services.
5. Implement in-person and virtual appointment-based plan review, as well as establish a virtual public counter for general permitting questions.
6. Create videos for the public on how to use Citizen Access, the City's online permitting portal; and on how to search and apply for affordable housing in Fremont.





## Department Budgets | Community Development

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7. Update the City's seismic ordinance to consider updated technical guidance and changes in State law.
8. Work with developers of several pipeline affordable housing projects to issue building permits, begin construction, complete construction, and/or move tenants into the units, as appropriate for each project.
9. Work with Ava Community Energy to select one or more locations to serve as hub for publicly accessible electric vehicle fast charging and to secure permits for installation.
10. Work with Ava Community Energy to enter contracts for installation of solar/battery microgrids at several City facilities.
11. Expand participation of Fremont businesses and schools in county reusable food service ware campaign to reduce the volume of single use disposables, implement an adopt-a-drain program to reduce incidents of blocked storm drains and promote environmental stewardship, evaluate the street sweeping program to identify opportunities for improved debris removal, conduct a waste audit at City facilities and prioritize efforts to increase waste diversion, expand the water quality testing program at Lake Elizabeth, and implement a battery collection program at 11 fire stations within Fremont available for community use.



12. Generate design options for the City-owned Fremont/Decoto site and, after receiving community and Council input, recommend a preferred development option to the Council for approval.
13. Continue to implement and report on the second-year program commitments of the certified 2023-2031 Housing Element and update municipal codes and City policies to reflect changes in State laws regarding development.
14. Continue to facilitate timely permitting to support the revitalization of the City's commercial districts, aid the vitality and growth of local companies, and the creation of new affordable and market-rate housing.
15. Continue to oversee the development of new affordable housing, including monitoring of existing City-regulated affordable housing for conformance with affordability restrictions and general habitability standards.
16. Continue to provide educational training and resource information to housing providers and low-income home seekers.

## Department Budgets | Community Development

- 17. Continue to provide the public with the latest updates in Community Development through newsletters, email/text message notifications, social media, department webpages, and printed materials.
- 18. Continue staff educational training to maintain City and State mandated building and fire code certifications and licenses with the 2022 California Building Code.

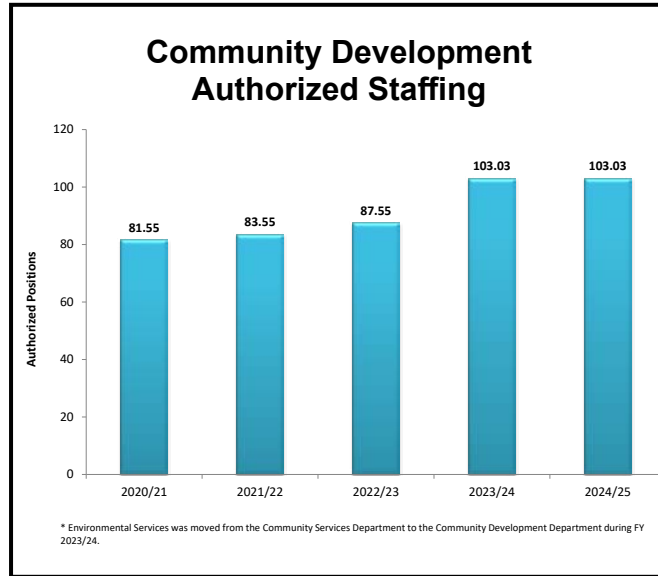
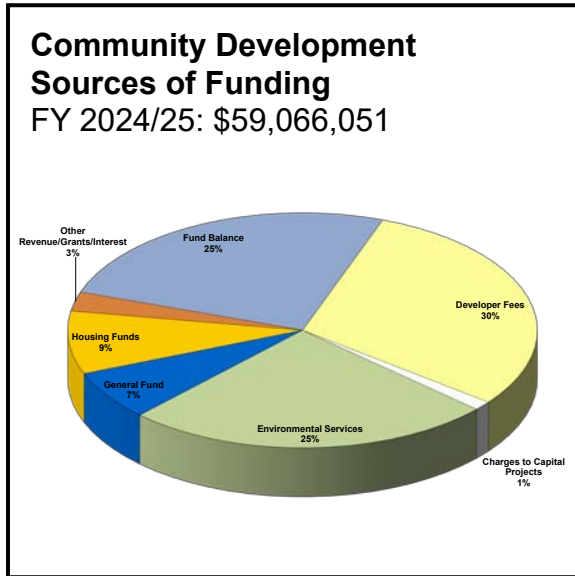


- 19. Continue streamlining accessory dwelling unit (ADU) and pre-approved accessory dwelling unit (PDU) review processes including simplification of requirements, processing, and issuance.

### Performance Measurement

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
Reduce waits for public counter assistance to a maximum of 15 minutes	90%	90%	90%	90%
Achieve entitlement processing schedules	90%	90%	90%	90%
Achieve building permit processing schedules	90%	90%	75%	90%
Increase number of creek clean-up and restoration event volunteers	983	700	990	1,050

# Department Budgets | Community Development



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

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Salaries & Benefits	\$ 18,833,966	\$ 20,010,385	\$ 20,811,213	\$ 24,068,024	\$ 24,068,024	\$ 24,734,331
Operating Expenditures	10,835,086	36,139,059	18,027,908	22,658,508	21,442,199	27,040,491
Capital Expenditures	411,599	138,384	93,000	1,695,006	1,400,006	1,635,028
Indirect Expense Allocation**	4,312,903	5,651,935	5,666,637	5,666,636	5,666,636	5,656,201
<b>Totals</b>	<b>\$ 34,393,554</b>	<b>\$ 61,939,763</b>	<b>\$ 44,598,758</b>	<b>\$ 54,088,174</b>	<b>\$ 52,576,865</b>	<b>\$ 59,066,051</b>

% increase/(decrease), including all funds, from FY 2023/24 Adopted Budget 12.3%

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

\*\* Indirect expense allocation includes the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, general liability insurance, and accrued leave liquidation. In FY 2022/23, the City established an accrued leave liquidation reserve in the Employee Benefits internal services fund, which resulted in a one-time increase in departmental indirect cost allocations. In FY2023/24, liquidation of accrued leave shifted from departments to the accrued leave liquidation reserve, resulting in a reduction in personnel expenditures compared with previous years.

## Major Changes

- The FY 2024/25 Community Development budget is \$6,489,186 (12.3%) more than the FY 2023/24 adopted budget.
- Operating expenditures are increasing by \$5,598,292 (or 26.1%) due primarily to an increase in affordable housing projects.
- Capital expenditures are increasing by \$235,022 (or 16.8%) mainly due to scheduled vehicle purchases for Environmental Services.



Staffing by Function - FY 2024/25

Community Development		
<b>Administration</b>		
Community Development Director		0.40
Deputy Director		0.65
Permit Center Manager		0.25
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 I		0.50
Administrative Analyst		0.50
<b>Building &amp; Safety</b>		
Community Development Director	0.20	
Deputy Director	0.30	
Permit Center Manager	0.75	
Building Official	1.00	
Business Manager	0.55	
Supervising Building Inspector	2.00	
Principal Plan Check Professional	1.00	
Senior Plan Check Professional	2.00	
Plan Check Professional	7.00	
Building Inspector Specialist	5.00	
Building Inspector II	7.00	
Building Inspector I	3.00	
Fire & Life Safety Inspector	1.00	
Fire & Life Safety Plans Examiner	2.00	
Management Analyst II	1.05	
Senior Community Development Technician	2.00	
Plans Examiner	1.00	
Community Development Technician	10.00	
Development Services Supervisor	0.50	
Environmental Specialist II	0.50	
Administrative Assistant	1.00	
Administrative Analyst	0.50	
Accounting Specialist II	0.50	
Senior Office Specialist	0.50	
Office Specialist II	1.00	
Office Specialist I	1.50	
<b>Planning</b>		
Planning Manager		0.75
Assistant Planning Manager		1.00
Principal Planner		1.00
Senior Planner		2.00
Information Systems Appl Specialist III		0.20
Associate Landscape Architect		1.00
Associate Planner		5.00
Environmental Specialist II		0.30
Planner II		2.00
Planner I		2.00
Accounting Specialist II		0.50
Executive Assistant		1.00
Office Specialist II		1.00
<b>Code Enforcement</b>		
Community Development Director		0.05
Deputy Director		0.05
Business Manager		0.05
Planning Manager		0.25
Code Enforcement Manager		1.00
Code Enforcement Officer II		5.00
Development Services Supervisor		0.05
Office Specialist II		1.00
<b>Environmental Services</b>		
City Attorney		0.08
Community Development Director		0.10
Environmental Services Manager		1.00
Environmental Services Administrator		2.00
Management Analyst II		0.10
Sustainability Manager		0.75
Park Ranger		2.25
Info Systems Appl Spec III		0.50
Environmental Specialist II		5.20
Environmental Specialist I		3.00
<b>Housing</b>		
Community Development Director	0.25	
Housing Manager	1.00	
Business Manager	0.15	
Associate Planner	1.00	
Management Analyst II	0.25	
Senior Office Specialist	0.35	
Planner I	2.00	
Development Services Supervisor	0.25	
<b>Homeless Services</b>		
Code Enforcement Officer II	1.00	

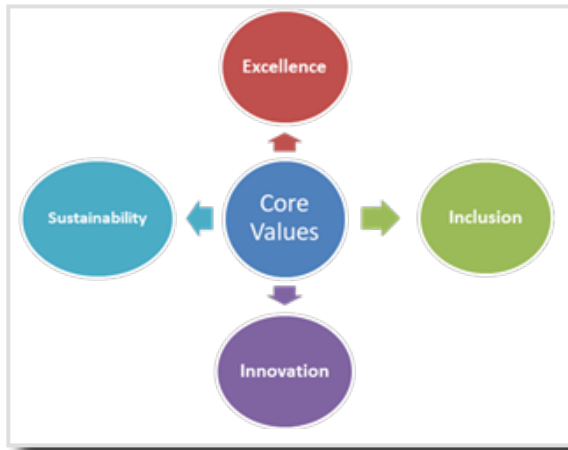
Regular Full-Time Equivalents: 103.03

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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, Urban Forestry, and Medians Maintenance**

*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. Equitably protect, maintain, and grow Fremont’s urban tree canopy and serve as a resource in those efforts. Administer tree permits, mitigation, grants, and municipal urban forestry projects.*

#### **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, and community landscape architecture. The Park Division manages, maintains, and oversees the park maintenance core services, median, and special maintenance functions such as the Lighting, Landscape Maintenance District (LLMD) and back-up lots and emergency tree services for the City. Through the Urban Forestry Master Plan and the Fremont Municipal Code, the Urban Forestry staff manage projects; administer tree-related code and policies; and engage and educate residents on tree care and preservation. The Park Planning & Design Division carries out capital and park planning development projects, and implements the Parks and Recreation Master Plan. 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. 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

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Recreation	\$ 8,239,161	\$ 9,383,350	\$ 10,407,522	\$ 11,335,217	\$ 11,253,096	\$ 11,872,847
Parks, Medians, & Urban Forestry	9,848,042	11,492,388	12,874,643	13,469,046	13,431,200	12,913,283
Park Planning & Design	2,141,104	2,286,893	2,561,570	2,957,186	2,854,247	3,028,137
Ranger Program	943,494	1,137,668	1,168,043	1,192,090	1,192,090	1,247,561
Homeless Services	29,975	60,794	145,881	145,880	145,880	163,469
<b>Total Community Services</b>	<b>\$ 21,201,776</b>	<b>\$ 24,361,093</b>	<b>\$ 27,157,659</b>	<b>\$ 29,099,419</b>	<b>\$ 28,876,513</b>	<b>\$ 29,225,297</b>

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

## Accomplishment Highlights FY 2023/24

1. Expanded partnership opportunities with the Fremont Unified School District (FUSD) include providing safe, constructive afterschool education and enrichment programs at three school sites, expanded participation of Fremont schools in the County reusable food service ware campaign with implementation of reusable lunch trays, and the collaboration on the first Student Summer Job Fair.
2. Successfully hosted and secured sponsorship funding for City community special events including the Summer Concert Series, Movie Nights, the Downtown Halloween Celebration and the Cargill Downtown STEAM event.

3. The Recreation Cost Center closed the fiscal year with a net positive number for the first time since the COVID-19 pandemic.
4. Completed multiple park projects including eight new Pickleball Courts at Central Park, seven playground surfacing projects, two playground renovations, two picnic area renovations, a basketball court relocation; improved connections at Sylvester P Harvey Park and Central Park; added interpretive signage to California Nursery Historical Park; and finally the City and the community celebrated the Grand Opening of Dusterberry Park on Saturday July 7th.



5. Maintenance efforts included successfully responding to approximately 1,000 park user and citywide requests for services that include requests for tree services, storm responses, hazard abatement, right of way clearance and emergency after-hours calls and securing additional contract service providers.



6. Community volunteer programs were supported including the volunteer garden groups at Shinn Historical Park and Arboretum, California Nursery Historical Park, Central Park, Open Garden Days at Central Park and conducted 75 volunteer creek restoration and park beautification events at Sabercat Creek and Stivers Lagoon.
7. Urban Forestry & Tree Maintenance maintained our City's Tree City USA priority designation, planted 800 trees citywide, trimmed more than 2,000 street trees to improve street sweeper clearance and aid in storm water compliance, processed more than 700 tree maintenance permit applications and more than 400 50/50 Street Tree and 50-50 Sidewalk maintenance reimbursement applications totaling more than \$250,000 in financial assistance to residents.

**Objectives FY 2024/25**

1. Urban Forestry will continue to implement the Urban Forestry Management plan, advance preventative maintenance measures to aid the City’s efforts to manage safety and liability tree issues, manage the CalFire urban forestry grant-related contracts to implement the City’s urban forestry expansion effort, initiate the U.S. Forest Service urban forestry grant, and revise the marketing and outreach efforts on available services and programs.
2. Park Maintenance will continue its implementation of the City Council approved Park and Recreation Master Plan by initiating a zone management plan and the implementation of the Cityworks software.
3. Park Projects will include the continued design, development and funding on the new Central Park Community Center, park-wide restroom upgrades, Vallejo Mill Park Renovation, projects at California Nursery, multiple playground renovations and resurfacing, begin design and environmental work on the Pac Commons Sports Park Master Plan and complete other scheduled Capital Improvement Plan projects.
4. The Recreation Cost Center will continue to operate at a net positive year over year and work towards contributing to and improving the Recreation Fund Balance, to reinvest back into the Cost Center.

**Performance Measurement**

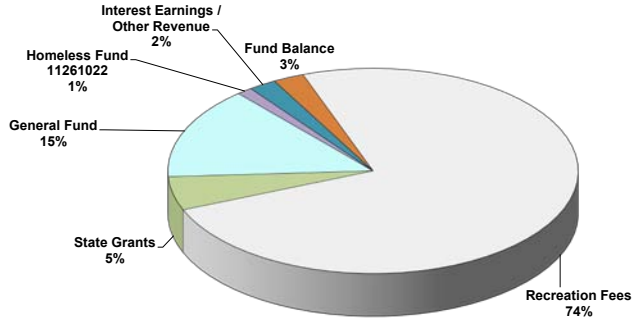
<b>Measure</b>	<b>FY 2022/23 Actual</b>	<b>FY 2023/24 Target</b>	<b>FY 2023/24 Estimate</b>	<b>FY 2024/25 Target</b>
Increase Recreation program registrants over prior year	20,658	23,000	20,944	21,500
Increase Park Maintenance Tree Planting	127	150	175	200



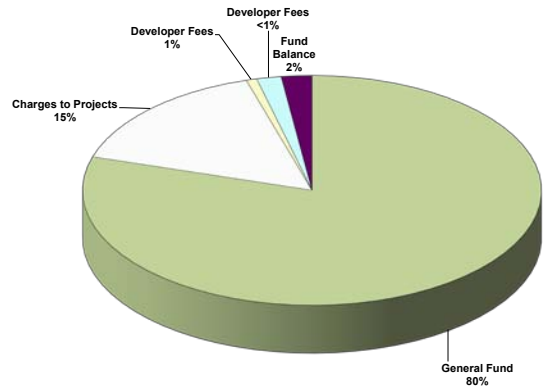
**Community Services Sources of Funding**

FY 2024/25: \$29,225,297

**Recreation Division**  
\$13,283,876

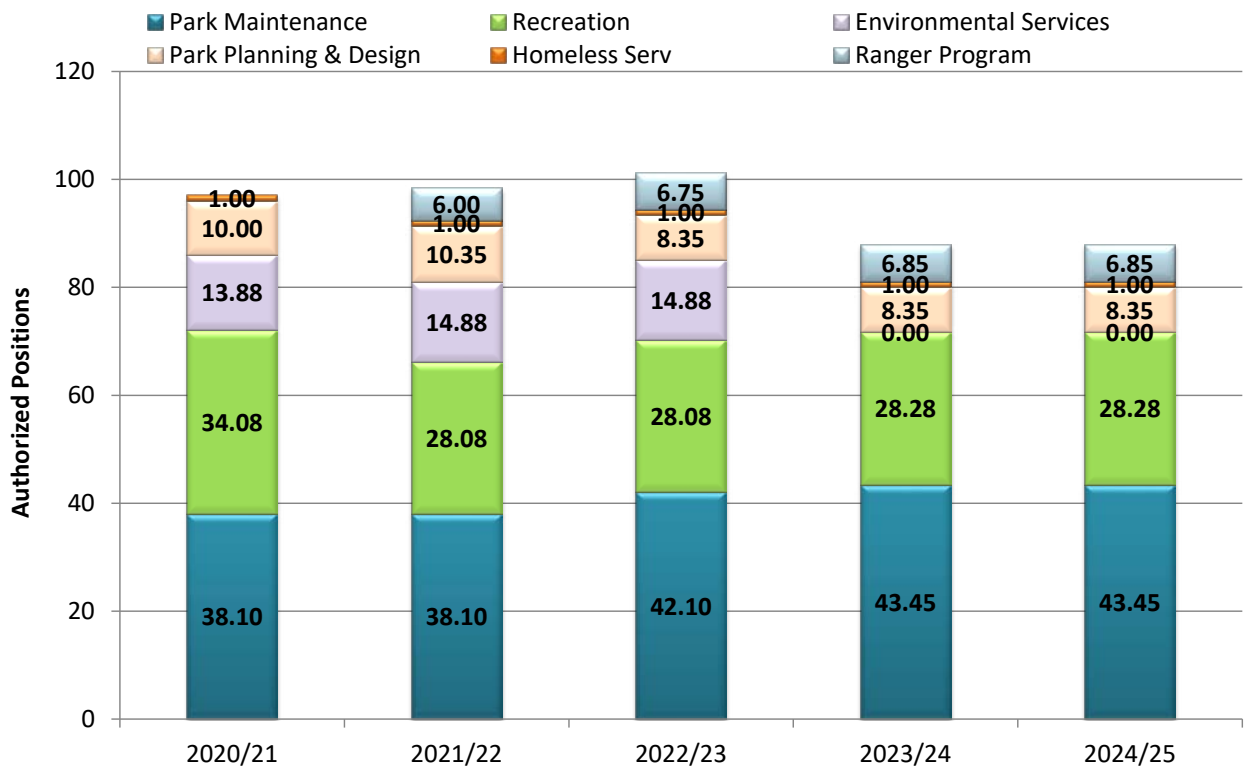


**\*Other Divisions**  
\$15,941,421



\*Other Divisions include: Parks Planning and Design, Parks Maintenance, Median Maintenance, and Urban Forestry.

**Community Services Historical Authorized Staffing**



\* Environmental Services was moved from the Community Services Department to the Community Development Department during FY 2023/24.



# Department Budgets | Community Services

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

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Salaries & Benefits	\$ 13,551,569	\$ 14,816,633	\$ 16,673,947	\$ 18,015,491	\$ 18,015,492	\$ 18,601,296
Operating Expenditures	5,852,471	6,396,434	7,883,806	8,372,576	8,149,669	7,670,504
Capital Expenditures	71,971	88,489	174,222	208,484	208,484	182,803
Indirect Expense Allocation**	1,725,765	3,059,536	2,425,684	2,502,868	2,502,868	2,770,694
<b>Totals</b>	<b>\$ 21,201,776</b>	<b>\$ 24,361,093</b>	<b>\$ 27,157,659</b>	<b>\$ 29,099,419</b>	<b>\$ 28,876,513</b>	<b>\$ 29,225,297</b>
						1.2%

% increase/(decrease), including all funds, from FY 2023/24 Adopted Budget

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

\*\* Indirect expense allocation includes the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, general liability insurance, and accrued leave liquidation. In FY 2022/23, the City established an accrued leave liquidation reserve in the Employee Benefits internal services fund, which resulted in a one-time increase in departmental indirect cost allocations. In FY2023/24, liquidation of accrued leave shifted from departments to the accrued leave liquidation reserve, resulting in a reduction in personnel expenditures compared with previous years.

## Major Changes

- The FY 2024/25 Community Services budget is \$348,785 (1.1%) more than the FY 2023/24 adopted budget.
- Operating expenditures are decreasing by \$479,165 (or -5.9%) due to the removal of one-time costs for street tree pruning and Capitol Avenue streetscape enhancements.
- Capital expenditures are declining by \$25,681 (or -12.3%) mainly due to decrease in recreation equipment purchases.
- The indirect expense allocation is increasing by \$267,826 (or 10.7%) mainly due to higher liability insurance premiums and the shift of accrued leave liquidation costs from personnel expenditures to department indirect cost allocation.

Staffing by Function - FY 2024/25

Community Services	
<p><b>Park Maintenance</b></p> <p>Community Services Director 0.15                      Business Manager 1.00                      Executive Assistant 0.30                      Park Superintendent 1.00                      Parks/Urban Landcape Manager 1.60                      Urban Forestry Manager 1.00                      Associate Landscape Architect 1.00                      Office Specialist II 1.00                      Office Specialist I 1.00</p> <p><u>Central Park</u></p> <p>Park Field Supervisor 1.00                      Park Maintenance Worker II 2.00                      Park Maintenance Worker I 5.00</p> <p><u>North End Parks</u></p> <p>Park Field Supervisor 1.00                      Park Maintenance Worker II 2.00                      Park Maintenance Worker I 4.00</p> <p><u>South End Parks</u></p> <p>Park Field Supervisor 1.00                      Park Maintenance Worker II 3.00                      Park Maintenance Worker I 5.00</p> <p><u>Construction/Irrigation</u></p> <p>Park Field Supervisor 1.00</p> <p><u>Construction</u></p> <p>Park Maintenance Worker II 1.00                      Park Maintenance Worker I 2.00</p> <p><u>Irrigation</u></p> <p>Park Maintenance Worker II 1.00                      Park Maintenance Worker I 1.00</p> <p><b>Urban Landscape</b></p> <p><u>Tree</u></p> <p>Parks/Urban Landcape Manager 0.40                      Park Field Supervisor 1.00                      Park Maintenance Worker II 2.00                      Park Maintenance Worker I 2.00</p>	<p><b>Recreation</b></p> <p><u>Administrative &amp; Support Services</u></p> <p>Community Services Director 0.85                      Deputy Director 0.90                      Recreation Superintendent II 3.00                      Recreation Supervisor II 0.25                      Assistant Recreation Supervisor 0.25                      Management Analyst II 1.00                      Executive Assistant 0.70                      Accounting Specialist II 0.75                      Office Specialist II 2.00</p> <p><u>Park Visitor Services</u></p> <p>Deputy Director 0.10                      Park Ranger Supervisor 1.00                      Park Ranger 4.75                      Office Specialist II 1.00</p> <p><u>Recreation Services</u></p> <p>Recreation Supervisor II 4.75                      Recreation Supervisor I 6.00                      Assistant Recreation Supervisor 2.75                      Water Park Manager 2.00                      Tiny Tot Specialist 3.08  <i>Program Staff - approx. 325*</i></p> <p><b>Landscape Architecture</b></p> <p>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</p> <p><b>Homeless Services</b></p> <p>Park Ranger 1.00</p>

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

Regular Full-Time Equivalents: 87.93

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## Economic Development

### Mission:

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.

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### 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**

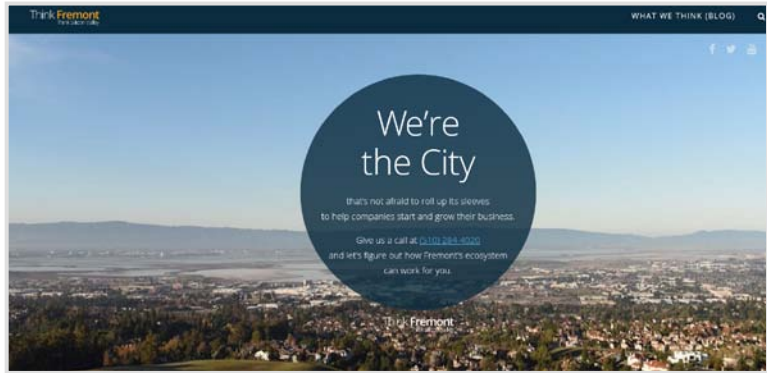
*Build local and regional relationships, leverage resources, and develop strategic alignments between the City, private sector, nonprofits, and other public agencies to ensure that knowledge and resource transfer is taking place for the benefit of Fremont’s businesses and economy.*

#### **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 2023/24

The Economic Development Department’s scope encompasses a broad spectrum of subjects, addressing all facets of Fremont’s economic landscape. This department can be categorized into four key areas of focus: 1) Small Business, Downtown and District Support; 2) Workforce Development Support; 3) Driving jobs and City General Fund Revenues; and 4) Marketing and Strategic Initiatives. The Accomplishment Highlights section is structured to highlight achievements corresponding to each pivotal area.

### 1. Small Business, Downtown and District Assistance

- a. Hosted Fremont’s 2nd Annual Restaurant Week, a 10-day celebration of the community’s diverse food scene and small businesses, with over 45 participating restaurants. Enhanced the web page ([fremontrestaurantweek.com](http://fremontrestaurantweek.com)), 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.



- b. Facilitated the multi-year successful renovation of the historic Centerville Theater. Extensive site improvements include the rebuilding of the iconic marquee sign, fire prevention, HVAC, and accessibility. This will allow for numerous future commercial uses, including a basketball league space in the near term and an envisioned public market and food hall in the longer term.

## Department Budgets | Economic Development

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- c. 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.
- d. Commenced a small business photography campaign, capturing high-resolution photographs, videos, and testimonials from two dozen small businesses from across 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.



- e. Promoted 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.
- f. 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.
- g. Provided dozens of small business tenant referrals and supported leasing efforts for Downtown Fremont and NBDs through marketing & business development activities.
- h. 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.
- i. 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.
- j. 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.



## Department Budgets | Economic Development

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- k. 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.
- l. Supported the continuation of street activation events in Mission San Jose (MSJ) building upon the successful Better Block event, the MSJ Arts Mosaic and MSJ Taste of Summer Fair.
- m. Collaborate with Niles Main Street Association to support and promote over 15 events to draw people to the district from around Fremont and the greater region.

### 2. Workforce Development Support

- a. Hosted Fremont’s 12th Annual Fremont Manufacturing Week in October, where a dozen leading Fremont companies representing life sciences, semiconductors, cleantech, and auto tech hosted tours for over 350 students from FUSD, Mission Valley ROP, Ohlone College Smart Manufacturing Technology (SMTech) and Biotechnology Programs, and CSU East Bay Department of Engineering, helping to strengthen talent pipelines between Fremont’s industry and local students.



- b. Continued 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. Partnered and supported Tesla’s Introduce a Girl to Engineering Day, providing a full-day field trip for approximately 70 middle school students. The program features female leaders and engineers at Tesla to encourage gender diversity in STEM careers.
- d. Facilitated college placement opportunities and coordinated discussions between local colleges and companies whose workforce development efforts are aligned. These endeavors underscore the dedication to nurturing school-industry partnerships.



- e. Continued to support the 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.

### 3. Driving Jobs and City General Fund Revenues

- a. Facilitated major business investment activity including:

- i. Existing Company Expansion (sample): Boehringer Ingelheim, EnerVenue, Bloom Energy, Tesla, Lam Research, Quanta Manufacturing, Raxium
- ii. New Corporate Businesses (sample): Velo3D, Alexza Pharmaceuticals, Personalis, Hyundai Urban Air Mobility (DBA Supernal), Wisk Aero, Lucid Motors, SMART Modular, Radisurf, Our Next Energy, Ohmium and Nitricity
- iii. New Retail/Hotel (sample): Fremont Food Hall, Honest Kitchen, Din Ding Dumpling House, Pints of Joy, Paradox Barbers, Ike's Love and Sandwiches, Pho Ha Noi, Uniqlo
- iv. Major Commercial Development Activity (sample):



- Continued to facilitate a robust development pipeline in the Downtown and City Center areas. Projects included a 250-unit mixed use project by MIG, Fremont Bank Headquarters, and Kimco's 314-unit mixed use project at the Fremont Hub and 206-unit multifamily project at Gateway Plaza. Assisted with investment thesis, entitlement, and project readiness.
- 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 land sale generated a new watermark at over \$100 million. Once completed, the development will lead to a multifold increase in property tax assessment and provide modern facility spaces to support the growth of Fremont's driving industries.
- Supported full lease-up of Pacific Commons South, a 2.2-million square foot advanced manufacturing campus.
- Facilitated the development application, and rezoning of the former Globe shopping center site to the Fremont Tech Center, an over 400,000 square foot manufacturing and logistics hub. The project includes millions in one-time impact fees to the City and developer-paid offsite improvements.



## Department Budgets | Economic Development

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- Assisted in the sale of the former Tailored Brands headquarters with a vision to convert the former corporate campus to a hub for R&D and manufacturing.
  - Completed construction and leasing of Link Logistics' 209,000 square foot flex industrial campus on Kato Road, dubbed Fremont's 'Advanced Manufacturing Row'. This facility, leased to RK Group, is poised to become California's largest and most state-of-the-art lithium battery distribution hub.
  - 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 over 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.
  - Assisted with the sale of a 12-acre parcel previously owned by Wells Fargo, helping shape the development vision to align with the City's vision for the area to achieve both meaningful housing production, the generation of tens of millions of one-time impact fees, and creation of hundreds of thousands of dollars' worth of recurring property tax revenues.
  - Assisted in the development application and celebrated the groundbreaking of 49000 Milmont Dr., a 267,000 square-foot advanced manufacturing building in Warm Springs.
- b. Served as an Advisory Committee member to East Bay Economic Development Alliance's successful application to the Metropolitan Transportation Commission in support of Fremont's designated Priority Production Areas (PPAs), bringing in \$500K of funding to develop long-term industrial land preservation strategies and promote reinvestment.
- c. 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.



- d. 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., Stewart Ave., and Capitol Ave.
- e. 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.

### 4. Marketing and Strategic Initiatives

- a. Maintained fresh and developing content to be communicated through the Fremont Economy Monthly, a monthly newsletter covering the Department’s work and upcoming events. The newsletter, which has a primarily business audience, has garnered 2,600 subscribers.
- b. Assisted multiple Fremont companies in their applications for CHIPS Act funding, ultimately helping to secure commitments for business expansions in semiconductor manufacturing and R&D in Fremont.
- c. As part of our ongoing efforts, we maintain a strong partnership with PG&E. We facilitate constructive dialogues between local businesses and PG&E, strategically addressing the increasing demand for power and associated challenges.
- d. Worked with the Fremont Police Department (FPD) to develop tactical crime prevention strategies in key commercial “hot spots” being targeted for vandalism and theft and assisted FPD in securing grant funding from the State for retail theft prevention.
- e. Actively participated in City’s Homelessness Response Plan, including hosting private sector focus groups with businesses across Fremont’s diverse geographies and economic sectors.
- f. The Silicon Valley Industry Outlook 2024, in collaboration with the City of Fremont’s Economic Development Department and The Registry, took place at the Downtown Event Center. Top Silicon Valley commercial real estate professionals provided insights into the market and industry forecast.
- g. Collaborated with the California Energy Commission and the Governor’s Office of Business Development who hosted the 2024 California Battery Summit attracting over 200 attendees. The summit showcased advancements in California’s battery technology industry and emphasized the City and State’s commitment to fostering battery manufacturing for a clean energy future.
- h. The Silicon Valley Business Journal hosted the Future of Fremont gathering at the Downtown Event Center. The City of Fremont’s Economic Development Department partnered with the event to convene key business stakeholders driving Fremont’s economic growth, focusing on its emerging Downtown and leading advanced manufacturing sector.
- i. Served as City departmental lead for LS Power’s \$500M utility project, selected by the California Independent System Operator (CAISO) for grid reliability in the Bay Area connecting the Fremont-located transmission substation to the Silicon Valley Power grid. Fremont’s Economic Development facilitated conversations and negotiated LS Power’s installation of fiber conduit on behalf of the City as a public benefit, in alignment with the City’s Fiber Master Plan.



## Department Budgets | Economic Development

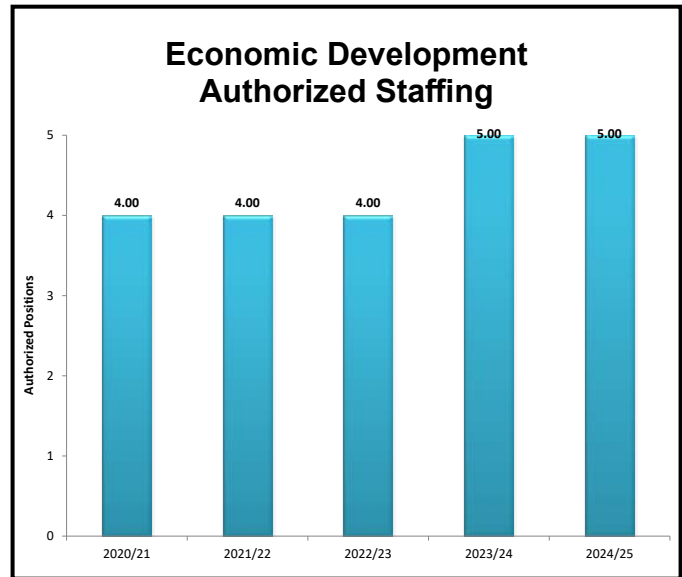
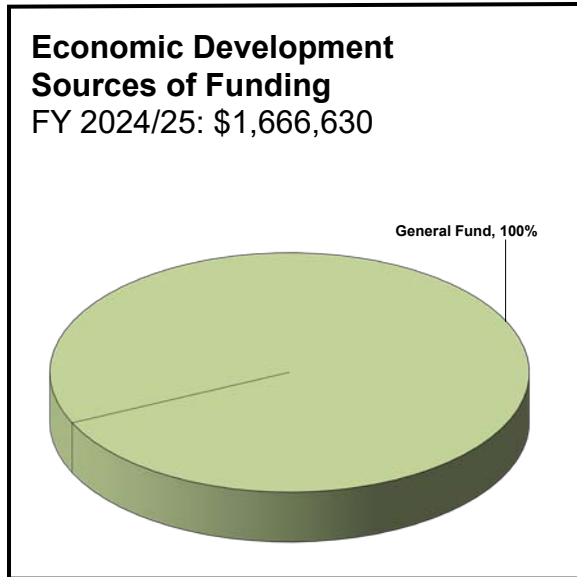
### Objectives FY 2024/25

1. Continue implementing Fremont’s economic resiliency strategy focused on four key pillars to building a prosperous, dynamic, and equitable economy in Fremont:
  - i. Small Business, Downtown, and District Assistance
  - ii. Driving Jobs and City General Fund Revenues
  - iii. Workforce Development Support
  - iv. Marketing and Strategic Initiatives
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 Technology Park, Ardenwood Technology Park, 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.
5. Continue to pursue business development opportunities to enhance and diversify Fremont’s leading industry base, by attracting new employers and fostering the expansion of existing Fremont companies.

### Performance Measurement

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
Number of businesses assisted by Economic Development Department	400	400	415	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	20	20	22	20
Number of business appreciation visits and establishment of baseline for percentage of visits that lead to subsequent follow-up/interaction with City	35	35	36	35

## Department Budgets | Economic Development



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

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Salaries & Benefits	\$ 764,094	\$ 843,300	\$ 1,065,209	\$ 1,013,247	\$ 1,013,247	\$ 1,147,985
Operating Expenditures	143,260	253,114	176,564	276,525	276,125	346,525
Capital Expenditures	-	-	-	-	-	-
Indirect Expense Allocation**	108,574	180,054	158,813	159,370	159,370	172,120
<b>Totals</b>	<b>\$ 1,015,928</b>	<b>\$ 1,276,469</b>	<b>\$ 1,400,587</b>	<b>\$ 1,449,142</b>	<b>\$ 1,448,742</b>	<b>\$ 1,666,630</b>
% increase/(decrease), including all funds, from FY 2023/24 Adopted Budget						15.0%

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

\*\* Indirect expense allocation includes the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, general liability insurance, and accrued leave liquidation. In FY 2022/23, the City established an accrued leave liquidation reserve in the Employee Benefits internal services fund, which resulted in a one-time increase in departmental indirect cost allocations. In FY2023/24, liquidation of accrued leave shifted from departments to the accrued leave liquidation reserve, resulting in a reduction in personnel expenditures compared with previous years.

## Department Budgets | Economic Development

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### Major Changes

- The FY 2024/25 Economic Development budget is \$217,887 (15.0%) more than the FY 2023/24 adopted budget.
- Salary and benefits are increasing by \$134,738 (or 13.3%) primary due to wage increases and additional contributions for the CalPERS retirement benefit.
- Operating expenditures are increasing by \$70,400 (or 25.5%) mainly due to an increase in contractual services for business district activation services.
- The indirect expense allocation is increasing by \$12,750 (or 8.0%) mainly due to higher liability insurance premiums and the shift of accrued leave liquidation costs from personnel expenditures to department indirect cost allocation.

### Staffing by Function - FY 2024/25

<b>Economic Development</b>	
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.

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### 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 2023, the Fire Department responded to 18,334 calls for service, generating 22,969 engine and truck company responses. Our multi-tiered inspection effort resulted in nearly 974 engine company, fire prevention and hazardous materials inspections being completed. Additionally, the Fire Prevention Bureau, through our permit center, reviewed over 3,089 sets of plans, 2,648 residential and commercial complexes, and 441 hazardous materials facilities within Fremont.

Fire: Historical Expenditures/Budget, by Major Service Area

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Operations/Emergency Medical Service	\$ 48,417,607	\$ 53,938,952	\$ 62,132,614	\$ 62,515,515	\$ 62,444,891	\$ 63,555,006
Administration	7,725,990	10,147,624	10,063,281	10,174,977	10,087,516	9,454,932
Prevention	2,029,314	2,217,814	2,728,388	2,926,788	2,921,888	3,040,264
Disaster Preparedness	56,437	675,061	453,044	835,979	611,535	518,035
<b>Total Fire</b>	<b>\$ 58,229,347</b>	<b>\$ 66,979,452</b>	<b>\$ 75,377,328</b>	<b>\$ 76,453,259</b>	<b>\$ 76,065,830</b>	<b>\$ 76,568,238</b>

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

Accomplishment Highlights FY 2023/24

1. Operational Readiness

- a. Contracted with Deccan International to custom build Fire and EMS operational intelligence software to meet the unique needs of each Department. This decision-supported software application helps to improve response times and optimize resources by modeling and analyzing FFD’s response data to deploy resources more effectively.
- b. Completed an Ambulance Feasibility Study to determine how to best meet the emergency medical transportation service needs of the City of Fremont. This study allows us to evaluate our level of service to address the Alameda County ambulance transport challenges that directly affect Fremont’s citizens.

- c. Completed a Firefighter I/II recruit academy with sixteen graduates. New recruits were trained in fire suppression, rope and technical rescue, emergency medical services, and truck company operations.



- d. Implemented Tablet Command as an incident management platform which allows fire companies to receive call notifications, view maps, track resources, and read Computer Aided Dispatch notes. This platform ensures seamless response and firefighter accountability within the City of Fremont and on mutual aid calls. Deployed and configured 28 iPad Pros to frontline apparatus to support the software.
- e. Purchased, trained, and deployed new mechanical Lucas Device Cardio-Pulmonary-Resuscitation (CPR) systems to all 13 companies. Prior to purchasing, a field study using the Lucas device was performed for 75 days and deployed 10 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
- f. In collaboration with the Police Department, adopted a resolution amending the Military Equipment Use Policy to include the Drones for First Responders (DFR) Program. This program uses Unmanned Aerial Systems (UAS) and will assist the Fire Department in rescue operations.
- g. Sold a decommissioned Type 1 Engine and placed two new Type 1 Engines into service. Engines are replaced once they have met their useful life in miles driven and years in service.
- h. Renewed the mutual aid agreement between Fremont Fire and Milpitas Fire for a 5-year term. This agreement was originally put in place in 1982 and allows for mutual assistance across jurisdictional boundaries for responses that exceed local resources.
- i. Deployed Strike Teams which included staff, equipment and resources as part of the State's Office of Emergency Services (OES) and California Task Force 4.
- j. Completed specialized training in Hazardous Materials Specialist, Rope Rescue Technician, Rope Rescue Operations, and Confined Space to enhance our Special Operations Task Force.

### Community Risk Reduction

- a. Worked toward inspection compliance percentages within State mandated regulated occupancies with a higher life safety hazard in conjunction with a fully staffed Fire Prevention Division. State mandated inspections included 171 residential, 111 educational, and 8 institutional.
- b. Continued monitoring updates to 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 included additional building standards applicable to new construction for projects located within the Very High Fire Hazard Severity Zone map.
- c. Organized and lead a coordination meeting with the Environmental Services, Union Sanitary District and Code Enforcement to improve how communication and how information is shared. The result improved the efficiency of Office of Emergency Services (OES) notifications and case referrals, minimizing duplicity of service and faster case closures.
- d. Participated in Public Relations Activities including school visits, safety fairs, station tours, extinguisher training, parades, and meet & greets performed by Fire Engine and Truck Companies or Fire Prevention staff.
- e. Hosted a Lithium-Ion Battery Emergencies class, attended by over 150 Fremont and County regulatory and emergency services personnel.
- f. Performed eleven Hazardous Material Business Plan (HMBP) hearings, resulting in the first 99.9% HMBP submittal rating or the review and approval of 1,141 Plans.
- g. Completed a total of 1,147 Certified Unified Program Agency (CUPA) inspections and re-inspections, across six Programs.



### 3. Emergency Management

- a. Completed the Tri-Cities Multi-jurisdictional Local Hazard Mitigation Plan project, in partnership with Union City, Newark, Alameda County Water District, and Union Sanitary District. The new plan includes enhanced seismic risk modelling, a flood risk-reduction framework, and extensive planning regarding natural disasters risk and associated risk-reduction initiatives. More than 50 public agencies and non-governmental organizations as well as members of the public – 190 persons in total participated in the project.
- b. Increased the City’s emergency sheltering resources from 76 cots to 375 cots. Received two new Care and Shelter Trailers (one grant-funded, one City-funded); designed and equipped according to the new Countywide standards.
- c. Coordinated activation of Cooling Centers in response to high temperatures and National Weather Service (NWS) Heat Advisories. Provided continuous weather monitoring and regular situation updates in response to the January 2024 NWS Flood Watch, Wind Advisory, and High Wind Warning.

**4. Diversity and Inclusion**

- a. Developed the Department's recruitment and community engagement programs through targeted job postings, campus recruiting, and diversity job fairs. As a result, increased department diversity through intentional recruitment and hiring.
- b. The Fire Department's Human Relations Committee (HRC) participated in the 2023 Firefighter Career Expo, showcasing our commitment to fostering diversity and inclusion. Through the HRC, the Fire Department emphasizes a safe and respectful working environment, encourages open communication, facilitates training initiatives, and builds meaningful relationships to promote a diverse and inclusive fire service community.

**5. Health and Wellness**

- a. Provided ongoing evaluation of the staff's health through annual firefighter medical exams that help to detect physical or medical conditions that could negatively affect their ability to perform essential job tasks.
- b. Our dedicated team of three volunteer Chaplains offered spiritual, emotional, and practical support to Fire Department personnel, their families, and the wider community.

**6. Organizational Development**

- a. Welcomed several additions to the team, including a Fire Marshal, Division Chief, Fire Prevention Inspector, Hazardous Material Inspector, and an Office Specialist. Additionally, we promoted a Senior Hazmat Inspector and elevated two Battalion Chiefs.
- b. Worked with consultant to develop and administer promotional exams for Battalion Chief and Division Chief positions, ensuring a fair evaluation process for qualified candidates.



### Objectives FY 2024/25

#### 1. Operational Readiness

- a. Upgrade Fremont Fire’s current station alerting system to a more advanced and reliable platform.
- b. Certify 16 new academy graduates as Hazardous Materials specialists.



- c. Upgrade the TeleStaff software, a tool for workforce scheduling and resource allocation, by transitioning from an on-premise model to a Software as a Service (SaaS) solution.
- d. Provide more training and education on hazards associated with lithium battery incidents.
- e. Continue to revise and update department policies and procedures to align with current best practices and regulatory standards.
- f. Continue to implement the City of Fremont Drones for First Responder Program in partnership with the Police Department.
- g. As a result of an ambulance feasibility study, implement the study’s findings to enhance our patient transport services, aiming to increase reliability and efficiency in delivering crucial medical assistance to the community.
- h. Utilize Deccan’s data-driven decision-making methods for resource deployment and placement of the 14th company within one of the department’s 11 stations.
- i. Improve response in rural and compromised areas within the City through the purchase of two Utility Task Vehicles (UTV).
- j. Apply for an Assistance to Firefighters Grant (AFG) to address mental health increase concerns.

**2. Community Risk Reduction**

- a. Organize and host “Explosives and Toxic Clan Lab Response” class with focus on methamphetamine and fentanyl for City of Fremont inspectors, Special Operations Task Force, Incident Commanders, and County CUPA personnel.
- b. Research and analyze Fire Inspection software programs with intention to move towards a paperless Fire Inspection platform, reducing inspection time and increasing quality and efficiency.
- c. Finalize the CUPA’s triennial State Evaluation with CalEPA.

**3. Emergency Management**

- a. Reestablish the Community Emergency Response Team (CERT) Program, reinforcing community resilience through preparedness, education, and empowerment for effective response to emergencies.
- b. Maintain and expand capability to activate the Emergency Operations Center (EOC) at Level 3: Monitoring. This level involves monitoring active threats and hazards, including weather-related incidents, while providing regular Situation Reports and Updates to City departments and partner agencies.
- c. Develop operational readiness to activate the EOC at Level 2: Partial Activation and Level 1: Full Activation. These levels expand on Level 3 to include real-time, in person coordination in response to the most complex incidents.
  - i. Deliver EOC training to select City personnel.
  - ii. Equip the EOC with infrastructure and technology to facilitate rapid activation and efficient and effective operation.

**4. Diversity and Inclusion**

- a. Provide Diversity, Equity, Inclusion, & Belonging department-wide training.
- b. Participate in the Women in Fire conference and host a girls’ camps to encourage women to join the fire service.
- c. Continue to work with Royal Ambulance on Career Bridge Program that facilitates career transition to fire departments.
- d. Continue ongoing partnership with Emergency Medical Services University (EMSU) to ensure the success of the EMT Ride-Along program.

**5. Health and Wellness**

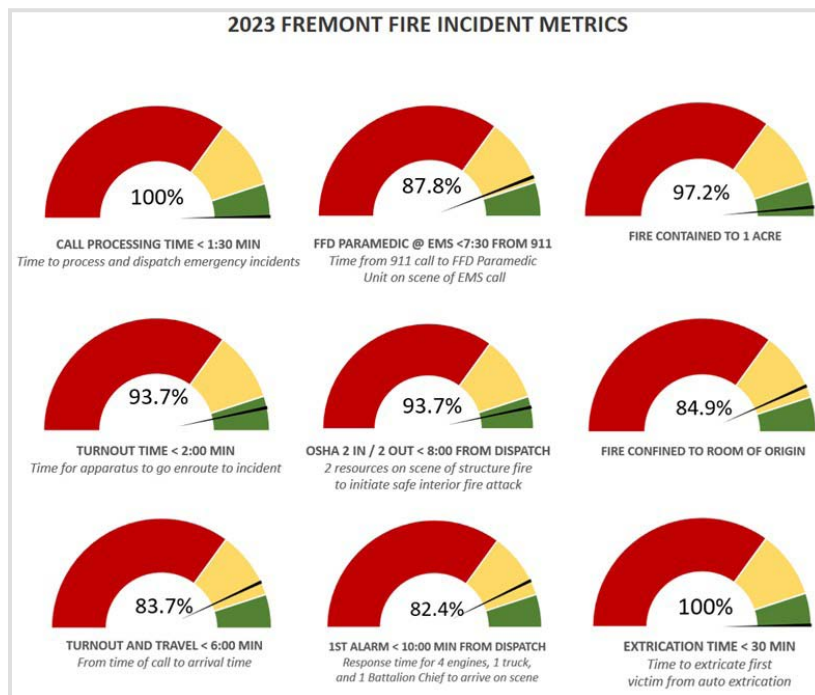
- a. Integrate public safety counseling to provide mental health services and support to the department.
- b. Continue conducting firefighter medical exams to ensure the ongoing health and well-being of our personnel.

## Department Budgets | Fire

- c. Update the department’s Injury Illness and Prevention Plan which identifies all workplace hazards and outlines training needs and requirements to prevent workplace injuries.

### 6. Organizational Development

- a. Research and develop methods to address entry-level recruitment and retention initiatives
- b. Develop probationary training policy and an evaluation program for every rank to ensure thorough training procedures and enhance performance assessment.
- c. Conduct Captain and Engineer promotional examinations.
- d. Collaborate with external organization to help with Firefighter I academy training.
- e. Partner with an educational organization to establish a comprehensive fire science program.

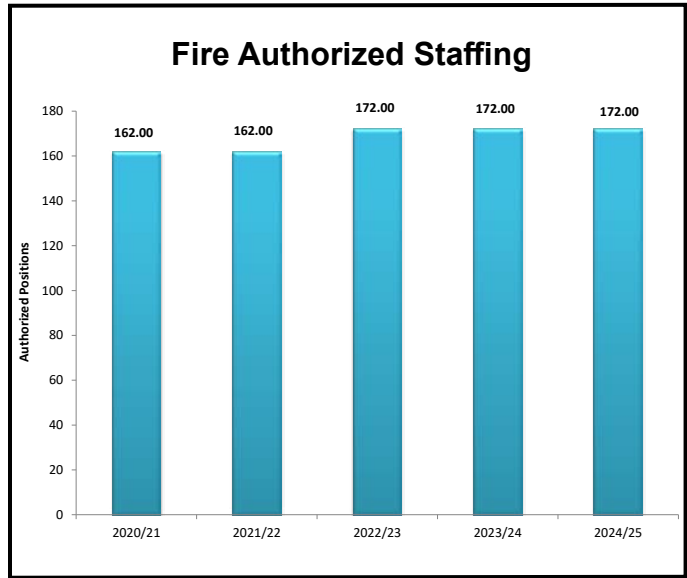
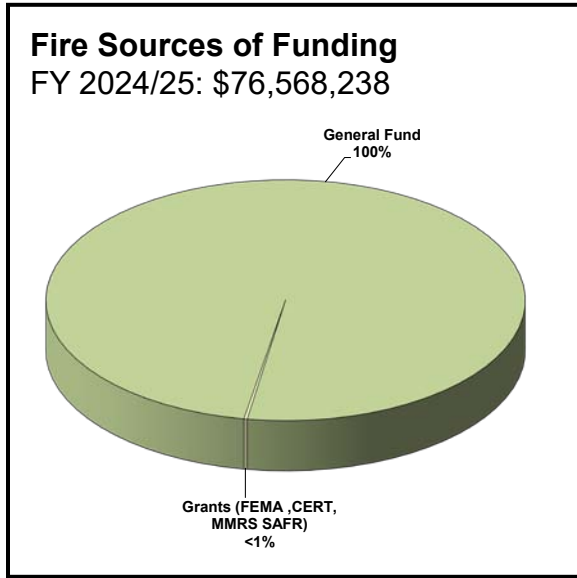




Performance Measurement

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
Call Processing Time Goal <1:30 minutes Time to process and dispatch to incident	90.0%	100%	90.0%	90.0%
Paramedic & EMS Goal <7:30 minutes Time from 911 call to FFD unit on scene	88.1%	86.9%	90.0%	90.0%
Fire Contained to 1 acre	97.8%	98.5%	90.0%	90.0%
Turnout and Travel Time Goal <2:00 minutes Time from apparatus in route to incident	93.8%	89.9%	90.0%	90.0%
OSHA in/out Goal <8:00 minutes From dispatch	95.6%	91.1%	90.0%	90.0%
Fire Contained to room of origin	87.5%	88.1%	90.0%	90.0%
Turnout and Travel Time Goal <6:00 minutes From time of call to arrival	83.7%	81.3%	90.0%	90.0%
1 <sup>st</sup> Alarm Goal <10:00 minutes Response time for 4 engines, 1 truck, and I Battalion Chief to arrive on scene	85.7%	84.6%	90.0%	90.0%
Extrication Goal <30 minutes Time to extricate first victim from auto collision	100%	100%	90.0%	90.0%

# Department Budgets | Fire



## Fire: Historical Expenditures/Budget, by Category

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Salaries & Benefits	\$ 49,369,606	\$ 52,789,026	\$ 61,402,200	\$ 62,004,923	\$ 62,004,923	\$ 63,024,288
Operating Expenditures	1,987,207	2,674,423	3,495,859	3,840,095	3,452,666	3,325,827
Capital Expenditures	445,010	728,970	573,917	702,889	702,889	500,437
Indirect Expense Allocation**	6,427,524	10,787,034	9,905,352	9,905,352	9,905,352	9,717,686
<b>Totals</b>	<b>\$ 58,229,347</b>	<b>\$ 66,979,452</b>	<b>\$ 75,377,328</b>	<b>\$ 76,453,259</b>	<b>\$ 76,065,830</b>	<b>\$ 76,568,238</b>

% increase/(decrease), including all funds, from FY 2023/24 Adopted Budget      0.7%

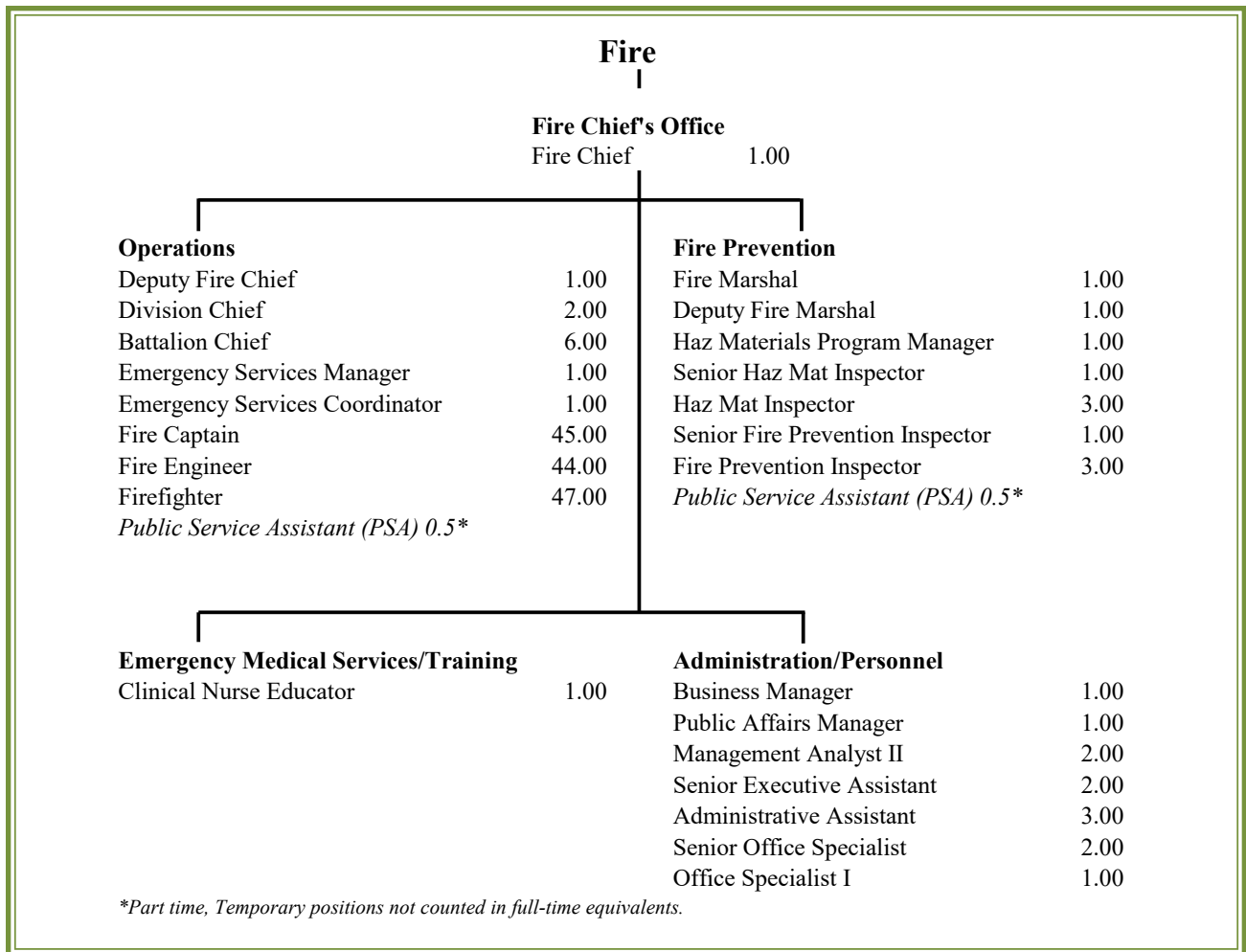
\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

\*\* Indirect expense allocation includes the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, general liability insurance, and accrued leave liquidation. In FY 2022/23, the City established an accrued leave liquidation reserve in the Employee Benefits internal services fund, which resulted in a one-time increase in departmental indirect cost allocations. In FY2023/24, liquidation of accrued leave shifted from departments to the accrued leave liquidation reserve, resulting in a reduction in personnel expenditures compared with previous years.

### Major Changes

- The FY 2024/25 Fire Department budget is \$502,408 (0.7%) more than the FY 2023/24 adopted budget.
- Operating expenditures are decreasing by \$126,839 (or -3.7%) and Capital expenditures are decreasing by \$202,452 (or -28.8%) mainly due to removal of one-time costs associated with running and equipping a firefighter recruit academy in FY 2023/24.

### Staffing by Function - FY 2024/25



Regular Full-Time Equivalents: 172.00

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## 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.



The Human Services Department continued the post-pandemic increase of in-person and on-site services, meeting the community where it wants to be. While virtual opportunities remain, more clients are choosing in-person options. Community members have been impacted by inflation and the lingering impacts of the pandemic. As a result, Human Services maintains a robust offering of essential mental health, substance use disorder, crisis intervention, and homeless services.

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

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Family Resource Center	\$ 15,089,824	\$ 6,390,290	\$ 4,045,736	\$ 4,600,613	\$ 4,317,781	\$ 4,352,025
Youth and Family Services	3,143,765	3,399,742	3,741,904	4,663,888	4,436,269	4,832,830
Aging and Family Services	7,295,270	5,517,507	6,072,878	6,516,039	6,132,462	6,699,368
CDBG/Rent Review	2,062,083	1,753,865	1,723,521	4,894,635	3,793,531	2,917,387
Paratransit	1,616,473	1,735,698	2,339,255	2,339,782	2,339,782	2,438,884
Administration	2,789,167	2,699,014	2,920,977	3,307,101	3,294,416	3,026,508
Social Services Grants	858,547	831,254	879,359	879,359	879,359	914,533
Home Grant	309,979	260,690	1,526,961	576,961	430,035	460,328
Homeless Services	2,586,547	3,465,651	5,629,591	7,819,586	4,476,430	5,333,353
<b>Total Human Services</b>	<b>\$ 35,751,655</b>	<b>\$ 26,053,711</b>	<b>\$ 28,880,182</b>	<b>\$ 35,597,964</b>	<b>\$ 30,100,065</b>	<b>\$ 30,975,216</b>

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

## Accomplishment Highlights FY 2023/24

1. The Housing Navigation Center (HNC) entered into its fourth year of operations—its first full year of operating at capacity. As of June 30, 2024, the HNC has served over 125 individuals and moved over 65% of those served into stable rehousing.
2. Aging & Family Services (AFS) care coordination and counseling staff, consisting of experienced social workers and nurses, assisted over 275 elders (average age 78 years) to remain in their home by providing over 1,700 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 handling depression, anxiety, and isolation.
3. The City's two Age Well Centers are a hub for fun, learning, community connection and wellness opportunities for adults 55 years of age and older. In Fiscal Year 2023/24 the Age Well Centers provided more than 35,164 healthy affordable meals, 3,519 health screenings in partnership with Bay Area Community Health and dispersed over 72,000 Age Friendly Fremont newsletters keeping residents informed about community resources and events.
4. To ensure the Fremont's diverse community is represented and has a sense of belonging, the Age Well Centers have developed ongoing partnerships with 13 cultural and special interest groups that host programs in various languages on site at the Centers.
5. The Age Well Centers support the health and wellness of the community participants of all physical abilities by offering over 30 programs promoting an active lifestyle for.



6. The Safe Parking Host Site Pilot Program, a collaboration with faith-based host sites offering their parking lot as a safe overnight parking location, added three new host sites, bringing the total to nine. To date, 56 unduplicated individuals have been supported in this rotational, overnight parking program.
7. The Winter Relief program operated from December 1, 2023, through April 30, 2024, utilizing 60 hotel rooms, serving 105 individuals, which include children.
8. In Fiscal Year 2023/24, FRC social workers and housing navigators in the Access Point program enrolled 181 new households in Coordinated Entry, (the county-wide system which provides housing matches for the most vulnerable unhoused residents), completed 151 crisis assessments, and completed 180 housing needs assessments. Access Point services are augmented through partnerships: Ohlone Tri-Cities Career Center offers resume support, referrals to job placement opportunities, and appointments for career and employment coaching, Bay Area Legal Aid



## Department Budgets | Human Services

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provides benefits advocacy, information on eviction and preserving housing, re-entry support. Bay Area Community Health (BACH) mobile health van provides hygiene supplies and non-emergency care and vaccines.



9. The Ride-On Tri-City program subsidized over 22,000 rides, 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 1,000 seniors and individuals with disabilities and distributed over 600 senior Clipper cards to community members.
10. SparkPoint Fremont assisted over 396 low-income individuals to improve their credit score, lower their debt, increase their income or increase their savings. 65% of clients made significant progress toward at least one of these four goals.
11. In its 22nd consecutive year, the FRC provided free tax preparation as part of the Bay Area Free Tax Help Coalition. In-person and virtual services were available for low-income families. VITA volunteers helped 1,500 individuals and families receive their maximum allowable tax credits.

This year the Newark and Union City Family Center satellite VITA sites, operated by FRC VITA, were selected for an unannounced IRS Quality Site Audit to ensure the quality and accuracy of tax return preparation and consistent site operation. Internal Revenue Service personnel performing the audit were impressed by the tools used to ensure service flow, proper data collection, and identified potential tax situations deemed out-of-scope tax by the IRS. Impressed by the audit results, the IRS Relationship Manager from the Chief of Quality Program Office invited two of FRC VITA's Tax Coaches to participate on a product review team to share our best practices nationally.

12. The SparkPoint/VITA program was awarded a \$250,000 Envision 2026 grant from Alameda County Board of Supervisors Haubert and Marquez' offices. This two year grant will assist in supporting the SparkPoint/VITA program by enhancing capacity to serve 130 unduplicated individuals annually to meet their financial goals through one on one coaching, 30 of whom are ethnically diverse participants who are new to the U.S. financial system; provide a minimum of 12 financial workshops per year and provide free tax preparation services to a minimum of 1,500 low and moderate income families in Alameda County.
13. Youth and Family Services (YFS) staff recruited and trained eight graduate level clinical counseling trainees who were placed at FUSD school sites as well as in the clinic, and one post graduate level Counseling Associate, placed at one of FUSD's new high school Wellness

Centers. These trainees, earning hours towards becoming licensed clinicians provided 6,500 hours in mental health counseling services to youth and their families at an equivalent value of \$200,000. The YFS Substance Use Disorder (SUD) treatment team reached over 1,200 students and 200 teachers through educational workshops. More than 3,500 intensive individual and group services were provided for adolescents and young adults.

14. To address the local impact of the opioid epidemic and develop a strategic work plan to expend Opioid Settlement funding received by the City, YFS spearheaded a collaborative working group made up of local hospitals, pharmacies, Fremont Police and Fire, SUD providers, the National Coalition Against Prescription Drug Abuse, and the school district. The group identified key intervention strategies, including overdose intervention, Naloxone (Narcan) distribution, public awareness and education, and data collection. The YFS SUD team also provided training and education to youth across the Tri-City school districts and expanded existing outpatient treatment services.
15. YFS hosted the Seventh Annual Children's Mental Health Awareness Art Competition, with the theme "Step Up Speak out." This year the competition returned to an in-person format and was conducted in conjunction with a competition for older adults run by the two Age Well Centers. Hundreds of students and older adults submitted their works culminating in an awards ceremony and gallery showing at the Age Well Center at Lake Elizabeth on Children's Mental Health Awareness Day, Thursday, May 9th.

### Objectives FY 2024/25

1. Continue to evolve programs to meet the needs of the public.
2. Fremont's SparkPoint Program is one of four centers selected by United Way of the Bay Area (UWBA), to participate in a Guaranteed Basic Income (GBI) Pilot Project which will provide cash payments of \$1,000 a month, with no strings attached, to 100 program participants for 18 months. GBI programs are generally designed to alleviate poverty and replace other need-based social programs that potentially require greater bureaucratic involvement. Beginning in January 2024, Fremont SparkPoint staff and participants will be helping design program eligibility criteria, implementation, and outcome measures. The program is set to launch in November 2024 and run through April 2026.
3. Serve Fremont residents most at risk of homelessness and eviction in the Keep Fremont Housed (KFH) Stability program, funded by the remainder of KFH administrative funds. The program offers mediation services for tenants and property owners to negotiate payment plans for back rent accrued during the eviction moratorium, case management services, tenant's rights information, Unlawful Detainer consultations, referrals to housing, legal, and community resources based on family needs. Twenty-four families will receive Unlawful Detainer consultations, and forty-eight tenants will connect with Fremont Fair Housing for issues with habitability, rent increases, lease violations, and tenant's rights. A total of 10 families will be referred to legal resources for eviction proceedings. Thirty-six families will receive on-going case management services and obtain assistance in finding affordable housing, applying for employment, and benefits enrollment. Up to 25 families, still recovering financially from COVID-19 may receive assistance with back rent, back utilities, and up to three months of prospective rent, deposit assistance, and/or moving expenses.

## Department Budgets | Human Services

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4. Implement specific strategies and action steps outlined in Year Two of the FRC's 5-year Strategic Plan 2024- 2028 such as: designing new signage and wayfinding; celebrating the FRC's 25th anniversary with a fundraiser and resource fair to raise awareness for the FRC.
5. Complete an update to the City's Age Friendly Action plan through a community process that solicits input from older adult residents to help shape the City's Age Friendly efforts. As the City's demographic profile continues to age it is important to garner the voice of our older residents, specifically post pandemic, to understand the needs and concerns of older adults. The update will be presented to the City Council.
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 2024/25 goal is to serve 396 participants.
7. Increase access to mental health education and services for Asian American Pacific (AAPI) older Adults by providing engaging workshops in familiar community settings facilitated by professional counselors. Classes, offered in Chinese, Tagalog and other languages will include information, activities and support on aging well, addressing mental health stigma, and celebrating cultural identity.
8. 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).
9. With federal HOME funds, assist up to 20 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.

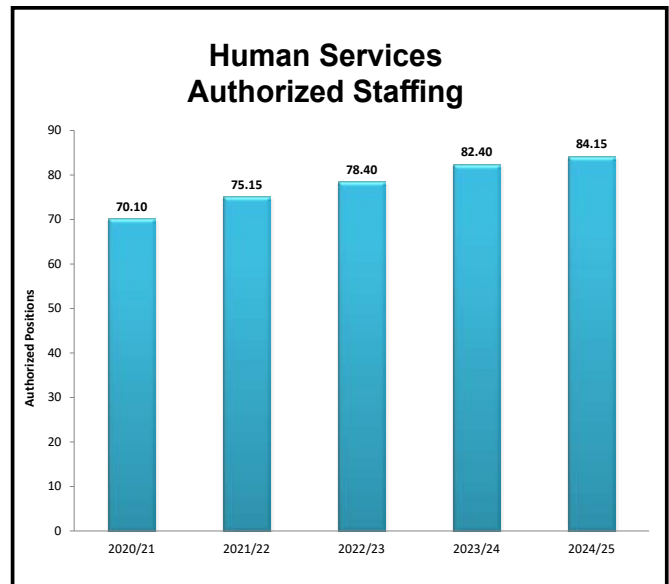
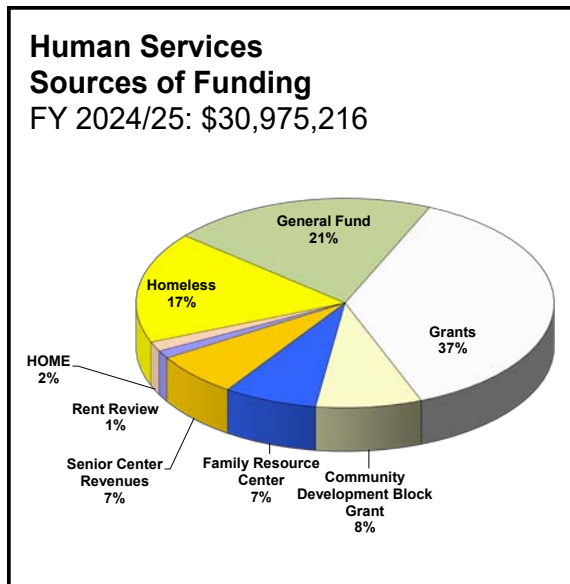
Performance Measurement

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
Percent of Long-term SparkPoint Clients achieving economic mobility <sup>1</sup>	75%	75%	72%	65%
Increase number of paid members at both Age Well Centers <sup>2</sup>	1,428	1,750	1,780	1,870
Percent of youth who improved in their social behavioral health and were observed as stable after receiving counseling services <sup>3</sup>	75%	75%	73%	75%

<sup>1</sup> Long-term SparkPoint clients will improve in one of four SparkPoint metrics (Higher Credit Score, Lower Debt to Income Ratio, Higher Income or Higher Savings) by at least 5%. Since the number of SparkPoint clients who are new to the US financial banking systems is increasing, the process will take longer, thus a slightly lower percentage of those achieving economic stability is projected.

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

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



# Department Budgets | Human Services

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

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Salaries & Benefits	\$ 11,918,310	\$ 12,869,282	\$ 13,874,072	\$ 15,770,267	\$ 15,245,165	\$ 16,412,213
Operating Expenditures	19,104,610	10,470,316	12,175,267	16,809,572	11,934,418	10,985,786
Capital Expenditures	2,909,537	39,648	262,135	495,241	397,598	292,949
Indirect Expense Allocation**	1,819,198	2,674,465	2,568,708	2,522,884	2,522,884	3,284,268
<b>Totals</b>	<b>\$ 35,751,655</b>	<b>\$ 26,053,711</b>	<b>\$ 28,880,182</b>	<b>\$ 35,597,964</b>	<b>\$ 30,100,065</b>	<b>\$ 30,975,216</b>
% increase/(decrease), including all funds, from FY 2023/24 Adopted Budget						2.9%

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

\*\* Indirect expense allocation includes the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, general liability insurance, and accrued leave liquidation. In FY 2022/23, the City established an accrued leave liquidation reserve in the Employee Benefits internal services fund, which resulted in a one-time increase in departmental indirect cost allocations. In FY2023/24, liquidation of accrued leave shifted from departments to the accrued leave liquidation reserve, resulting in a reduction in personnel expenditures compared with previous years.

## Major Changes

- The FY 2024/25 Human Services Department budget is \$875,151 (2.9%) more than the FY 2023/24 adopted budget.
- Salary and benefits are increasing by \$1,167,048 (7.7%) mainly due to the addition of 1.0 FTE Human Services Specialist and 0.75 FTE Office Specialist II to serve youth and family services clients, wage increases, and additional contributions for the CalPERS retirement benefit.
- Operating expenditures are decreasing by \$948,632 (or -7.9%) mainly due to a decrease in CDBG funded projects.
- Capital expenditures are decreasing by \$104,649 (or -26.3%) mainly due to reduction of prior year one-time costs associated with improvements at the Age Well Centers.
- The indirect expense allocation is increasing by \$761,384 (or 30.2%) mainly due to higher liability insurance premiums and the shift of accrued leave liquidation costs from personnel expenditures to department indirect cost allocation.

Staffing by Function - FY 2024/25

<b>Human Services</b>			
<b>HS Administration</b>			
Human Services Director	1.00		
Deputy Director Human Services	1.00		
Human Services Development Officer	1.00		
Management Analyst II	2.00		
Management Analyst I	1.00		
Program Coordinator	1.00		
Senior Accounting Specialist	2.00		
Accounting Specialist II	1.00		
Human Services Specialist I	1.00		
Senior Office Specialist	1.00		
Office Specialist II	1.00		
CDBG Administrator	1.00		
<b>Youth and Family Services</b>		<b>Family Resource Center</b>	
Family Services Administrator	1.00	Family Services Administrator	1.00
Clinical Supervisor	2.00	Clinical Supervisor	2.00
Senior Program Coordinator	2.00	Senior Program Coordinator	1.00
Counselor	8.30	Program Coordinator	1.00
Administrative Assistant	1.00	Case Manager	5.85
Human Services Specialist II	3.00	Crisis Intervention Specialist	2.00
Office Specialist II	1.00	Human Services Specialist II	1.00
Accounting Specialist II	1.00	Senior Office Specialist	1.00
<i>Counseling Interns*</i>		Office Specialist II	2.00
		Counselor	1.00
		Administrative Assistant	1.00
		<i>Public Service Assistant*</i>	
<b>Age Well Centers</b>		<b>Aging and Family Services</b>	
Senior Center Manager	2.00	Family Services Administrator	1.00
Program Coordinator	2.00	Clinical Supervisor	2.00
Senior Office Specialist	1.00	Senior Program Coordinator	1.00
Chef/Food Services Manager	1.00	Program Coordinator	1.00
Assistant Chef	1.80	Case Manager	6.60
Office Specialist II	1.00	Counselor	4.60
<i>Public Service Assistants*</i>		Senior Office Specialist	1.00
		Human Services Specialist II	1.00
		Accounting Specialist II	1.00
		<i>Outreach Workers*</i>	
<b>Homeless Services</b>		<b>Rent Review Admin</b>	
Senior Program Coordinator	1.00	Senior Office Specialist	1.00
Mobile Hygiene Unit Operator	1.00		
Human Services Specialist II	1.00		
<i>*Temporary positions not counted in full-time equivalents</i>			

Regular Full-Time Equivalents: 84.15

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## 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

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Patrol Operations/Dispatch	\$ 52,165,699	\$ 59,697,526	\$ 58,103,823	\$ 66,571,524	\$ 66,561,795	\$ 66,496,386
Administration/Records	20,188,139	25,741,422	24,049,300	26,849,243	26,055,982	26,626,895
Investigations	12,389,556	13,195,615	12,905,800	15,400,864	14,731,997	16,042,084
Detention and Evidence Storage	2,519,922	2,924,307	2,580,476	3,119,469	3,119,469	5,203,964
Aminal Services	1,579,537	1,695,249	1,639,927	1,926,687	1,926,687	2,589,127
Community Engagement/Public Affairs	3,206,580	3,560,263	3,663,455	4,018,523	4,010,555	4,353,572
Mobile Evaluation Team	971,844	1,162,380	1,190,691	1,297,404	1,297,404	1,439,166
SWAT Team	421,515	530,356	654,838	754,248	722,273	761,691
<b>Totals</b>	<b>\$ 93,442,792</b>	<b>\$108,507,118</b>	<b>\$ 104,788,310</b>	<b>\$ 119,937,962</b>	<b>\$ 118,426,162</b>	<b>\$ 123,512,885</b>

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

## Accomplishment Highlights FY 2023/24

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 23% decrease in shootings and a 5% increase in total firearm recoveries from 2022 to 2023.
2. Applied for the Board of State and Community Corrections (BSCC) Organized Retail Theft (ORT) Prevention grant and was one of 27 agencies that were awarded funds. The \$2,453,958 award will support direct-line deterrence, detection, and response to organized retail theft. Additionally, it will support combating crimes impacting our community by implementing and deploying a full-time Real Time Information Center (RTIC) to include two new RTIC analyst positions.
3. The Property Unit processed 9,181 pieces of property and evidence. Of those, 1,084 articles were returned to their respective owners, 364 items were released to the court, and 3,709 items were sent to destruction.
4. 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.
5. The Police Department has continued to prioritize hiring new police officers, dispatchers, and other professional employee positions within the department, resulting in 23 full-time hires. A Fremont Police Department Career Fair was also held in partnership with the City of Fremont Human Resources Department.



- Community Engagement held over 30 special events and community meetings, including but not limited to: National Night Out, Neighborhood Crime Watch Program, Coffee with a Cop, National Drug Take-Back, AB 418 Military Equipment display, Shop with a Cop, City Disability Fair, Halloween Street Eats, HERS Breast Cancer 5k walk/run, Fremont Festival of Arts, 4th of July Parade, Niles Dog Show, and Niles Festival of Lights.



- Animal services successfully hired two full-time Animal Service Supervisors and a new Animal Service Officer who have added capacity and expertise to the Animal Services Unit. During the year, the Animal Services team investigated multiple hoarding cases that involved animal welfare concerns. One of the cases involved the seizure of 73 cats who were cared for at the shelter, and many were ultimately made available for adoption.
- The School Resource Officers (SRO) program continues to be a resource to staff, parents, and students at our schools. In partnership with the school district, the SRO program will continue to prioritize the best interests of students and the campus and, when feasible, utilize alternative forms of discipline, such as Youth Diversion, to avoid entering juveniles into the criminal justice system. The SRO program continues to enhance its partnerships with the Alameda County Community Assessment and Transport Team (CATT) and Fremont Police MET (Mobile Evaluation Team) members.



- The Fremont Public Safety Drone as First Responder (DFR) program is a public safety partnership with Fremont Police and Fire which officially launched after receiving council approval on February 13, 2024. DFR utilizes Unmanned Aerial Vehicles (UAVs) launched from a fixed location to respond rapidly to public safety incidents with the goal of arriving on-scene ahead of responding public safety personnel. Once the UAV arrives on scene it provides real-time situational awareness for responders and commanders to determine the best tools, tactics, and resources, aiding in better decision-making and de-escalation if possible. The information further allows first responders to observe fire behavior, identify threatened exposure during structure or wildland fires, fire mapping, hazardous material incidents, and identify potential rescues.

## Department Budgets | Police

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10. The Mobile Evaluation Team (MET) continues working with the Traffic Unit, four local tow companies, and the City Attorney's Office regarding towing recreational vehicles (RV) and motorhomes. MET assisted other City departments with the clean-up of encampments at Vallejo Mills Park in preparation for a complete renovation and revitalization of the park. MET officers also implemented a process for abating encampments that safeguards the rights of Fremont's unhoused residents, which is consistent with current case law.

### Objectives FY 2024/25

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. Implement 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. Reduce sworn and professional vacancies across all departmental positions and leverage innovative strategies learned from partnering with Human Resources, Police Department hiring/recruiting self-assessments, and utilizing a professional marketing and recruitment firm.
5. Implement and deploy a full-time Real Time Information Center (RTIC) to leverage multiple technologies to increase situational awareness, enhance decision-making, and improve overall safety.
6. 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.
7. The Community Engagement Unit will revamp the Crime Free Program into a new Crime Watch Program for businesses to meet new California legislation.
8. 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.
9. Complete conversion to portions of the Detention Center in order to house emergency responders overnight during a natural disaster or critical incident.

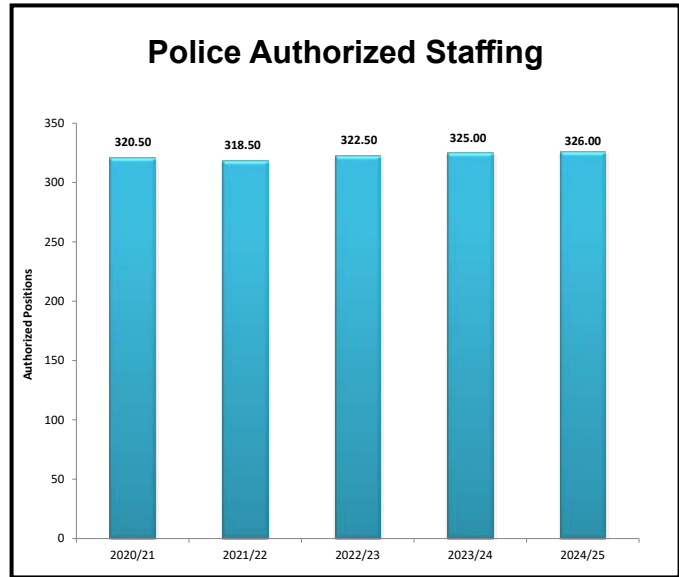
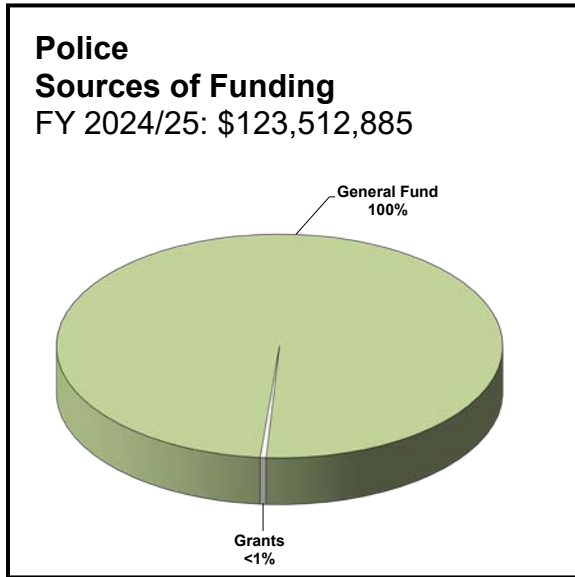


Performance Measurement

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
Continue to apply the strategies, tactics, and methods to address Organized Retail Theft (provide focused patrols and enforcement known to ORT activity based on intelligence and analysis) <sup>1</sup>	718	Sustain present level or further increase from the previous year	972	Sustain present level or further increase from the previous year <sup>3</sup>
Continue to apply the strategies, tactics, and methods used to sustain the present level or further reduce the incidence of crimes against persons, property, or society (Group “A” Offenses in NIBRS) <sup>2</sup>	10,834	Sustain present level or further reduction from the previous year	10,598 (2.2% reduction)	Sustain present level or further reduction from the previous year
MET outreach/ collaboration efforts to increase intervention on repeat clients; services and partnerships to decrease mental health evaluations <sup>3</sup>	N/A Tracking began in FY 2023/24	N/A Tracking began in FY 2023/24	1,215	Increase from the previous year
Increase staffing levels for the positions of Police Officer and all Professional employee positions <sup>4</sup>	129 out of 158 = 82% (Police Officer)  88 out of 102.5 = 73% (Professional)	Increase from the previous year	125 out of 160 = 78% (Police Officer)  98 out of 125.5 = 78% (Professional)	128 out of 160 = 80% (Police Officer)  107 out of 125.5 = 85% (Professional)
<sup>1</sup> Based on theft, robbery, and shoplifting reports in identified hot spots in the Records Management System software <sup>2</sup> Group “A” offenses reported by the National Incident-Based Reporting System (NIBRS) <sup>3</sup> Based on Calls for Service for MET officer assigned calls in the Computer Aided Dispatch Software <sup>4</sup> Based on hires minus separations for the fiscal year for full-time positions in the rank of Police Officer and all professional				



# Department Budgets | Police



## Police: Historical Expenditures/Budget, by Category

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Salaries & Benefits	\$ 79,513,325	\$ 82,855,478	\$ 84,717,485	\$ 100,110,375	\$ 100,110,375	\$ 104,383,269
Operating Expenditures	4,677,824	5,513,438	5,918,420	5,685,380	5,499,007	6,080,309
Capital Expenditures	520,411	770,908	3,011,595	3,001,397	1,675,970	1,735,230
Indirect Expense Allocation**	8,731,232	19,367,294	11,140,810	11,140,810	11,140,810	11,314,077
<b>Totals</b>	<b>\$ 93,442,792</b>	<b>\$108,507,118</b>	<b>\$ 104,788,310</b>	<b>\$ 119,937,962</b>	<b>\$ 118,426,162</b>	<b>\$ 123,512,885</b>
						4.3%

% increase/(decrease), including all funds, from FY 2023/24 Adopted Budget

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

\*\* Indirect expense allocation includes the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, general liability insurance, and accrued leave liquidation. In FY 2022/23, the City established an accrued leave liquidation reserve in the Employee Benefits internal services fund, which resulted in a one-time increase in departmental indirect cost allocations. In FY2023/24, liquidation of accrued leave shifted from departments to the accrued leave liquidation reserve, resulting in a reduction in personnel expenditures compared with previous years.

## Major Changes

- The FY 2024/25 Police Department budget is \$5,086,723 (4.3%) more than the FY 2023/24 adopted budget.
- Operating expenditures are increasing \$581,302 (or 10.6%) mainly due to contractual and professional services increases and higher costs for various supplies.

Staffing by Function - FY 2024/25

Police			
<b>Chief's Office</b>			
Police Chief		1.00	
Senior Executive Assistant		1.00	
<b>Business Services</b>			
Business Manager	1.00		
Accounting Technician	1.00		
Senior Accounting Specialist	2.00		
Senior Office Specialist	1.00		
Equipment Room Specialist	1.00		
Equipment Room Assistant	1.00		
Public Service Assistant 10*			
(Equipment Room)			
<b>Special Investigator to the Chief</b>			
Police Sergeant	1.00		
<b>Patrol Division</b>			
Police Captain	1.00		
Police Lieutenant	5.00		
Police Sergeant	22.00		
Police Officer	122.00		
Traffic Enforcement Specialist	1.00		
Community Service Officer	16.00		
Parking Compliance Officer	2.00		
Police Services Technician	2.00		
Administrative Assistant	1.00		
Reserve Officer 6*			
Public Service Assistant 2*			
(Red Light, Court Liaison)			
<b>Special Operations Division</b>			
Police Captain	1.00		
Police Lieutenant	1.00		
Police Sergeant	5.00		
Police Officer	35.00		
Crime Intel & Analysis Manager	1.00		
Crime and Intelligence Analyst	1.00		
Community Service Officer	1.00		
Police Records Specialist	2.00		
Administrative Assistant	1.00		
Crime and Intelligence Analyst 2**			
<b>Administrative Operations Division</b>			
Police Captain	1.00		
Police Lieutenant	2.00		
Police Sergeant	2.00		
Police Officer	3.00		
Forensic Specialist II	1.00		
Detention Supervisor	2.00		
Detention Officer	8.00		
Property and Evidence Supervisor	1.00		
Property Officer	3.00		
Animal Services Manager	1.00		
Animal Services Supervisor	2.00		
Animal Services Officer	4.00		
Animal Services Veterinarian	1.00		
Animal Services Vet Technician	1.00		
Administrative Assistant	1.00		
Senior Office Specialist	3.00		
Office Specialist II	1.00		
Public Safety Communications Manager	1.00		
Police Communications Dispatch Supv	7.00		
Police Communications Dispatcher	26.00		
Special Assistant 8* (Personnel)			
Public Service Assistant 12*			
(Animal Services, Crime Lab)			
*Part time, Temporary positions not counted in full-time equivalents.			
**Full time, Temporary positions not counted in full-time equivalents.			

Regular Full-Time Equivalents: 326.00



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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 470 vehicles and 150 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 over 50 consultant contracts to support the delivery of public works projects and services.



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

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Hazardous Materials	\$ 343,301	\$ 507,587	\$ 497,527	\$ 483,997	\$ 481,083	\$ 561,574
Streets	2,029,623	2,938,517	4,517,283	5,376,590	5,376,590	5,049,920
Public Buildings	8,238,952	8,842,035	9,635,122	9,938,622	9,930,465	10,602,065
Fleet Maintenance	4,279,574	4,671,273	4,562,573	4,926,660	4,926,660	5,210,642
Engineering	16,607,646	17,466,384	18,495,133	20,729,547	20,692,041	21,781,292
Administration	2,113,876	2,639,042	2,219,799	2,239,560	2,239,560	3,260,809
<b>Total Transportation &amp; Operations</b>	<b>\$ 33,612,971</b>	<b>\$ 37,064,838</b>	<b>\$ 39,927,437</b>	<b>\$ 43,694,976</b>	<b>\$ 43,646,399</b>	<b>\$ 46,466,302</b>

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

## Accomplishment Highlights FY 2023/24

1. Many projects were implemented to address infrastructure damage caused by the severe winter storms occurring in early 2023. The damage was associated with flooding, mud flows, and rockslides. In coordination with the Federal Emergency Management Agency and the State Office of Emergency Services, repair projects were completed at the following locations: Old Canyon Road bridge at Alameda Creek, Morrison Canyon Road, Sullivan Underpass in Niles, and Agua Fria Creek at Rancho Higuera Historic Park. In July 2023, the City Council approved \$3.44 million in funding to initiate the storm damage repairs and work is ongoing to obtain funding reimbursements from federal and State sources.



Reopening Morrison Canyon Trail after mudslides.

2. As part of the City’s multi-year Traffic Signal Modernization Program, 14 miles of major streets were upgraded to coordinate traffic signal timing, providing an over 60% improvement in vehicle travel time along the corridors. Work included replacing old traffic signal controller hardware/software and installing traffic measuring sensors. Locations included segments of Paseo Padre Parkway (North Fremont to Downtown), Fremont Boulevard (North Fremont to Downtown), Stevenson Boulevard (Central Fremont), Mowry Avenue (Central Fremont), and Warm Springs Boulevard (South Fremont).
3. A new Active Transportation Plan (ATP) is being prepared to establish updated priorities for improving facilities for walking, bicycling and wheelchair users. During the year, community outreach efforts included booths at special events, neighborhood walking and biking tours, and coordination with City Commissions, Fremont schools and the Family Resource Center. A MyFremont webpage for the project has received over 1,400 public comments. Completion of the plan is scheduled for Summer 2024.



Community Outreach for new Active Transportation Plan.

## Department Budgets | Public Works

4. In the Central Fremont area, several “complete street” projects are in various stages of development that have obtained grant funding from regional, State, and federal sources. Projects are located along Walnut Avenue and Fremont Boulevard. The projects support the City’s multimodal transportation goals in the General Plan, Mobility Action Plan, and the Vision Zero traffic safety program. Locations under construction this year include the intersections of Walnut/Liberty, Fremont/Walnut, Fremont/Grimmer/Eugene, and Fremont/Country. Next year construction is planned along Fremont Boulevard and Thornton Avenue in the Centerville area.
5. Progress continues to be made to advance the planning and design of major projects. These projects include: Sabercat Trail Extension and Bridge over I-680; East Bay Greenway Trail and Innovation Bridge over I-880; 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 corridor; and the Centerville Railroad Crossing Quiet Zone.
6. Core street maintenance activities for 2023/24 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 drain 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 receive grind or ramp repairs. Annual projects continue to be delivered to fix aging streets and sidewalks. For 2023/24, the City Council approved public works construction contracts for pavement rehabilitation (\$1.9 million), pavement sealing (projected cost of \$5.5 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 70). Fremont’s pavement conditions are better than the average condition for all Bay Area cities, which is PCI 67.



Rendering of planned Innovation Bridge over I-880.



City crews replacing damaged sidewalks.



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 4,500 service requests are completed annually related to the building systems, building security, heating, ventilation, plumbing, electrical, and roofing system. Significant building projects that were in construction during 2023/24 include the City Hall Roof Replacement and new Police Center Vehicle Evidence Warehouse. Major building projects in design include the new Community Center at Central Park as well as park restroom replacements at Irvington Park, Northgate Park, and Central Park.
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 vehicles and mobile equipment. Approximately 2,200 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.



Maintaining public safety vehicles.

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 and City Center area (Fremont Bank Residences and Headquarters, Fremont Hub Mixed Use, Gateway Plaza); and various affordable housing projects (Allied Senior Housing, Osgood North & South Apartments).
10. Public and private utility work has been very active. Annually, Public Works reviews and issues approximately 1,000 encroachment permits for work related to water, sewers, gas lines, electrical power, and communication systems.

### Objectives FY 2024/25

The core work objective for the Public Works Department in 2024/25 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 2024/25:

1. Continue delivery of **General Fund Capital Projects** identified as priorities by the City Council including the new Community Center at Central Park; replacing aging and outdated park restrooms; and installing electric vehicle charging infrastructure to support City vehicle fleet electrification.



Rendering of New Central Park Community Center.

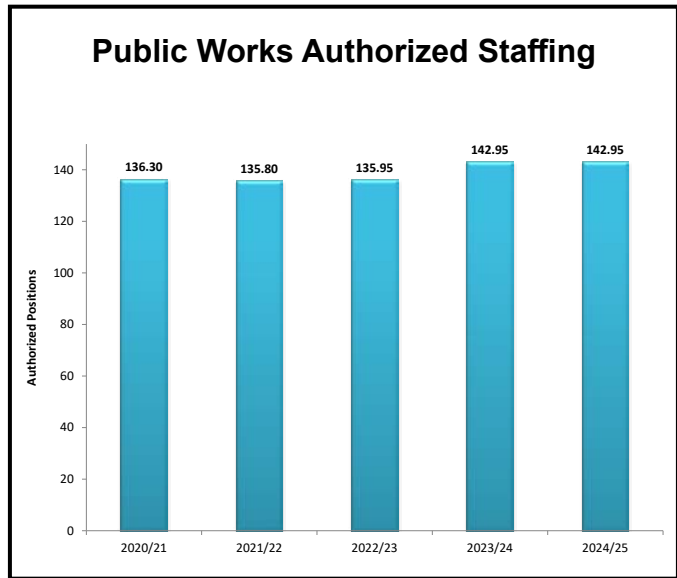
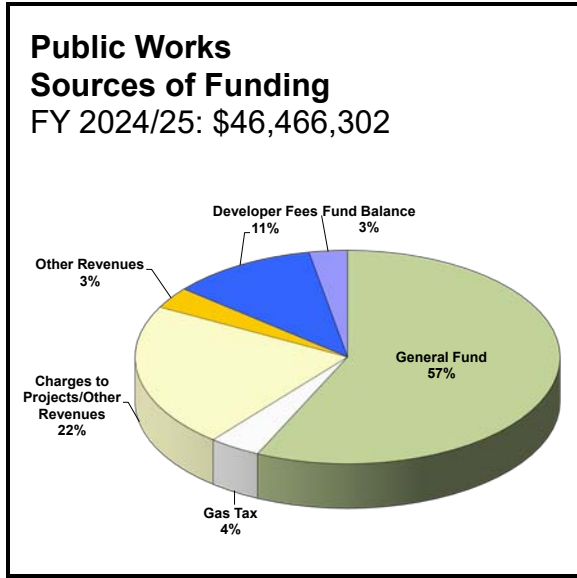
2. Expand the **Traffic Signal Modernization** program to provide signal timing coordination to other arterial corridors, including Fremont Boulevard (south), Auto Mall Parkway, Thornton Avenue, Decoto Road, Blacow Road, and Grimmer Boulevard.
3. Finalize the **Active Transportation Plan** identifying priority actions over the next five years for improving travel for people walking, bicycling, and using wheelchairs, and with City Council approval proposed for Summer 2024.



Performance Measurement

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
Percent of preventative maintenance repairs Fleet services performed on-schedule (e.g., completed within two weeks of scheduled service)	56%	75%	70%	75%
Number of “clean fuel” vehicles in City fleet	85	105	98	115
Number of persons severely or fatally injured in traffic crashes on City streets  Notes: The traffic fatality rate (fatalities per 100,000 population) in Fremont was 2.6 in 2023, which is significantly below the national rate of 12.7 (in 2022) and the California rate of 11.2 (in 2022)	30 in Calendar Year 2022 (8 fatalities)	Continuous improvement	39 in Calendar Year 2023 (6 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%	60%/92%	57%/95%	65%/100%

# Department Budgets | Public Works



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

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Salaries & Benefits	\$ 19,561,145	\$ 19,879,783	\$ 20,689,658	\$ 24,315,632	\$ 24,315,632	\$ 25,501,221
Operating Expenditures	11,004,863	12,113,824	14,153,843	14,320,499	14,271,922	15,245,437
Capital Expenditures	86,259	109,540	467,180	442,090	442,090	52,090
Indirect Expense Allocation**	2,960,704	4,961,691	4,616,756	4,616,755	4,616,755	5,667,554
<b>Totals</b>	<b>\$ 33,612,971</b>	<b>\$ 37,064,838</b>	<b>\$ 39,927,437</b>	<b>\$ 43,694,976</b>	<b>\$ 43,646,399</b>	<b>\$ 46,466,302</b>

% increase/(decrease), including all funds, from FY 2023/24 Adopted Budget 6.5%

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

\*\* Indirect expense allocation includes the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, general liability insurance, and accrued leave liquidation. In FY 2022/23, the City established an accrued leave liquidation reserve in the Employee Benefits internal services fund, which resulted in a one-time increase in departmental indirect cost allocations. In FY2023/24, liquidation of accrued leave shifted from departments to the accrued leave liquidation reserve, resulting in a reduction in personnel expenditures compared with previous years.

### Major Changes

- The FY 2024/25 Public Works budget is \$2,819,903 (6.5%) more than the FY 2023/24 adopted budget.
- Operating expenditures are increasing by \$973,515 (or 6.8%) mainly due to contractual service increases, utility, and maintenance items.
- Capital expenditures are decreasing by \$390,000 (or -88.2%) mainly due to reduction of one-time prior year vehicle and field equipment purchases.
- The indirect expense allocation is increasing by \$1,050,799 (or 22.8%) mainly due to higher citywide overhead charges, liability insurance premiums, and the shift of accrued leave liquidation costs from personnel expenditures to department indirect cost allocation.

# Department Budgets | Public Works

## Staffing by Function - FY 2024/25

Public Works	
<b>Maintenance Services</b>	<b>Engineering</b>
<b>Administration</b>	<b>Administration</b>
Public Works Director	Public Works Director
Deputy Director,	Management Analyst II
Maintenance & Business Operations	Executive Assistant
Business Manager	Senior Office Specialist
Management Analyst II	Office Specialist II
Executive Assistant	
Administrative Analyst	<b>Design, Development, Transportation</b>
Office Specialist II	<b>and Construction Engineering</b>
	City Engineer
<b>Environmental Compliance</b>	Assistant City Engineer
Management Analyst II	Principal Civil Engineer
	Principal Transportation Engineer
<b>Fleet Maintenance</b>	Facility & Real Property Manager
Fleet Maintenance Manager	Senior Civil Engineer
Fleet Mechanic II	Senior Transportation Engineer
Fleet Supervisor	Real Property Agent
Fleet Mechanic I - Light Equipment	Land Surveyor
Fleet Mechanic I - Heavy Equipment	Associate Civil Engineer
Equipment Support Coordinator	Associate Transportation Engineer
Mechanic Assistant	Facilities Design/Construction
Office Specialist II	Project Supervisor III
	Facilities Design/Construction
<b>Public Buildings</b>	Project Supervisor II
Building Maintenance Manager	Facilities Design/Construction
Building Maintenance Coordinator	Project Supervisor I
Building Maint. Field Supervisor	Supervising Construction Coordinator
Building Maintenance Worker II	Civil Engineer II
	Chief of Party
<b>Street Maintenance</b>	Transportation Engineer II
<u>Pavement Maintenance</u>	Transportation Engineer I
Street Maintenance Manager	Info Systems Appl Spec III
Street Field Supervisor	Senior Construction Inspector
Street Maintenance Worker II	Construction Inspector
Street Maintenance Worker I	Construction Materials Inspector
<u>Street Sanitation</u>	Survey Instrument Operator
Street Maintenance Manager	Senior Engineering Specialist
Street Field Supervisor	Engineering Specialist
Street Maintenance Worker II	Engineering Technician II
Street Maintenance Worker I	Engineering Technician 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 2024/25

#### *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 developed at the 2024 City Council Retreat: 1. Continue to innovate and find solutions to address and respond to homelessness in Fremont; 2. Focus on public safety; and 3. Prioritize Environmental Sustainability.
2. Pursue legislative efforts and strengthen state and federal partnerships to promote the best interests of the City, while implementing the City of Fremont’s adopted Legislative Framework.
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

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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. Represent the City in lawsuits and administrative hearings and pursue cost-effective resolution of pending litigation matters.
14. Defend the City against government tort claims and workers' compensation, including rejection or settlement of claims as appropriate.
15. Support the City Council, City Manager's Office, and Human Resources, and other City departments on labor and employment matters.
16. 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.
17. 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*

18. Ensure open access to information, documents, and the legislative process that increase transparency in City government.
19. Achieve and maintain prompt responses across all City departments for routine public records requests.
20. Continue to efficiently and accurately manage the electronic preparation and distribution of agenda packets.
21. Monitor the changing postal service environment and accommodate changes as needed to the mail room during the fiscal year.

22. Continue to work with City departments to review and update each department's Records Retention Schedule, to ensure the schedules are current.
23. Administer the 2024 November Election.
24. In coordination with the IT Services Department, implement a new Document Management System and a new Agenda Management System.

### ***Finance Department***

25. 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.
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 workforce.
29. Continue expanding and enhancing recruitment activities and improve the use of technology for efficiencies.
30. Partner with a professional services consultant to develop and begin the implementation of a workforce initiative to advance critical work in diversity, equity, and inclusion for the benefit for our employee population.
31. Continue to invest in organizational health and development and provide increased opportunities for training.
32. Assess and make improvements to the current Citywide performance evaluation system to ensure it meets the needs of the organization.
33. Negotiate successor labor agreements with the City's nine bargaining units.
34. Negotiate revisions and updates to the City's Personnel Rules, last revised in 1995, with the City's nine bargaining units.
35. Partner with deferred compensation providers to offer financial wellness and retirement planning educational workshops to employees.
36. Continue to implement enhancements to the City's PeopleSoft Human Capital Management system to improve efficiencies for payroll processing in partnership with the Information Technology Services Department.



### *Information Technology Services*

37. 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 integration and testing phases of the project, which includes successful delivery of approximately thirty integrations with government agencies and third-party vendors as well as the formal testing phases as the new software system. Thorough, in-depth testing is an essential requirement for a mission critical software system.
38. 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.
39. New IT Service Management System. ITS will select and implement a new Information Technology Service Management (ITSM) solution to replace the existing work order system and add a new asset management solution to provide better services to city staff. The new system will also allow us to better manage City owned assets assigned to City staff and monitor inventory updates and changes.
40. 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.
41. 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).
42. Wi-Fi Deployment in the six Fremont Business Districts. With Congress' passage of the FY2023 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.
43. 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.

44. 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.
45. 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.
46. ArcGIS Indoors. ArcGIS Indoors is an indoor mapping, wayfinding & space management software available for desktop and mobile devices. This software can integrate with Cityworks for Asset Management. Public Safety will be able to use this software for real time floor aware mapping. Public Works and Parks will be able to easily locate facility assets to maintain.
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. In addition, the new ortho imagery will be used to generate updated elevation contour lines since the current topographic contour data is over 10 years old. Given the level of development activity in the service area, large areas are significantly out of date which minimizes the value of the photos for engineering, planning, and code or public safety purposes. The elevation contour lines information is critical for activities such as fire control and water flow analysis. 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.

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### 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

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
City Manager's Office	\$ 3,149,396	\$ 3,481,786	\$ 3,186,267	\$ 3,977,498	\$ 3,851,814	\$ 4,100,860
Communications and Marketing	618,009	826,316	701,702	799,130	799,130	878,675
Homeless Services	-	-	109,930	240,098	240,098	259,377
<b>Total City Manager's Office</b>	<b>\$ 3,767,406</b>	<b>\$ 4,308,102</b>	<b>\$ 3,997,899</b>	<b>\$ 5,016,726</b>	<b>\$ 4,891,042</b>	<b>\$ 5,238,912</b>

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

### Accomplishment Highlights FY 2023/24

1. Presented a balanced FY 2023/24 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 \$3M in the 2023 CA State Budget for the City's Housing Navigation Center, Community Wi-Fi that will be located in several of Fremont's commercial districts and the new Community Center at Central Park. \$2.3M in community project was submitted on the City's behalf via Federal Appropriations for the Auto Mall Pkwy median project, Community Center at Central Park, and upgrades to the Police Community Camera program.
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. 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 held in June at DTEC and sold out.
  - Completed the citywide language access pilot program and rolled out a formalized program to provide and expand translation services in order to broaden and diversify access to City of Fremont communications.
  - Continued to post new topics and utilize the 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’s Active Transportation Plan, the Tri-City Multi-Jurisdictional Hazard Mitigation Plan, and information including a survey on the City of Fremont’s Homeless Response Plan.
7. 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.

## Department Budgets | City Manager

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- 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.
- 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 2024/25

1. Pursue staff actions and projects that assist with and enhance the implementation of the top three Council priorities for the year, as developed at the 2024 City Council Retreat: 1. Continue to innovate and find solutions to address and respond to homelessness in Fremont; 2. Focus on public safety; and 3. Prioritize Environmental Sustainability.
2. Pursue legislative efforts and strengthen state and federal partnerships to promote the best interests of the City, while implementing the City of Fremont's adopted Legislative Framework.
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.

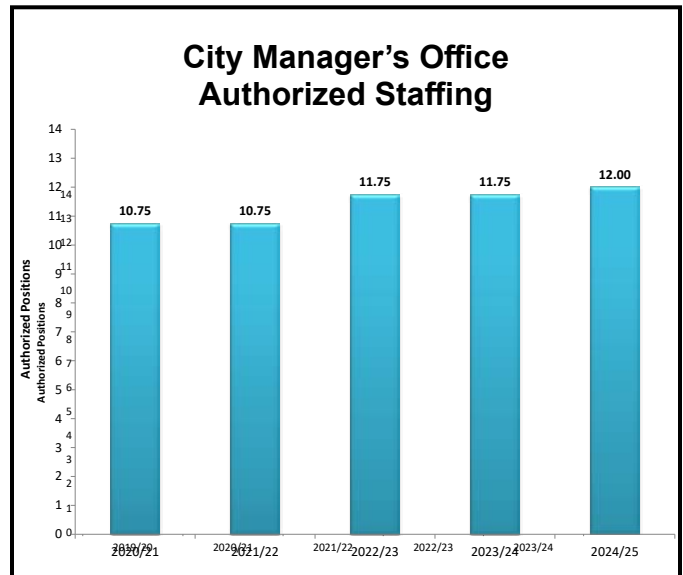
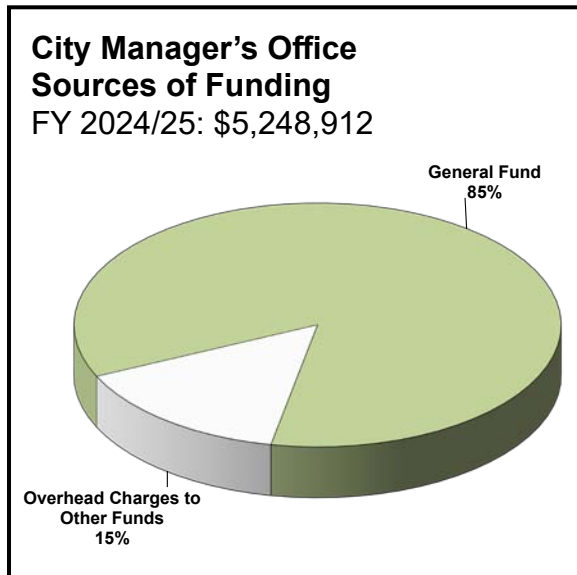


- 8. Civic Engagement: Continue to grow social media and online tools subscriber base and public statement posts. Implement new methods and tools to facilitate civic engagement and enhance access to open government, such as using MyFremont as an effective communication tool.

**Performance Measurement**

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
Percent of residents that agree that Fremont is a “good” or “excellent” place to live <sup>1</sup>	N/A	75%	64%	N/A
Number of likes, followers, and subscribers of the social media accounts	282,000	325,236	310,628	326,159

<sup>1</sup> The community survey is a biennial survey. Due to 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.



# Department Budgets | City Manager

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

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Salaries & Benefits	\$ 2,914,788	\$ 2,807,401	\$ 2,810,473	\$ 3,592,419	\$ 3,592,419	\$ 3,899,244
Operating Expenditures	619,832	672,278	803,274	1,037,760	912,077	920,077
Capital Expenditures	2,781	4,962	605	3,000	3,000	3,000
Indirect Expense Allocation**	230,004	823,461	383,547	383,547	383,547	426,591
<b>Totals</b>	<b>\$ 3,767,406</b>	<b>\$ 4,308,102</b>	<b>\$ 3,997,899</b>	<b>\$ 5,016,726</b>	<b>\$ 4,891,042</b>	<b>\$ 5,248,912</b>
% increase/(decrease), including all funds, from FY 2023/24 Adopted Budget						7.3%

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

\*\* Indirect expense allocation includes the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, general liability insurance, and accrued leave liquidation. In FY 2022/23, the City established an accrued leave liquidation reserve in the Employee Benefits internal services fund, which resulted in a one-time increase in departmental indirect cost allocations. In FY2023/24, liquidation of accrued leave shifted from departments to the accrued leave liquidation reserve, resulting in a reduction in personnel expenditures compared with previous years.

## Major Changes

- The FY 2024/25 City Manager’s Office budget is \$357,870 (7.3%) more than the FY 2023/24 adopted budget.
- Salary and benefits are increasing by \$306,825 (or 8.5%) primarily due to the shift of a portion of an Assistant City Manager position from the City Clerk’s Department.
- The indirect expense allocation is increasing by \$43,044 (or 11.2%) mainly due to higher liability insurance premiums and the shift of accrued leave liquidation costs from personnel expenditures to department indirect cost allocation.

## Staffing by Function - FY 2024/25

<b>City Manager's Office</b>	
City Manager	1.00
Assistant City Manager	2.00
Deputy City Manager	1.00
Management Analyst II	3.00
Executive Assistant to the City Manager	1.00
Executive Assistant	1.00
<b>Communications Office</b>	
Communications & Legislative Affairs Director	1.00
Communications Manager	1.00
Homeless Services Manager	1.00

Regular Full-Time Equivalents: 12.00

## 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

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
City Attorney	\$ 2,089,439	\$ 2,333,278	\$ 2,521,568	\$ 2,912,359	\$ 2,902,431	\$ 3,010,061
Risk Management	10,188,105	9,404,848	11,016,465	11,415,014	11,307,640	13,989,299
<b>Total City Attorney's Office</b>	<b>\$ 12,277,544</b>	<b>\$ 11,738,126</b>	<b>\$ 13,538,033</b>	<b>\$ 14,327,373</b>	<b>\$ 14,210,071</b>	<b>\$ 16,999,360</b>

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

### Accomplishment Highlights FY 2023/24

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. 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 a Senior Deputy City Attorney within the City Attorney's Office.
5. Managed the legal defense of the City against 26 civil lawsuits pending in state and federal court.
6. Analyzed and managed disposition of 49 government tort and 228 workers' compensation claims.
7. Assisted staff with revisions and updates to City policies and regulations.
8. Drafted, supported and/or reviewed updates to the Fremont Municipal Code, including the following programs: Rent Review; The Housing Element; Short Term Rental Units; Speed Limits on City Streets; City Parking Regulations.
9. Drafted, supported and/or reviewed 32 resolutions.
10. Performed legal review of 574 City contracts, including adequacy of insurance coverage and mitigation of risk of liability exposure to the City.

### Objectives FY 2024/25

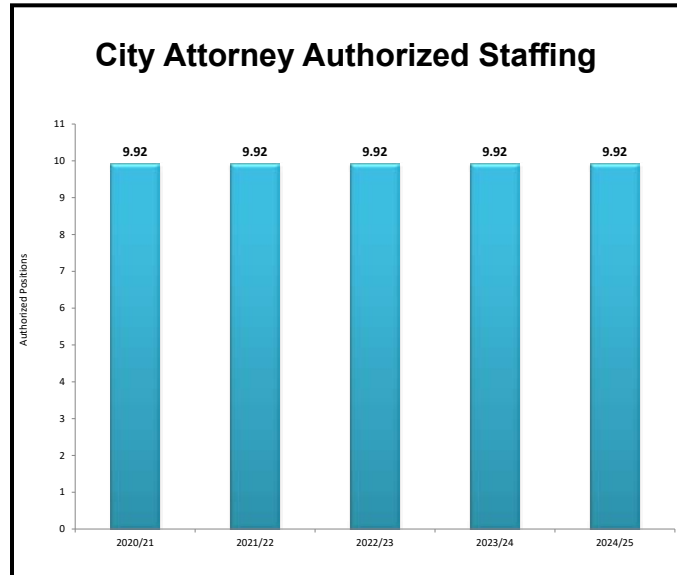
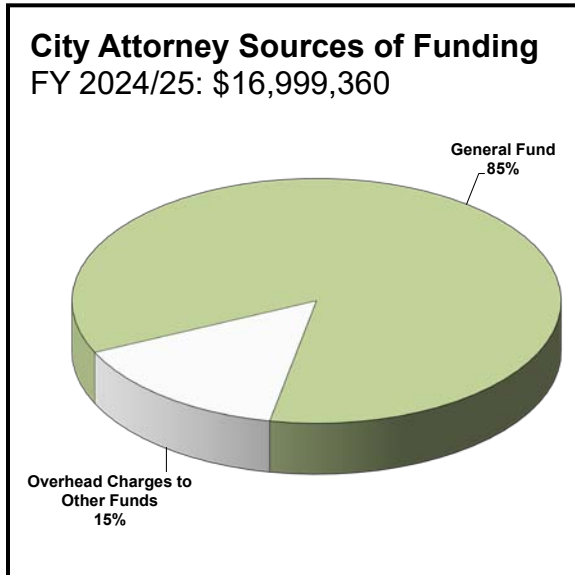
1. Attend and provide legal advice at City Council meetings. Provide updates on any changes in state law regarding public meetings and conflicts of interest.
2. Assist the City Council and the City Manager's Office to implement City Council priorities.
3. Attend and provide legal advice at public meetings 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. Represent the City in lawsuits and administrative hearings and pursue cost-effective resolution of pending litigation matters.
6. Defend the City against government tort claims and workers' compensation, including rejection or settlement of claims as appropriate.
7. Support the City Council, City Manager's Office, and Human Resources, and other City departments on labor and employment matters.
8. 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.
9. 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 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
Percent of standard contracts reviewed within 5 business days of receipt*	N/A	N/A	N/A	N/A
Percent of liability (damage) claims reviewed and insufficiency noted within 14 days of receipt (statutory requirement)	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%
* Measure being revised to reflect implementation of electronic document workflow.				

## Department Budgets | City Attorney



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

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Salaries & Benefits	\$ 2,742,170	\$ 2,802,526	\$ 3,030,080	\$ 3,430,019	\$ 3,430,019	\$ 3,563,024
Operating Expenditures	9,356,039	8,464,213	10,276,351	10,641,539	10,524,237	13,150,181
Capital Expenditures	-	-	-	-	-	-
Indirect Expense Allocation**	179,335	471,387	231,603	255,815	255,815	286,155
<b>Totals</b>	<b>\$ 12,277,544</b>	<b>\$ 11,738,126</b>	<b>\$ 13,538,033</b>	<b>\$ 14,327,373</b>	<b>\$ 14,210,071</b>	<b>\$ 16,999,360</b>
	% increase/(decrease), including all funds, from FY 2023/24 Adopted Budget					19.6%

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

\*\* Indirect expense allocation includes the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, general liability insurance, and accrued leave liquidation. In FY 2022/23, the City established an accrued leave liquidation reserve in the Employee Benefits internal services fund, which resulted in a one-time increase in departmental indirect cost allocations. In FY2023/24, liquidation of accrued leave shifted from departments to the accrued leave liquidation reserve, resulting in a reduction in personnel expenditures compared with previous years.

### Major Changes

- The FY 2024/25 City Attorney's Office budget is \$2,789,289 (19.6%) more than the FY 2023/24 adopted budget.
- Operating expenditures are increasing by \$2,625,944 (or 25.0%) mainly due to higher insurance premium costs.
- The indirect expense allocation is increasing by \$30,340 (or 11.9%) mainly due to higher liability insurance premiums and the shift of accrued leave liquidation costs from personnel expenditures to department indirect cost allocation.

Staffing by Function - FY 2024/25

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
Executive Assistant to City Attorney	1.00
Paralegal	1.00
<b>Risk Management</b>	
City Attorney	0.06 *
Risk Manager	1.00
Safety Coordinator	1.00
Risk Management Technician	1.00

*\* This position is mainly budgeted in the City Attorney's Office and its Risk Management Division, totaling 0.92 FTE. The balance of this position is budgeted in the Environmental Services Division of the Community Development Department.*

Regular Full-Time Equivalents: 9.92



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## 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.*



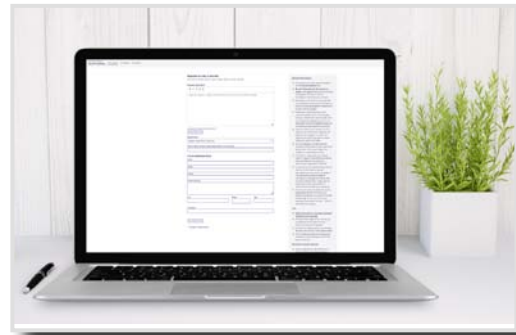
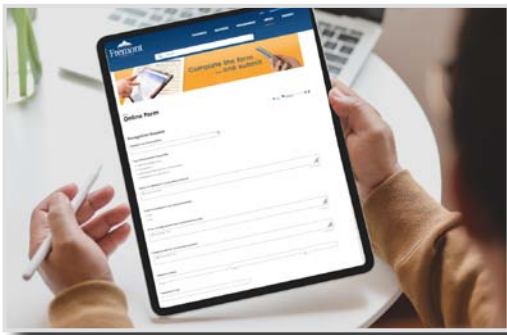
### Department Overview

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 2023/24

1. Continued to lead the City's efforts to ensure City Council meetings were administered virtually, with proper Brown Act protocols followed, in order to maintain transparency.
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 176 requests.
4. Assisted City departments with review and completed the update of department's Records Retention Schedules to ensure the schedules are current.
5. Assisted with the development and introduction of the new Agenda Center.
6. Managed the Public Records Act request software (NextRequest) to improve tracking and timely responses to requests.



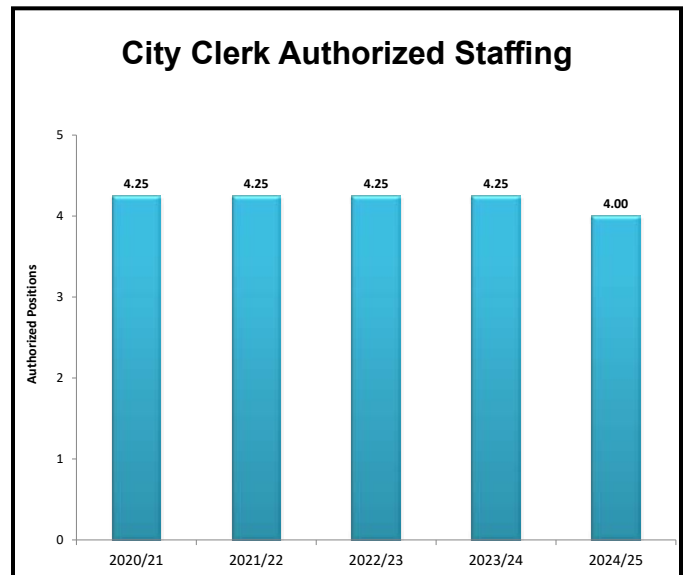
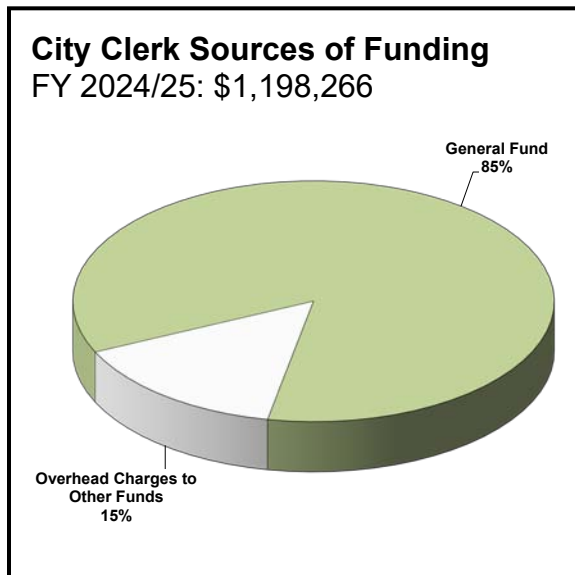
### Objectives FY 2024/25

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.
6. Administer the 2024 November Election.
7. In coordination with the IT Services Department, implement a new Document Management System and a new Agenda Management System.

Performance Measurement

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 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

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Salaries & Benefits	\$ 789,145	\$ 827,837	\$ 700,333	\$ 865,098	\$ 865,098	\$ 783,778
Operating Expenditures	166,826	180,995	169,725	278,380	260,380	260,380
Capital Expenditures	77	-	-	6,000	6,000	6,000
Indirect Expense Allocation**	67,341	156,766	114,922	114,922	114,922	148,108
<b>Totals</b>	<b>\$ 1,023,390</b>	<b>\$ 1,165,598</b>	<b>\$ 984,980</b>	<b>\$ 1,264,400</b>	<b>\$ 1,246,400</b>	<b>\$ 1,198,266</b>
	% increase/(decrease), including all funds, from FY 2023/24 Adopted Budget					-3.9%

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

\*\* Indirect expense allocation includes the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, general liability insurance, and accrued leave liquidation. In FY 2022/23, the City established an accrued leave liquidation reserve in the Employee Benefits internal services fund, which resulted in a one-time increase in departmental indirect cost allocations. In FY2023/24, liquidation of accrued leave shifted from departments to the accrued leave liquidation reserve, resulting in a reduction in personnel expenditures compared with previous years.

## Major Changes

- The FY 2024/25 City Clerk budget is \$48,134 (-3.9%) less than the FY 2023/24 adopted budget.
- Salary and benefits are decreasing by \$81,320 (or -9.4%) mainly due to the shift of a portion of an Assistant City Manager position from the City Clerk’s Department to the City Manager’s Office.
- The indirect expense allocation is increasing by \$33,186 (or 28.9%) mainly due to higher liability insurance premiums and the shift of accrued leave liquidation costs from personnel expenditures to department indirect cost allocation.

## Staffing by Function - FY 2024/25

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

Regular Full-Time Equivalents: 4.00

## 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.*

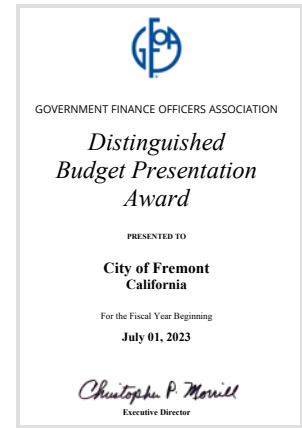


### Department Overview

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 2023/24

1. Awarded the Excellence in Financial Reporting Award for the 39th consecutive year and Distinguished Budget Presentation Award for the 27th consecutive year from the Government Finance Officers Association of the United States and Canada (GFOA).
2. Continued to promote the City's online business tax services by emphasizing online correspondence and self-service capabilities.
3. Restored in-person service at the Permit Center Revenue Counter.
4. 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 2024/25

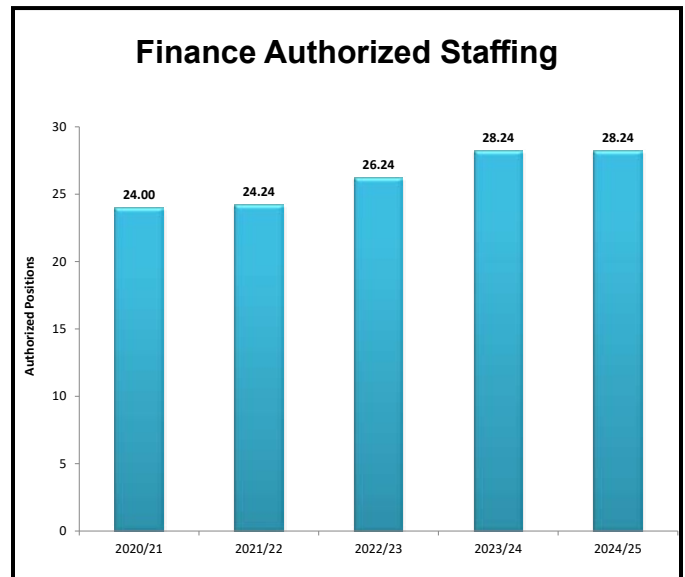
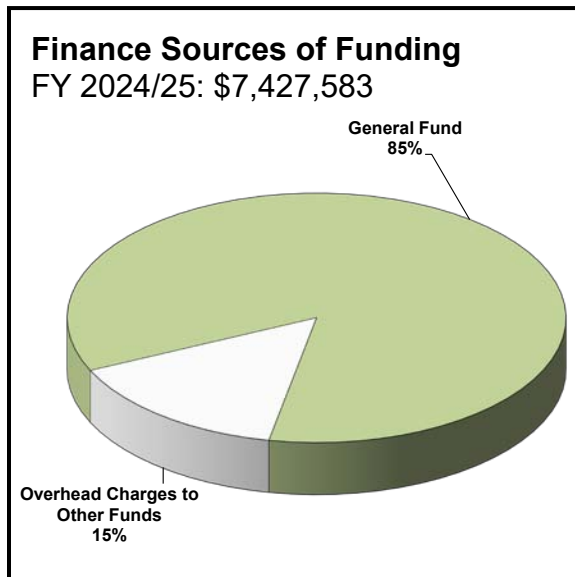
1. Continue to emphasize and encourage public use of the City's online business tax offerings with continued messaging that online business tax account registration and renewal are easier and safer for businesses and allow more efficient use of staff time.
2. Deploy Tyler Citizen Self Service, which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





Performance Measurement

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
Number of bids/RFPs issued	55	60	70	65
Percent of Business Tax certificates issued online	68%	75%	72%	75%



Finance: Historical Expenditures/Budget, by Category

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Salaries & Benefits	\$ 4,177,489	\$ 4,257,325	\$ 5,508,441	\$ 5,508,441	\$ 5,508,441	\$ 5,888,209
Operating Expenditures	560,543	529,057	543,898	543,897	542,525	719,700
Capital Expenditures	1,497	33,894	7,500	7,500	7,500	5,500
Indirect Expense Allocation**	381,041	1,002,715	655,200	655,200	655,200	814,174
<b>Totals</b>	<b>\$ 5,120,570</b>	<b>\$ 5,822,991</b>	<b>\$ 6,715,038</b>	<b>\$ 6,715,038</b>	<b>\$ 6,713,666</b>	<b>\$ 7,427,583</b>

% increase/(decrease), including all funds, from FY 2023/24 Adopted Budget 10.6%

\* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.

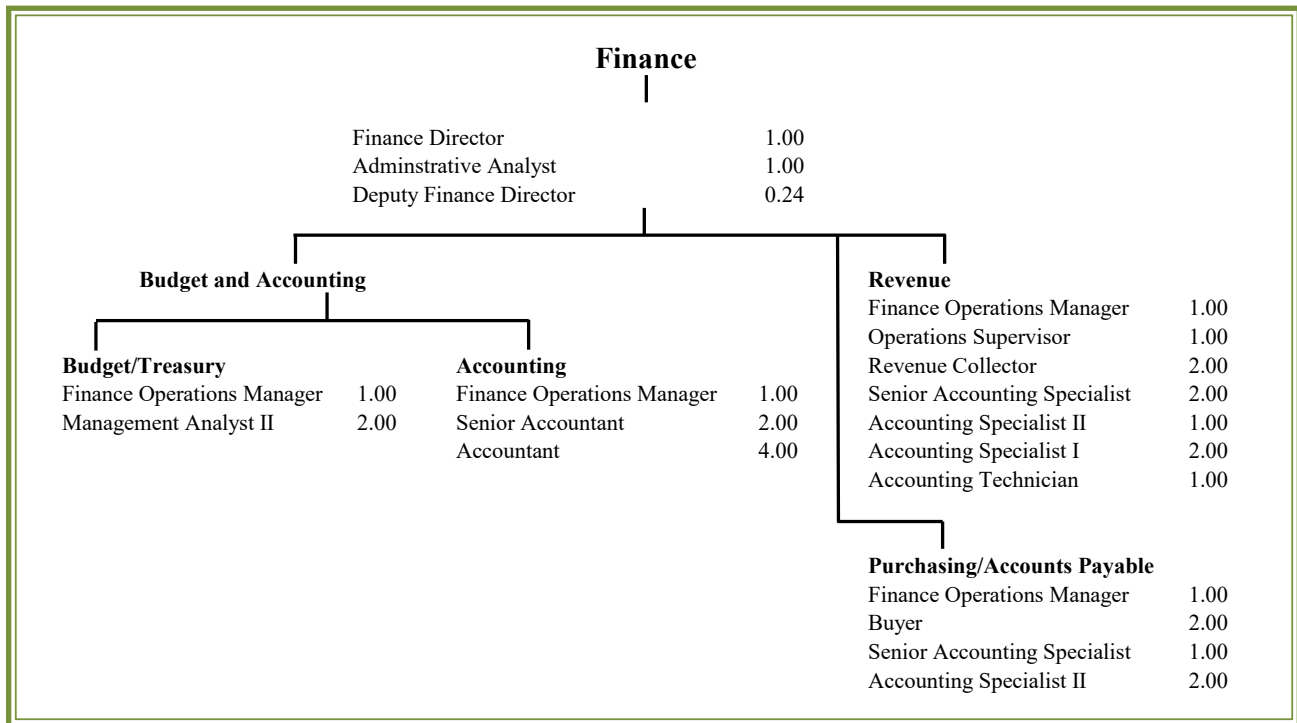
\*\* Indirect expense allocation includes the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, general liability insurance, and accrued leave liquidation. In FY 2022/23, the City established an accrued leave liquidation reserve in the Employee Benefits internal services fund, which resulted in a one-time increase in departmental indirect cost allocations. In FY2023/24, liquidation of accrued leave shifted from departments to the accrued leave liquidation reserve, resulting in a reduction in personnel expenditures compared with previous years.

# Department Budgets | Finance

## Major Changes

- The FY 2024/25 Finance Department budget is \$713,917 (10.6%) more than the FY 2023/24 adopted budget.
- Operating expenditures are increasing \$177,175 (or 32.7%) to accommodate higher costs for financial statement preparation and audit services, and to address increased bank fees related to online payment activity.
- Capital expenditures are decreasing by \$2,000 (or -26.7%) mainly due to reduction of a one-time prior year capital purchase.
- The indirect expense allocation is increasing by \$158,974 (or 24.3%) mainly due to higher liability insurance premiums and the shift of accrued leave liquidation costs from personnel expenditures to department indirect cost allocation.

## Staffing by Function - FY 2024/25



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 workforce development training opportunities, providing equal employment opportunities, and ensuring the consistent and uniform administration of policies, procedures and collective bargaining agreements.

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### Major Services

**Employee and Labor Relations**

*Maintain effective partnerships between the City, bargaining units, and employees.*

**Citywide Policy Development**

*Develop and improve protocols for various citywide administrative processes 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, State and local laws, while providing high quality and responsive service to our customers.



### Accomplishment Highlights FY 2023/24

1. Continued to implement new local, state and federal laws related to various areas of employment, including hiring and leave entitlements.
2. Completed legal review and draft revisions to City's Personnel Rules. As a next step, Human Resources staff will engage the City's nine bargaining units on meet and confer obligations.
3. Improved recruitment and hiring through attendance at multiple job fairs and by improving advertising and outreach.
4. Provided an on-site health and wellness fair event that included free flu shots and health screenings to employees during the annual open enrollment period.
5. Offered various leadership training opportunities, such as the LIFT Academy and the Alameda County Leadership Academy to support succession planning efforts.
6. Initiated 73 recruitments in FY 2023/24, yielding 127 new hires. 100 recruitments projected in FY 2024/25.
7. Continued to develop and implement new recruitment strategies to streamline processes and ensure legal compliance. Leveraged technology to create efficiencies, including the implementation of Spark Hire video interviewing, and validated test development provided by Cooperative Organization for the Development of Employee Selection Procedures (CODESP).
8. Processed timely and effective issuance of approximately 2,500 paychecks per month.

- Completed the recruitment and hiring process for the newly added Human Resources Recruitment Manager position.
- Created a new Police Service Technician classification as approved in the FY 2023/24 Adopted Operating Budget.



### Objectives FY 2024/25

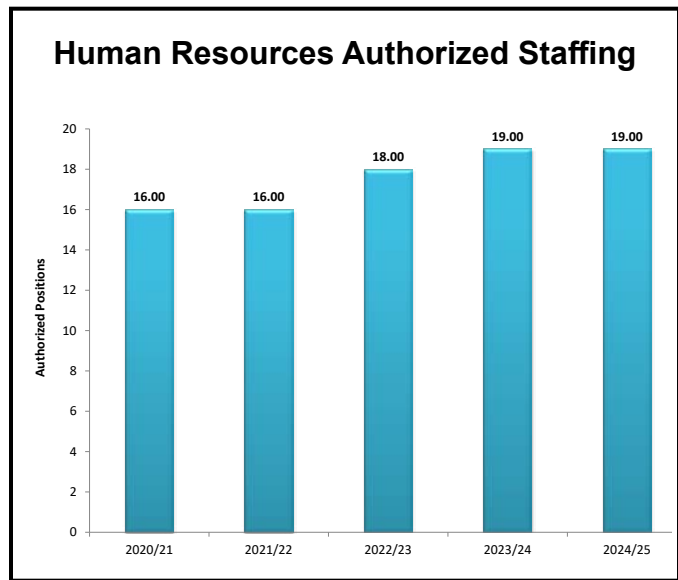
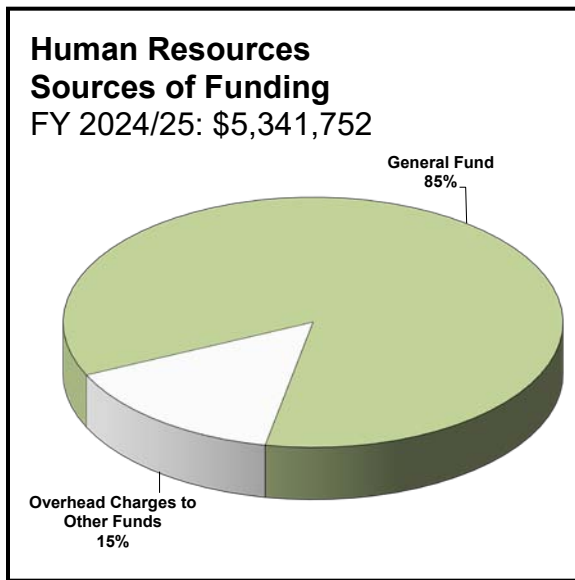
- Reduce citywide position vacancies.
- Continue to assess, analyze, and implement new and innovative recruitment practices to attract a diverse and high qualified workforce.
- Continue expanding and enhancing recruitment activities and improve the use of technology for efficiencies.
- Partner with a professional services consultant to develop and begin implementation of a workforce initiative to advance critical work in diversity, equity, and inclusion for the benefit for our employee population.
- Continue to invest in organizational health and development and provide increased opportunities for training.
- Assess and make improvements to the current Citywide performance evaluation system to ensure it meets the needs of the organization.
- Negotiate successor labor agreements with the City's nine bargaining units.
- Negotiate revisions and updates to the City's Personnel Rules, last revised in 1995, with the City's nine bargaining units.
- Partner with deferred compensation providers to offer financial wellness and retirement planning educational workshops to employees.
- Continue to implement enhancements to the City's PeopleSoft Human Capital Management system to improve efficiencies for payroll processing in partnership with the Information Technology Services Department.

# Department Budgets | Human Resources

## Performance Measurement

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 Target
% of employees participating in a 457(b) deferred compensation plan for retirement savings	73%	80%	69%	80%
Total number of citywide recruitments opened (full-time and part-time)	79	N/A <sup>1</sup>	76	100
Citywide Vacancy Rate	N/A	N/A <sup>2</sup>	15%	10%

<sup>1</sup> New measure for FY 2023/24.  
<sup>2</sup> New measure for FY 2024/25.



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

	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Salaries & Benefits	\$ 2,807,293	\$ 3,251,244	\$ 3,680,188	\$ 3,928,896	\$ 3,928,896	\$ 4,215,861
Operating Expenditures	229,406	258,902	468,780	470,781	410,380	580,380
Capital Expenditures	-	11,734	8,461	-	-	-
Indirect Expense Allocation**	228,630	598,162	421,208	421,208	421,208	545,511
<b>Totals</b>	<b>\$ 3,265,329</b>	<b>\$ 4,120,042</b>	<b>\$ 4,578,637</b>	<b>\$ 4,820,885</b>	<b>\$ 4,760,484</b>	<b>\$ 5,341,752</b>
% increase/(decrease), including all funds, from FY 2023/24 Adopted Budget						12.2%
<p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.</p> <p>** Indirect expense allocation includes the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, general liability insurance, and accrued leave liquidation. In FY 2022/23, the City established an accrued leave liquidation reserve in the Employee Benefits internal services fund, which resulted in a one-time increase in departmental indirect cost allocations. In FY2023/24, liquidation of accrued leave shifted from departments to the accrued leave liquidation reserve, resulting in a reduction in personnel expenditures compared with previous years.</p>						

**Major Changes**

- The FY 2024/25 Human Resources Department budget is \$581,268 (12.2%) more than the FY 2023/24 adopted budget.
- Salary and benefits are increasing by \$286,965 (or 7.3%) primarily due to increase in wages and additional contributions for the CalPERS retirement benefit.
- Operating expenditures are increasing by \$170,000 (or 41.4%) due to increases in professional service costs for recruitment and labor negotiations.
- The indirect expense allocation is increasing by \$124,303 (or 29.5%) mainly due to higher liability insurance premiums and the shift of accrued leave liquidation costs from personnel expenditures to department indirect cost allocation.



# Department Budgets | Human Resources

## Staffing by Function - FY 2024/25

Human Resources		
<b>Administration</b>		
Director of Human Resources		1.00
Deputy Director of Human Resources		1.00
Office Specialist II		1.00
<b>Recruitment/Classification</b>		
Human Resources Manager	1.00	
Human Resources Analyst II	2.00	
Human Resources Analyst I	2.00	
Human Resources Technician II	2.00	
<b>Labor Relations/Organizational Development</b>		
Human Resources Manager		1.00
Human Resources Analyst II		1.00
<b>Benefits and Payroll</b>		
Human Resources Analyst III	1.00	
Human Resources Analyst II	1.00	
Human Resources Analyst I	1.00	
Human Resources Technician II	3.00	
Human Resources Technician I	1.00	
<b>Regular Full-Time Equivalents:</b>		19.00

*Regular Full-Time Equivalents: 19.00*

## Information Technology Services

### Mission:

To provide a customer service focus and approach to deliver the best technology solutions that meet the City’s business objectives for computers, 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.

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### Major Services

#### **Customer Support Services**

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

#### **Infrastructure Services**

*Ensure a fast, reliable, and secure network 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 requirements to ensure data confidentiality, integrity, and availability of the City of Fremont data to its customers.*

### Department Overview

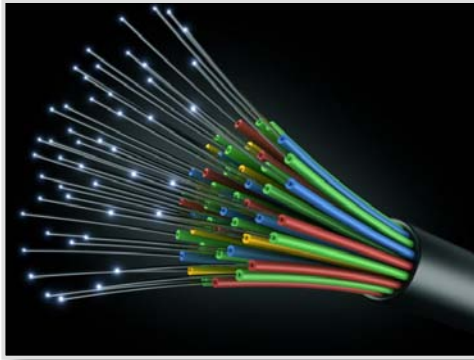
The Information Technology Services (ITS) Department supports and enhances computer, telecommunications, enterprise applications, cybersecurity readiness, and mapping systems for the City. The ITS Department is committed to providing outstanding customer service by being transparent, adaptive, and responsive 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 2023/24

1. 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. A GIS Needs Assessment included interviewing 24 City departments and 2 interviews with external agencies. Additionally, a survey for the public to provide feedback on GIS Services.
2. eGIS Accela report. eGIS is an interactive mapping application for City Staff providing access to data and mailing list generation. A permit report available in eGIS was formerly linked to the Tidemark database (i.e., a permitting program which is no longer in use) for historical research. Work commenced to develop a new permit report linking it to the current permitting program (i.e., Accela Automation) via the Accela APIs. The permit report was done in two phases. Phase 1 was a summary report which lists permits associated with a selected parcel. Phase 2 was the development of a report that would provide detailed information on a selected permit in the summary report.
3. Tri-City Multi-jurisdictional Local Hazard Mitigation Plan. The Tri-City Multi-jurisdictional Local Hazard Mitigation Plan is a partnership among the City of Fremont, City of Newark, City of Union City, Alameda County Water District, and Union Sanitary District to reduce long-term risk and loss to people and property in the Tri-City area, and bolster community resilience in the face of future natural disasters. The GIS Division provided information for use in the plan on behalf of the City of Fremont.
4. Open Data Hub – Story Maps Gallery. Due to the growing number of Story Maps being developed, a dedicated Story Maps Gallery was added to the Open Data Hub to make them easier to find. To date, there are a total of 13 Story Maps. Currently, the City’s Open Data Hub site has over 82,137 views.
5. 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.

6. 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.



7. Computer Aided Dispatch (CAD) and Records Management System (RMS). In partnership with the Fremont Police Department and the Union City Police Department, ITS has completed the base-configuration of 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).
8. Work Order Management System. In partnership with Public Works and Community Services Departments, ITS continues to assist 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. The advanced configuration has been completed. The project team is currently preparing for the formal testing phase.
9. Tyler Munis and Cashiering Upgrade. The Finance Department and ITS completed upgrades to Tyler Munis Enterprise ERP version 2021.6 and Tyler Cashiering 2021.7. Both platforms provide a new, modern user experience as well as enhanced security features, such as Multi-Factor Authentication through a partnership with OKTA.

### Objectives FY 2024/25

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 integration and testing phases of the project, which includes successful delivery of approximately thirty integrations with government agencies and third-party vendors as well as the formal testing phases as the new software system. Thorough, in-depth testing is an essential requirement for a mission critical software system.
2. 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.
3. New IT Service Management system. ITS will select and implement a new Information Technology Service Management (ITSM) solution to replace the existing work order system and add a new asset management solution to provide better services to city staff. The new system will also allow us to better manage City owned assets assigned to City staff and monitor inventory updates and changes.
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. 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).
6. Wi-Fi Deployment in the six Fremont Business Districts. 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.
7. 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.

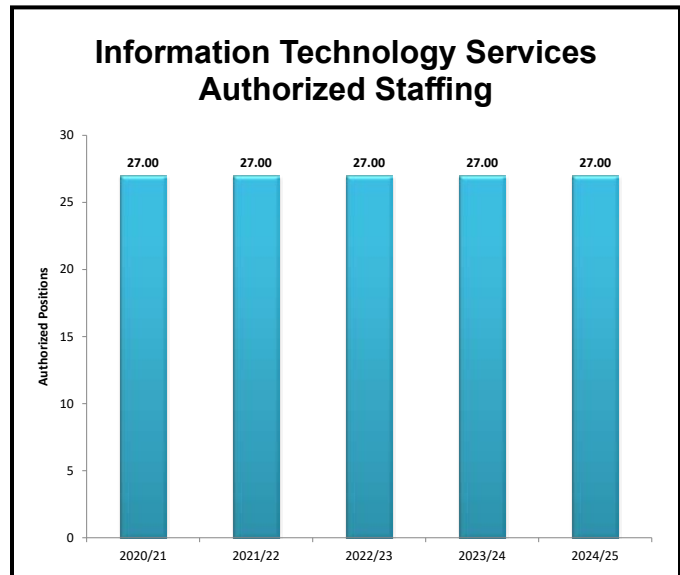
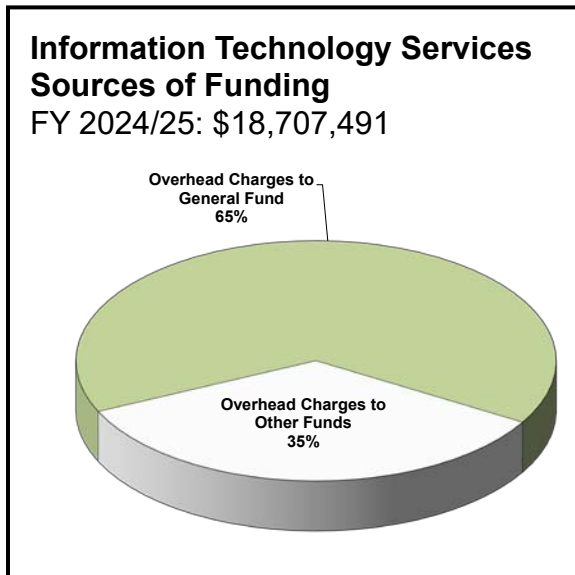
8. Cybersecurity Incident Response Plan. As part of the City's on-going cybersecurity initiative, ITS will develop and exercise a cyber security incident response plan. The plan will include a set of guidelines that instructs teams on how to prepare for, identify, respond to, and how to recover from 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.
9. 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.
10. ArcGIS Indoors. ArcGIS Indoors is an indoor mapping, wayfinding & space management software available for desktop and mobile devices. This software can integrate with Cityworks for Asset Management. Public Safety will be able to use this software for real time floor aware mapping. Public Works and Parks will be able to easily locate facility assets to maintain.
11. 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. In addition, the new ortho imagery will be used to generate updated elevation contour lines since the current topographic contour data is over 10 years old. Given the level of development activity in the service area, large areas are significantly out of date which minimizes the value of the photos for engineering, planning, and code or public safety purposes. The elevation contour lines information is critical for activities such as fire control and water flow analysis. Pictometry is an essential component to Fremont's Wildland Urban Interface Map.

# Department Budgets | Information Technology Services

## Performance Measurement

Measure	FY 2022/23 Actual	FY 2023/24 Target	FY 2023/24 Estimate	FY 2024/25 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	83%	80%	80%	80%
Percent of requests for GIS Street Naming and Addressing projects completed within agreed-upon time frames	94%	80%	97%*	80%

**\*Important Note:** 97% completed in 2023/24 - 47 more addressing requests in 2023 than in 2022 – most likely due to all the new ADU’s





# Department Budgets | Information Technology Services

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

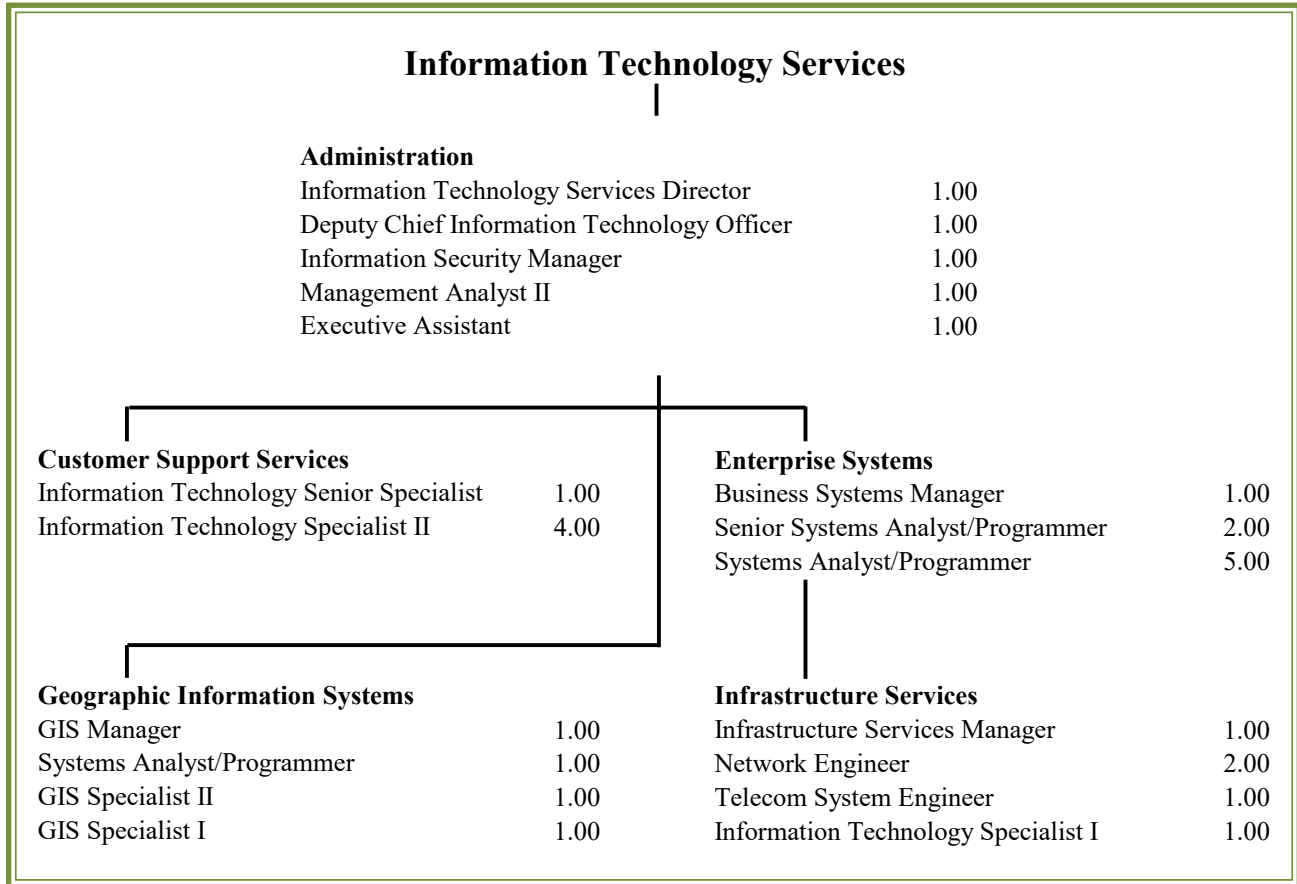
	2021/22 Actual	2022/23 Actual	2023/24 Estimated Actual	2023/24* Adjusted Budget	2023/24 Adopted Budget	2024/25 Proposed Budget
Salaries & Benefits	\$ 4,310,406	\$ 5,865,929	\$ 5,876,889	\$ 6,213,554	\$ 6,213,554	\$ 6,509,686
Operating Expenditures	3,605,745	4,934,136	6,551,736	6,503,370	6,270,692	6,758,533
Capital Expenditures	2,056,791	1,025,894	3,278,343	5,687,236	4,045,779	5,182,636
Indirect Expense Allocation**	126,008	162,122	205,812	205,812	205,812	256,636
<b>Totals</b>	<b>\$ 10,098,950</b>	<b>\$ 11,988,081</b>	<b>\$ 15,912,780</b>	<b>\$ 18,609,972</b>	<b>\$ 16,735,837</b>	<b>\$ 18,707,491</b>
% increase/(decrease), including all funds, from FY 2023/24 Adopted Budget						11.8%
<p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year.</p> <p>** Indirect expense allocation includes the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, general liability insurance, and accrued leave liquidation. In FY 2022/23, the City established an accrued leave liquidation reserve in the Employee Benefits internal services fund, which resulted in a one-time increase in departmental indirect cost allocations. In FY2023/24, liquidation of accrued leave shifted from departments to the accrued leave liquidation reserve, resulting in a reduction in personnel expenditures compared with previous years.</p>						

### Major Changes

- The FY 2024/25 Information Technology Services Department budget is \$1,971,654 (11.8%) more than the FY 2023/24 adopted budget.
- Operating expenditures are increasing by \$487,841 (or 7.8%) mainly due to increases in contractual service costs.
- Capital expenditures are increasing by \$1,136,857 (or 28.1%) due to various one-time technology related upgrades and enhancement costs.
- The indirect expense allocation is increasing by \$50,824 (or 24.7%) mainly due to higher liability insurance premiums and the shift of accrued leave liquidation costs from personnel expenditures to department indirect cost allocation.

# Department Budgets | Information Technology Services

## Staffing by Function - FY 2024/25



*Regular Full-Time Equivalents: 27.00*

# Staffing

## Regular Position Summary

### Overview

The total authorized regular staffing level of 1,021.22 for FY 2024/25 has increased by 2.75 full time equivalent (FTE) positions from the FY 2023/24 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 2024/25 staffing increases serve to enhance public safety response capability and support other wrap-around services to the community.

The Police Department staffing increase of 1.0 FTE represents the addition of 1.0 FTE Police Lieutenant to focus on public accountability, enhanced policing standards, emergency preparedness, and support for community field operations.

The Human Services Department staffing increase of 1.75 FTE represents the addition of 1.0 FTE Human Services Specialist II position to the department's Youth and Family Service Division to support mental health services to low-income children and families. The remaining 0.75 FTE increase allows the department to better service the community and meet increased service needs by turning two part-time Office Specialist II positions to full-time positions.

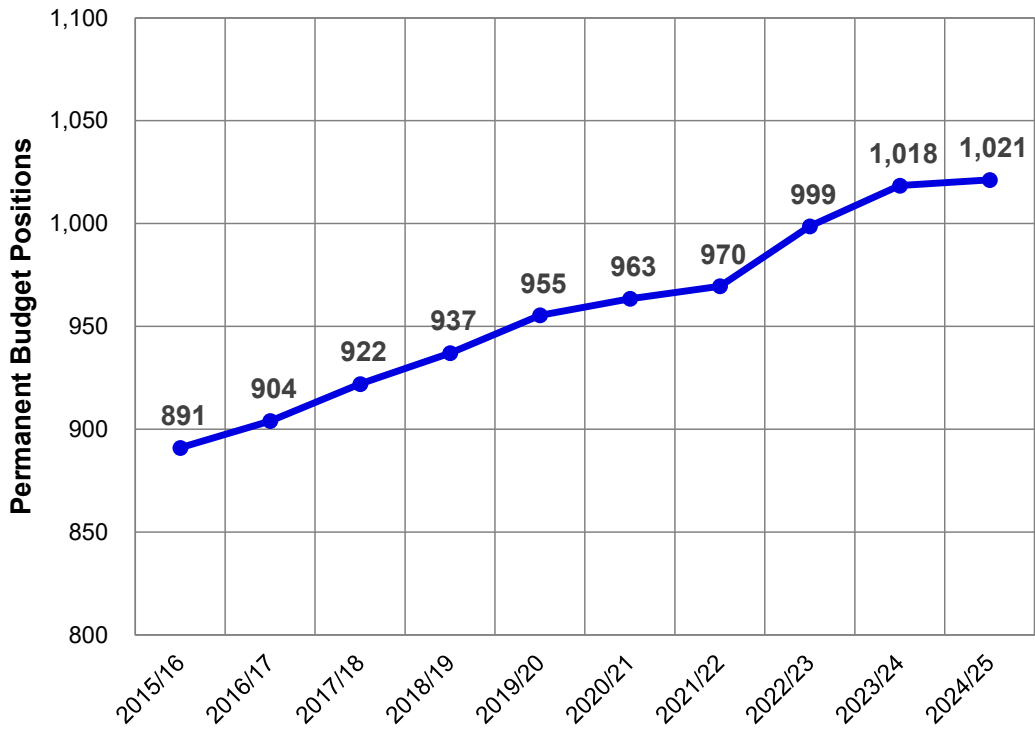
	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
<b><u>PUBLIC SAFETY</u></b>						
Fire	162.00	162.00	162.00	172.00	172.00	<b>172.00</b>
Police	317.50	320.50	318.50	322.50	325.00	<b>326.00</b>
<b>TOTAL</b>	<b>479.50</b>	<b>482.50</b>	<b>480.50</b>	<b>494.50</b>	<b>497.00</b>	<b>498.00</b>
<b><u>OTHER COMMUNITY SERVICES</u></b>						
Community Development	81.25	81.55	83.55	87.55	103.03	<b>103.03</b>
Community Services	96.01	97.06	98.41	101.16	87.93	<b>87.93</b>
Economic Development	4.00	4.00	4.00	4.00	5.00	<b>5.00</b>
Human Services	64.73	70.10	75.15	78.40	82.40	<b>84.15</b>
Public Works	136.00	136.30	135.80	135.95	142.95	<b>142.95</b>
<b>TOTAL</b>	<b>381.99</b>	<b>389.01</b>	<b>396.91</b>	<b>407.06</b>	<b>421.31</b>	<b>423.06</b>
<b><u>ADMINISTRATIVE SYSTEMS</u></b>						
City Manager's Office	13.05	10.75	10.75	11.75	11.75	<b>12.00</b>
City Attorney	9.92	9.92	9.92	9.92	9.92	<b>9.92</b>
City Clerk	3.95	4.25	4.25	4.25	4.25	<b>4.00</b>
Finance	24.00	24.00	24.24	26.24	28.24	<b>28.24</b>
Human Resources	16.00	16.00	16.00	18.00	19.00	<b>19.00</b>
Information Technology Services	27.00	27.00	27.00	27.00	27.00	<b>27.00</b>
<b>TOTAL</b>	<b>93.92</b>	<b>91.92</b>	<b>92.16</b>	<b>97.16</b>	<b>100.16</b>	<b>100.16</b>
<b>CITYWIDE TOTAL</b>	<b>955.41</b>	<b>963.43</b>	<b>969.57</b>	<b>998.72</b>	<b>1,018.47</b>	<b>1,021.22</b>

Note: Environmental Services was moved from the Community Services Department to the Community Development Department during FY 2023/24. Total number of positions anticipated at the end of June 2024 shown for FY 2023/24.

# Staffing | Regular Position Summary

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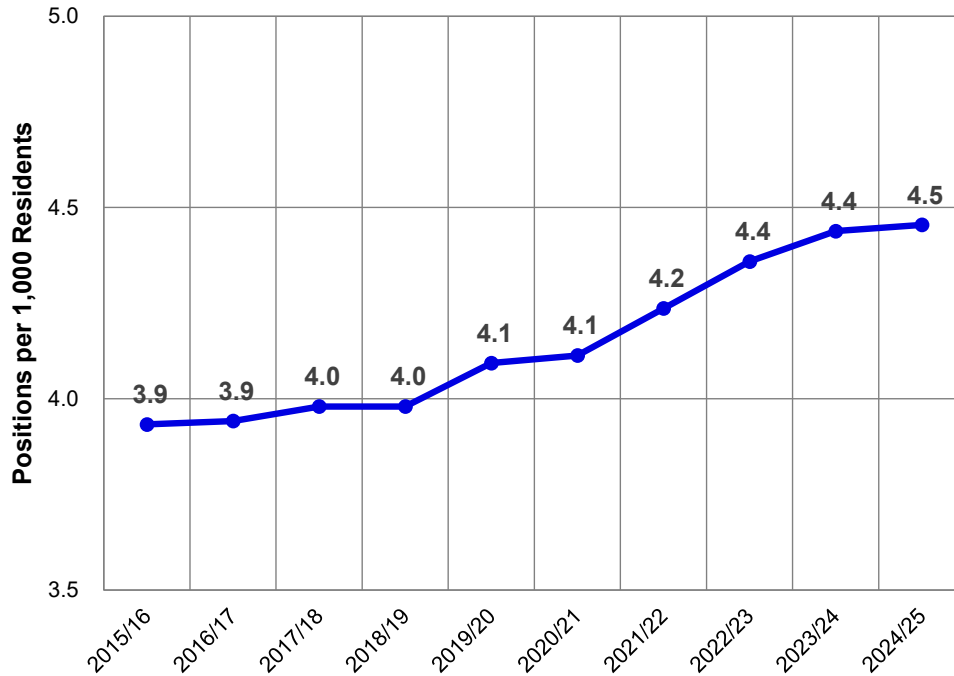
## Budgeted Positions



### Historical Perspective

City staffing has increased gradually over the past 10 years, growing by under 2% per year to the modest level of 4.5 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 2024/25 budget continues the City’s modest staffing and related service levels even though the FY 2024/25 overall staffing level has increased by 2.75 FTEs compared to FY 2023/24. The addition of one police lieutenant and 1.75 FTEs Human Services staffing serve to enhance public safety response capabilities, improve service delivery, 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 2024/25, the City of Fremont continues to have one of the lowest per capita staffing levels in the area.

**Staffing Levels Relative to Other Communities**

**Positions per 1,000 Residents**

City	2023 Population	Citywide Positions	Positions per 1,000 Residents
Palo Alto	67,287	741	11.01
Oakland	419,556	4,393	10.47
San Jose	959,256	6,343	6.61
Santa Clara	132,476	810	6.11
Sunnyvale	156,317	774	4.95
Union City	66,754	321	4.80
Livermore	84,793	393	4.63
Fremont	230,713	1,020	4.42
Pleasanton	76,459	333	4.35
Newark	47,459	176	3.71

Source: FY2023/2024 published city budgets and California Department of Finance Population Estimates for 2023 (published May 1, 2024).

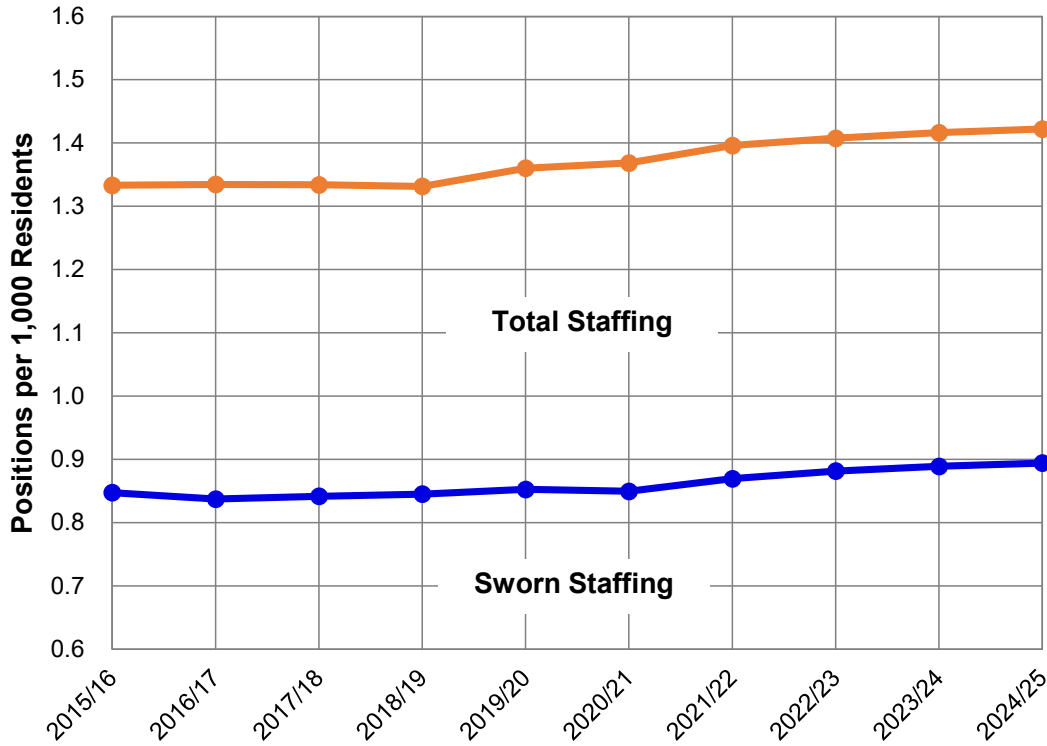
**Note:** Services provided by each community surveyed, and respective funding arrangements, vary widely among cities. The table reflects staffing levels in various communities, with the following adjustments to improve comparability with Fremont:

- Oakland:** total positions reduced by the number of positions supporting library services, city auditor, race & equity, 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 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
- 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 1.0 FTE for FY 2024/25. Sworn staffing increased by one police lieutenant for FY 2024/25, at a per capita staffing level of 0.9 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**





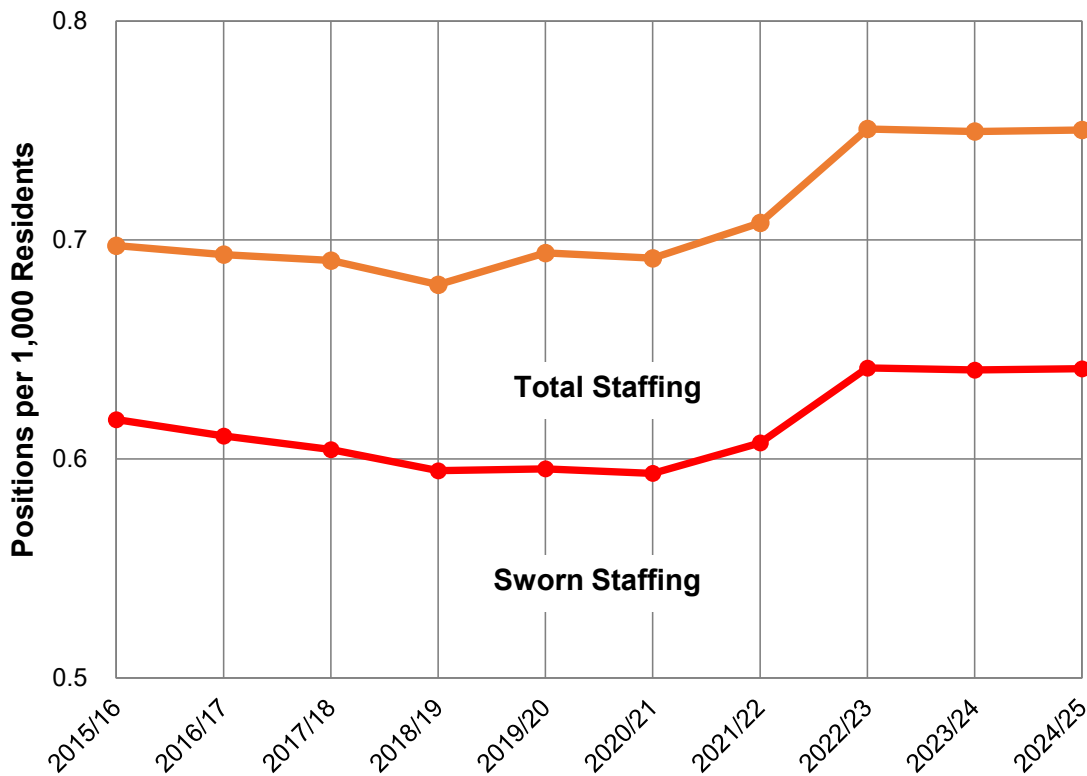
## Staffing | Regular Position Summary

### Fire

Fire Department staffing has no changes for FY 2024/25. As illustrated by the graph below, the budgeted addition of a fire truck company in FY 2022/23 brought the level of staffing to just slightly 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**

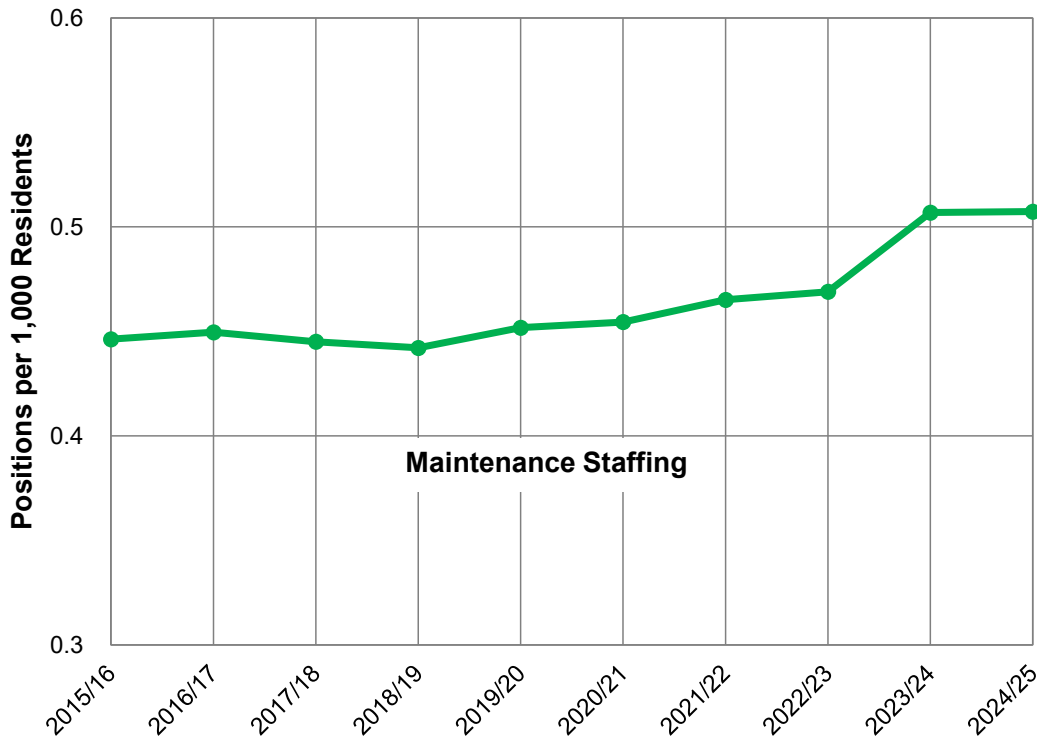
Low staffing presents a challenge to City efforts to maintain its public buildings, streets, parks, and urban forestry. The following table illustrates the maintenance needs:

**FY 2024/25 Maintenance Statistics**

Asset	FY 2024/25
Public Buildings	902,889 sq ft
Streets	1,094 lane miles
Trees Along Streets	55,286 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 Glossary

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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 March, the Finance Director provides an update to the City Council on the current year's budget and a preliminary General Fund forecast, 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 and the community's priorities, interests, and goals.

Several weeks before the budget is adopted, the Finance Director presents the proposed 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 a discussion of the economic environment, an update on the City's financial position and General Fund forecast, and a review of 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 reserves, debt, 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 MyFremont community engagement platform, 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 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 2024/25 budget at a televised meeting on May 14, 2024. Televised public hearings will be held on June 4 and June 11, 2024.



### ***Other Major Planning Processes***

The budget is one of three major citywide planning tools. The General Plan, which governs land use and development, and the Capital Improvement Program (CIP) are the other two. Each planning process informs the others, and together they enable coordinated planning for operating City services, maintaining the City’s investment in public infrastructure, and developing land consistently with community interests.

The City Council adopted the latest General Plan update on December 13, 2011. The General Plan can be referred to as a city’s “constitution” for growth and development and the policy foundation upon which all development and land use decisions are based. Each general law city and county in California is required to have a General Plan that addresses specific elements as identified by the State. It contains long-term goals that set the framework for the City’s development and conservation of natural resources, and the implementation actions that will move the City towards achievement of those goals. It is the official adopted policy regarding the future location, character, and quality of physical development, and conservation of the natural environment.

The Fremont General Plan establishes a twenty-five year vision for the community based on technical and legal requirements, extensive discussions with the community, and policymaker input. The plan aims for an “even greater” Fremont, including a flourishing downtown, increased jobs to match an increasing resident workforce, a variety of housing types, and thriving, pedestrian-oriented commercial districts. This plan also addresses the overarching vision of Fremont as a “green” city through goals and policies to meet climate change objectives, reduce solid waste, and enhance the pedestrian and cycling network.

The CIP planning process takes place every two years. The product is a funded five-year plan for building and maintaining City infrastructure. While the CIP keeps a five-year planning horizon, it appropriates funds for a two-year period. The current CIP was adopted on June 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 2024/25 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 80% 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 2024/25 fiscal year is scheduled to be adopted on June 11, 2024. The fiscal years before FY 2024/25 shown in the operating budget are for contextual purposes only and are not adopted by the City Council in its budget resolution for FY 2024/25.

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, 2023, may be obtained on the City’s website at [www.fremont.gov](http://www.fremont.gov), or by contacting the City’s Finance Department. The ACFR for the fiscal year ending June 30, 2024, will be available no later than December 31, 2024.

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.

### Custodial Fund

Custodial funds are used to account for assets held by the City on behalf of others. Custodial funds are not included in the annual operating budget, but are included in the annual comprehensive 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.

## 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 secured by a lease on the acquired asset or other assets of the City.

### Community Facilities District (CFD) Bonds

Bonds paid for by special taxes on property within the district 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.

### **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

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.

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