



Fiscal Year 2022/23 Proposed Operating Budget



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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, 2021.

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-fifth consecutive year the City has earned the award. We believe our current budget continues to conform to program requirements.



Acknowledgments

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

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Guide to the Document

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

Document Organization

Budget Overview

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

Summary Information

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

General Fund

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

Other Funds

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

Guide to the Document

Capital Budget Summary

The Capital Improvement Program (CIP) is adopted biannually and includes appropriations for projects for Fiscal Years 2021/22 through 2022/23. Selected excerpts from the CIP are included with the operating budget to present a comprehensive picture of all the funds of the City and to reflect fund transfers approved between other operating funds and capital funds. This section contains a description of the CIP funds, a summary of approved expenditures by program category, and highlights of key projects for the current fiscal year.

Department Budgets

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

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

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

Staffing

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

Policies and Glossary

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

Resolutions

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

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Budget Overview

Honorable Mayor and Members of the City Council:

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

As a result of prudent policy decisions, support from City employees and the community, and a recovering economy, the City's financial condition continues to improve. With guidance from the City Council on priorities and community values, and a focus on fiscal sustainability, I present the Fiscal Year 2022/23 Proposed Operating Budget.

Including American Rescue Plan Act (ARPA) fiscal recovery funds, total General Fund budgeted resources in the coming fiscal year are estimated to be adequate to support total budgeted expenditures of \$249.3 million. Reflecting improvement in the local economy, ongoing General Fund resources are estimated to increase by 4.1% in FY 2022/23.

The ARPA fiscal recovery funds will continue to be used over the next several years to provide support for core City services, while growth in our revenue base will provide the means for expanding or enhancing critical services.

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

In this message, I will highlight the following:

- FY 2022/23 Fiscal Outlook
- Economic Update
- Key Budget Assumptions
- Discussion of Unmet Needs
- Major City Initiatives

Budget Overview

FY 2022/23 Fiscal Outlook

The current fiscal year began with the lifting of many public health restrictions on businesses and consumers, saw a re-imposition of those restrictions as COVID-19 infections surged in the Summer and again in the Fall, and now appears to be ending with few impediments to life as we knew it before the pandemic. We were able to restore services to pre-pandemic levels thanks to the first installment of ARPA fiscal recovery funds and are seeing most of our revenue streams responding well to increased economic activity.

Looking ahead to FY 2022/23, staff anticipates that growth in the national economy will slow to a more moderate pace. Although the use of ARPA fiscal recovery funds to maintain pre-pandemic service levels is projected to continue, our improved revenue performance is giving us some additional ongoing service capacity. Following the City's sustainable budgeting principles, we will be limiting any proposed service enhancements or staffing increases to levels that can be supported on an ongoing basis.

Property tax and sales tax are the City's most significant revenue sources. Property tax revenues are estimated to total \$117.6 million in FY 2021/22, and staff projects those revenues will increase to \$126.0 million in FY 2022/23, an increase of 7.2%. 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 2022/23 tax roll is an increase of 2%. An estimated increase in value from changes in ownership of 5% is based on property transfer tax data for calendar year 2021 and preliminary information from the County Assessor. An additional estimated increase of 1% for the value of new construction reflects the continuing development activity in Warm Springs and other areas of the City.

Sales tax revenues are estimated to total \$78.0 million in FY 2021/22, decreasing to \$68.8 million in FY 2022/23. The projected strong performance in FY 2021/22 and subsequent decline stems from \$10.8 million of one-time new auto sales revenue and online retail activity. Without those one-time distortions, sales tax revenues would be estimated to grow approximately 2.2% from the prior year. The largest contributions to sales tax growth continue to come from auto sales and online sales transactions allocated through the County sales tax pool.

Business taxes are projected to yield \$12.6 million in FY 2021/22, an increase of 16.6% from the prior year. To aid local businesses impacted by the pandemic, the City waived penalties and interest on delinquent business taxes during calendar years 2020 and 2021. As a result, a portion of the current year revenue consists of delinquent prior year business taxes that are now being paid to avoid accruing penalties and interest. The FY 2022/23 business tax estimate is \$12.9 million, an increase of 2.2%.

The source of General Fund revenue most heavily impacted by the COVID-19 pandemic is hotel tax. With occupancy rates increasing to the 60% range, the estimate for FY 2021/22 hotel/motel tax revenue has increased to \$4.3 million, a 51.9% jump from the prior year actual amount of \$2.8 million. FY 2022/23 hotel/motel tax revenues are estimated to reach \$5.5 million, an increase of 26.0% from the prior year level, but still less than 2/3 of pre-pandemic revenues.

The FY 2022/23 Proposed Operating Budget maintains the General Fund Contingency Reserve at 16.7% of budgeted expenditures and transfers out, or \$41.6 million, a level consistent with City

Council policy and the recommended practice of the Government Finance Officers Association of the United States and Canada. The General Fund Budget Uncertainty Reserve is projected to end FY 2021/22 at its current level of \$10.0 million and will be available to address unanticipated revenue shortfalls in FY 2022/23.

Economic Update

The national economy continues to recover from the pandemic-related recession, but high inflation, the Russian invasion of Ukraine, and public health restrictions overseas are creating uncertainty for businesses and consumers. Growth near 3% is projected for 2022, slowing into the mid-2% range for 2023. While the labor market has fully recovered to its pre-pandemic level of unemployment, consumer confidence has drifted down from its post-recession high in mid-2021.

Illustrating the degree of uncertainty we're facing, the advance estimate for the first quarter of 2022 reports that gross domestic product (GDP) declined by 1.4%, but that follows on a 6.9% increase in the fourth quarter of 2021. The seasonally adjusted unemployment rate remained at 3.6% in April 2022, returning us to essentially the same level reported for February 2020 before the impact of the COVID-19 pandemic began to be felt.

The press release from the most recent meeting of the Federal Reserve Open Market Committee on May 4 notes that "Although overall economic activity edged down in the first quarter, household spending and business fixed investment remained strong. Job gains have been robust in recent months, and the unemployment rate has declined substantially." However, the press release goes on to caution that "Inflation remains elevated ..." and that "The invasion of Ukraine by Russia ... and related events are creating additional upward pressure on inflation and are likely to weigh on economic activity. In addition, COVID-related lockdowns in China are likely to exacerbate supply chain disruptions."

According to Lynn Franco, Director of The Conference Board Consumer Research Center, "Consumer confidence fell slightly in April, after a modest increase in March . . . purchasing intentions are down overall from recent levels as interest rates have begun rising. Meanwhile, concerns about inflation retreated from an all-time high in March but remained elevated. Looking ahead, inflation and the war in Ukraine will continue to pose downside risks to confidence and may further curb consumer spending this year."

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 2022/23 proposed budget:

1. The local economy will continue to recover during FY 2022/23, resulting in total General Fund ongoing resources (revenues and transfers in) increasing by 4.1% over estimated actual resources in FY 2021/22.
2. Total General Fund use of resources (expenditures and transfers out) is proposed to be 10.9% higher than the estimated actual amounts for FY 2021/22 after adjusting for \$32.7 million of one-time transfers to the CIP and retiree healthcare trust.

Budget Overview

3. The costs of the FY 2022/23 proposed budget will be covered by projected ongoing resources and fiscal recovery funds held as unreserved fund balance, without requiring the use of reserves to balance the budget.
4. As the City is currently engaged in a collective bargaining process with its employee groups, the FY 2022/23 proposed budget includes a placeholder salary adjustment of 3.0%.
5. In accordance with City Council policy, an additional pension contribution of \$3.2 million to more rapidly pay down the City's unfunded liability has been incorporated into the proposed General Fund budget.
6. Total expenditures in the FY 2022/23 proposed budget include a savings assumption of \$8.0 million (approximately 3.1% of total budgeted expenditures and transfers out in FY 2022/23) to reflect the City's historical experience of under-spending total allocated resources, primarily due to salary savings from vacant positions.
7. The FY 2022/23 proposed budget includes funding for streets, sidewalks, and facilities maintenance, parks and street medians capital replacement, and capital improvements to achieve compliance with ADA standards.
8. The General Fund Contingency Reserve will be maintained at 16.7% of total budgeted expenditures and transfers out, the minimum level recommended by the Government Finance Officers Association of the United States and Canada (GFOA).
9. The General Fund Budget Uncertainty Reserve, restored and increased in FY 2021/22, will remain at its current balance of \$10.0 million.
10. The proposed budget estimates approximately \$29.9 million of FY 2021/22 ending unreserved fund balance, including \$22.1 million of fiscal recovery funds.
11. As part of the FY 2021/22 Year-End Report in Fall 2022, staff will bring forward recommendations for allocating any remaining available ending unreserved fund balance to address one-time priority projects, programs, 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.

As we begin to emerge from the period of budget cuts and then the restoration of basic services we've experienced over the last two years, we continue to grapple with increasing needs for public safety services and the growing cost of maintaining Fremont's roads and other infrastructure. The construction of 4,000 new residential units in Warm Springs, as well as other development throughout the City, are necessitating increased police staffing and the addition of a new fire truck company to protect public safety. The majority of Fremont's public infrastructure was constructed many years ago and now requires either an increased level or increased frequency of repairs, compounded by not having had adequate resources to spend on maintenance in the past. The Building Facilities Condition Assessment, completed in 2019, identified over \$37 million of funding needs over the three-year forecast period ending June 2025. Moreover, as Fremont continues to grow, additional infrastructure is added that must be maintained, further stretching the City's limited maintenance resources.

Finally, new requirements result in increased costs. Some of these requirements are voluntary, such as the City's commitment to improving traffic and pedestrian safety and traffic congestion, and encouraging alternative forms of transportation, through implementation of the Mobility Action Plan. Components of the Mobility Action Plan, such as completion of the Safe Routes to Schools program (\$25 million), traffic signal modernization (\$31 million), and construction of major bicycle and pedestrian infrastructure (\$200 million) are costly and will necessitate development of enhanced funding sources. Similarly, components of the Climate Action Plan including electric vehicle charging infrastructure for City vehicles (\$7 million) and converting City buildings from gas to electric heating (\$12 million) call for major investments. Other new requirements, which are regulatory in nature, have increased dramatically over the last few years, and have added significant costs to City operations. The City's Americans with Disabilities Act (ADA) Transition Plan is projected to need \$107 million over the next 25 years.

The inability to adequately fund ongoing maintenance and recapitalization of the City's infrastructure is a major concern, but the FY 2022/23 proposed budget includes doubling the General Fund allocations for parks and building maintenance activities. The proposed budget also addresses pressing needs in other areas of the organization and the community, including the addition of public safety staffing and services, funding to develop a Citywide homeless strategy and pursue establishment of a business improvement district, and increased allocations to fully open the new Age Well Center at South Fremont and the Downtown Event Center.

Budget Overview

Major City Initiatives

While the City has had to continue to adapt how it operates and provides services in response to the COVID-19 pandemic and changing economic conditions, there are many important, strategic initiatives still underway. These initiatives are important elements of our tax diversification strategy and will position the City well for long-term growth and stability as we look ahead.

Development: There are several significant development areas in Fremont that will help bolster the Fremont economy and position the City for long term growth. These include the Warm Springs Innovation District, Bayside Industrial Park, Ardenwood Technology Park, and Downtown/City Center. Fremont's broad geography and multiple development areas provide a diverse array of investment opportunities, with supportive land use regulations established and capital investments provided by the City that will serve as catalysts to much greater private sector investment.

Warm Springs Innovation District

The Warm Springs Innovation District is critically important to the City because of a unique convergence of forces, centered around the Warm Springs/South Fremont BART station, which opened for service on March 25, 2017. Immediately adjacent to the Warm Springs BART station is the Tesla Factory, which is the City's largest employer. The station enhances intermodal access to local bike routes and bus lines that serve the entire Bay Area (VTA and AC Transit) and provides critical connectivity to the City's existing and future employment centers in the general Warm Springs area. In February, 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 included an urban plaza that can be used to hold outdoor events.



Warm Springs



West Access Bridge

Several master plan developments are entitled for Warm Springs, with many already well under development. These projects collectively provide extensive public benefits, including a new network of complete streets, a new elementary school, urban plaza, 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 space, advanced manufacturing space, and a new business-class hotel. While the pandemic has slowed development of the office and hotel projects,

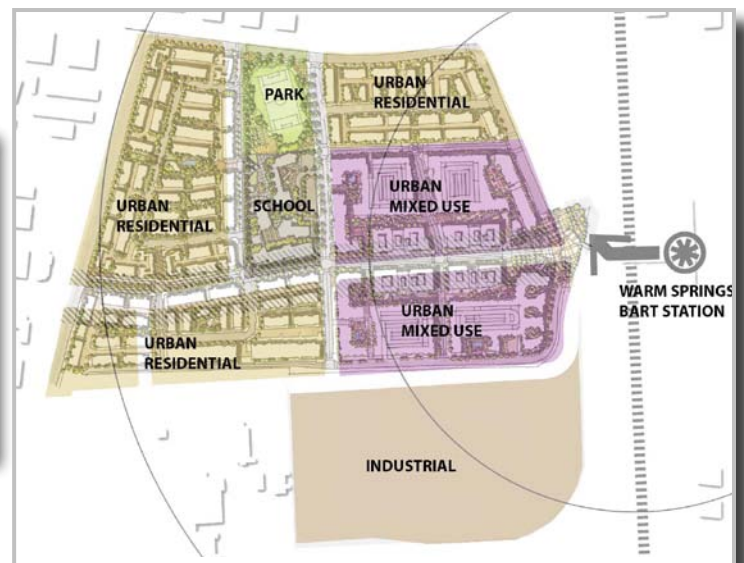
new manufacturing, and R&D projects, which have remained in high demand during the pandemic, have been proposed on several key development sites. These include a 150,000 square foot flex manufacturing/R&D building on Prune Avenue, a 90,000 square foot flex building on Warm Springs Boulevard, and two new industrial projects on Kato Road totaling 206,000 and 110,000 square feet, respectively.

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

To support marketing the commercial/employment development opportunities, efforts are underway to enhance the Warm Springs brand as an innovation district. Successes in attracting advanced technology tenants to the district include Resilience, a biopharmaceutical manufacturer; Raxium, a manufacturer of holographic displays that was recently acquired by Google; as well as the expansion of Zoxx, Seagate and Underwriters Laboratories (UL), who have significantly expanded their footprint in the last few years.



Innovation Village apartments by Lennar



Warm Springs Development Plan



Tesla Fremont Factory



Metro Crossing apartments by Toll Brothers

Budget Overview

Downtown/Capitol Avenue

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

Following the City’s investment in Downtown’s main street extension and multimodal improvement project for Capitol Avenue, the thoroughfare now serves as the district’s “retail spine,” connecting two major east-west shopping centers along a well-designed, pedestrian-oriented mixed-use corridor. This provides a focal point and community gathering space – a more sustainable, pedestrian-friendly, public realm activated with street-level commercial, retail, and civic uses, and public open spaces that has stimulated economic activity and attracted high-quality, vibrant development to the district. The corridor is punctuated by the recent addition of the Downtown Event Center, which was opened in October 2021 and can accommodate events of up to 1,200 participants onsite. The Downtown Event Center represents Phase 1 of a longer-term Civic Center Complex project, located in the heart of the Downtown on Capitol Avenue.

The Downtown Community Plan and associated environmental and planning documents provide a foundation for development to expand over time from approximately 1.25 million square feet to 5.2 million square feet of higher density multifamily residences, offices, and retail, along with entertainment, open space, and cultural arts organized around the main street, Capitol Avenue. Some elements of the plan have been completed; for example, Locale @ State Street, a public-private partnership between the City, TMG Partners, Sares Regis and SummerHill. The project includes 157 ownership housing units, including condos, stacked flats, and row homes, as well as 21,000 square feet of critical ground floor retail space that will set the tone for a vibrant pedestrian environment. Leasing of this retail space is actively underway with the first five leases confirmed: SLIVER Pizzeria, RawASF, Banter Bookshop, Din Ding Dumpling House, and Deka Lash. While leasing activity was slowed by the pandemic, the pace has begun accelerating, and more additions are expected to be announced in the coming months.



Downtown business ariel

The completion of Downtown's new main street has become a catalyst for attracting additional private investment as several projects in the immediate area are under construction by a variety of developers, including Fore Properties, MIG Real Estate and Fremont Bank. The 275-unit mixed-use apartment project by Fore Properties is nearing completion, and the approximately 250-unit apartment mixed-use project by MIG Real Estate and six-story, approximately 30,000-square-foot new Fremont Bank office headquarters are under development. The latter two projects will punctuate the gateway to Downtown at the corner of Capitol Avenue and Fremont Boulevard.

In addition to the City and private sector-led investment, Fremont's Downtown has also been designated as a federal opportunity zone. As one of only a few Bay Area cities to receive such a designation, the associated federal tax benefits – which are revenue neutral to the City – will make investment in Downtown even more compelling. MIG Real Estate is the first developer to take advantage of this program, purchasing a project site that had previously been entitled by Bay Rock Development.



Downtown Event Center

Budget Overview

Business Development: Building on the success of Fremont's robust Advanced Industry profile is critical to maintaining a diverse tax base that provides resiliency to disruptive events such as the COVID-19 pandemic. Important initiatives and accomplishments related to this effort are outlined below.

Sector Highlights

Fremont's largest sector, **biotechnology**, continues to be an important source of growth. The fact that most of Fremont's biomedical research companies also manufacture products in Fremont is of particular importance given the ripple effects in the larger economy – encompassing job creation and a growing supply chain concentration. Pharmaceutical manufacturer **Boehringer Ingelheim** has invested nearly \$1 billion over the past decade to expand its Ardenwood operation and now employs more than 800 people. In the Warm Springs Innovation District, National Resilience is building out a large pharmaceutical manufacturing operation that will employ 200 people when completed.

Fremont also welcomed the major expansion of **Bionova Scientific**, a biotherapeutic development and manufacturing services company that will serve as a beacon for more life sciences companies to locate in Fremont. Other recent additions include pharmaceutical manufacturer Sana Biotechnology, medical equipment maker Cepheid, device manufacturer Alexza Pharmaceuticals, and personalized cancer genomics company Personalis, all of which are under permit review or building out their new facilities in Fremont. Over the last two years, the number of life sciences companies in Fremont has grown from 125 to 140, providing a resilient source of tax base expansion during 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.



The City continues to be a top location choice for the **clean technology** sector as well, both at the early stage and for companies beginning to scale. The City has recently welcomed several new cleantech firms such as Lyten, an advanced materials company that developed 3D Graphene for energy storage advancement, and EnerVenue, a manufacturer of utility-scale energy storage systems that is in the process of building out a 100 Megawatt manufacturing plant in Fremont. With the assistance of Fremont Economic Development staff, EnerVenue secured the California Competes

Tax Credit from the State of California. This performance-based award, revenue-neutral to the City, credits up to \$25 million in future State tax liability to EnerVenue on the condition that it invests over \$400 million and creates 1,700 jobs in California by 2025. Additionally, **Enovix**, a lithium-ion battery technology company, completed construction on a production-volume battery factory in Fremont, **making the City home to the only two battery production-volume manufacturing operations in the entire State.**

Fremont's continued success in the clean technology sector stems from its workforce expertise in electrical and mechanical engineering and a longstanding economic development strategy of industry partnerships that has positioned the City as a thought leader. This includes a partnership with the **Cleantech Open**, a national organization that accelerates the market readiness of clean tech startups. Economic development staff have also worked closely with **East Bay Community Energy** to support its efforts in advancing microgrid technology demonstrations and expanding commercial fleet electrification at Fremont companies, building off the momentum and interest surrounding the City's fire station microgrid public private partnership projects.



Fremont's biomedical and cleantech sectors are lifted by the City's long-standing leadership in **advanced manufacturing**. In addition to these sectors, the City has experienced rapid growth in technologies related to **network computing equipment** 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**. As the largest manufacturer in the state of California (and the largest employer in Fremont), Tesla is an economic engine unto itself. The City's development services team continues to work closely with Tesla as they scale up their vehicle production lines and expand their facilities to accommodate battery development and other new products. Tesla's master plan ultimately allows for several million square feet to be added to what is already one of the largest manufacturing facilities and the highest volume vehicle manufacturing plant in North America.

Budget Overview

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 ROP, Fremont Unified School District, Ohlone College, and the public at-large on tours of manufacturing facilities in Fremont. Economic Development staff continue to serve on the **Alameda County Workforce Investment Board (AC WIB)** and are taking a leadership role in strengthening existing relationships with workforce partners.

This year, the City supported the launch of Ohlone College's Smart Manufacturing Technology Back to Work (B2W) program. B2W provides free online training in advanced manufacturing technologies and paid in-person internships for dislocated workers in the Tri-City area, with the first 8-week cohort starting April 25th. The program builds from the successful Earn and Learn Fremont (ELF) pilot program last year. City staff supported B2W's grant application by gathering letters of commitment from five Fremont manufacturing employers including Tesla, Lam Research, and Evolve Manufacturing. Graduates of the cohort will have the chance of continued employment at their assigned company and will receive an industry-recognized certificate.

Business Growth and Real Estate Development

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



Bayside Industrial Zone

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

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



Ardenwood Technology Park

Small Business

Supporting small businesses and commercial districts in the City is some of the most important work of the City’s economic development program. A variety of engagement occurs on an ongoing basis to support this sector, including permit assistance through our **Business Ally** program, and educational workshops/seminars in collaboration with **SBDC, the California and National Main Street Associations, Small Business Majority**, and other partners.

The social and financial impacts of COVID-19 have affected the livelihood of Fremont’s businesses and their employees for over a year. Nowhere are these impacts more immediately visible than in the City’s small business retailers and main street businesses. City Economic Development staff continue to maintain a hotline for Fremont businesses and share information and resources with small businesses as they become available. The City also continues partnerships with the **Fremont Chamber of Commerce** and representatives of local business districts to respond to business needs and share timely updates.

Budget Overview

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



In addition to direct assistance to businesses, the City has passed several ordinances aimed at lowering the financial impact to small and medium businesses, including a commercial eviction moratorium, a delivery fee cap ordinance for restaurants and third-party app providers, and the waiving of late fees and interest on Fremont business taxes. To better understand the broader economic impact that COVID-19 is having on Fremont's jobs and tax base, staff continue to engage key business groups including small business owners, commercial property managers, auto dealerships, manufacturers, real estate developers.

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

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 shared the recovery strategy with the City Council at a special work session in the spring of 2021 and are implementing the strategies based on the guiding principles of equity and economic resiliency. The strategies include:

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

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

Budget Overview

Capital Projects: The City has an ongoing Capital Improvement Program (CIP) that provides investments to improve infrastructure related to the City’s transportation system, parks, and building facilities. Primary funding for these investments comes from development impact fees, as well as through grants from federal, State, and regional sources and ongoing transfers from the General Fund. The new \$1.2 trillion federal Infrastructure Investment and Jobs Act (IIJA) approved in November 2021 is expected to provide additional capital funding to Fremont over the coming years.

In March 2022, the City Council approved a supplemental transfer of \$21 million from the General Fund to the CIP to support future funding allocations that could address City needs related to the Park Master Plan, Climate Action Plan, traffic signal modernization, deteriorating Central Park facilities, and technology upgrades.

This past year several significant new projects were completed, which included the Downtown Event Center, the Age-Well Center at South Fremont, and the West Access Bridge and Plaza at the Warm Springs BART Station.

Looking ahead, the City’s current five-year CIP (FY 2021/22 through FY 2025/26) includes projects and programs valued at \$189 million. The highlights of the CIP are as follows.

- **Capital Maintenance.** Preservation and maintenance of existing City assets is a primary focus of the CIP and includes a five-year investment totaling over \$92 million. 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.



Street Pavement



Capitol Avenue



Sidewalk Repair Program

- **Transportation.** The Transportation CIP includes investments (totaling over \$32 million) for traffic operations and signal system improvement, bicycle and pedestrian facilities, and major projects. All of the projects are implemented in a manner consistent with the City’s policies related to safety (Vision Zero), complete streets, and the Mobility Action Plan.
- 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 now under construction is the “Fremont Boulevard Safe and Smart Corridor” project (\$9 million) which will modernize 38 traffic signals.

- The City receives dedicated funds from the County Measure BB program and State grants for improvements to bicycle and pedestrian facilities. This program helps deliver priority projects identified in the City's Bicycle and Pedestrian Master Plan, Vision Zero program, and Safe Routes to Schools program. New projects funded with federal grants include the construction of pedestrian flashing beacons in the Irvington area, as well as intersection modifications along Fremont Boulevard at Country Drive, Walnut Avenue and Grimmer Boulevard. In the Centerville area, a "complete streets" project is planned to start construction in 2023 along the Fremont Boulevard corridor (Thornton to Central) and a new project is underway to pursue a railroad corridor quiet zone.



Mission and Via San Dimas



BART Way

- 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 (totaling \$52 million) to continue funding for existing major projects underway, provide upgrades to play areas, expand trail and pedestrian facilities, and construct new outdoor roofed community spaces. Significant themes in the proposed CIP include the following:



Park Improvement



Dusterberry Park Rendering



Trail

- Major Park Improvements – Ongoing major park projects including California Nursery Historical Park, Dusterberry Neighborhood Park, Centerville Community Park, and Palm Avenue Community Park.

Budget Overview

- Upgrades to Play Areas throughout Park System – Upgrades are planned at Marshall, Booster, Buena Vista, Azevada, Northgate, Los Cerritos, Centerville, and Northgate Parks.
- Trail and Pedestrian Improvements throughout Park System – New and expanded trails are proposed at Buena Vista and Sylvester Harvey Parks, and four new trails at Central Park. This CIP also includes funding to negotiate, assess feasibility, and design bicycle and pedestrian paths on San Francisco Public Utility Commission/Hetch Hetchy easements to link City parks and neighborhoods.
- New Outdoor Closed Roof Community Spaces – New outdoor gathering and community spaces are proposed for Old Mission San Jose Community Park and Northgate Community Park.

Legislative Advocacy: The City has continued to be proactive with its legislative advocacy efforts and has forged ahead with building partnerships at the federal, State, and regional levels to ensure the interests and concerns of Fremont and the region are preserved. In April, the City Council reviewed and approved Fremont’s 2022 Legislative Guiding Principles and Priorities – which serves as a foundation for pursuing major initiatives and funding opportunities. Adopting legislative guidelines and priorities enables City staff and lobbyists to actively advocate for, influence, and monitor State and federal legislation that best represents Fremont’s interests.

At its Annual Retreat held in February of 2022, the Fremont City Council confirmed financial health and sustainability is the foundational principle for the City. The City Council also reached consensus on three top priority areas for the coming year. The priority areas include:

- **Continue to innovate and find solutions 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 beyond 50% when 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.
- **Increase the vitality of commercial corridors;** Prioritize efforts to support neighborhood commercial vibrancy and health, continue to support downtown vibrancy including the exploration of establishing a Business Improvement District, support and provide technical assistance to small businesses, resume in-person neighborhood business district walks, identify opportunities for placemaking and re-establish the shop local campaign.
- **Enhance 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.

Staff is in the process of developing a work plan for the upcoming year that includes advocating for legislation, regulations, and funding that supports these priorities, as well as other Council adopted policies and plans including but not limited to the City’s General Plan and Housing Element, Climate Action Plan, Mobility Action Plan, and the Parks and Recreation Master Plan.

Fremont is fortunate to work with lobbyist representatives who continue to be instrumental in helping the City to be aware of funding opportunities and service programs at the State and federal level. Last year, Congress reinstated an earmark process, providing local governments and nonprofits the opportunity to submit projects under the Community Project Funding process. As a result, the City received support from Congressional representatives in Districts 15 and 17 on two requests. Through appropriations, Fremont's Housing Navigation Center received \$500,000 in federal funding and the Fremont Police dispatch center CAD/RMS project received \$250,000. Additionally, at the State level, with the support of Fremont's Senate (10th) and Assembly (20th) District representatives, the City was awarded \$7.2 million in December, as part of the California Senate's 'Build Back Boldly' Budget. The funding will support Fremont's Interstate 680 Interchange Modernization Project at North Mission Boulevard.

In April, the City submitted several new Community Project Funding requests through our federal representative offices for Fiscal Year 2023. Staff is also currently working with our State representatives and regional transportation partners on future infrastructure funding needs. The relationships we've built with our federal and State representatives will serve us well as we prepare to apply for upcoming competitive funding opportunities provided by the federal Infrastructure Investment and Jobs Act.

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

Conclusion

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

Our ability to improve on the current level of services and invest in the City's future will depend on continued revenue growth and sustained fiscal discipline by the City's collective leadership. I would like to thank both the City Council and City staff for working together to overcome our recent challenges, and I look forward to building on that partnership to continue delivering high quality services to the residents and business that make up our Fremont community.

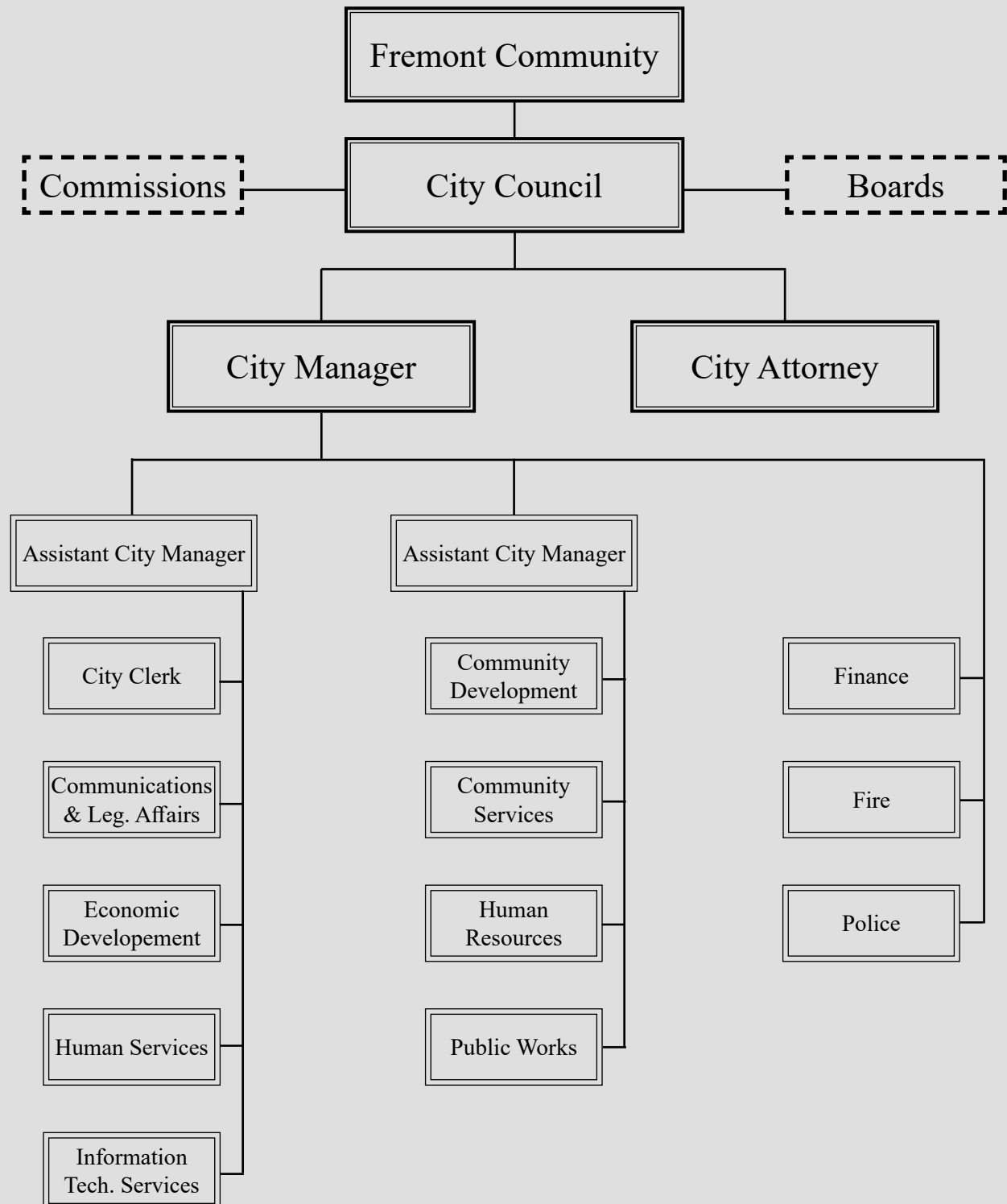


Karena Shackelford
City Manager

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Summary Information

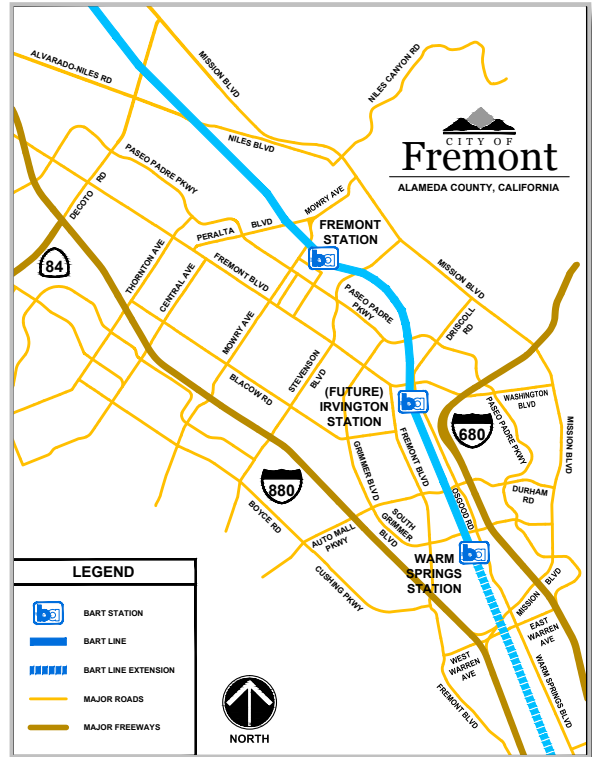
City of Fremont Organization Chart Fiscal Year 2022/23



City of Fremont Profile

History

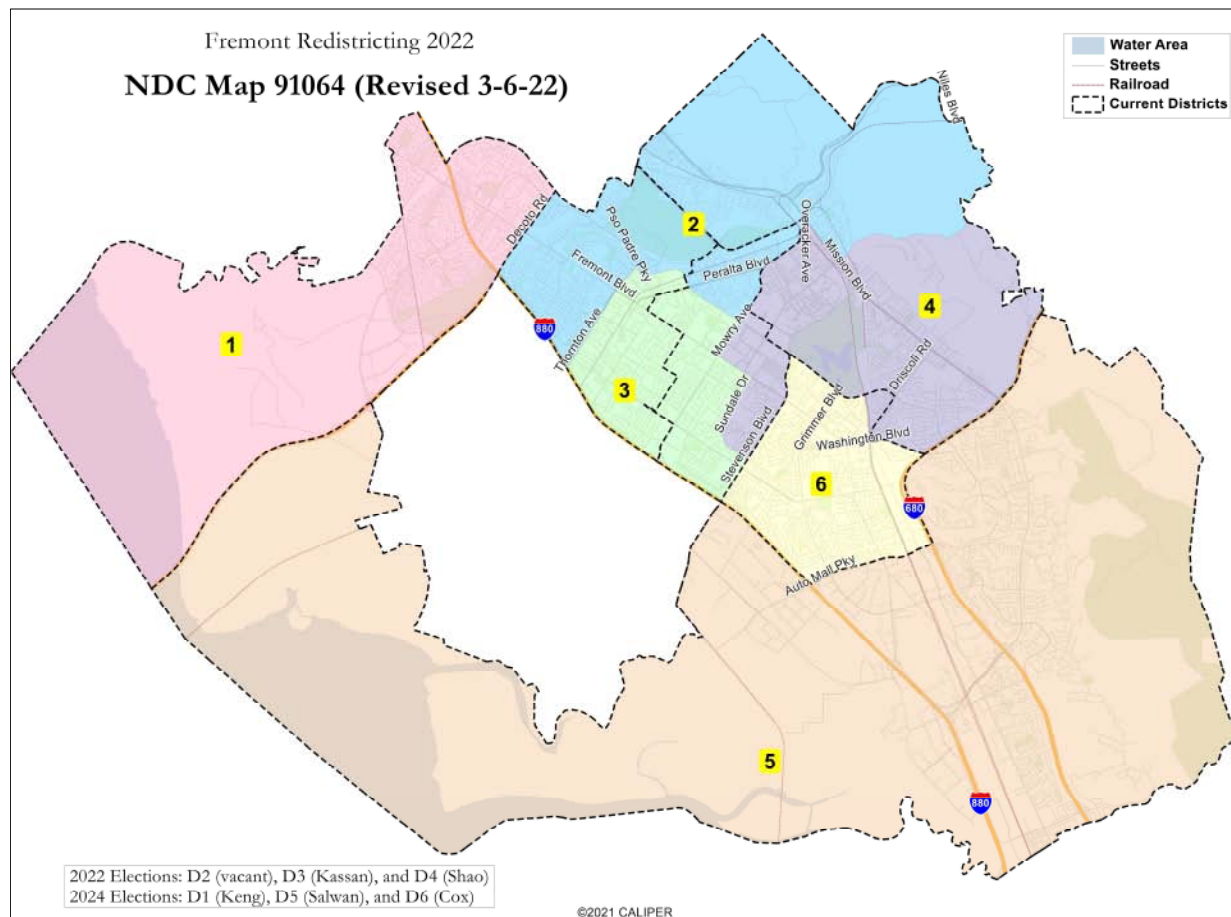
Fremont's rich heritage can be traced to the Ohlones, natives of the land, and to the Spanish priests who established Mission San Jose, the first Spanish mission located inland. Since those early days, Fremont's rich soil, central location, and excellent climate have continued to attract newcomers to 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.

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

Council Districts



Quality of Life

Fremont, located in southern Alameda County, stretches from the San Francisco Bay to the top of Mission Peak above historic Mission San Jose in the east. With a population of 229,476, Fremont is the fourth largest city in the San Francisco Bay Area and ranks 96th among the most populous cities in the nation according to the US Census Bureau. Fremont is approximately 92 square miles in size and includes the 450-acre Central Park and 80-acre Lake Elizabeth, along with 60 other parks, five community centers, and extensive sports facilities. Fremont is also home to the Don Edwards San Francisco Bay National Wildlife Refuge, adjacent to Coyote Hills Regional Park.

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



Government

Incorporated January 23, 1956

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

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

Number of City Managers since Incorporation: 8

Full-time Employees FY 2022/23 ¹	
Community Development	87.55
Community Services	100.41
Economic Development	4.00
Fire	172.00
General Government	95.16
Human Services	77.15
Police	322.50
Public Works	136.80
Total	995.57

Demographics

Population ²	
1956	22,443
1960	43,634
1970	102,321
1980	127,454
1990	173,116
2000	203,413
2010	214,089
2020	233,132
2022	229,476

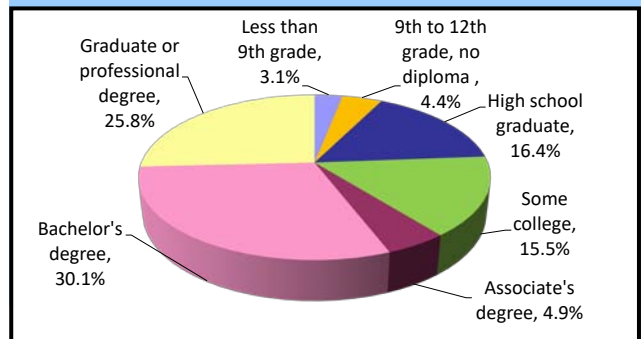
Land Area: 92 square miles

Climate³

Average Temperature: 60°F (15.6°C)

Average Annual Precipitation: 15.19"

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

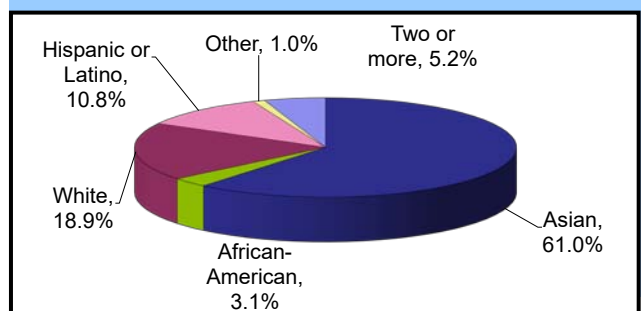


Median Age⁴: 38.2

Mean Household Income: \$170,083

Racial Composition⁴

(Hispanic/Latino may be of any race)



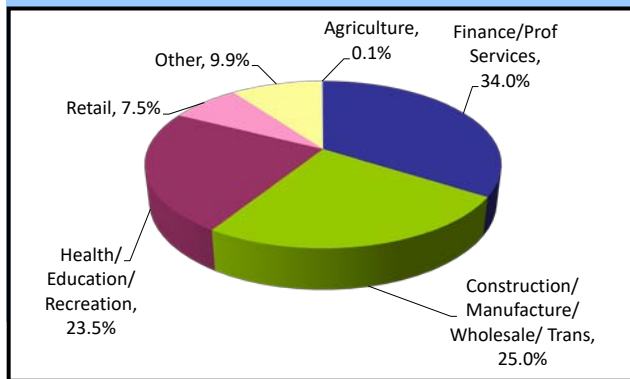
Summary Information | City of Fremont Profile

Business

Major Employers (listed in alphabetical order)⁵

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

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



Community Services

City Resources	
Family Resource Center	1
Parks	64
Senior Center	2
Community Centers	5
Fire Stations	11

Education

Fremont Unified School District (FUSD) has:

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

Percentage of students meeting the SAT College and Career Readiness Benchmarks⁶

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

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

Services by Other Governmental Units

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

Notes:

¹ FY 2022/23 Proposed Operating Budget, City of Fremont

² California State Department of Finance

³ The Weather Channel

⁴ US Census Bureau

⁵ City of Fremont, Economic Development Department

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

⁷ Ohlone College, Office of College Relations

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All City Funds Schedule

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

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

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

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

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

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

Summary Information | All City Funds Schedule

Summary of All Funds (Thousands of Dollars)

	General Fund	Cost Center/ Internal Service Funds	Special Revenue Funds	Capital Funds	Total
Sources					
Beginning Unreserved Fund Balance	\$ 29,931	\$ 24,557	\$ 108,874	\$ 86,488	\$ 249,850
Revenues					
Taxes:					
Property Tax	126,041	-	3,080	-	129,121
Sales Tax	68,768	-	1,475	-	70,243
Business Tax	12,895	-	-	-	12,895
Hotel/Motel Tax	5,452	-	-	-	5,452
Property Transfer Tax	1,967	-	-	-	1,967
Paramedic Tax	1,245	-	-	-	1,245
Franchise Fees	11,426	-	-	-	11,426
Charges for Services	6,426	42,404	14,397	333	63,560
Fines	2,819	-	-	-	2,819
Use of Money and Property	1,181	636	527	1,694	4,038
Intergovernmental	329	440	12,590	17,521	30,880
Other Revenues	270	2,426	10,560	18,500	31,756
Total Revenues	238,819	45,906	42,629	38,048	365,402
Transfers In	5,784	3,923	3,111	8,274	21,092
Total Sources	274,534	74,386	154,614	132,810	636,344
Uses					
Expenditures					
General Government	20,788	-	-	-	20,788
Police	106,001	-	793	-	106,794
Fire	65,203	-	186	-	65,389
Maintenance (Streets/Facilities)	20,400	-	-	1,675	22,075
Maintenance (Parks/Street Medians/Landscape)	10,511	2,239	2,846	-	15,596
Human Services	4,791	1,824	16,221	-	22,836
Code Enforcement/Community Development Admin	1,951	-	577	-	2,528
Housing	-	-	29,330	-	29,330
Environmental Services	-	-	11,970	-	11,970
Engineering	-	15,306	-	-	15,306
Planning	-	5,572	-	-	5,572
Building and Safety	-	12,641	-	-	12,641
Recreation	-	10,391	-	-	10,391
Homeless Services	-	-	2,684	-	2,684
Non-departmental	4,574	1,049	-	-	5,623
Capital	-	(284)	-	26,228	25,944
Less: Citywide Savings	(8,000)	-	-	-	(8,000)
Debt Service	8,518	-	3,231	-	11,749
Total Expenditures	234,737	48,738	67,838	27,903	379,216
Transfers Out	14,558	3,546	1,701	1,287	21,092
Total Uses	249,295	52,284	69,539	29,190	400,308
Ending Fund Balance					
Reserved Fund Balance	51,632	30,144	6,430	-	88,207
Unreserved Fund Balance	22,243	22,419	84,513	91,738	220,912
Total Ending Fund Balance	\$ 73,875	\$ 52,563	\$ 90,943	\$ 91,738	\$ 309,118

Citywide Position Changes Overview

The total authorized regular staffing level of 995.57 for FY 2022/23 has increased by 26.0 full time equivalent (FTE) positions from the FY 2021/22 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 2022/23 staffing increases serve to enhance public safety response capability and fiscal sustainability, improve service delivery, address homelessness, and support other wrap-around services to the community.

The Community Development Department staffing increase of 4.0 FTE includes a Principal Plan Check Professional, Plan Check Manager, Associate Planner, and Administrative Analyst to help manage the high demand for development permits, including major new commercial/industrial expansions and processing of affordable housing projects.

The Community Services Department staffing increase of 2.0 FTE includes the addition of 1.0 FTE Recreation Supervisor and 1.0 FTE Park Maintenance Worker I and conversion of the Urban Forester to City Arborist. The new positions will oversee operations at the newly opened Downtown Event Center and support the new Dusterberry Neighborhood Park.

The Finance Department staffing increase of 2.0 FTE includes the addition of 1.0 FTE Accountant and 1.0 FTE Accounting Specialist II to address new reporting requirements improve payment processing.

The Fire Department staffing increase of 10.0 FTE includes 3.0 FTE Fire Captains, 3.0 FTE Fire Engineers, and 3.0 FTE Firefighters to support the addition of one fire truck company. To enhance readiness of the City's Emergency Operations Center, 1.0 FTE Emergency Services Coordinator was added to further develop the City's preparedness to respond to complex, large-scale incidents.

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

The Human Services Department staffing increase of 2.0 FTE includes 1.0 FTE Case Manager to enhance support for homeless care and response and 1.0 FTE Senior Office Specialist to support Medi-Cal program activities.

The Information Technology Services Department staffing restructure resulted in no overall change to the department's FTE count. The restructure eliminated 1.0 FTE Senior Systems Analyst/Programmer and added 1.0 FTE IT Specialist I, along with the conversion of 1.0 FTE Division Manager and 2.0 FTE IT Specialist I to 1.0 FTE Deputy Chief Information Officer and 2.0 FTE IT Specialist II, respectively.

Summary Information | Citywide Position Changes

The Police Department staffing increase of 4.0 FTE includes the addition of 2.0 FTE Police Officers to enhance public safety response capability, 1.0 FTE Property Officer and 1.0 FTE Animal Services Supervisor. A 1.0 FTE Chief Forensic Specialist position was eliminated with the addition of 1.0 FTE Management Analyst I to better align staffing with department needs.

The Public Works Department staffing increase of 1.0 FTE represents the addition of one Engineering Technician II position to support development projects.

	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>
<u>PUBLIC SAFETY</u>					
Fire	161.00	162.00	162.00	162.00	172.00
Police	314.50	317.50	320.50	318.50	322.50
TOTAL	475.50	479.50	482.50	480.50	494.50
<u>OTHER COMMUNITY SERVICES</u>					
Community Development	80.25	81.25	81.55	83.55	87.55
Community Services	94.01	96.01	97.06	98.41	100.41
Economic Development	4.00	4.00	4.00	4.00	4.00
Human Services	65.40	64.73	70.10	75.15	77.15
Public Works	129.65	136.00	136.30	135.80	136.80
TOTAL	373.31	381.99	389.01	396.91	405.91
<u>ADMINISTRATIVE SYSTEMS</u>					
City Manager's Office	12.05	13.05	10.75	10.75	10.75
City Attorney	9.92	9.92	9.92	9.92	9.92
City Clerk	3.95	3.95	4.25	4.25	4.25
Finance	24.00	24.00	24.00	24.24	26.24
Human Resources	15.00	16.00	16.00	16.00	17.00
Information Technology Services	23.00	27.00	27.00	27.00	27.00
TOTAL	87.92	93.92	91.92	92.16	95.16
CITYWIDE TOTAL	936.73	955.41	963.43	969.57	995.57

Note: Total number of positions anticipated at the end of June 2022 shown for FY 2021/22.

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 2022/23, and its future annual debt service requirements.

Changes in Outstanding Debt

	Amounts Outstanding 06/30/2021	Incurred or Issued	Matured or Retired	Amounts Outstanding 06/30/2022	Amounts Due Within One Year	Amounts Due in More than One Year
General Obligation Bonds						
2012 Fire Safety Bonds Maturity – 08/01/2032	\$ 5,375,000	\$ -	\$ (5,375,000)	\$ -	\$ -	\$ -
2013 Fire Safety Bonds Maturity – 08/01/2034	16,475,000	-	(16,475,000)	-	-	-
2017 Fire Safety Bonds Maturity – 08/01/2038	11,065,000	-	(415,000)	10,650,000	435,000	10,215,000
2021 Fire Safety Bonds Maturity – 08/01/2034	-	16,205,000	-	16,205,000	1,000,000	15,205,000
Total General Obligation Bonds	32,915,000	16,205,000	(22,265,000)	26,855,000	1,435,000	25,420,000
General Fund Lease Obligations						
2017B Lease Revenue Bonds Maturity – 10/01/2038	17,940,000	-	(660,000)	17,280,000	695,000	16,585,000
2019 Lease Revenue Bonds Maturity – 10/01/2038	69,100,000	-	(4,650,000)	64,450,000	4,880,000	59,570,000
Total General Fund Lease Obligations	87,040,000	-	(5,310,000)	81,730,000	5,575,000	76,155,000
Total City Long-term Debt	\$ 119,955,000	\$ 16,205,000	\$ (27,575,000)	\$ 108,585,000	\$ 7,010,000	\$ 101,575,000

Summary Information | City Debt Summary

Budgeted Debt Service - FY 2022/23

	Principal	Interest	Fees	Total
General Obligation Bonds				
2017 Fire Safety Bonds	\$ 435,000	\$ 421,975	\$ 350	\$ 857,325
2021 Fire Safety Bonds	1,000,000	785,250	1,350	1,786,600
Total General Obligation Bonds	1,435,000	1,207,225	1,700	2,643,925
General Fund Lease Obligations				
2017B Lease Revenue Bonds	695,000	661,238	2,000	1,358,238
2019 Lease Revenue Bonds	4,464,969	2,691,608	3,000	7,159,577
Total General Fund Lease Obligations	5,159,969	3,352,846	5,000	8,517,815
Family Resource Center Lease Obligations				
2019 Lease Revenue Bonds	415,031	147,792	-	562,823
Total Budgeted Debt Service	\$ 7,010,000	\$ 4,707,863	\$ 6,700	\$ 11,724,563

Annual Debt Service Requirements

Year Ending June 30	General Obligation Bonds		General Fund Lease Obligations		Family Resource Center Lease Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,435,000	\$ 1,207,225	\$ 5,159,969	\$ 3,352,846	\$ 415,031	\$ 147,792
2024	1,495,000	1,133,975	5,425,048	3,088,221	449,952	126,167
2025	1,565,000	1,057,475	5,694,909	2,810,222	490,091	102,666
2026 - 2030	8,990,000	4,008,750	25,546,728	10,026,209	1,808,272	149,479
2031 - 2035	10,175,000	1,583,400	19,580,000	4,942,013	-	-
2036 - 2040	3,195,000	195,675	17,160,000	1,325,056	-	-
Total	\$ 26,855,000	\$ 9,186,500	\$ 78,566,653	\$ 25,544,566	\$ 3,163,347	\$ 526,103

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 Lease Obligations (Lease Revenue Bonds/Certificates of Participation (COPs)/Lease Financing). Lease obligations entitle investors to receive payments from an underlying financing lease between the City and the Fremont Public Financing Authority or another corporate entity. The Authority uses the lease revenue received from the City to pay principal and interest on

the lease obligations. The City has two outstanding series of lease revenue bonds: the 2019 Lease Revenue Bonds and the 2017B Lease Revenue Bonds. These bonds were issued to finance or refinance the acquisition or construction of various capital assets including building improvements and fire equipment. The 2019 Bonds and the 2017B Bonds bear interest at fixed rates. The lease payments and associated financing costs are payable from the General Fund, although a portion of the lease payments associated with the 2019 Bonds are paid from rental revenue of tenants at the Fremont Family Resource Center.

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

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 \$26,855,000 of outstanding debt subject to the legal debt limit and a legal debt limit of \$2,271,840,857 the City is not at risk of exceeding this limit.

Computation of Legal Debt Margin as of June 30, 2022

Assessed Valuation (net)¹	\$ 60,582,422,846
25% of Assessed Valuation	15,145,605,712
Debt Limit: 15% of Assessed Valuation	<u>2,271,840,857</u>
Less Outstanding Debt (subject to legal debt limit)	(26,855,000)
Legal Debt Margin	<u>\$ 2,244,985,857</u>

¹ Source: Auditor-Controller of Alameda County, Certificate of Assessed Valuation, Fiscal Year 2021/22.

Debt Management Policy General Fund Debt Service Limit

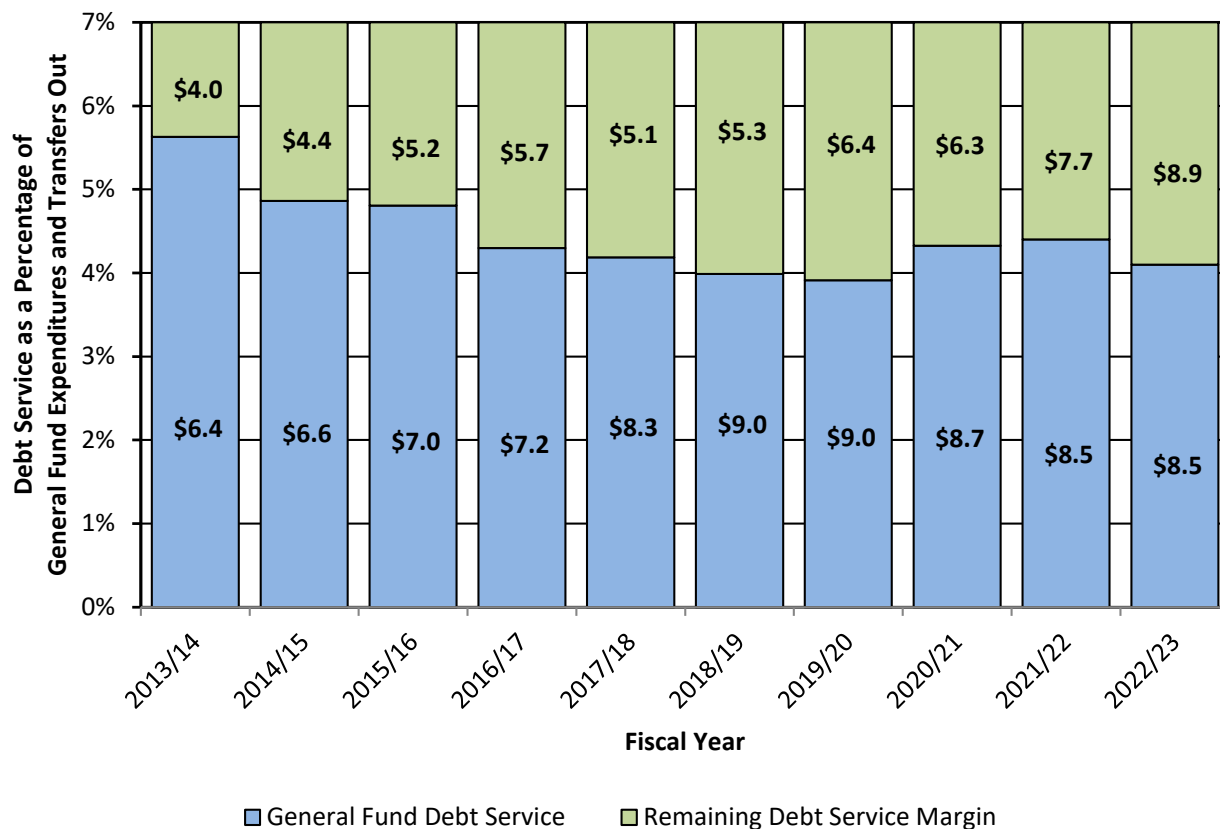
The City of Fremont's Debt Management Policy, adopted by the City Council on April 4, 2017, requires that debt service supported by the General Fund will not exceed 7% of total General Fund budgeted expenditures and transfers out. With FY 2022/23 debt service supported by the General Fund estimated at \$8,512,815, and a debt service limit of \$17,450,650 the City is not projected to exceed its debt service limit.

Compliance with General Fund Debt Service Limit

Total General Fund Budgeted Expenditures and Transfers Out	\$ 249,295,000
Debt Management Policy Limit of 7%	17,450,650
Less Debt Service Supported by the General Fund	<u>(8,512,815)</u>
Debt Service Margin	\$ 8,937,835

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:

$$\begin{aligned} & \frac{\% \text{ change in population} + 100}{100} \\ & \text{multiplied by} \\ & \textbf{either} \\ & \frac{\% \text{ change in per capita income} + 100}{100} \\ & \textbf{or} \\ & \frac{\% \text{ change in assessment roll due to non-residential construction} + 100}{100} \end{aligned}$$

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

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

On May 2, 2022, 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 7.55%. The calculation as applied to the City of Fremont for FY 2022/23 is as follows:

The population change from January 1 of the previous year (228,872) to the population on January 1, 2022 (229,476) is 604, or a 0.26% increase.

The change in per capita personal income is 7.55%.

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

$$\frac{0.26 + 100}{100} \quad \times \quad \frac{7.55 + 100}{100} \quad = \quad 1.0783$$

Summary Information | Appropriations Limit

Applying this year's factor of 1.0783 to last year's limit of \$813,770,383 yields the Appropriations Limit for FY 2022/23 of \$877,488,604.

Based on an operating budget of \$249,295,000 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 2022/23 operating budget.

Budget Principles

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

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

General Fund Preservation

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

Reduce the Cost of Doing Business

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

Revenue Generation

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

Performance Measurement

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

City Attorney

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Percent of standard contracts reviewed within 5 business days of receipt	90%	90%	90%	90%
Percent of liability (damage) claims reviewed and insufficiency noted within 14 days of receipt	100%	100%	100%	100%
Percent of all serious work-related injuries reported to Cal OSHA within 8 hours of being informed of injury	100%	100%	100%	100%

City Clerk

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Percent of time City Council Meeting minutes are posted online no later than 2 weeks after the original City Council Meeting date**	N/A	10%	15%	5%
Percentage of Public Records Requests that received a responsive email within the 10-day compliance period under the California Public Records Act*	N/A	95%	90%	95%

*This performance metric was added for review in FY2021/22.

†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 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Percent of residents that agree that Fremont is a “good” or “excellent” place to live ¹	N/A	77%	N/A	75%
Percent of employees that feel “prepared” and “trained” to do their jobs ²	N/A	N/A	N/A	N/A
Number of social media accounts ³ maintained by the City	33	35	34	35
Number of likes, followers and subscribers of the social media accounts	222,500	282,000	247,141	282,000
¹ The community survey is a biennial survey. Due the continuation of the COVID-19 pandemic, the survey did not occur FY 2021/22. The next one is anticipated to take place in within the next year. ² The employee survey is a biennial survey. Due the continuation of the COVID-19 pandemic, the survey did not occur FY 2021/22. The next one is anticipated to take place in within the next year. ³ Social media accounts refer to the Facebook, Twitter, Youtube, Google+, Instagram, and Nextdoor platforms.				

Community Development

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 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	80%	90%	75%	90%

Community Services

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Increase Recreation program registrants over prior year	5,796 ¹	20,000	15,554	20,000
Increase number of creek clean-up volunteers	190	500	550	600
Increase Public Tree Planting	127	150	175	200
¹ Reduced amount due to COVID-19 pandemic – assumes some restrictions continuing and loss of customers will update as more info available.				

Economic Development

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Number of businesses assisted by Economic Development Department	754	200	420*	300
Number of business events that Economic Development Department staff hosted in Fremont, had prominent speaking role in, or directly supported organization/planning outside of Fremont*	18	15	16	15
Number of business appreciation visits and establishment of baseline for percentage of visits that lead to subsequent follow-up/interaction with City	37	35	20**	35
<p>* The pandemic greatly increased the number of inbound requests for assistance ED has received from businesses and has necessitated a significant allocation of staff resources.</p> <p>** Due to COVID-19 and staffing shortages, ED shifted focus from scheduling business visits to prioritizing the high volume of inbound requests for assistance. We expect to resume a regular cadence of business visits in FY 2022/23.</p>				

Summary Information | Performance Measurement

Finance

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Number of bids/RFPs issued	48	50	50	60
Percent of Business Tax certificates issued online	68%	69%	73%	77%

Fire

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
911 calls processed within 1:30 minutes	90.0%	90.0%	90.0%	90.0%
Crew responding within 2:00 minutes of dispatch	85.4%	90.5%	90.0%	90.0%
Crew travels to incident within 4:00 minutes of dispatch	55.7%	84.0%	90.0%	90.0%
FFD Paramedic on scene of a medical emergency within 7:30 minutes from 911 call	83.9%	88.2%	90.0%	90.0%
Fire Engine arrives at the scene of a fire within 7:30 from 911 call	73.0%	98.8%	90.0%	90.0%
Ladder Truck arrives at the scene of a fire or rescue within 11:30 from 911 call	87.3%	97.0%	90.0%	90.0%
Vegetation fire is confined to one acre or less	92.3%	97.5%	90.0%	90.0%
Structure fire is contained to the room of origin	87.9%	94.4%	90.0%	90.0%
Patient extricated from a vehicle collision within 30 minutes	100.0%	82.4%	90.0%	90.0%

Fire (continues)

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
911 calls processed within 1:30 minutes	90.0%	90.0%	90.0%	90.0%
Provide sufficient amount of quality training to maintain operational readiness	31 hours per person per month	33 hours per person per month	20 hours per person per month	20 hours per person per month
Provide sufficient amount of quality training to maintain required licenses and certifications	Required licenses and certifications 100% compliance	Required licenses and certifications 100% compliance	Met this measure with 100% compliance	Met this measure with 100% compliance
Percent of inspections of State Fire Marshal (SFM) regulated occupancies	Met this measure with 54% compliance, down from 81% in CY 2019	Met this measure with 54% compliance, down from 81% in CY 2019	Complete inspections of 95% of SFM regulated occupancies in a given year	Complete inspections of 100% of SFM regulated occupancies in a given year

Summary Information | Performance Measurement

Human Resources

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
% of employees participating in a 457(b) deferred compensation plan for retirement savings	73%	80%	74%	80%
% of employees who have received a formal evaluation in the last 12 months	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Average days between prospective police officer application and issuance of offer letter (police officer) ²	184 ³	154	TBD	124
Average days between application and issuance of offer letter (all non-sworn police positions)	243 ³	213	TBD	183
¹ Measure every other year by employee survey. The Citywide employee survey was postponed in FY 2020/21 and FY 2021/22 and plan to conduct a Citywide employee survey in FY 2022/23. ² 17 Police Officers were hired in FY 2020/21. ³ The average number of days to fill a sworn Police Officer position in FY 2020/21 increased by 48 days due to COVID-19 delays and other external factors. The average number of days to fill a non-sworn police position in FY 2020/21 increased by 21 days.				

Human Services

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Percent of Long-term SparkPoint Clients achieving economic mobility ¹	75%	75%	72%	75%
Increase number of paid members at both Age Well Centers ²	586	1,143	1,138	1,194
Percent of youth who improved in their social behavioral health and were observed as stable after receiving counseling services ³	75%	75%	75%	75%
¹ Long-term SparkPoint clients will improve in one of four SparkPoint metrics (Higher Credit Score, Lower Debt to Income Ratio, Higher Income or Higher Savings) by at least 5%. ² Measured by number of members in Active Net, the Age Well Center's registration system. ³ Measured by clinicians using the Child and Adolescent Needs and Strengths Assessment, an evidenced based instrument that measures client change over time.				

Information Technology Services

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 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%	83%	73%	80%
Percent of requests for GIS Street Naming and Addressing projects completed within agreed-upon time frames	89%	80%	94%	80%

Summary Information | Performance Measurement

Police

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Continue to apply the strategies, tactics, and methods used to sustain present level or further reduce the incidence of residential burglaries*	290 ¹ (single/multiple residences only) 864 ¹ (all burglaries)	Sustain present level or further reduction from previous year	263 ² (single/multiple residences only) 686 ² (all burglaries)	Sustain present level or further reduction from previous year
Continue to apply the strategies, tactics, and methods used to sustain present level or further reduce the incidence of violent crimes and property crimes*	407 ¹ (violent crimes) 5,722 ¹ (property crimes)	Sustain present level or further reduction from previous year	469 ² (violent crimes) 5,693 ² (property crimes)	Sustain present level or further reduction from previous year
Minimize the number of injury collisions as compared to the previous year*	379 ¹	Reduction from previous year	429 ²	Reduction from previous year
Enrollment of all employees in a baseline medical analysis exam or wellness initiative	25%	Increase from previous year	Funds were diverted to purchase the employee wellness app	50%
Increase staffing levels to full allocations for the positions of Police Officer and Communications Dispatcher	94%	Increase from previous year	92%	95%
¹ Calendar Year 2020. ² Calendar Year 2021. * Figures reported by Uniform Crime Reporting (UCR) calendar year.				

Public Works

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Percent of preventative maintenance repairs Fleet services performed on-schedule (e.g., completed within two weeks of scheduled service)	57%	75%	70%	75%
Number of “clean fuel” vehicles in City fleet	72	68	68	74
Number of persons severely or fatally injured in traffic crashes Note: Baseline condition is 37 in 2015 (8 fatalities)	15 in Calendar Year 2020 (4 fatalities)	Continuous improvement	24 in Calendar Year 2021 (9 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% / 88%	Continuous improvement	53% / 92%	60% / 90%

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 Finalize and obtain State approval for the update to the Housing Element of the General Plan for the 2023-2031 cycle.    
- 2 Continue to update the Fremont Municipal Code to address new land use laws and to support City of Fremont goals.    
- 3 Coordinate with Public Works on an update to the City's subdivision ordinance.    
- 4 Using State grant funds, complete a comprehensive update of City regulations related to projects that include residential development, including mixed-use, TOD, and small lot development.    
- 5 Continue to develop programs and creative administrative efficiencies to speed approval of ADUs as a housing option.   
- 6 Continue to support the City's efforts to address homelessness issues through responding to complaints and coordination with Human Services, Police, and Environmental Services.  
- 7 Working with the City's development partners, complete the conversion of a motel into 156 units of permanent supportive housing.    
- 8 Continue to work with Economic Development on projects that are related to existing and new businesses that provide employment opportunities and generate revenues for municipal services.   
- 9 Complete 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.   
- 10 Increase citation amounts for planning and building code violations to the extent allowed by State law as a way to incentivize compliance.  
- 11 Continue to work with the Art Review Board to facilitate installation of public artwork within the city's three art districts in conjunction with new developments and at key locations.  
- 12 Update fees for fire permits to ensure the program is 100% fee-supported.  
- 13 Continue to provide the public with the latest updates in Community Development through newsletters, City News Briefs, City email lists, social media, department webpages, and printed materials. 
- 14 Finalize the Climate Action Plan update and begin implementation efforts.  
- 15 Continue to improve permitting processes and to maintain competitive permit review timelines. 
- 16 As directed by Council, implement a credit card convenience fee for building permits to offset the rising costs of third-party fees charged to the City on credit card transactions.  









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

Summary Information | Citywide Goals and Objectives





Objectives Summary

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

COMMUNITY DEVELOPMENT DEPARTMENT (continued):

- | | |
|---|--|
| 17 Create videos for the public on how to use Citizen Access, the City's online permit portal. |   |
| 18 Continue to utilize virtual meeting platforms, plan check software, and other technology to provide customers with convenient electronic options for obtaining services. |   |
| 19 Modernize the Permit Center to better utilize its limited area, including creation of a kiosk center. |   |
| 20 Collaborate with Public Works to update the design of complete streets and other public infrastructure in conformance with the General Plan. |  |
| 21 Continue educational training of staff to maintain city mandated building certifications and State licenses and prepare for the adoption of the upcoming triennial code cycle. |  |

COMMUNITY SERVICES DEPARTMENT:



















- | | |
|---|--|
| 1 Develop Marketing Plan for Recreation 189 Cost Center. |   |
| 2 Return to FY 2018/19 registration levels by end of FY 2022/23. |   |
| 3 Establish a new Active Adult Programming Health and Wellness Section to meet the unmet need identified in the Parks and Recreation Master Plan. |   |
| 4 Update Recreation Facility Use Policy as part of Facility Standardization Initiative. |  |
| 5 Complete Recreation program business plans to better track and implement business strategies. |   |
| 6 Meet recreation revenue goal of \$9.0 million. |     |
| 7 Collaborate with community partners for funding and implementation on new cultural special event series. |    |
| 8 Continue with playground safety and maintenance resurfacing program. |    |
| 9 Expand historical programming opportunities with community and non-profit partners. |    |
| 10 Expand volunteer opportunities throughout the Community Services department. |   |
| 11 Develop an aging park playground replacement strategy focusing on sustainability, inclusivity, and equitability of our parks system. |   |
| 12 Evaluate entire parks system concrete pathway inventory with current conditions and develop removal and repair strategy. |   |

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Objectives Summary

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COMMUNITY SERVICES DEPARTMENT (continued):

- 13 Continue to respond to citywide tree service requests and develop a parks tree canopy planting plan, incorporating volunteer opportunities. 
- 14 Implement SB 1383 (Short-Lived Climate Pollutant Plan) compliance activities. 
- 15 Evaluate strategic locations to install cameras, to deter illegal dumping. 
- 16 Implement mobile sanitation collection program to address illicit waste discharges from RV vehicles being used for habitation on City streets. 
- 17 Complete construction of next phase California Nursery Historical Park projects. 
- 18 Complete park land swap with Fremont Unified School District at Patterson Ranch to help District with building construction challenges on their existing site. 
- 19 Complete new restroom construction at Centerville Community Park. 
- 20 Complete picnic area upgrades at Mammoth Picnic Area and Babbling Brook Picnic Area in Central Park. 
- 21 Complete construction of the new all-inclusive outdoor exercise equipment complex and East Meadow Path project at Central Park. 
- 22 Complete design for the new Central Park Loop Trail Parking Lot adjacent to the Skate Park. 
- 23 Complete relocation of the Rix Park basketball court. 
- 24 Begin construction for the Sylvester Harvey Park loop trail. 
- 25 Complete design for multiple play area renovations including: Booster Neighborhood Park, Azaveda Neighborhood Park, Buena Vista Neighborhood Park, Centerville Community Park, Northgate Community Park, and Marshall Community Park. 
- 26 Complete design for new Pickleball courts and/or court conversions. 
- 27 Complete and adopt at City Council the Urban Forestry Management Plan. 
- 28 Conduct two City Tree Contractor Certification Program trainings. 
- 29 Begin exploratory work to purchase or acquire new park land to increase the City's overall park land inventory by up to 15 additional acres and improve the City's park equity across all neighborhoods. 
- 30 Complete Lease Agreement for Mission Peak and Stanford Staging Area. 

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Summary Information | Citywide Goals and Objectives

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COMMUNITY SERVICES DEPARTMENT (continued):
















- 31 Continue successful implementation of contract services to sustain the City's healthy quality of life. 
- 32 Deploy and transition staff to interface with the City's Asset Maintenance and Management software, Cityworks. 
- 33 Continue to update District 88 property owners on the financial and service level offered. 
- 34 Complete construction for the new Dusterberry Neighborhood Park and hire staff to maintain park. 
- 35 Contract maintenance for newly added Innovation Plaza Parcel C and E. 
- 36 Complete City Council Staff Reports for Park Maintenance contract service terms and District 88 assessment and budget. 
- 37 Negotiate and complete maintenance contract for Citywide Weed and Waste Abatement Services including meeting DIR requirements for project filing. 
- 38 Continue power washing as permitted to support the City's health and safety. 
- 39 Support IT's initiative to upgrade the City's telephone system. 
- 40 Increase number of municipal owned lands utilizing compost from two to six locations in order to help meet the City's SB 1383 Short-Lived Climate Pollutant Plan) procurement obligation. 
- 41 Obtain CalRecycle grant funding for City implantation of SB 1383 compliance activities.  
- 42 Transition Clean Water Education program back to an in-person format while complying with County and FUSD guideline. 
- 43 Support Safe Parking program implementation with waste collection and mobile sanitation services. 
- 44 Expand participation of Fremont businesses in county reusable food service ware campaign to reduce volume of single use disposables. 

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ECONOMIC DEVELOPMENT DEPARTMENT:

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

FIRE DEPARTMENT:

- 1 Continue rope rescue training, tower training, hazardous material training and recruitment to the Special Operations Task Force.  
- 2 Send incumbent personnel to paramedic school to meet department's succession needs.  
- 3 Purchase and implement a new fire station alerting system.  
- 4 Conduct Zonehaven collaborative training with multiple internal and external stakeholders.  
- 5 Purchase a new water tender by summer 2022 in time for wildland fire season.  
- 6 Purchase and train for a new mechanical CPR system.  
- 7 Review and adopt, with updates to Fremont's local amendments, the 2022 California Fire Code.  
- 8 Receive and respond to our formal 2022 Certified Unified Program Agency's (CUPA/Hazmat) audit from CalEPA.  
- 9 Refine, and advance our CSFM and CalEPA inspection programs to align with the anticipated filling of vacant staff.  
- 10 Institute on-going specialized training for Emergency Operations Center staff.  
- 11 Implement a rotating OES Duty Officer program, improving readiness to activate the Emergency Operations Center (EOC) and coordinate and issue public alerts and warnings in an emergency.  
- 12 Complete the Tri-Cities Multi-jurisdictional Local Hazard Mitigation Plan, securing California Governor's Office of Emergency Services and Federal Emergency Management Agency approval.  










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Summary Information | Citywide Goals and Objectives


















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FIRE DEPARTMENT (continued):

13 Prepare additional annexes to the Emergency Operations Plan.	
14 Equip the EOC with improved technology.	
15 Continue to work with Fire Department's Human Relations Committee on diversity and inclusion initiatives.	
16 Continue to ensure equity in hiring, training and career development opportunities.	
17 Further develop the Department's recruitment and community engagement programs.	
18 Conduct baseline medical exams for all suppression personnel.	
19 Conduct a new hire fire academy.	
20 Recruit and hire for the positions of Senior Fire Inspector, Fire Inspector, and Hazardous Materials inspector.	
21 Recruit and hire Management Analyst I/II.	

HUMAN SERVICES DEPARTMENT:













1 Transition the Keep Fremont Housed Rent Relief Program.			
2 Implement specific strategies and action steps outlined in Year Five of the FRC's 5-year Strategic Plan 2018-2023 and begin planning the FRC 5-year Strategic Plan 2024-2029.			
3 Partner with Washington Hospital and Alameda County Emergency Medical Systems to understand and effectively meet the needs of individuals who repeatedly call 911 and are assessed for 5150 evaluations.			
4 Increase the average number of meals produced at the Age Well Center and adapt the service model.			
5 Continue offering online Age Well Center classes, to reach those that may prefer on-line learning and engagement.			
6 Continue to coordinate a comprehensive SparkPoint program at the Fremont Family Resource Center (FRC).			
7 Continue to maintain the Tri-City Workforce Training Website www.fremont.gov/workforcetraining to connect interested individuals.			
8 Increase the financial assets of low-income families through the FRC's VITA program.			

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HUMAN SERVICES DEPARTMENT (continued):

- 9 With federal HOME funds, assist up to 25 families facing social, emotional, economic crises to remain in their homes and return to financial stability.    
- 10 Oversee the City's Homeless and Housing fund as well as HHAP, PLHA and CDBG CARES funding focused on mitigating the impacts of homelessness and COVID-19, respectively.    
- 11 Continue to increase and strengthen diversified funding streams for the Humans Services Department to offset service costs.    

POLICE DEPARTMENT:

- 1 Develop, promote and implement data-driven crime reduction strategies to include crime prevention, disruption and apprehension.  
- 2 Continue to enhance our understanding of Intelligence-led Policing principles and practices throughout all levels of the organization.  
- 3 Reduce gun violence through intelligence sharing and analysis in partnership with the Gun Violence Reduction Team (GVRT).  
- 4 Traffic personnel will focus on reducing injury collisions and enhancing roadway safety.  
- 5 Reduce sworn and professional vacancies across all departmental positions.  
- 6 Focus efforts to reduce retail theft in collaboration with the local business community.   
- 7 Increase the frequency of scenario-based training for Police Officers in an effort to support de-escalation and use of force training.  
- 8 With other City departments, use a coordinated approach to mitigate the impact of the unhoused on our community and on the individuals within it.  
- 9 School Resource Officers will continue to enhance their relationships with the schools to provide comprehensive services and education.  
- 10 Offer a baseline medical analysis or wellness initiative to department employees in support of employee health.  



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Summary Information | Citywide Goals and Objectives


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PUBLIC WORKS DEPARTMENT:

- 1 The core work objective for the Public Works Department in 2022/23 will be to continue delivering high quality engineering and maintenance services to support the City's public infrastructure. 
- 2 Actively pursue new funding opportunities from regional, state, and federal sources facilitated by new federal infrastructure investment. 
- 3 Continue implementation of Fremont's Vision Zero traffic safety action plan. 
- 4 Complete the Fremont Boulevard Safe and Smart Corridor project and continue other efforts to modernize the Citywide traffic signal system. 
- 5 Continue to coordinate with the City/School Liaison Committee and other stakeholders to expand participation in the "Walk and Roll to School" program and with the Mobility Commission to advance the goals of the Mobility Action Plan. 

ADMINISTRATIVE DEPARTMENTS:

- 1 Assist staff with updating and amending standard contract forms, the records retention schedule, and City ordinances. 
- 2 Continue to provide Brown Act and Public Records Act advice and training to City boards, commissions, and employees. 
- 3 Continue to provide assistance to Council and City Departments during the COVID emergency by responding to emerging issues. 
- 4 Continue to support staff on issues related to homelessness and additional development of affordable housing. 
- 5 Continue to provide assistance with negotiating leases and acquisition of park land. 
- 6 Support City Council priorities and City development and transportation projects. 
- 7 Assist with negotiating and drafting a City policy regarding project labor agreements for large public works projects. 
- 8 Provide training to staff on procurement, bidding, and contract requirements. 
- 9 Continue to provide legal advice, drafting, and negotiating assistance for complex projects. 
- 10 Pursue efforts that assist City departments and City Council to reconcile the budget with the fiscal impacts of the Coronavirus 2019 pandemic, while still allowing for continuance of essential city services and employee workforce retention. 

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ADMINISTRATIVE DEPARTMENTS (continued):

- 11 Pursue legislative efforts and strengthen state and federal partnerships to promote the best interests of the City, while implementing the Council's 2022/23 Legislative Guiding Principles and Priorities. 
- 12 Pursue staff actions and efforts that assist with the implementation of the top three Council priorities for the year. 
- 13 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. 
- 14 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. 
- 15 Downtown Fremont: Continue to commit time and resources towards the implementation of the Downtown Community Plan. 
- 16 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. 
- 17 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. 
- 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 Administer the 2022 November Election, swearing-in, and transition of the newly elected Councilmember(s). 
- 21 Continue to efficiently and accurately manage the electronic preparation and distribution of agenda packets. 
- 22 Monitor the changing postal service environment and accommodate changes as needed to the mail room during the fiscal year. 
- 23 Continue to work with City departments to review and update each department's Records Retention Schedule. 
- 24 Implement Public Records Act request software to improve tracking and timely responses to requests. 
- 25 Continue to emphasize and encourage public use of the City's online business tax offerings. 
- 26 Deploy Tyler Citizen Self Service, which will enable customers to pay Accounts Receivable invoices online. 













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ADMINISTRATIVE DEPARTMENTS (continued):

- | | |
|---|--|
| 27 Facilitate ongoing COVID-19 related service delivery recovery and process improvements for City of Fremont staff. |  |
| 28 Complete revisions of City's Personnel Rules in partnership with City's nine bargaining units. |  |
| 29 Complete labor negotiations and implementation of successor MOU's with all units. |  |
| 30 Seek professional services consultant to assist staff in the advancement of the critical work in diversity, equity, and inclusion. |  |
| 31 Address Data Management Design. Streamline the addressing process, automate, and integrate with business systems. |  |
| 32 City Fiber Master Plan Proposal Implementation. The goal of this project is to continue with meeting the recommendations outlined in the fiber master plan. |  |
| 33 Compliance, Risk, and Security Vulnerability management platform to identify weaknesses that need correction, as well as measure cybersecurity compliance and regulatory needs. |  |
| 34 Computer Aided Dispatch (CAD) and Records Management System (RMS). To commence the first phase of implementing a new, intelligence driven, fully integrated CAD and RMS software system. |  |
| 35 Identity & Access Management (IAM) – Zero Trust Architecture Tools. ITS plans to deploy a set of Identity & Access Management tools following NIST SP 88-207 (Zero-Trust Architecture) and the Executive Order recommendation on "Improving the Nation's Cybersecurity". |  |
| 36 Independent and Continuous Cybersecurity Assessment & Regulatory Compliance Program. Implement a continuous assessment process. |  |
| 37 Telephone System Replacement. ITS is currently upgrading the City's outdated telephone system with a new digital voice-over-ip (VoIP). |  |
| 38 Work Order Management System. Update the work order management system to provide improved asset tracking, mobile access, enhanced geo-location services, and CRM integration. |  |

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General Fund

General Fund Summary

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

This section provides information on the FY 2022/23 General Fund budget, including budget assumptions, expenditure and revenue highlights, transfers to other funds, reserves, and a multi-year forecast.

The table on the next page shows that total General Fund budgeted resources in the coming year, including \$22.1 million of fiscal recovery funds that will be recognized as revenue in FY 2021/22, are estimated to be adequate to support total budgeted expenditures of \$249.3 million. Reflecting improvement in the local economy, ongoing General Fund resources are estimated to increase by 4.1% in FY 2022/23.

Although the use of fiscal recovery funds to maintain pre-pandemic service levels is projected to continue, the improved revenue performance is giving us some additional ongoing service capacity. The FY 2022/23 budget responds to City Council and community priorities by funding initiatives designed to enhance public safety, address homelessness, and increase the vitality of our business districts, while also improving service delivery across the organization. Following the City's sustainable budgeting principles, service enhancements or staffing increases for FY 2022/23 are limited to levels that can be supported on an ongoing basis.

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

General Fund | General Fund Summary

General Fund Proposed Budget FY 2022/23 (Thousand of Dollars)

	Adopted FY 21/22	Est Actual FY 21/22	Proposed FY 22/23
Sources			
Beginning Unreserved Fund Balance	\$ 20,023	\$ 27,102	\$ 29,931
Revenues			
Taxes:			
Property Tax	116,312	117,617	126,041
Sales Tax	56,178	78,030	68,768
Business Tax	10,608	12,619	12,895
Hotel/Motel Tax	3,368	4,328	5,452
Property Transfer Tax	2,037	3,311	1,967
Paramedic Tax	1,241	1,231	1,245
Franchise Fees	10,720	11,136	11,426
Charges for Services	5,569	6,624	6,426
Fines	966	2,672	2,819
Use of Money and Property	1,119	1,176	1,181
Intergovernmental	326	22,515	329
Other Revenues	135	89	270
Total Revenues	208,579	261,348	238,819
Transfers In	6,446	6,446	5,784
Total Sources	235,048	294,896	274,534
Uses			
Expenditures			
General Government	18,258	17,302	20,788
Police	100,989	93,997	106,001
Fire	58,838	59,336	65,203
Maintenance (Streets/Facilities)	18,796	17,309	20,400
Maintenance (Parks/Street Medians)	9,975	9,141	10,511
Human Services	4,479	4,168	4,791
Code Enforcement/Community Development Admin	1,762	1,665	1,951
Non-departmental	3,591	1,165	4,574
Less: Citywide Savings	(6,000)	-	(8,000)
Debt Service	8,534	8,534	8,518
Total Expenditures	219,222	212,617	234,737
Transfers Out	12,130	44,813	14,558
Total Uses	231,352	257,430	249,295
Ending Fund Balance			
Reserved Fund Balance	44,798	48,636	51,632
Unreserved Fund Balance	-	29,931	22,243
Total Ending Fund Balance	\$ 44,798	\$ 78,567	\$ 73,875

Notes:

American Rescue Plan Act (ARPA) fiscal recovery funds are shown as Intergovernmental Revenue: \$22.1 million in FY 2021/22.

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 2022/23 proposed budget:

1. The local economy will continue to recover during FY 2022/23.

Total General Fund ongoing resources (revenues and transfers in) are projected to increase by 4.1% over estimated actual ongoing resources in FY 2021/22.

2. The costs of the FY 2022/23 proposed budget will be covered by projected ongoing resources and fiscal recovery funds held as unreserved fund balance, without requiring the use of reserves to balance the budget. Total General Fund use of resources (expenditures and transfers out) is proposed to be 10.9% higher than the estimated actual amounts for FY 2021/22 after adjusting for \$32.7 million of one-time transfers to the CIP and retiree healthcare trust.

Following the City's sustainable budgeting principles, service enhancements or staffing increases for FY 2022/23 are limited to levels that can be supported on an ongoing basis.

In accordance with City Council policy, an additional pension contribution of \$3.2 million to more rapidly pay down the City's unfunded liability has been incorporated into the proposed General Fund budget.

3. As the City is currently engaged in a collective bargaining process with its employee groups, the FY 2022/23 proposed budget includes a placeholder salary adjustment of 3.0%.

The operating budget will be adjusted to reflect the terms of any negotiated agreements.

4. Total expenditures in the FY 2022/23 proposed budget include a savings assumption of \$8.0 million (approximately 3.1% of total budgeted expenditures and transfers out in FY 2022/23) 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 996-employee labor force creates vacancy savings. Consequently, the City's actual expenditure totals each year will fall below the budgeted levels. To ensure the City efficiently uses all of its available resources to provide services, savings assumptions for these expenses are built into the budget.

5. The FY 2022/23 proposed budget includes funding for streets, sidewalks, and facilities maintenance, parks and street medians capital replacement, and capital improvements to achieve compliance with ADA standards.

The inability to adequately fund ongoing maintenance and recapitalization of the City's infrastructure is a major concern, but the FY 2022/23 proposed budget includes increased allocations to step up maintenance and capital replacement at City buildings and parks.

General Fund | General Fund Summary

The proposed budget also addresses pressing needs in other areas of the organization and the community, including the addition of public safety staffing and services, funding to develop a Citywide homeless strategy and pursue establishment of a business improvement district, and increased allocations to fully open the new Age Well Center at South Fremont and the Downtown Event Center.

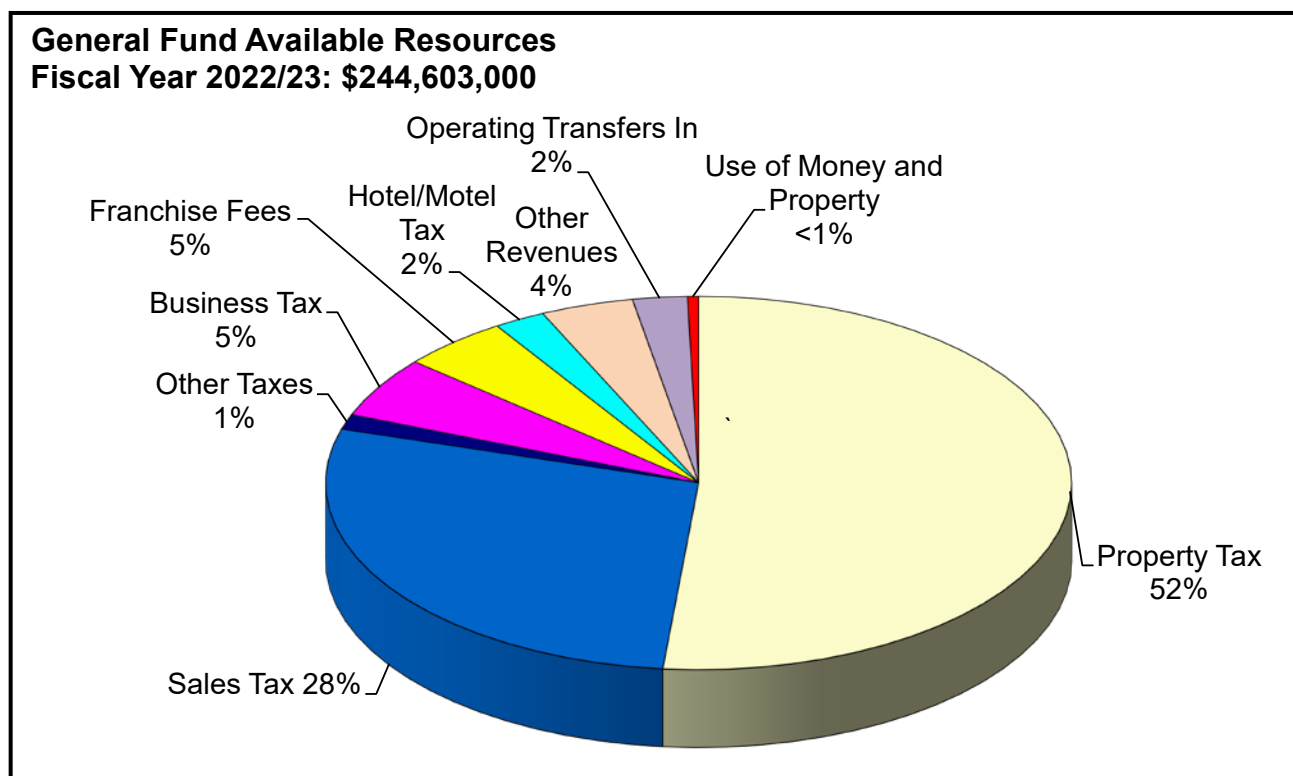
- The General Fund Contingency Reserve will be maintained at 16.7% of total budgeted expenditures and transfers out, the minimum level recommended by the Government Finance Officers Association of the United States and Canada (GFOA).**

Because budgeted expenditures and transfers out are higher for FY 2022/23 than for the prior year, the reserve requirement is increasing by \$3.0 million.

The General Fund Budget Uncertainty Reserve, restored and increased in FY 2021/22, will remain at its current balance of \$10.0 million.

- The proposed budget estimates approximately \$29.9 million of FY 2021/22 ending unreserved fund balance.**

Fiscal recovery funds received in FY 2021/22, totaling \$22.1 million, will be applied to maintain services in the General Fund in FY 2022/23. As part of the FY 2021/22 Year-End Report in Fall 2022, staff will bring forward recommendations for allocating any remaining available ending unreserved fund balance to address one-time priority projects, programs, or reserve augmentation.



Resources

General Fund resources include revenues and transfers into the General Fund from other funds. Total budgeted resources of \$244.6 million and unreserved fund balance (fiscal recovery funds) will be adequate to support total budgeted expenditures of \$249.3 million, so the budget is balanced with no need to use reserves.

Property tax revenues are estimated to total \$117.6 million in FY 2021/22, and staff projects those revenues will increase to \$126.0 million in FY 2022/23, an increase of 7.2%. 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 2022/23 tax roll is an increase of 2%. An estimated increase in value for FY 2022/23 from changes in ownership of 5% is based on property transfer tax data for calendar year 2021 and preliminary information from the County Assessor. An additional estimated increase of 1% for the value of new construction reflects the continuing development activity in Warm Springs and other areas of the City. Property taxes make up 51.5% of estimated FY 2022/23 General Fund resources.

Sales tax revenues are estimated to total \$78.0 million in FY 2021/22, decreasing to \$68.8 million in FY 2022/23. The projected strong performance in FY 2021/22 and subsequent decline stems from approximately \$10.8 million of one-time new auto sales revenue and online retail activity. Without those one-time distortions, sales tax revenues would be estimated to grow approximately 2.2% from the prior year. The largest contributions to sales tax growth continue to come from auto sales and online sales transactions allocated through the County sales tax pool. Sales tax revenues comprise 28.1% of General Fund resources.

Business taxes are projected to yield \$12.6 million in FY 2021/22, increasing by 2.2% to \$12.9 million in FY 2022/23. Both the general business tax and the construction business tax components appear to be recovering from their low points in FY 2020/21, but a portion of the FY 2021/22 growth consists of one-time prior year payments delayed by the pandemic. Business tax makes up 5.3% of General Fund resources.

With average occupancy rates increasing to the 60% range, the estimate for FY 2021/22 hotel/motel tax revenue has increased to \$4.3 million, a 51.9% jump from the prior year actual amount of \$2.8 million. FY 2022/23 hotel/motel tax revenues are estimated to reach \$5.5 million, an increase of 26.0% from the prior year level, and contributing 2.2% 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 2021/22 estimate shows a 3.8% increase from the prior year, with another 2.6% increase estimated for FY 2022/23. The estimated FY 2022/23 franchise fees revenue of \$11.4 million represents 4.7% of General Fund resource.

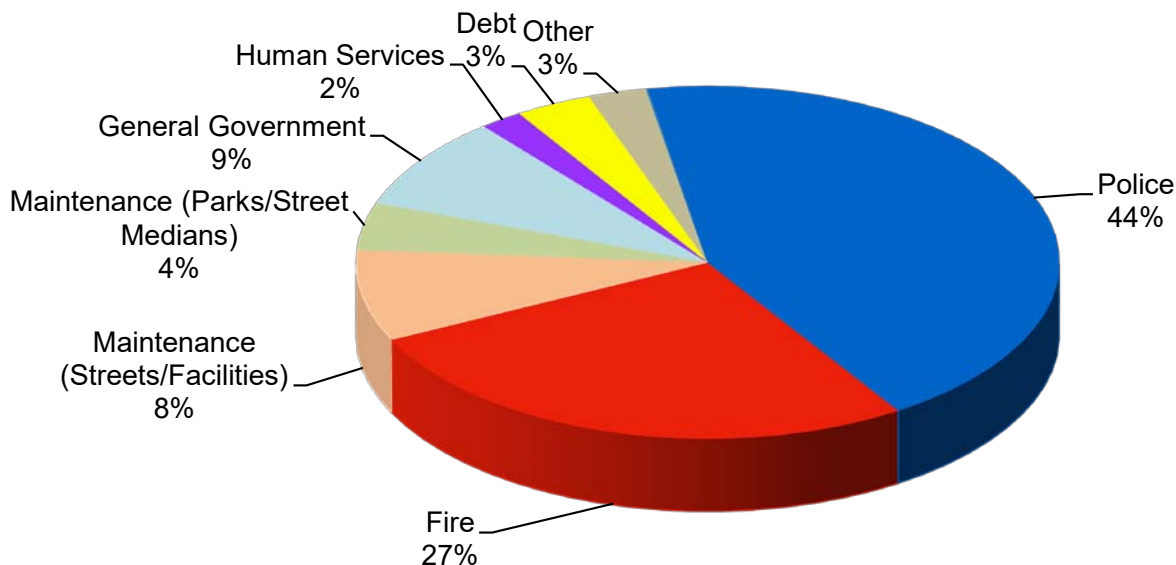
General Fund | General Fund Summary

Change in General Fund Resources FY 2021/22 to FY 2022/23 (\$ millions)

Revenues	FY 2021/22 Budget	FY 2022/23 Budget	Difference
Property Tax	\$ 116.3	\$ 126.0	\$ 9.7
Sales Tax	56.2	68.8	12.6
Franchise Fees	10.7	11.4	0.7
Business Tax	10.6	12.9	2.3
Hotel/Motel Taxes	3.4	5.5	2.1
Other Revenues	11.4	14.2	2.8
Ongoing Revenue Subtotal	208.6	238.8	30.2
Transfer In	6.4	5.8	(0.6)
Total Budgeted Resources	\$ 215.0	\$ 244.6	\$ 29.6

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. \$22.1 million of ARPA fiscal recovery funds are shown in this category in FY 2021/22. After adjusting for one-time revenue items in FY 2021/22, most of these items are anticipated to increase slightly in FY 2022/23 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 2021/22, transfers from other funds are expected to total \$6.4 million, including an ongoing \$1.0 million transfer from the Public Facilities Impact Fee Fund to offset a portion of General Fund debt service payments for public facilities citywide and a one-time transfer of \$1.0 million from the Fire Impact Fee Fund to offset debt service payments for fire station construction. In FY 2022/23, with the elimination of the Fire Impact Fee Fund transfer, transfers from other funds are expected to decrease to \$5.8 million, or 2.4% of available resources.

General Fund Expenditures
Fiscal Year 2022/23: \$234,737,000


Expenditures

The \$249.3 million budgeted for expenditures and transfers out in FY 2022/23 is 7.8% higher than the FY 2021/22 adopted budget, and 10.9% higher than the estimated actual expenditures for FY 2021/22 after adjusting for one-time transfers to the CIP and the retiree healthcare trust.

As displayed in the Budget by Department chart on page 75, the proposed budget maintains the City Council's long-time funding priorities by allocating 81% of the budget to direct costs for public safety and maintenance. As the Budget by Function chart shows, the share of General Fund resources budgeted for these purposes is actually 93% when overhead costs required to support these functions are included.

Basic City services, such as police, fire, and maintenance, are labor-intensive. Therefore, the City's budget is largely driven by labor-related costs, including salaries, retirement system contributions, and health benefits. The majority of the 7.8% increase from the FY 2021/22 adopted budget is the result of increasing labor-related costs and additional staffing including: a 3.0% placeholder for compensation increases currently under negotiation, nine firefighters to staff the new ladder truck company, two police officers, an emergency services coordinator, an animal services manager, a police property officer, a park maintenance worker to support the new Dusterberry Neighborhood Park, a recreation supervisor to oversee operations at the new Downtown Event Center, an accountant, an accounting technician, and a human resources analyst.

Non-Departmental Budget

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

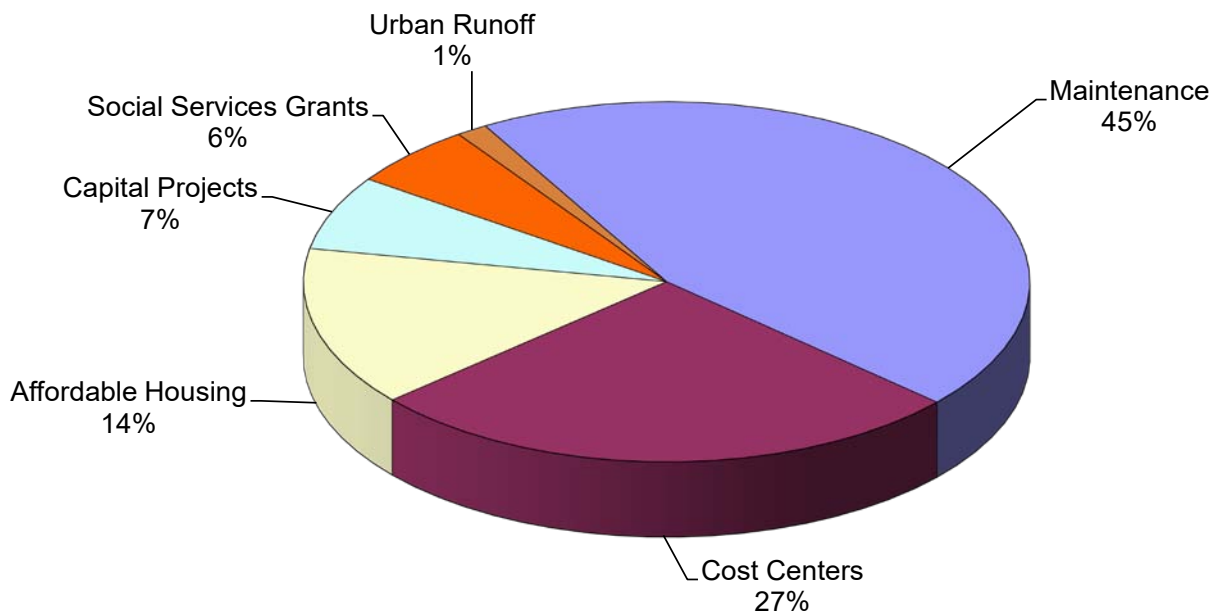
Budgeted Expenditures

• Annual Operating Contingency	\$1,000,000
• Employee Leave Cash-Out	1,400,000
• Election Costs	720,000
• Fremont Library Additional Hours	569,230
• Property Tax Administration Fee	535,000
• Special Events Sponsorship Program	300,000
• Tuition Reimbursement	50,000
Non-Departmental Budget	\$4,574,230

Transfers Out to Other Funds

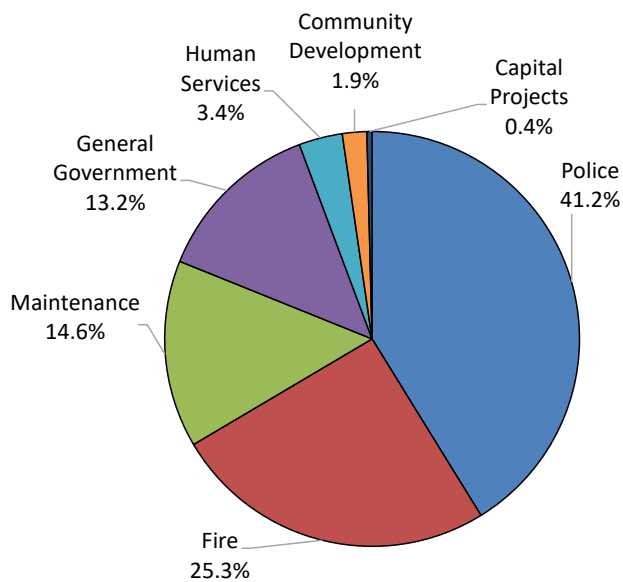
In addition to direct expenditures, the General Fund transfers resources to other funds to support activities that cannot be supported through fees, grants, or charges for service. These activities normally include capital projects, cost center operations, affordable housing and homeless services, the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

**General Fund Transfers Out
Fiscal Year 2022/23: \$14,558,000**

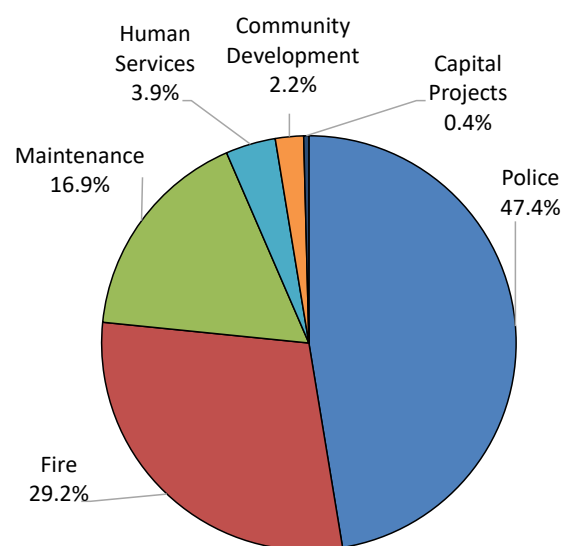


**FY 2022/23
General Fund Budgeted Expenditures and Transfers Out**

Distributed by Department



Distributed by Function



General Fund Reserves

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

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

The table below summarizes the FY 2022/23 projected funding levels for each reserve. The General Fund Contingency Reserve will be established at \$41.6 million and the General Fund Budget Uncertainty Reserve will remain funded at \$10.0 million.

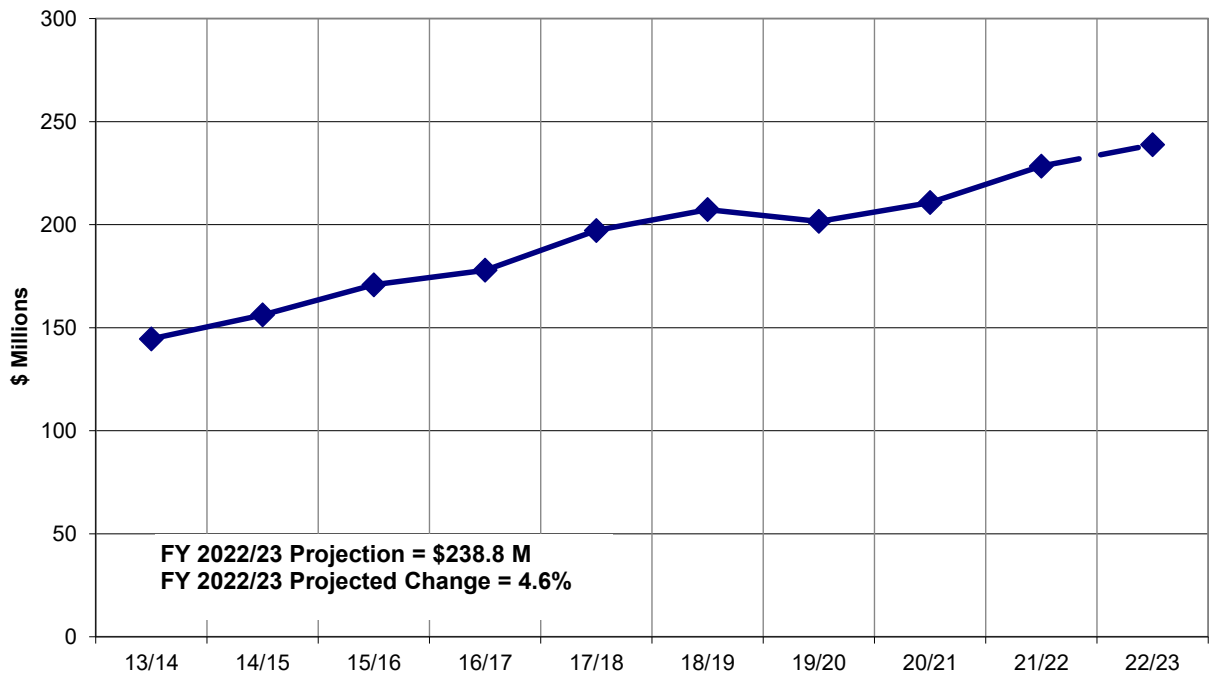
General Fund Reserves (\$ thousands)

	FY 2021/22 Balance	FY 2022/23 Increase	FY 2022/23 Projected Use	FY 2022/23 Balance
Contingency Reserve	\$38,636	\$ 2,996	\$ -	\$41,632
Budget Uncertainty Reserve	10,000	0	-	10,000
Total General Fund Reserves	\$48,636	\$ 2,996	\$ -	\$51,632

General Fund Revenues Overview

Total FY 2022/23 General Fund revenues (excluding transfers in from other funds) are projected at \$238.8 million, which is \$10.4 million, or 4.6%, more than total estimated revenues for FY 2021/22 (excluding the receipt of fiscal recovery funds in FY 2021/22 and estimate one-time sales tax revenue of \$10.8 million).

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

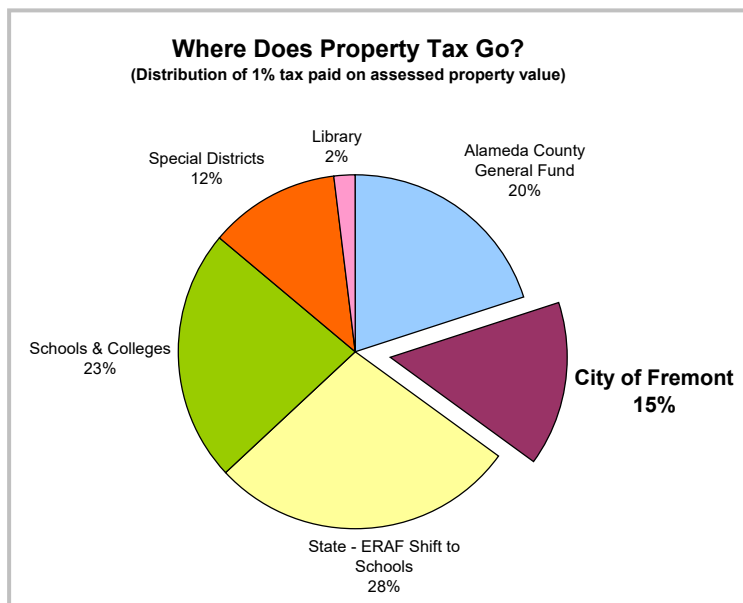


This section provides additional background and forecast information for the following five key General Fund revenue categories that together make up over 90% of General Fund ongoing revenues:

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

Property Taxes

Description: Property tax is an ad valorem tax (based on value) imposed on real property (land and permanently attached improvements such as buildings) and personal (movable) property. Proposition 13, adopted by California voters on June 6, 1978, created a comprehensive system for the assessment and limitation of real property taxes. Property owners pay the tax based on their real property's adjusted assessed full value. Proposition 13 set the FY 1975/76 assessed values as the base year from which future annual inflationary assessed value increases would grow (not to exceed 2% for any given year). The County Assessor also reappraises each real property parcel when there are changes in ownership or new construction. The County Assessor may also temporarily reduce a property's assessed value if the market value falls below the Proposition 13 level (often referred to as a "Proposition 8" adjustment), but is required to restore the Proposition 13 assessment in subsequent years if the market value increase to that level or above. Proposition 13 limits the property tax rate to 1% of each property's full value plus overriding rates to pay voters' specifically approved indebtedness. Property taxes are the City's single largest revenue source; comprising 52.8% of total FY 2022/23 projected revenues, or \$126.0 million.

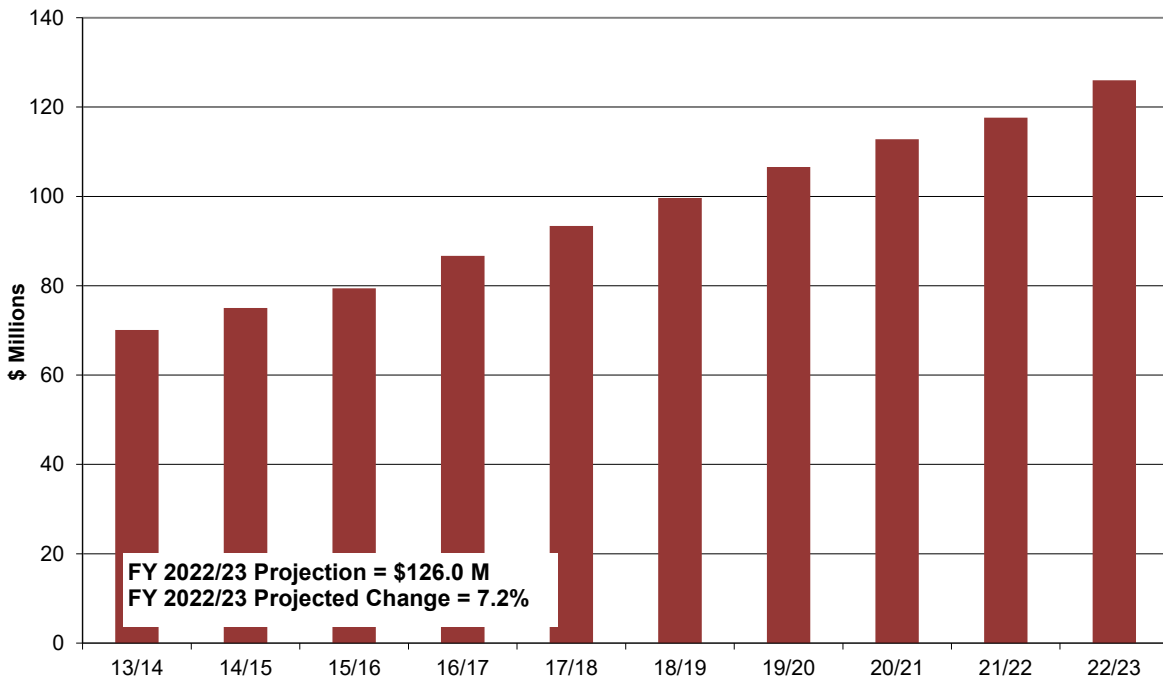


The City of Fremont receives approximately 15 cents of every dollar of property tax paid. Alameda County and the schools, including Fremont Unified School District, receive most of the revenue from property taxes assessed on property located in the City.

Forecast: Property tax revenues are estimated to total \$117.6 million in FY 2021/22. Staff projects property tax revenues for FY 2022/23 will increase to \$126.0 million. The assessed valuation for secured property is based on the value as of January 1, 2022. The change in total property tax from FY 2021/22 to FY 2022/23 is an increase of 7.2%.

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

Property Tax History and Forecast
(FY 2013/14 - FY 2022/23)



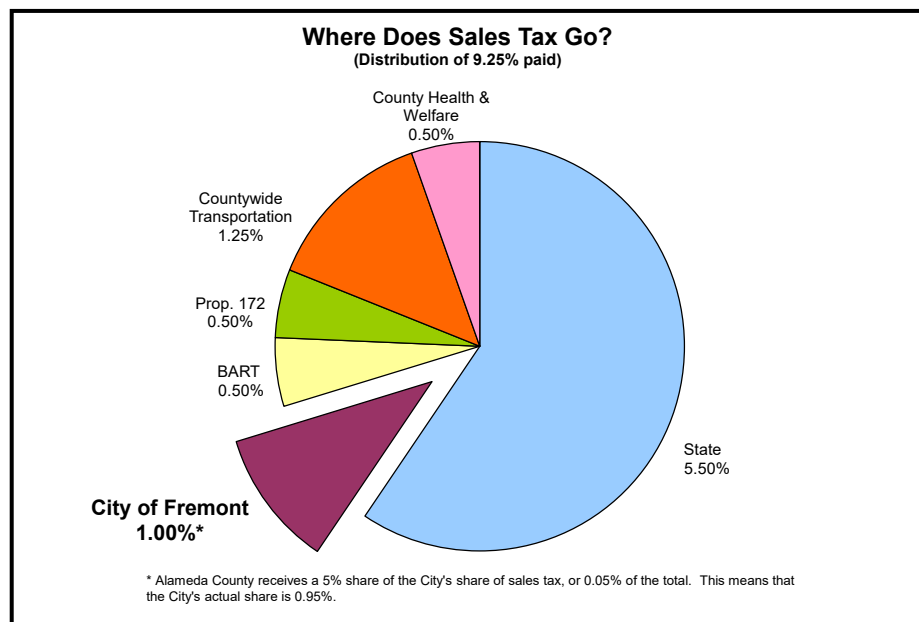
Under Proposition 13, assessed values of all real property adjust with the California Consumer Price Index (CCPI), with a 2% limit, unless there is a change in ownership or new construction. The CCPI adjustment for the FY 2022/23 tax roll is an increase of 2%. The estimated increase in secured property value for FY 2022/23 from changes in ownership of 5% is based on property transfer tax data for calendar year 2021 and preliminary information from the County Assessor. An additional estimated increase of 1% for the value of new construction reflects the continuing development activity in Warm Springs and other areas of the City.

General Fund | General Fund Revenues

Sales and Use Taxes

Description: The City receives 1% of the sales tax charged on taxable sales. This activity includes general retail sales to consumers, business-to-business transactions, automobile purchases, and fuel sales. The accompanying pie chart illustrates the composition of the City's sales tax base. Auto sales, business-to-business transactions, and web-based purchases distributed through the County pool make up more than 70% of total sales tax revenue.

Sales tax is collected on the sale of taxable goods within Fremont. Use tax is the corresponding tax on transactions involving taxable goods purchased out of state for use or storage in Fremont. Sales and use taxes are collected by the State, which then pays local government its respective share. Sales and use taxes (collectively, "Sales Taxes" in the budget) are the City's second-largest revenue source and comprise about 28.8% of FY 2022/23 General Fund revenues.



Projection Component	FY 2021/22 Estimated	FY 2022/23 Proposed	Difference
Sales and Use Tax	\$76.0 million	\$66.7 million	-\$9.3 million
Proposition 172 Sales Taxes	2.0 million	2.1 million	0.1 million
Total	\$78.0 million	\$68.8 million	-\$9.2 million

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

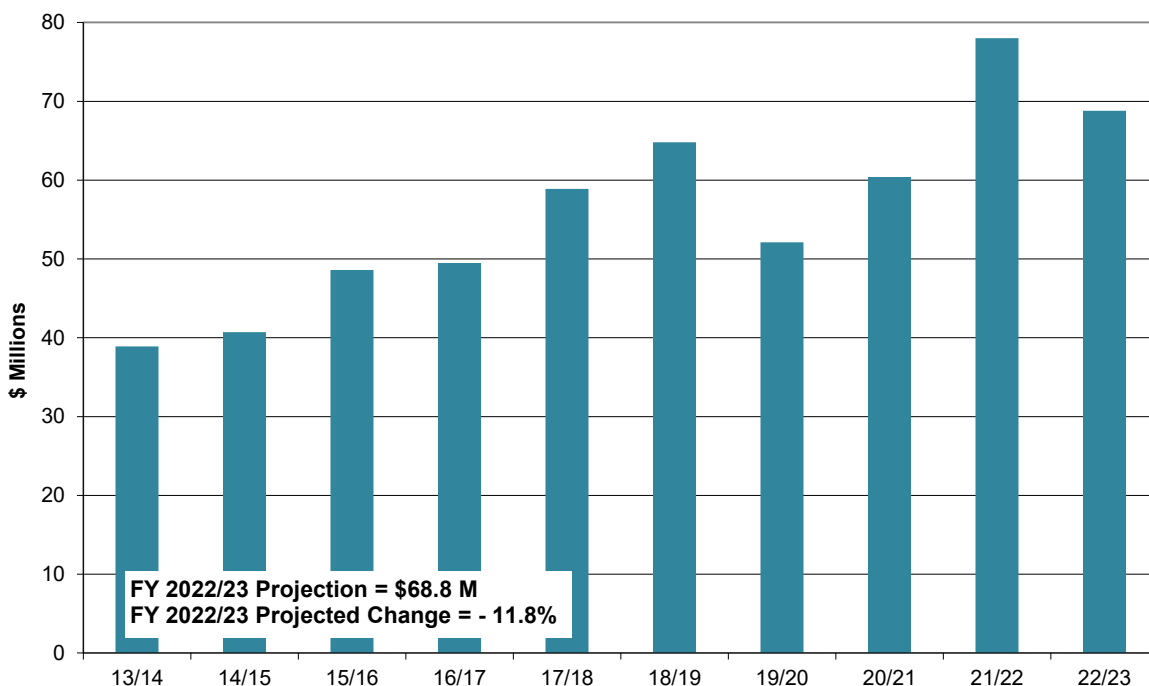
Current year sales tax revenues are expected to reach \$76.0 million, a 29.6% increase over FY 2020/21. The FY 2021/22 estimate, however, includes a one-time spike in revenue in the first two quarters of the year related to unusually high new auto sales and a larger than typical share of the County sales tax pool. Without those distortions, FY 2021/22 sales tax revenues would be estimated to grow approximately 11.2% from the prior year.

Based on information from the City's sales tax consultant, approximately \$10.8 million of current year revenue relating to new auto sales and online sales is one-time in nature. The FY 2022/23 proposed budget estimates \$66.7 million of sales tax revenue, or \$9.3 million (12.3%) lower than FY 2021/22. Without the estimated \$10.8 million of one-time revenue in FY 2021/22, the annual growth would be 2.2%.

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 2021/22, the City's share is expected to be approximately \$2.0 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 2022/23, the Proposition 172 component of the City's sales tax revenues is projected to increase slightly to \$2.1 million.

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

Sales Tax History and Forecast (FY 2013/14 - FY 2022/23)



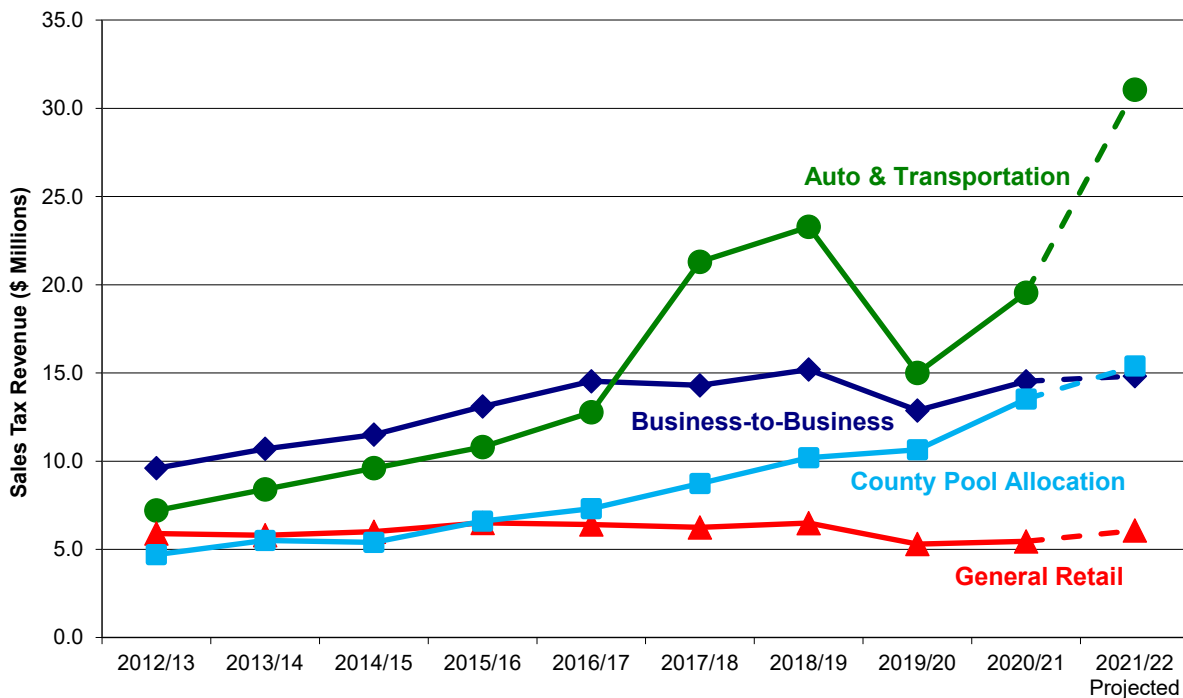
General Fund | General Fund Revenues

Key Factors in the Forecast: The City has a well-diversified sales tax base, and most of the sales tax segments appear to be recovering well in FY 2021/22 from the pandemic-related declines in the two prior years. Adjusted for the one-time revenue in FY 2021/22 as discussed above, the forecast assumes most locally-generated revenues will return to the pre-pandemic historical growth rate in FY 2022/23 and the subsequent years.

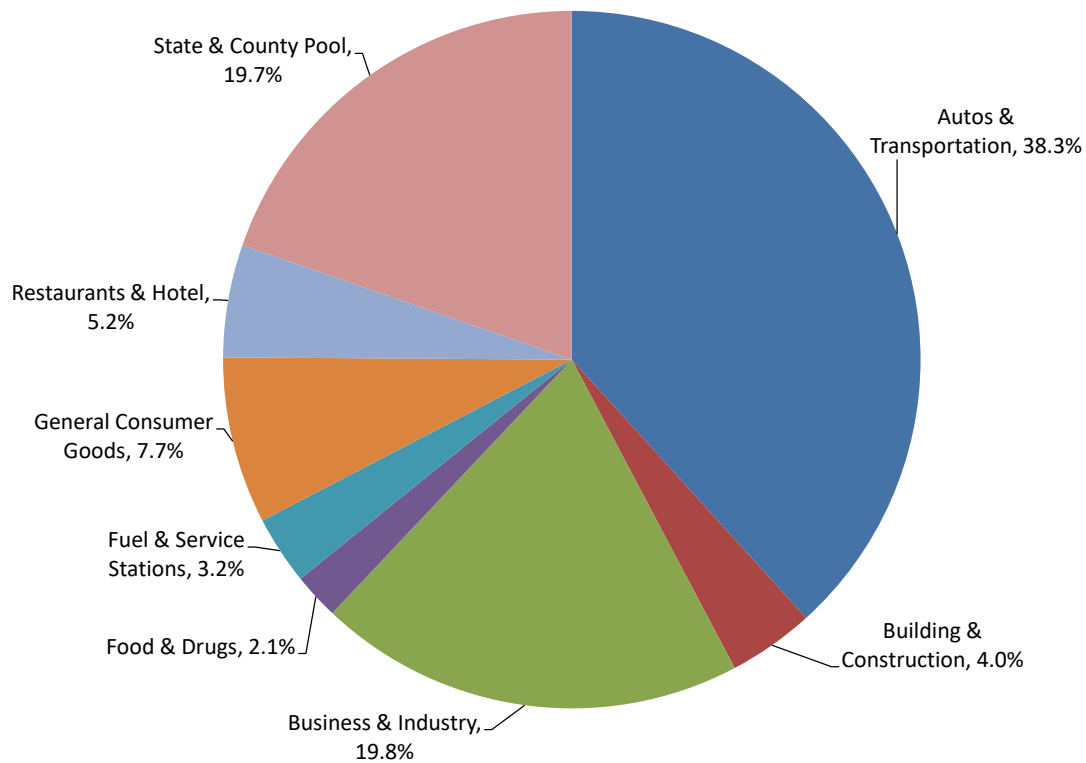
Sales and use taxes generated from online purchases rose rapidly in 2019/20 and 2020/21. Part of that growth was prompted by the temporary closure of “brick and mortar” retail outlets due to pandemic-related public health restrictions. Most, however, was due to implementation of the U.S. Supreme Court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

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

Evolving Composition of Major Sales Tax Revenue Resources



Sales Tax Base Composition Calendar Year 2021



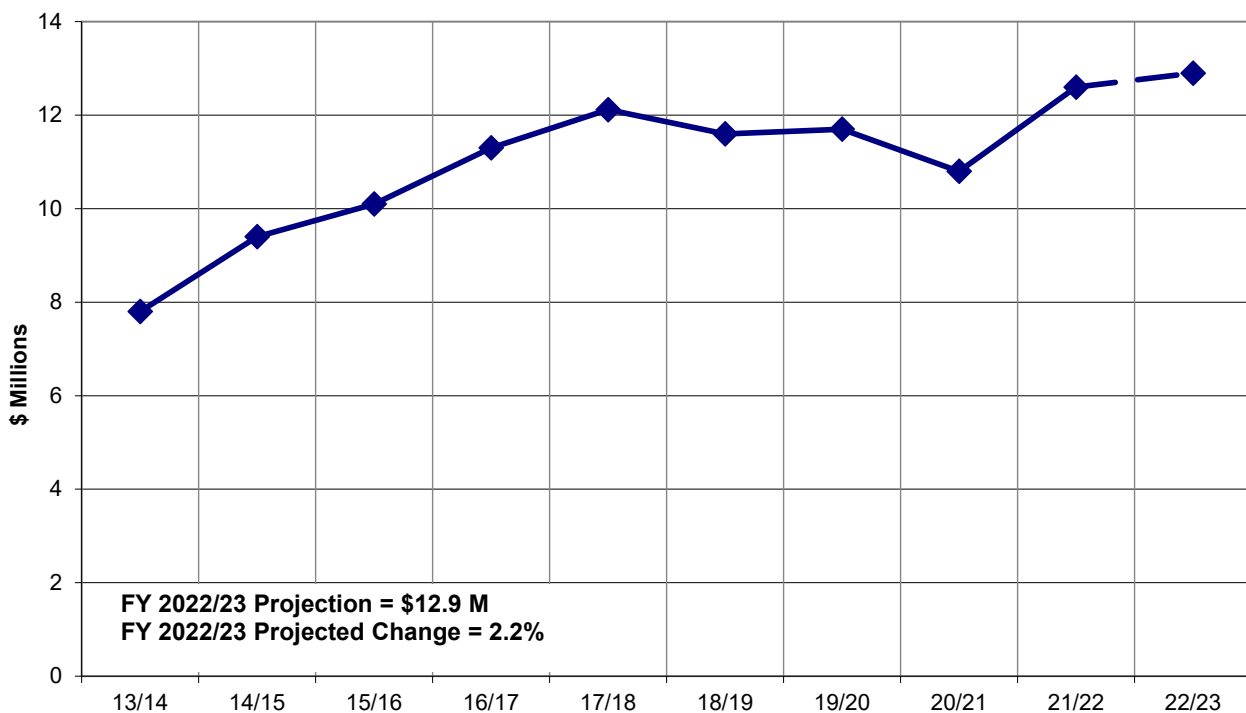
Business Taxes

Description: Business taxes are paid by individuals and entities for the privilege of conducting business in Fremont and to help pay for public services that contribute to a favorable business environment. The tax rate depends upon the type and size of the business. Some businesses pay a flat rate, but most pay based on either their gross receipts or payroll. Business tax receipts tend to fluctuate with economic cycles, though to a lesser degree than sales taxes.

Forecast: Business taxes are projected to yield \$12.6 million in FY 2021/22, an increase of 16.6% from the prior year. To aid local businesses impacted by the pandemic, the City waived penalties and interest on delinquent business taxes during calendar years 2020 and 2021. As a result, a portion of the current year revenue consists of delinquent prior year business taxes that are now being paid to avoid accruing penalties and interest. The FY 2022/23 business tax estimate is \$12.9 million, an increase of 2.2%. Business tax makes up 5.4% of General Fund revenues.

Key Factors in the Forecast: As it appears that much of the adverse impact of pandemic-related business restrictions ended in 2021, the forecast assumes a return to the pre-pandemic historical growth rate in FY 2022/23 and the subsequent years.

Business Tax History and Forecast (FY 2013/14 - FY 2022/23)



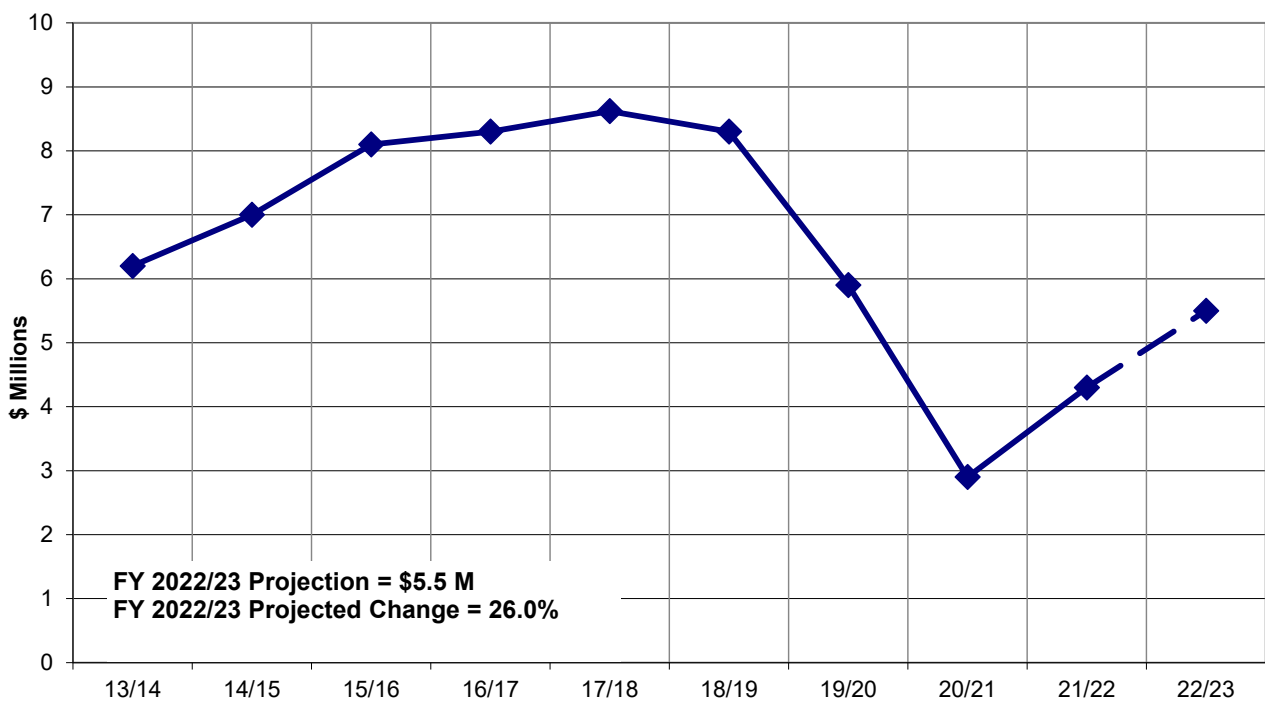
Hotel/Motel Occupancy Taxes

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 \$4.3 million in FY 2021/22, an increase of 51.9% from the prior year. While occupancy rates have recovered to approximately 60%, room rates remain well below their pre-pandemic levels. FY 2022/23 hotel/motel occupancy tax revenues are estimated at \$5.5 million, an increase of 26.0%, constituting 2.3% of General Fund revenues.

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

Hotel/Motel Tax History and Forecast (FY 2013/14 - FY 2022/23)



Franchise Fees

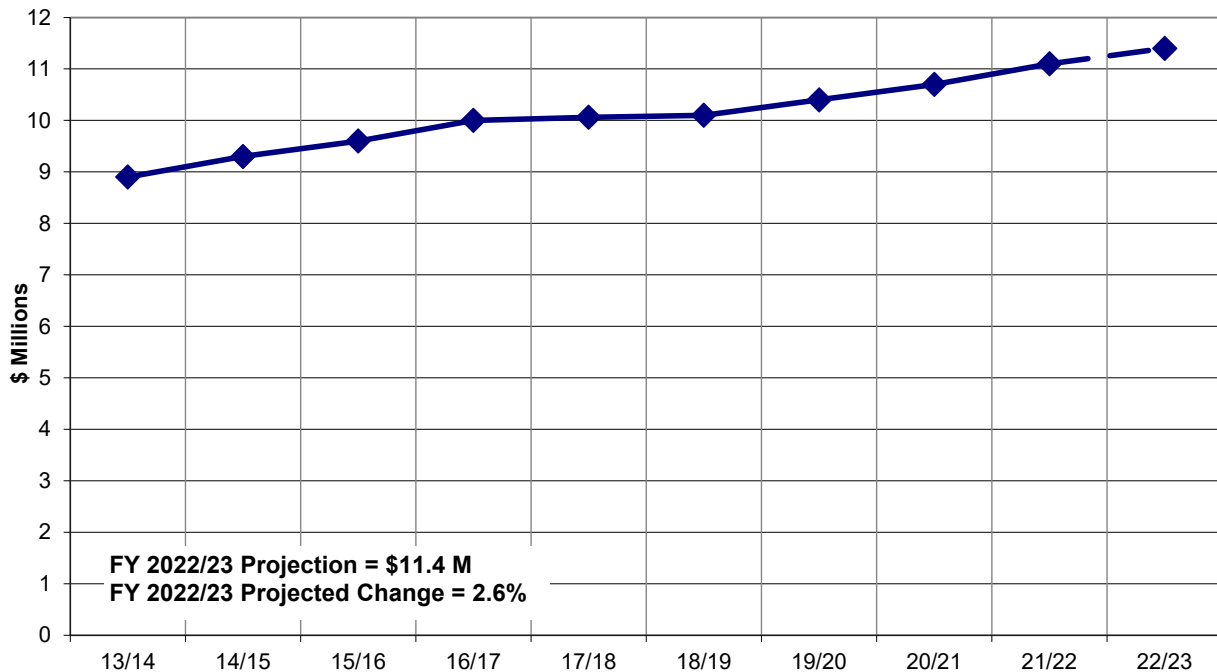
Description: State law provides cities with the authority to grant franchises to privately-owned utility and other companies for their use of the public right-of-way. The City receives franchise fees from the electric and gas utility, the solid waste collection company, local cable companies, and certain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

The maximum gas and electric franchise rate is the greater of 1% on gas and electric adjusted gross revenues or 2% of the asset investment base within the City, as set by California law. PG&E pays its electric and gas utility franchise fee annually in April based on its revenues for the preceding calendar year. Gas and electric utility franchise revenues for FY 2022/23 will likely be computed as 1% of PG&E's adjusted gross revenues (the 1% of revenues method generally results in a greater fee than the 2% of invested assets method) for calendar year 2022, and will be received by the City in April 2023.

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

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

Franchise Fees History and Forecast (FY 2013/14 - FY 2022/23)



Forecast: The FY 2021/22 estimate shows a 3.8% increase from the prior year, with an additional 2.6% increase projected for FY 2022/23. The projected FY 2022/23 franchise fees revenue of \$11.4 million represents 4.8% of General Fund revenues.

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

- Electricity franchise: PG&E franchise fee revenues change because of changes to the cost of natural gas and other resources used to generate electricity, consumer power demands (which are affected by the economy), interstate energy contract pricing, and State and federal regulatory changes. The forecast assumes that the City's gas and electricity franchise fees will increase 3.8% in FY 2022/23, reflecting the long-term trend.
- Cable franchise: AB 2987 was signed into California law and became effective January 1, 2007. This legislation transferred the franchising functions to the state and set a fixed franchise fee of 5%. Based on collections through April, the FY 2021/22 estimate is \$1.6 million. The estimate reflects a 4.5% decrease from the prior year. The FY 2022/23 projection of \$1.5 million assumes a 5.7% reduction, consistent with the trend over the last five years. The decline in this category is likely the result of consumer shifts toward television access technologies which are not subject to the franchise fee.
- Solid waste collection franchise: Solid waste collection ("garbage") franchise fee revenues are estimated at \$5.6 million in FY 2021/22, with a projected increase in FY 2022/23 of 4.2% for revenue of \$5.9 million. Solid waste rate increases typically occur every other year, in even years, with the last increase occurring in January 2022. With an increased focus on recycling (which is not subject to franchise fees), new revenue growth will likely be coming primarily from fee increases and new development adding to the customer base.

General Fund Forecast

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

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

The key forecast assumptions are as follows:

- The second allocation of fiscal recovery funds will be recognized in FY 2021/22 and be applied to maintain services in the General Fund in FY 2022/23 and subsequent forecast years as needed.
- 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 2023/24 and FY 2024/25. Changes in property ownership will return to their historical levels, and new construction in Warm Springs and other areas of the City will further add to the property tax roll.
- Locally generated sales tax revenues will increase at their pre-pandemic annual rate of just over 3%. However, the more volatile revenues generated from auto sales and online transactions in the County pool are being forecast at the expected levels for FY 2022/23 with no growth component.
- Business tax revenue will have recovered in FY 2022/23, with growth in the forecast years projected at the long-term average of about 3%.
- Hotel/motel tax revenue will recover at an annual rate of 26% in FY 2022/23, growing in the following two years at a rate of just over 6%, the average rate during the five years prior to the pandemic.
- The placeholder salary adjustment of 3.0% included in the FY 2022/23 proposed budget is assumed to be part of a three-year agreement. Accordingly, additional 3.0% adjustments are included in the two forecast years.
- 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 2022/23 proposed budget has been included in the forecast.

- Commitments for all scheduled debt service costs are included.
- Annual transfers for maintenance and ADA projects contained in the Adopted FY 2021/22-2025/26 CIP are included, but buildings and parks maintenance levels have been increased by \$1 million each consistent with the amounts proposed for FY 2022/23.
- The General Fund Contingency Reserve will be maintained at 16.7% of total budgeted expenditures and transfers out, the minimum level recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The funding level for the Budget Uncertainty Reserve is maintained throughout the forecast at \$10.0 million.

The General Fund forecast is located on page 90 of the budget document. Estimated resources, including the second installment of fiscal recovery funds, will cover proposed costs in FY 2022/23, and any remaining fiscal recovery funds will help maintain General Fund services as needed in the following two fiscal years.

General Fund | General Fund Forecast

General Fund Proposed Budget and Forecast Through FY 2024/25 (Thousands of Dollars)

	Est Actual FY 21/22	Proposed FY 22/23	Projected FY 23/24	Projected FY 24/25
Sources				
Beginning Unreserved Fund Balance	\$ 27,102	\$ 29,931	\$ 22,243	\$ 18,287
Revenues				
Taxes:				
Property Tax	117,617	126,041	133,881	142,229
Sales Tax	78,030	68,768	70,358	72,001
Business Tax	12,619	12,895	13,277	13,670
Hotel/Motel Tax	4,328	5,452	5,801	6,172
Property Transfer Tax	3,311	1,967	2,071	2,181
Paramedic Tax	1,231	1,245	1,258	1,272
Franchise Fees	11,136	11,426	11,595	11,980
Charges for Services	6,624	6,426	6,470	6,516
Fines	2,672	2,819	2,819	2,819
Use of Money and Property	1,176	1,181	1,181	1,181
Intergovernmental	22,515	329	329	329
Other Revenues	89	270	270	270
Total Revenues	261,348	238,819	249,310	260,620
Transfers In	6,446	5,784	5,920	6,060
Total Sources	294,896	274,534	277,473	284,967
Uses				
Expenditures				
General Government	17,302	20,788	21,484	22,302
Police	93,997	106,001	109,552	113,719
Fire	59,336	65,203	67,387	69,950
Maintenance (Streets/Facilities)	17,309	20,400	21,083	21,885
Maintenance (Parks/Street Median/Landscape)	9,141	10,511	10,863	11,276
Human Services	4,168	4,791	4,951	5,140
Code Enforcement/Community Development Admin	1,665	1,951	2,016	2,093
Non-departmental	1,165	4,574	4,724	4,029
Less: Citywide Savings		(8,000)	(7,000)	(6,000)
Debt Service	8,534	8,518	8,518	8,510
Total Expenditures	212,617	234,737	243,580	252,904
Transfers Out				
Capital Projects	27,695	7,524	7,000	7,000
Retiree Healthcare Trust	10,000	-	-	-
Cost Center Allocations	4,353	3,923	4,041	4,162
Affordable Housing	1,828	2,088	2,066	2,194
Urban Runoff	139	202	237	273
Social Services Grants	798	821	846	872
Total Transfers Out	44,813	14,558	14,190	14,501
Total Uses	257,430	249,295	257,770	267,405
Ending Fund Balance				
Contingency Reserve	38,636	41,632	43,048	44,657
Budget Uncertainty Reserve	10,000	10,000	10,000	10,000
Reserved Fund Balance	48,636	51,632	53,048	54,657
Unreserved Fund Balance	29,931	22,243	18,287	15,953
Total Ending Fund Balance	\$ 78,567	\$ 73,875	\$ 71,335	\$ 70,610

Notes:

American Rescue Plan Act fiscal recovery funds are shown as Intergovernmental Revenue: \$22.1 million in FY 2021/22.

General Fund | Transfer Detail

Transfers In	Estimated Actual FY 2021/22	Proposed FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
Overhead Transfers In From Other Funds:				
Development Cost Center (Funds 391, 392, 393)	\$ 2,838	\$ 2,796	\$ 2,880	\$ 2,966
Human Services (various grant funds)	472	531	547	563
Environmental Services (Fund 115)	359	433	446	459
Bond/CFD Funds (Funds 070, 757, 758, 759)	109	377	388	400
Affordable Housing Funds (Funds 111, 196)	174	199	205	211
Paratransit Grants (Funds 176, 178, 252)	193	148	152	157
Lighting/Landscape Maint Dist (Fund 160)	31	33	34	35
Rent Review (Fund 197)	20	17	18	19
Sub-total Transfers In from Other Funds	4,196	4,534	4,670	4,810
Miscellaneous Recurring Transfers In:				
Impact Fee Debt Service Reimbursement	2,000	1,000	1,000	1,000
Family Resource Center Maintenance Support	250	250	250	250
Sub-total Misc. Recurring Transfers In	2,250	1,250	1,250	1,250
TOTAL OPERATING TRANSFERS IN	\$ 6,446	\$ 5,784	\$ 5,920	\$ 6,060

Transfers Out	Estimated Actual FY 2021/22	Proposed FY 2022/23	Projected FY 2023/24	Projected FY 2024/25
Transfers to the CIP:				
Street and Sidewalk Maintenance	\$ 2,550	\$ 2,550	\$ 2,550	\$ 2,550
Parks and Median Capital Replacement	1,000	2,000	2,000	2,000
Facilities Maintenance	1,000	2,000	2,000	2,000
ADA Facility Improvements	450	450	450	450
Other Capital Projects	22,695	524	-	-
Sub-total - Transfers to the CIP	27,695	7,524	7,000	7,000
Cost Center Allocations:				
Community Development Cost Center	2,212	2,897	2,984	3,073
Recreation Cost Center	1,324	-	-	-
Senior Center Cost Center	817	1,026	1,057	1,089
Sub-total - Cost Center Allocations	4,353	3,923	4,041	4,162
Other Transfers from the GF:				
Affordable Housing and Homeless Services	1,828	2,088	2,066	2,194
Social Service Grants	798	821	846	872
Urban Runoff Clean Water Program	139	202	237	273
Retiree Healthcare Trust	10,000	-	-	-
Sub-total - Other transfers	12,765	3,111	3,149	3,339
TOTAL OPERATING TRANSFERS OUT	\$ 44,813	\$ 14,558	\$ 14,190	\$ 14,501

General Fund | Historical Comparison

General Fund Historical and Proposed Budget 2022/23 (Thousands of Dollars)

	FY 17/18 Actual	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Actual	FY 21/22 Estimated Actual	FY 22/23 Proposed Budget
Sources						
Beginning Unreserved Fund Balance	\$ 7,940	\$ 18,011	\$ 16,726	\$ 1,665	\$ 27,102	\$ 29,931
Revenues						
Taxes:						
Property Tax	93,363	99,606	106,563	112,813	117,617	126,041
Sales Tax	58,903	64,831	52,067	60,430	78,030	68,768
Business Tax	12,117	11,566	11,677	10,824	12,619	12,895
Hotel/Motel Tax	8,620	8,292	5,915	2,848	4,328	5,452
Property Transfer Tax	1,894	1,900	1,844	2,282	3,311	1,967
Paramedic Tax	1,173	1,176	1,185	1,202	1,231	1,245
Franchise Fees	10,061	10,112	10,421	10,727	11,136	11,426
Charges for Services	7,136	6,238	6,261	5,955	6,624	6,426
Fines	2,336	1,975	1,761	1,124	2,672	2,819
Use of Money and Property	904	1,093	2,145	1,146	1,176	1,181
Intergovernmental	283	234	611	20,327	22,515	329
Other Revenues	419	243	1,325	993	89	270
Total Revenues	197,209	207,266	201,775	230,671	261,348	238,819
Transfers In	6,499	6,856	7,348	7,576	6,446	5,784
Total Sources	211,648	232,133	225,849	239,912	294,896	274,534
Uses						
Expenditures						
General Government	14,841	15,664	17,023	17,005	17,302	20,788
Police	76,470	80,805	89,134	91,320	93,997	106,001
Fire	47,252	49,552	53,915	55,708	59,336	65,203
Maintenance (Streets/Facilities)	14,758	15,521	16,921	16,776	17,309	20,400
Maintenance (Parks/Street Medians)	8,351	8,249	9,140	8,954	9,141	10,511
Human Services	3,447	3,677	4,827	4,339	4,168	4,791
Code Enforcement/Community Development Admin	1,619	1,793	1,929	1,490	1,665	1,951
Non-departmental	2,176	1,482	1,021	1,430	1,165	4,574
Less: Citywide Savings	-	-	-	-	-	(8,000)
Debt Service	8,145	8,476	9,066	8,639	8,534	8,518
Total Expenditures	177,059	185,219	202,976	205,661	212,617	234,737
Transfers Out	15,224	27,954	13,530	8,242	44,813	14,558
Total Uses	192,283	213,173	216,506	213,903	257,430	249,295
Ending Fund Balance						
Reserved Fund Balance	32,283	34,516	42,194	41,101	48,636	51,632
Unreserved Fund Balance	18,011	16,726	1,665	27,102	29,931	22,243
Total Ending Fund Balance	\$ 50,294	\$ 51,242	\$ 43,859	\$ 68,203	\$ 78,567	\$ 73,875

Notes:

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

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

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

Other Funds

Other Funds

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

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

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



Other Funds

Summary of All Other Funds (Thousands of Dollars)

	Cost Center/ Internal Services Funds	Special Revenue Funds	Capital Funds	Total
Sources				
Beginning Unreserved Fund Balance	\$ 24,557	\$ 108,874	\$ 86,488	\$ 219,919
Revenues				
Taxes:				
Property Tax	-	3,080	-	3,080
Sales Tax	-	1,475	-	1,475
Business Tax	-	-	-	-
Hotel/Motel Tax	-	-	-	-
Property Transfer Tax	-	-	-	-
Paramedic Tax	-	-	-	-
Franchise Fees	-	-	-	-
Charges for Services	42,404	14,397	333	57,134
Fines	-	-	-	-
Use of Money and Property	636	527	1,694	2,857
Intergovernmental	440	12,590	17,521	30,551
Other Revenues	2,426	10,560	18,500	31,486
Total Revenues	45,906	42,629	38,048	126,583
Transfers In	3,923	3,111	8,274	15,308
Total Sources	74,386	154,614	132,810	361,810
Uses				
Expenditures				
General Government	-	-	-	-
Police	-	793	-	793
Fire	-	186	-	186
Maintenance (Streets/Facilities)	-	-	1,675	1,675
Maintenance (Parks/Street Medians)	-	2,846	-	2,846
Code Enforcement/Community Development Admin	-	577	-	577
Housing	-	29,330	-	29,330
Environmental Services	-	11,970	-	11,970
Engineering	15,306	-	-	15,306
Planning	5,572	-	-	5,572
Building and Safety	12,641	-	-	12,641
Human Services	1,824	16,221	-	18,045
Recreation	10,391	-	-	10,391
Landscape	2,239	-	-	2,239
Homeless Services	-	2,684	-	2,684
Non-departmental	1,049	-	-	1,049
Capital	(284)	-	26,228	25,944
Less: Citywide Savings	-	-	-	-
Debt Service	-	3,231	-	3,231
Total Expenditures	48,738	67,838	27,903	144,479
Transfers Out	3,546	1,701	1,287	6,534
Total Uses	52,284	69,539	29,190	151,013
Ending Fund Balance				
Reserved Fund Balance	30,144	6,430	-	36,574
Unreserved Fund Balance	22,419	84,513	91,738	198,669
Total Ending Fund Balance	\$ 52,563	\$ 90,943	\$ 91,738	\$ 235,243

Cost Centers and Internal Service Funds

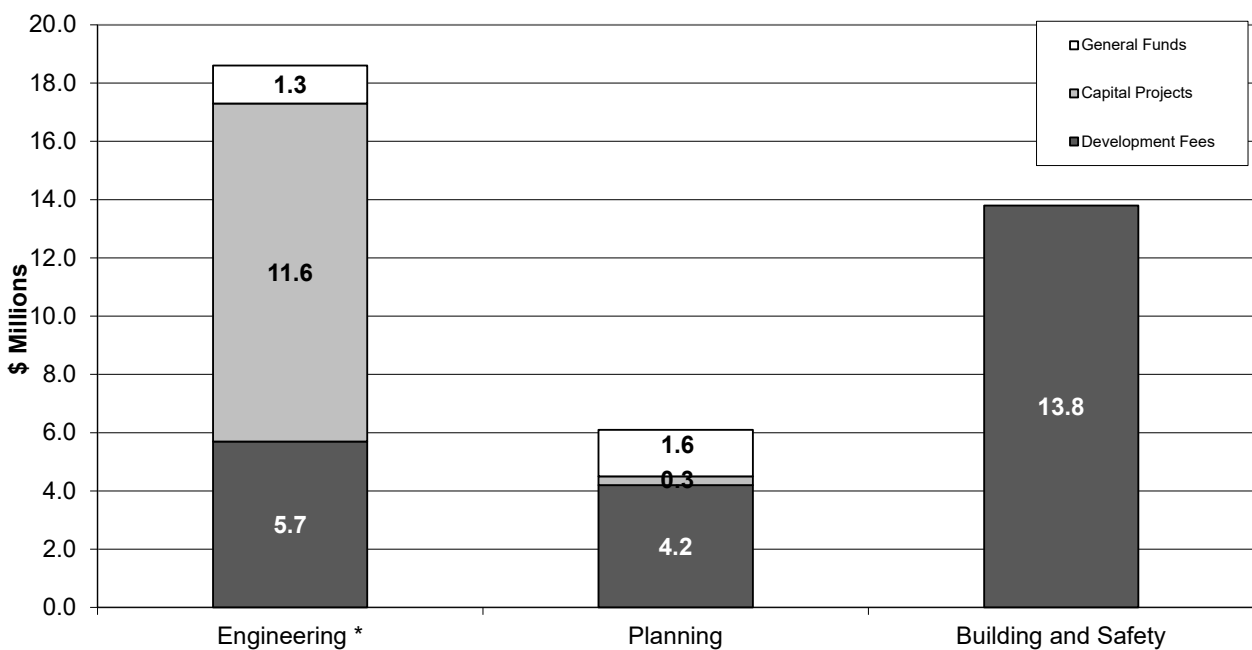
The City uses cost centers to account for City activities that are predominantly fee-based. These funds receive revenues from external users in the form of fees for services and transfers from other funds for work on City projects. The cost centers are intended to maintain their fund balances from year 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 2022/23, the General Fund will transfer \$2.9 million to the Development Cost Center, to be allocated among the Planning, Engineering, and Landscape Architecture Divisions to support their work programs. The work funded by the General Fund allocation generally includes updating and maintaining the City's General Plan and Zoning Ordinance, implementing the Climate Action Plan, responding to traffic service requests, providing general customer service not associated with a particular project, and responding to City Council referrals.

Development Cost Center Funding Sources: FY 2022/23 Budget



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

Other Funds | Cost Centers and Internal Service Funds

The City Council has established a Development Cost Center operational contingency reserve to help maintain service levels during temporary slowdowns in development activity, as well as a technology and system improvement reserve to provide funding for investments in permitting technology. The Development Cost Center also collects a Community Planning Fee to recover a portion of the costs associated with the annual maintenance and comprehensive updates to the General Plan and Zoning Ordinance. The Community Planning Fee is assessed on each building permit plan checked and issued. At the end of FY 2022/23, the fund balance is projected to be \$22.5 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 2022/23, the Recreation Cost Center expects to receive 94% of its \$9 million in ongoing resources from program and user fees, with 6% coming from state grant, other revenue, and investment income. Beginning in FY 2022/23, the park ranger program is budgeted in the General Fund rather than the Recreation Cost Center.

The City Council has established a Recreation Cost Center contingency reserve to help maintain service levels during economic downturns or address revenue shortfalls. The contingency reserve requirement is set at 15% of annual operating expenditures and will be established at \$1.6 million for FY 2022/23. Due to anticipated reduced program participation levels in FY 2022/23, the Recreation Cost Center is projected to use most of its contingency reserve and end the year with a \$2.6 million fund balance.

Senior Center Cost Center

This cost center accounts for revenues and expenditures for programs administered by the Aging and Family Services (AFS) Division of the Human Services Department for the 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 2022/23, the amount of General Fund support for the Senior Center Cost Center will be \$1.03 million, or 26% more than the FY 2021/22 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 \$8.5 million in FY 2022/23.

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 \$14.5 million in

FY 2022/23 for information technology services operations and various capital replacement purchases and software upgrades. The expenditure budget for this fund is increasing by \$1.3 million, or 10% from the adopted FY 2021/2022 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. In FY 2022/23, the budgeted contribution to the CERBT for retiree healthcare is \$9.9 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 2022/23 contribution from the General Fund is budgeted at \$2.1 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 2022/23 are budgeted to total \$2.1 million.

Other Funds | Cost Centers and Internal Service Funds

Cost Centers/Internal Service Funds (Thousands of Dollars)

	Budget 2020/21	Budget 2021/22	Proposed 2022/23
Sources			
Beginning Unreserved Fund Balance	\$ 28,065	\$ 36,876	\$ 24,557
Revenues			
Taxes:			
Property Tax	-	-	-
Sales Tax	-	-	-
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	36,455	37,000	42,404
Fines	-	-	-
Use of Money and Property	817	776	636
Intergovernmental	-	69	440
Other Revenues	2,279	2,431	2,426
Total Revenues	39,551	40,276	45,906
Transfers In	5,605	4,353	3,923
Total Sources	73,221	81,505	74,386
Uses			
Expenditures			
General Government	-	-	-
Police	-	-	-
Fire	-	-	-
Engineering	13,643	14,130	15,306
Planning	5,023	5,211	5,572
Building and Safety	11,367	11,392	12,641
Human Services	1,328	1,764	1,824
Recreation	10,110	9,527	10,391
Landscape	1,954	2,031	2,239
Non-departmental	1,659	2,247	1,049
Capital	3,608	39	(284)
Less: Citywide Savings	-	-	-
Debt Service	-	-	-
Total Expenditures	48,692	46,341	48,738
Transfers Out	5,434	3,588	3,546
Total Uses	54,126	49,929	52,284
Ending Fund Balance			
Reserved Fund Balance	28,747	28,759	30,144
Unreserved Fund Balance	20,164	33,102	22,419
Total Ending Fund Balance	\$ 48,911	\$ 61,861	\$ 52,563

Other Funds | Cost Centers and Internal Service Funds

Cost Centers/Internal Service Funds FY 2022/23 (Thousands of Dollars)

	Development Cost Center	Recreation Cost Center	Senior Center
Sources			
Beginning Unreserved Fund Balance	\$ 10,349	\$ 272	\$ 3,007
Revenues			
Taxes:			
Property Tax	-	-	-
Sales Tax	-	-	-
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	33,627	8,523	254
Fines	-	-	-
Use of Money and Property	230	10	16
Intergovernmental	-	440	-
Other Revenues	1,801	90	475
Total Revenues	35,658	9,063	745
Transfers In	2,897	-	1,026
Total Sources	48,904	9,335	4,778
Uses			
Expenditures			
General Government	-	-	-
Police	-	-	-
Fire	-	-	-
Engineering	15,306	-	-
Planning	5,572	-	-
Building and Safety	12,641	-	-
Human Services	-	-	1,824
Recreation	-	10,391	-
Landscape	2,239	-	-
Non-departmental	-	-	-
Capital	-	-	-
Less: Citywide Savings	-	-	-
Debt Service	-	-	-
Total Expenditures	35,758	10,391	1,824
Transfers Out	3,546	-	-
Total Uses	39,304	10,391	1,824
Ending Fund Balance			
Reserved Fund Balance	13,639	2,951	-
Unreserved Fund Balance	8,861	-	2,954
Total Ending Fund Balance	\$ 22,500	\$ 2,951	\$ 2,954

Notes:

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

Other Funds | Cost Centers and Internal Service Funds

Internal Services						Total
Risk Management	Information Technology	Employee Benefits	Vehicle Replacement	Fire Capital Replacement	Internal Services Reclass*	
\$ 2,698	\$ 3,903	\$ 284	\$ 4,044	\$ -	n/a	\$ 24,557
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,500	14,505	9,914	2,057	2,188	(37,164)	42,404
-	-	-	-	-	-	-
250	100	-	30	-	-	636
-	-	-	-	-	-	440
-	10	-	50	-	-	2,426
8,750	14,615	9,914	2,137	2,188	(37,164)	45,906
-	-	-	-	-	-	3,923
11,448	18,518	10,198	6,181	2,188	(37,164)	74,386
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	15,306
-	-	-	-	-	-	5,572
-	-	-	-	-	-	12,641
-	-	-	-	-	-	1,824
-	-	-	-	-	-	10,391
-	-	-	-	-	-	2,239
10,153	11,938	9,914	-	-	(30,956)	1,049
-	1,963	-	1,773	2,188	(6,208)	(284)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10,153	13,901	9,914	1,773	2,188	(37,164)	48,738
-	-	-	-	-	-	3,546
10,153	13,901	9,914	1,773	2,188	(37,164)	52,284
13,554	-	-	-	-	n/a	30,144
1,295	4,617	284	4,408	-	n/a	22,419
\$ 14,849	\$ 4,617	\$ 284	\$ 4,408	\$ -	n/a	\$ 52,563

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 86% of the department's total funding sources in FY 2022/23. The table on page 108 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 2022/23, the General Fund will transfer \$821,533 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 14% of the Department's total operating budget.

Grants and Other Special Purpose Funding

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

1. **Alameda County:** Probation Department funds for Youth and Family Counseling to divert at-risk youth from the criminal justice system; Behavioral Health Care Services funds to provide mental health services to children and adults and seniors, as well as substance use disorder (SUD) intervention services; Health Care Service Agency funds to support a multi-disciplinary team approach to family support at the Fremont Family Resource Center, as well as health promotion services; Social Services Agency funding to support homeless programs, including the Housing Navigation Center and Winter Shelter.
2. **City Newark and Union City:** Funds to provide services to elders in Fremont and the Tri-City area.
3. **Eden Housing:** Funds to provide onsite senior support services to residents at Cottonwood, Redwood, and Sequoia Senior Housing complexes.
4. **State Medi-Cal Reimbursement:** Funds for the Multipurpose Senior Services Program (funded by the State using State and federal dollars) to provide services aimed at assisting frail elders to remain in their homes. Funds received through reimbursement for counseling and support services provided to youth, adults, and seniors, as well as administrative activities.

5. **Federal Grant:** Community Development Block Grant and HOME Funds to support low and moderate-income families; and the federal and State Emergency Rental Assistance Programs (ERAP) providing financial assistance to low and moderate-income families affected by the COVID-19 pandemic.

Paratransit

This fund accounts for the monies used to fund the City's transportation services for seniors and people with disabilities. The City receives Measure B and Measure BB sales tax revenue from the Alameda County Transportation Commission for use on transportation-related activities such as the paratransit services, mobility management, travel training, taxi vouchers and volunteer driver programs. In FY 2022/23 Paratransit is expecting to receive a total of \$1.5 million from Measure B and Measure BB funding which includes direct local distribution funding of \$1.3 million and \$151,000 grant funding to support supplemental transportation services for elderly and disabled Tri-City residents. The City is also expected to receive \$343,052 from the City of Newark and City of Union City under their agreement to provide paratransit services to Newark and Union City residents.

Family Resource Center Fund

This fund accounts for the revenues and costs associated with the Fremont Family Resource Center (FRC). Rental payments by the various tenants of the FRC fund the salaries and benefits of the FRC staff and operating, debt service, and capital expenditures at the facility. This fund also includes grants from private foundations to support programs at the FRC. FRC funding is expected to decrease by \$23,000 in FY 2022/23.

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 2022/23 budget of \$2.7 million is a decrease of \$0.4 million from the FY 2021/22 budget.

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 2022/23 budgeted expenditures are \$260,000.

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 2022/23 budget is still at \$405,000.

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 2022/23, \$7.1 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 \$1.0 million in FY 2021/22 for operational costs related to the management and oversight of the City's affordable housing assets and programs. The total expenditures budgeted for FY 2022/23 are \$5.3 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 2022/23, the estimated fund balance will be \$3.3 million. For FY 2022/23, \$2.1 million of funding is budgeted from the General Fund.

Public Safety Grants

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

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

Environmental Services

The City receives special purpose funding for Environmental Services activities from a number of different sources budgeted in the following funds:

1. **Integrated Waste Management:** This fund accounts for monies received by the City from solid waste collection rates and used for the purpose of carrying out recycling, household hazardous waste, and solid waste management programs in compliance with State and local regulations. The current fund balance serves the following purposes: (1) to support rate stabilization, (2) fund waste material processing and disposal costs (3) fund the replacement of equipment dedicated to solid waste activities performed by the City's maintenance division.
2. **Urban Runoff Clean Water Program:** This fund accounts for monies received to comply with the federal Clean Water Act of 1987, which requires that stormwater discharges from municipal storm drain systems be regulated under a nationwide surface water permit program. In order to obtain a permit, the City must implement programs to evaluate sources of pollutants in urban storm drain runoff, estimate pollutant loads, evaluate control measures, and implement a program of pollution controls. As the costs of compliance are exceeding the revenues collected through the City's clean water fee, a subsidy of \$151,171 has been budgeted in the General Fund.
3. **Measure D:** This fund accounts for monies received by the City from the Measure D surcharge imposed on unincorporated Alameda County landfills. These funds are restricted to expenditures incurred for waste diversion and recycling activities that are designed to reduce the amount of waste transferred to the landfill.
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 1%, from \$14.9 million in FY 2021/22 to \$15.0 million in FY 2022/23.

Miscellaneous Operating Revenue

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

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

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

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

General Obligation Bonds Debt Service Fund

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

Special Revenue Funds
 (Thousands of Dollars)

	Budget 2020/21	Budget 2021/22	Proposed 2022/23
Sources			
Beginning Unreserved Fund Balance	\$ 87,323	\$ 105,344	\$ 108,874
Revenues			
Taxes:			
Property Tax	2,787	2,873	3,080
Sales Tax	1,800	1,615	1,475
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	13,861	14,586	14,397
Fines	-	-	-
Use of Money and Property	502	621	527
Intergovernmental	8,817	19,882	12,590
Other Revenues	15,480	8,676	10,560
Total Revenues	43,247	48,253	42,629
Transfers In	2,742	2,776	3,111
Total Sources	133,312	156,373	154,614
Uses			
Expenditures			
General Government	-	-	-
Police	1,226	924	793
Fire	211	42	186
Maintenance (Parks/Street Medians)	2,388	2,388	2,846
Code Enforcement/Community Development Admin	158	712	577
Housing	10,306	4,959	29,330
Environmental Services	9,543	11,823	11,970
Human Services	14,904	28,933	16,221
Recreation	-	-	-
Landscape	-	168	-
Homeless Services	2,983	2,395	2,684
Non-departmental	-	-	-
Less: Citywide Savings	-	-	-
Debt Service	3,524	3,532	3,231
Total Expenditures	45,243	55,876	67,838
Transfers Out	1,367	1,730	1,701
Total Uses	46,610	57,606	69,539
Ending Fund Balance			
Reserved Fund Balance	6,209	6,209	6,430
Unreserved Fund Balance	98,946	98,946	84,513
Total Ending Fund Balance	\$ 105,155	\$ 105,155	\$ 90,943

Other Funds | Special Revenue Funds

Special Revenue Funds FY 2022/23 (Thousands of Dollars)

	Human Services					
	Grants	Paratransit	FRC	Human Services	CDBG	City Funded Aff Housing & Homeless Services
Sources						
Beginning Unreserved Fund Balance	\$ 5,367	\$ 3,072	\$ 1,802	\$ 703	\$ -	\$ 4,020
Revenues						
Taxes:						
Property Tax	-	-	-	-	-	-
Sales Tax	-	1,475	-	-	-	-
Business Tax	-	-	-	-	-	-
Hotel/Motel Tax	-	-	-	-	-	-
Property Transfer Tax	-	-	-	-	-	-
Paramedic Tax	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-
Charges for Services	42	71	151	138	-	-
Fines	-	-	-	-	-	-
Use of Money and Property	7	15	16	14	-	-
Intergovernmental	7,654	337	2	-	2,685	50
Other Revenues	349	-	1,528	11	16	-
Total Revenues	8,052	1,898	1,697	163	2,701	50
Transfers In	-	-	-	821	-	2,088
Total Sources	13,419	4,970	3,499	1,687	2,701	6,158
Uses						
Expenditures						
General Government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Maintenance (Parks/Street Medians)	-	-	-	-	-	-
Code Enforcement/Community Development Admin	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Environmental Services	-	-	-	-	-	-
Human Services	8,740	2,052	1,200	1,302	2,684	-
Recreation	-	-	-	-	-	-
Landscape	-	-	-	-	-	-
Homeless Services	-	-	-	-	-	2,684
Non-departmental	-	-	-	-	-	-
Less: Citywide Savings	-	-	-	-	-	-
Debt Service	-	-	587	-	-	-
Total Expenditures	8,740	2,052	1,787	1,302	2,684	2,864
Transfers Out	465	148	299	-	17	-
Total Uses	9,205	2,200	2,086	1,302	2,701	2,864
Ending Fund Balance						
Reserved Fund Balance	-	-	-	195	-	-
Unreserved Fund Balance	4,214	2,770	1,413	190	-	3,294
Total Ending Fund Balance	\$ 4,214	\$ 2,770	\$ 1,413	\$ 385	\$ -	\$ 3,294

Other Funds | Special Revenue Funds

Rent Review	HOME	Low/Mod Inc Housing	Affordable Housing Ord	Public Safety Grant	Environmental Services Funds	Misc Operating Revenue (ie Tree Program Other/Grants)	GO Bonds Debt Service	Total
\$ 69	\$ 4	\$ 11,134	\$ 73,626	\$ 1,121	\$ 5,004	\$ 190	\$ 2,762	\$ 108,874
-	-	-	-	-	-	-	3,080	3,080
-	-	-	-	-	-	-	-	1,475
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
191	-	-	-	-	13,804	-	-	14,397
-	-	-	-	-	-	-	-	-
-	-	20	350	9	96	-	-	527
-	405	-	-	642	415	400	-	12,590
-	-	1,600	6,750	1	-	305	-	10,560
191	405	1,620	7,100	652	14,315	705	3,080	42,629
-	-	-	-	-	202	-	-	3,111
260	409	12,754	80,726	1,773	19,521	895	5,842	154,614
-	-	-	-	-	-	-	-	-
-	-	-	-	793	-	-	-	793
-	-	-	-	186	-	-	-	186
-	-	-	-	-	2,481	365	-	2,846
-	-	-	-	-	175	402	-	577
-	405	5,245	23,680	-	-	-	-	29,330
-	-	-	-	-	11,970	-	-	11,970
243	-	-	-	-	-	-	-	16,221
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	2,684
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,644	3,231
243	405	5,245	23,680	979	14,626	767	2,644	67,838
17	-	67	132	-	433	-	123	1,701
260	405	5,312	23,812	979	15,059	767	2,767	69,539
-	-	-	-	-	6,235	-	-	6,430
-	4	7,442	56,914	794	4,275	128	3,075	84,513
\$ -	\$ 4	\$ 7,442	\$ 56,914	\$ 794	\$ 10,510	\$ 128	\$ 3,075	\$ 90,943

Capital Funds

The five-year Capital Improvement Program (CIP) is adopted biennially and includes appropriations for projects for FY 2021/22 through FY 2022/23 and projected expenditures through FY 2025/26. Selected excerpts from the CIP are included with the operating budget to present a comprehensive picture of all the funds of the City and to reflect fund transfers approved between other operating funds and capital funds. This section contains a description of the CIP funds, a summary of approved expenditures by program category, and highlights of key projects for the current fiscal year. Additional CIP summary information can be found in the Capital Budget Summary section of this document. The complete capital plan can be found in the City's CIP.

General Fund Group

These funds are transferred from the General Fund and may be used for projects designated by the City Council.

Gas Tax Funds and Measure B and BB

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

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

Park Impact Fee Funds

Funds in this group are restricted to acquisition, development, and/or rehabilitation of park land. The Parks and Recreation chapter of the General Plan contains the City's policies, standards, and guidelines for acquisition and development activities eligible for funding with park funds. The City Council has also adopted a Parks and Recreation Master Plan. The FY 2021/22 through FY 2025/26 Capital Improvement Program projects the use of the accumulated fund balance in these funds over the next five years.

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

Traffic Impact Fee Funds

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

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

Restricted Capital Funds

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

Other Funds | Capital Funds

Capital Improvement Funds FY 2022/23 (Thousands of Dollars)

	Budget 2020/21	Budget 2021/22	Proposed 2022/23
Sources			
Beginning Unreserved Fund Balance	\$ 59,689	\$ 73,396	\$ 86,488
Revenues			
Taxes:			
Property Tax	-	-	-
Sales Tax	-	-	-
Business Tax	-	-	-
Hotel/Motel Tax	-	-	-
Property Transfer Tax	-	-	-
Paramedic Tax	-	-	-
Franchise Fees	-	-	-
Charges for Services	300	300	333
Fines	-	-	-
Use of Money and Property	971	1,829	1,694
Intergovernmental	17,388	17,288	17,521
Other Revenues	24,794	20,388	18,500
Total Revenues	43,453	39,805	38,048
Transfers In	-	5,000	8,274
Total Sources	103,142	118,201	132,810
Uses			
Expenditures			
General Government	-	-	-
Police	-	-	-
Fire	-	-	-
Maintenance (Streets/Facilities)	1,675	1,675	1,675
Planning	-	-	-
Building and Safety	-	-	-
Human Services	-	-	-
Recreation	-	-	-
Capital	22,181	21,515	26,228
Less: Citywide Savings	-	-	-
Debt Service	-	-	-
Total Expenditures	23,856	23,190	27,903
Transfers Out	1,021	2,031	1,287
Total Uses	24,877	25,221	29,190
Ending Fund Balance			
Reserved Fund Balance	-	-	-
Unreserved Fund Balance	67,042	81,491	91,738
Total Ending Fund Balance	\$ 67,042	\$ 81,491	\$ 91,738

Capital Improvement Funds FY 2022/23 (Thousands of Dollars)

	General Fund Group	Gas Tax & Meas B, BB	Park & Acq Impact Fees	Traffic Impact Fees	Committed/ Restricted Group	Expenditure Reclass*	Total
Sources							
Beginning Unreserved Fund Balance	\$ 23,167	\$ 38	\$ 55,915	\$ 18	\$ 7,350	n/a	\$ 86,488
Revenues							
Taxes:							
Property Tax	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-
Business Tax	-	-	-	-	-	-	-
Hotel/Motel Tax	-	-	-	-	-	-	-
Property Transfer Tax	-	-	-	-	-	-	-
Paramedic Tax	-	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	333	-	333
Fines	-	-	-	-	-	-	-
Use of Money and Property	-	174	1,290	200	30	-	1,694
Intergovernmental	-	17,521	-	-	-	-	17,521
Other Revenues	-	-	11,825	2,350	4,325	-	18,500
Total Revenues	-	17,695	13,115	2,550	4,688	-	38,048
Transfers In	7,524	-	-	-	750	-	8,274
Total Sources	30,691	17,733	69,030	2,568	12,788	-	132,810
Uses							
Expenditures							
General Government	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Maintenance (Streets/Facilities)	-	1,675	-	-	-	-	1,675
Planning	-	-	-	-	-	-	-
Building and Safety	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital	7,524	15,995	9,059	2,567	2,965	(11,882)	26,228
Less: Citywide Savings	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Total Expenditures	7,524	17,670	9,059	2,567	2,965	(11,882)	27,903
Transfers Out	-	-	-	-	1,287	-	1,287
Total Uses	7,524	17,670	9,059	2,567	4,252	(11,882)	29,190
Ending Fund Balance							
Reserved Fund Balance	-	-	-	-	-	-	-
Unreserved Fund Balance	23,167	63	59,971	1	8,536	n/a	91,738
Total Ending Fund Balance	\$ 23,167	\$ 63	\$ 59,971	\$ 1	\$ 8,536	\$ -	\$ 91,738

Notes:

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

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Capital Budget Summary

Capital Budget Summary

The un-italicized text that follows is excerpted from the FY 2021/22 – FY 2025/26 Adopted Capital Improvement Program (CIP) dated June 15, 2021. The City Council adopted document is a five-year program/plan. A few minor edits have been made to the text for the purpose of incorporating this information into the Operating Budget.

Executive Summary

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

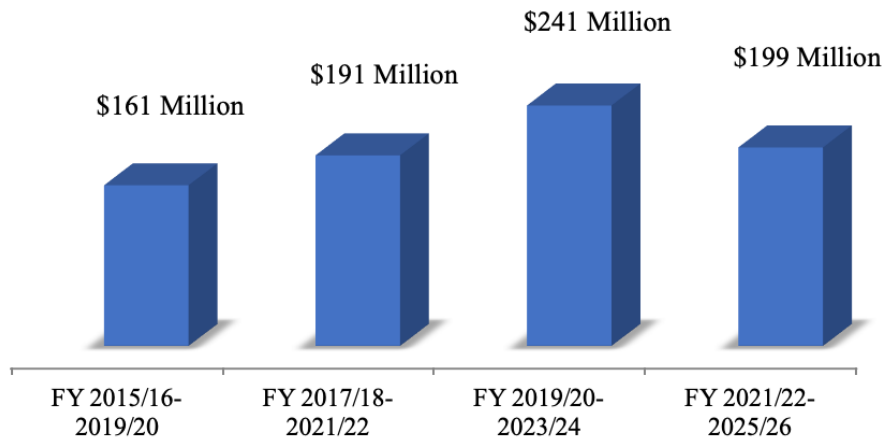
Development of the City's CIP is a team effort with the Public Works Department serving as the lead for Transportation investments and overall CIP coordination under the direction of the City Manager's Office. The Parks program is managed by the Community Services Department, with guidance from the Recreation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

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

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

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

Capital Budget Summary



CIP Funding Uses

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

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

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

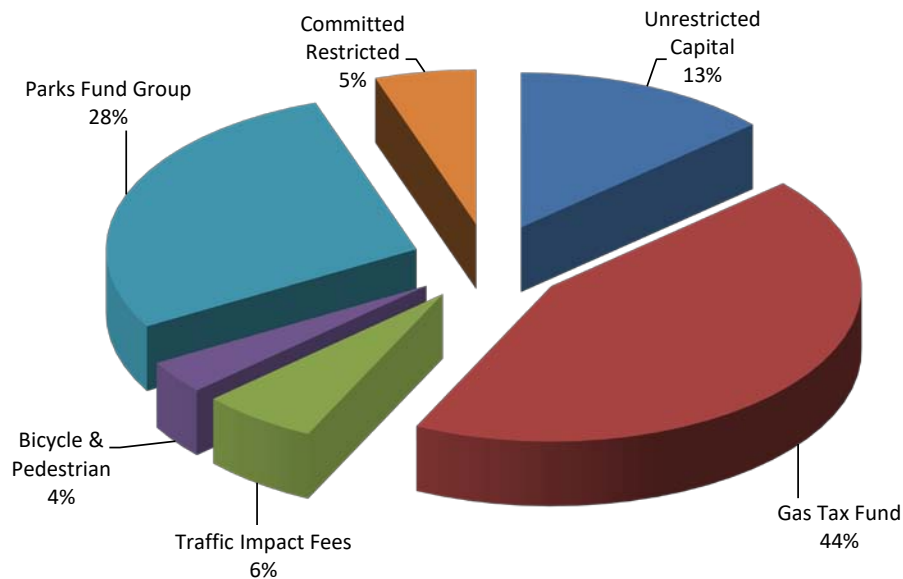
Traffic Impact Fee - This fund group accounts for monies received from private developers to mitigate impacts on the City’s transportation network resulting from new development.

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

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

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

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



Capital Maintenance Highlights

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



General Fund Transfers to the CIP

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

Capital Budget Summary

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

Transportation Investment Highlights

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

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



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



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

Capital Budget Summary

Parks and Recreation Investment Highlights

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

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

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

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



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

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



General Government Investment Highlights

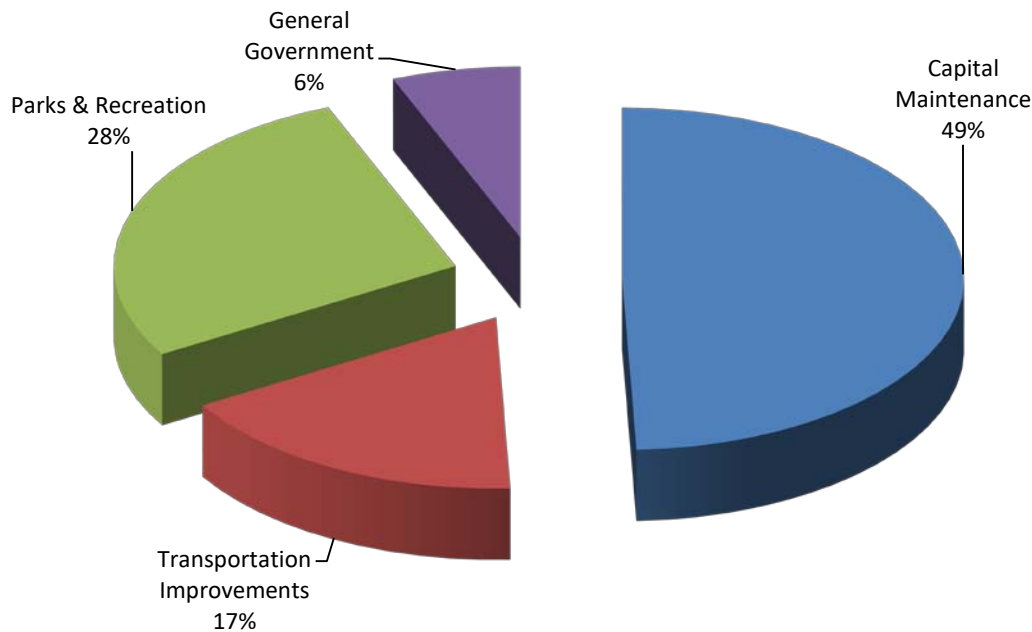
The proposed General Government investments total over \$11 million. The largest share of funding in this group is being accumulated from Development Impacts Fees collected for new or expanded infrastructure to support City growth with funding to be used for Fire Department and Capital facilities, including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



Capital Budget Summary

Fiscal Years 2021/22 through 2025/26

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

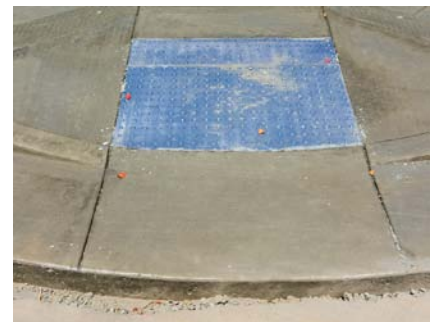


Revenue Enhancement Planning

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

Identified Needs:

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



Capital Improvement Project Highlights

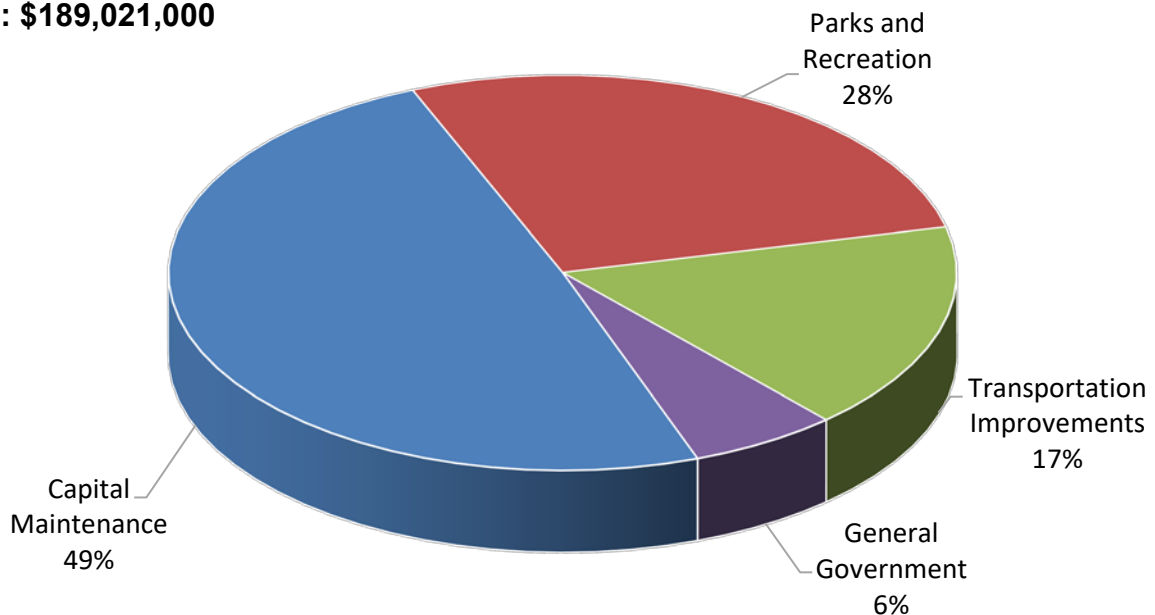
Within the CIP, projects are categorized by major funding sources and among four programs: Capital Maintenance, Transportation Improvements, Parks and Recreation, and General Government. The chart below shows that the largest share of the CIP budget, 49%, supports capital maintenance related activities.

The following section provides a summary of key projects within each program category. Information about CIP funds summarized in the operating budget can be found in the Other Funds section of this document. A comprehensive list of projects is available in the adopted CIP for Fiscal year 2021/22 through 2025/26.

CIP FY 2021/22 - 2025/26

Distribution of Funding by Program Category

Total: \$189,021,000



Capital Budget Summary | Capital Improvement Project Highlights

Capital Maintenance

1. Title: Concrete Repair Program, Citywide

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

Funding Source: ACTIA Measure BB (Local Streets and Roads)

Project Cost:

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

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

2. Title: Pavement Maintenance

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

Funding Source: Capital Improvement Fund (501)
ACTIA Measure B Local Streets and Roads
ACTIA Measure BB (Local Streets and Roads)
New Vehicle Registration Fee SB83 (Measure F)

Project Cost:

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

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

Capital Budget Summary | Capital Improvement Project Highlights

3. Title: Pavement Rehabilitation

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

Funding Source: State Gas Tax 2107-Sec 2030

Project Cost:

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

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

4. Title: Street Maintenance

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

Funding Source: State Gas Excise Tax

Project Cost

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Five year total
\$1,675,000	\$1,675,000	\$1,675,000	\$1,675,000	\$1,675,000	\$8,375,000

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



Street maintenance project



Asphalt patching in residential area

Capital Budget Summary | Capital Improvement Project Highlights

Traffic Improvements

1. Title: Pedestrian Improvements

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

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

Project Cost:

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

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

2. Title: Traffic Improvement Program

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

Funding Source: Traffic Impact Fee

Project Cost:

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

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

3. Title: Traffic Signal System Upgrade & Modernization

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

Funding Source: Traffic Impact Fee
State Gas Tax

Project Cost:

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

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

Capital Budget Summary | Capital Improvement Project Highlights

Parks and Recreation

1. Title: Pacific Commons Sport Park

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

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

Project Cost:

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

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

2. Title: California Nursery Development

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

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

Project Cost:

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

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

3. Title: Palm Avenue Community Park

Project Description: Develop 12.1 acres of new community park.

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

Project Cost:

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

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

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Department Budgets

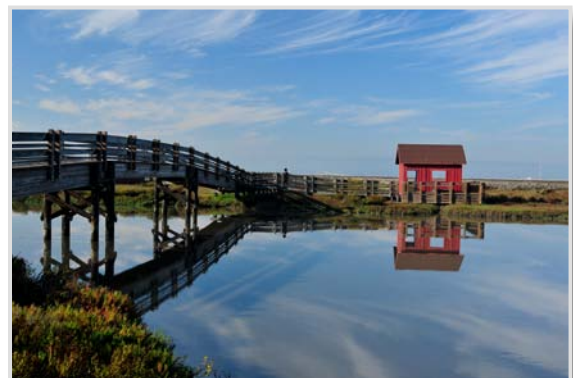
City Council

Vision:

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

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

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Salaries & Benefits	\$ 294,752	\$ 290,566	\$ 331,510	\$ 331,510	\$ 331,510	\$ 312,426
Operating Expenditures	174,917	152,151	182,591	222,209	222,209	222,209
Capital Expenditures	-	-	-	-	-	-
Indirect Expense Allocation**	3,715	2,808	21,732	21,733	21,733	25,274
Totals	\$ 473,384	\$ 445,524	\$ 535,833	575,452	575,452	559,909
% increase/(decrease), including all funds, from FY 2021/22 Adopted Budget						-2.7%
* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department.						
** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.						

2022 Key City Priorities

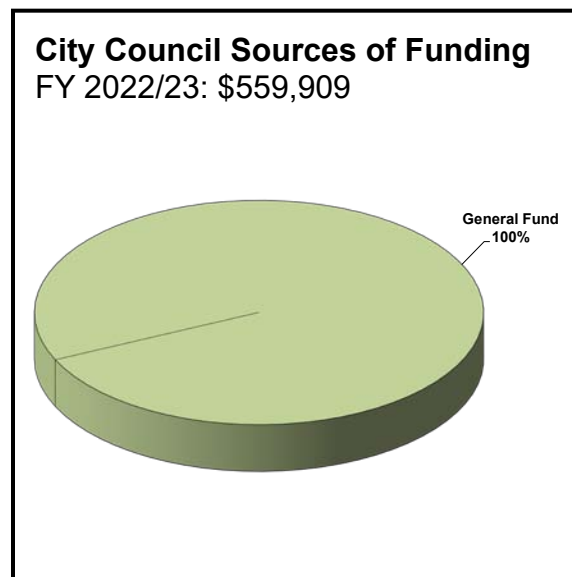
At the City Council retreat held in February 2022, the Council identified four top priority policy areas for the City in FY 2022-23:

1. Continue to innovate and find solutions to address and respond to homelessness in Fremont.
2. Enhance public safety.
3. Increase the vitality of commercial corridors.



Continuous Key City Priorities

1. **Fiscal Sustainability:** Continue to maintain the City’s fiscal sustainability and ensure programs and activities are only pursued if there is identified available funding.
2. **Public Safety:** Continue to enable local officials to provide quality police, fire, emergency management, emergency medical services, traffic safety, youth violence and delinquency prevention initiatives, and community efforts.
3. **Economic Development:** Attract and retain an appropriate mix of retail, office, and industrial or technology uses, in order to foster a dynamic economy and a stronger tax base.
4. **Civic Engagement:** Continue to implement new methods and tools to facilitate civic engagement and enhance access to open government.
5. **Legislative Advocacy:** Continue to pursue legislative efforts that are in the best interest of the City through regional, State, and Federal partnerships.
6. **Strategic Communication Efforts:** Continue to prioritize support and communication activities that raise public and private awareness through media and public relations efforts.
7. **Warm Springs/South Fremont Development Area:** Continue to work with local and regional partners, as well as State and Federal Legislators, to ensure the strategic development and implementation of the Warm Springs/South Fremont Strategy.
8. **Downtown Fremont:** Continue to commit time and resources to the Downtown Plan, to ensure that Downtown is poised to become a vibrant urban mixed use district within the City Center, that will serve as a destination for the city and region.



Major Changes

- The FY 2022/23 City Council budget is \$15,543 (or -2.7%) less than the FY 2021/22 adopted budget.
- Salary and benefits are decreasing by 5.8% due to decreases in the CalPERS retirement benefit costs.
- The indirect expense allocation is increasing by \$3,541 mainly due to higher Information Technology and Risk insurance premium costs.

Community Development

Mission:

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



Major Services

Planning

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

Building and Safety

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

Code Enforcement

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

Housing

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

Business Ally

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

Sustainability

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

Department Overview

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



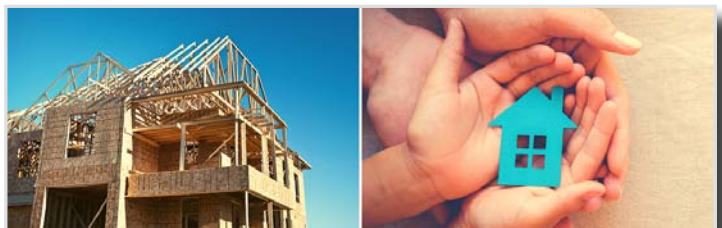
Community Development: Historical Expenditures/Budget, by Major Service Area

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Planning	\$ 4,332,322	\$ 4,482,707	\$ 4,563,351	\$ 5,750,466	\$ 5,697,565	\$ 6,071,664
Planning Administration	651,716	574,539	495,080	495,080	464,832	572,842
Building and Safety	10,875,658	10,549,094	12,047,555	12,908,788	12,586,729	13,822,801
Code Enforcement	1,273,621	915,448	1,100,675	1,297,375	1,297,375	1,378,371
Homeless Services Code Enforcement	71,612	182,508	193,759	195,076	195,076	190,625
SB2 & LEAP Housing Grants	-	171,848	263,219	552,995	540,000	402,129
Affordable Housing Investment	930,503	937,513	968,114	1,056,748	1,056,748	5,312,258
City Funded Affordable Housing	192,775	-	-	-	-	-
Affordable Housing Ordinance	12,662,847	4,386,477	7,740,003	7,821,298	3,692,370	23,811,681
Total Community Development	\$ 30,991,054	\$ 22,200,134	\$ 27,371,756	\$ 30,077,826	\$ 25,530,695	\$ 51,562,371

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

Accomplishment Highlights FY 2021/22

1. Substantially completed the state-mandated update to the Housing Element of the General Plan for the 2023-2031 cycle.
2. Updated the City's Affordable Housing Ordinance to reflect Council priorities.
3. Through a competitive process, recommended (and received unanimous Council approval for) three new affordable rental projects to receive City funding.

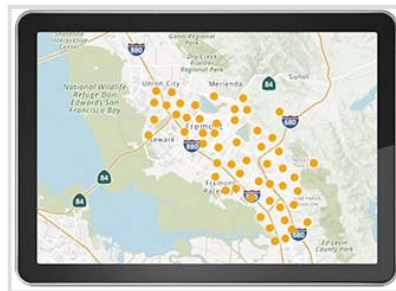


Department Budgets | Community Development

4. Implemented a Preapproved Accessory Dwelling Unit (ADU) program to make it easier to build an ADU in Fremont.
5. Worked with other City Departments to implement a program for faith communities to provide “safe parking” to homeless individuals and families sheltering in their vehicles.
6. Code Enforcement continued to support the City’s efforts to address homelessness issues by responding to complaints and coordinating with Human Services, Police, and Environmental Services.
7. Secured almost \$40 million in State funding through the Homekey program to convert a motel into approximately 156 units of permanent supportive affordable housing aimed at those with acutely low incomes.



8. Facilitated installation of public artwork at outdoor plazas within the Warm Springs Innovation Art District and at the Downtown Event Center outdoor plaza within the Downtown Art District.
9. Completed a draft update of the Climate Action Plan and received comment from stakeholders and Council to incorporate in the final document.
10. In partnership with East Bay Community Energy, began a project to procure solar + storage energy systems for several critical City facilities.
11. Received the 2021 Beacon Vanguard Platinum Award from the Institute for Local Government (ILG), their top award for leadership on climate action.
12. Continued to improve permitting processes by fully implementing Electronic Plan Review (ePR) for entitlement and construction permits.
13. Launched AgencyCounter, an online resource to help the public visually find development activity in Fremont via an interactive mapping platform.



14. Implemented new regulations for permanent outdoor patios as the next phase of the City's Pop Up Patio program that was initiated to assist restaurants in adapting to COVID.
15. Maintained an emergency Zoning Administrator Permit program to fast-track business operations responding to the pandemic by providing needed biotechnology, administering vaccines, testing, and providing food to those in need.
16. Revamped Downtown Commercial standards to address market changes.
17. Oversaw the establishment of new space and expansion of existing businesses in Fremont, including Tesla, Facebook, and several industrial park areas.

Objectives FY 2022/23

1. Finalize and obtain State approval for the update to the Housing Element of the General Plan for the 2023-2031 cycle.
2. Continue to update the Fremont Municipal Code to address new land use laws and to support City of Fremont goals.
3. Coordinate with Public Works on an update to the City's subdivision ordinance.
4. Using State grant funds, complete a comprehensive update of City regulations related to projects that include residential development, including mixed-use, TOD, and small lot development.
5. Continue to develop programs and creative administrative efficiencies to speed approval of ADUs as a housing option.
6. Continue to support the City's efforts to address homelessness issues through responding to complaints and coordination with Human Services, Police, and Environmental Services.
7. Working with the City's development partners, complete the conversion of a motel into 156 units of permanent supportive housing for acutely low-income residents.
8. Continue to work with Economic Development on projects that are related to existing and new businesses that provide employment opportunities and generate revenues for municipal services.
9. Complete 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.
10. Increase citation amounts for planning and building code violations to the extent allowed by State law as a way to incentivize compliance.
11. Continue to work with the Art Review Board to facilitate installation of public artwork within the city's three art districts in conjunction with new developments and at key locations.
12. Update fees for fire permits to ensure the program is 100% fee-supported.

Department Budgets | Community Development

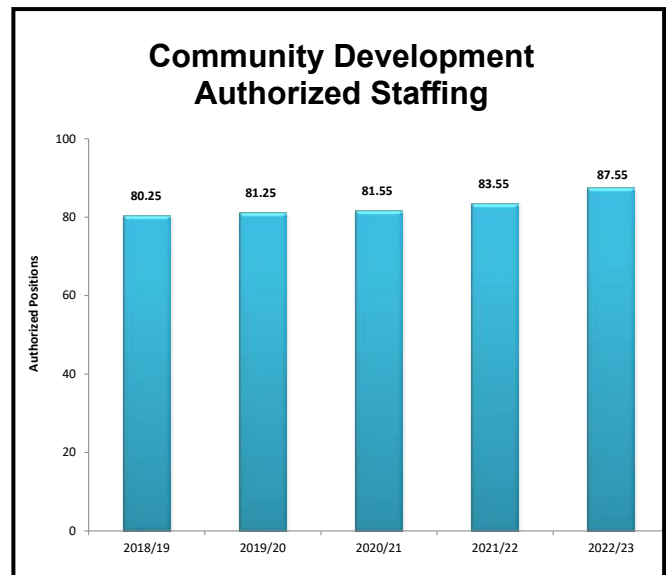
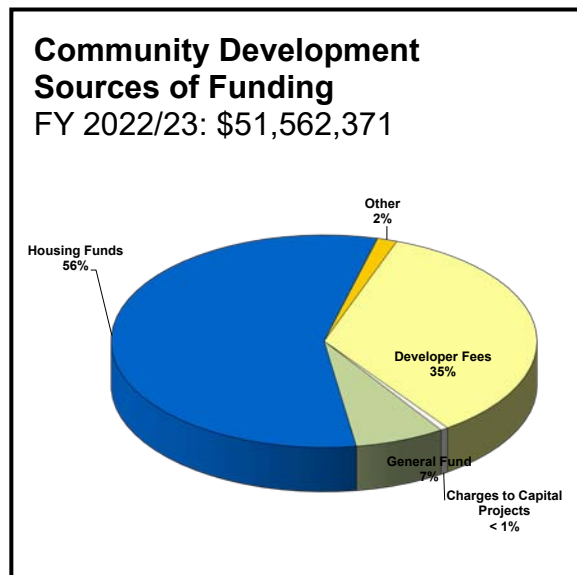
13. Continue to provide the public with the latest updates in Community Development through newsletters, City News Briefs, City email lists, social media, department webpages, and printed materials.
14. Finalize the Climate Action Plan update and begin implementation efforts, including exploring “reach codes”; continued efforts to procure solar + storage for City critical facilities; and expansion of electric vehicle charging infrastructure for both City operations and the general public.
15. Continue to improve permitting processes and to maintain competitive permit review timelines.
16. As directed by Council, implement a credit card convenience fee for building permits to offset the rising costs of third-party fees charged to the City on credit card transactions.
17. Create videos for the public on how to use Citizen Access, the City’s online permit portal.
18. Continue to utilize virtual meeting platforms, plan check software, and other technology to provide customers with convenient electronic options for obtaining services.
19. Modernize the Permit Center to better utilize its limited area, including creation of a kiosk center to facilitate the public’s use of the increasing number of online services.
20. Collaborate with Public Works to update the design of complete streets and other public infrastructure in conformance with the General Plan.
21. Continue educational training of staff to maintain city mandated building certifications and State licenses and prepare for the adoption of the upcoming triennial code cycle (2022 California Building Codes, effective 1/1/2023).



Department Budgets | Community Development

Performance Measurement

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 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	80%	90%	75%	90%



Department Budgets | Community Development

Community Development: Historical Expenditures/Budget, by Category

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Salaries & Benefits	\$ 13,709,555	13,744,610	14,963,542	16,257,973	16,257,973	17,188,063
Operating Expenditures	14,079,484	5,186,880	8,821,336	10,254,770	5,707,640	30,073,769
Capital Expenditures	6,335	5,944	26,300	4,500	4,500	4,500
Indirect Expense Allocation**	3,195,680	3,262,699	3,560,578	3,560,583	3,560,582	4,296,039
Totals	\$ 30,991,054	\$ 22,200,134	\$ 27,371,756	\$ 30,077,826	\$ 25,530,695	\$ 51,562,371
% increase/(decrease), including all funds, from FY 2021/22 Adopted Budget						102.0%
* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.						
** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.						

Major Changes

- The FY 2022/23 Community Development budget is \$26,031,676 (102%) more than the FY 2021/22 adopted budget.
- Salary and benefits are increasing by \$930,090 (5.7%) primary due to staffing increase of 4.0 FTE, which includes a Principal Plan Check Professional, Plan Check Manager, Associate Planner, and Administrative Analyst. In addition, salary and benefits costs in the proposed budget include a 3% placeholder increase as the City is currently engaged in collective bargaining with its employee groups.
- Operating expenditures are increasing by \$24,366,129 (or 426.9%) due to loans for affordable housing projects.
- The indirect expense allocation is increasing by \$735,457 (or 20.7%) mainly due to the higher Information Technology and Risk insurance premium costs.

Staffing by Function - FY 2022/23

Community Development		
Administration		
Community Development Director		0.40
Deputy Director		0.65
Permit Center Manager		0.50
Business Manager		0.25
Sustainability Manager		0.25
Management Analyst II		0.60
Development Services Supervisor		0.20
Senior Office Specialist		0.15
Office Specialist II		0.40
Administrative Analyst		0.50
Building & Safety		
Community Development Director	0.30	
Deputy Director	0.30	
Permit Center Manager	0.50	
Building Official	1.00	
Business Manager	0.55	
Supervising Building Inspector	2.00	
Plan Check Manager	2.00	
Principal Plan Check Professional	1.00	
Plan Check Professional	6.00	
Building Inspector Specialist	4.00	
Building Inspector I	2.00	
Building Inspector II	9.00	
Fire & Life Safety Plans Examiner	2.00	
Management Analyst II	1.15	
Senior Community Development Technician	1.00	
Plans Examiner	2.00	
Community Development Technician	11.00	
Development Services Supervisor	0.50	
Administrative Assistant	1.00	
Administrative Analyst	0.50	
Accounting Specialist II	0.50	
Senior Office Specialist	0.50	
Office Specialist I	2.00	
Office Specialist II	1.60	
Planning		
Planning Manager		0.75
Principal Planner		1.00
Senior Planner		2.00
Information Systems Appl Specialist III		0.30
Associate Landscape Architect		2.00
Associate Planner		8.00
Planner II		1.00
Executive Assistant		1.00
Office Specialist II		1.00
Assistant Planning Manager		1.00
Accounting Specialist II		0.50
Code Enforcement		
Community Development Director		0.05
Deputy Director		0.05
Business Manager		0.05
Planning Manager		0.25
Code Enforcement Manager		1.00
Senior Code Enforcement Officer		1.00
Code Enforcement Officer II		4.00
Development Services Supervisor		0.05
Housing		
Community Development Director	0.25	
Housing Project Manager	1.00	
Business Manager	0.15	
Associate Planner	1.00	
Management Analyst II	0.25	
Senior Office Specialist	0.35	
Planner II	2.00	
Development Services Supervisor	0.25	
Homeless Services		
Code Enforcement Officer II		1.00

Regular Full-Time Equivalents: 87.55

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Community Services

Mission:

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

Major Services

Recreation

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

Parks, Medians, and Urban Landscape

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

Environmental Services

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

Landscape Architecture

Manage park planning and development, street median landscape, and public plaza projects. Review development projects.

Department Budgets | Community Services

Department Overview

The Community Services Department provides recreation activities, parks and community facilities, street median, park maintenance, urban forestry, community landscape architecture, and environmental services. The Park Division manages, maintains, and oversees the park and urban forestry system. The Landscape Architecture Division carries out capital and park planning, and development projects and implements the Parks and Recreation Master Plan. The recreation



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

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

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Recreation	\$ 9,749,415	7,436,991	8,530,347	8,594,420	8,538,807	10,732,250
Parks, Medians, & Urban Forestry	8,953,135	8,647,929	9,798,710	9,924,456	9,738,770	10,997,628
Environmental Services	11,560,355	13,342,244	13,701,607	15,162,372	14,877,601	15,059,326
Landscape Architecture	2,029,072	2,331,120	2,596,201	2,685,769	2,685,058	2,419,042
Ranger Program	926,544	917,758	931,890	988,291	988,291	1,125,167
Homeless Services	131,626	130,451	143,226	143,226	143,226	141,729
Total Community Services	\$ 33,350,147	\$ 32,806,493	\$ 35,701,981	\$ 37,498,534	\$ 36,971,753	\$ 40,475,142

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

Accomplishment Highlights FY 2021/22

- Completed the public engagement process, including stakeholder interviews, virtual community input meetings, and a city-wide statistically valid survey for the new comprehensive Parks and Recreation Master Plan. Inventoried and assessed park assets for Maintenance Management Plan. Coordinated with Transportation Division on Trails Strategy Plan. Completed recreation program assessment, integrated Human Services Senior Recreation services assessment. Completed peer city benchmarking and analysis. The Park and Recreation Master Plan was completed and adopted at City Council on 3/15/22.



2. The new Virtual Recreation Program model offering both contracted classes and staffed programs to the community from the convenience of their own homes.
3. Transitioned the Tiny Tot Preschool Program to a full virtual model and continued to survey parents until a return to in-person instruction was achieved.
4. Successfully returned to in-person Summer Camp and School break camp offerings with limited COVID-19 restrictions.
5. Held the first in-person events since the Shelter in-place orders (March 2020). Events included Concert Series, Car-Cinema, and Softball/Baseball Tournaments.



6. Construction was completed on the Downtown Event Center and an updated Recreation Facility Use Policy and rentals fees were approved by City Council. The grand opening celebration for Downtown Event Center and Plaza was held in October safely and followed all Alameda County Public Health and State Department Operating Guidelines.
7. Throughout the entire year, led with best customer service practices by processing and managing the cancellation and issuance of refunds of Recreation Services customers for facility rentals, programs, camps, classes and sports leagues, in response to the constant waves and changes with the Covid-19 pandemic for Summer, Fall, Winter and Spring sessions.
8. Re-Opened Aqua Adventure Waterpark for the 2021 summer season (July through Labor Day) to run safely according to Alameda County Public Health and State Department Operating Guidelines. 2022 summer season will operate normally (Memorial Day to Labor Day).
9. Given continued COVID-19 restrictions and concerns, tripled recreation registration numbers from the previous fiscal year (FY 2020/21).
10. Facilitated Property Entry Agreements for several Community Health Care Providers to establish Covid-19 Testing/Vaccination Sites at various City park locations.
11. Adjusted the Recreation Division assignments to ensure services could be maintained with the current reduced FTE counts throughout the FY 2021/22 and FY 2022/23.

Department Budgets | Community Services

12. Continued to implemented Covid-19 safe work practices for essential staff to continue to provide safe and usable Parks for the community during the pandemic. Continued to implemented public messaging information signage and closure information in Parks, which included state and county pandemic protocols.
13. Continued with our Tree City USA priority designation and planted over 150 trees including natives throughout many park and trails in Fremont.
14. Responded to and abated over 700 requests for tree services, which included storm responses, hazard abatement, right of way clearance and emergency after-hours calls.



15. Completed 11 playground resilient surfacing maintenance repair projects to continue our parks commitment of providing safe and usable playgrounds throughout the City of Fremont.
16. Completed maintenance service renewal agreements to sustain the City's healthy appearance and sustainability. These renewals support City-wide Tree Services, City Fire Stations, City Facilities, Fire Break Services, Lighting and Landscape Maintenance District, Central Park Concrete Pathways, Atrium Maintenance, Weed and Waste Abatement, Police Administration and Library Facilities and Consulting Services.
17. Began implementing SB 1383 (Short-Lived Climate Pollutant Plan) compliance activities, including expanding the use of compost in City operations and initiating edible food recovery programs, to meet organics recycling and edible food recovery targets.
18. Installed surveillance camera at four strategic locations to deter illegal dumping.
19. Expanded homeless encampment abatement program to weekly cleanups to address increased unhoused population waste volumes.
20. Established Open Garden Days program at the Nature Learning Center at Central Park engaging over 1,100 visitors during 14 events.



21. Restarted in-person volunteer creek restoration and park beautification events at Sabercat Creek and Stivers Lagoon with over 550 volunteers participating.
22. Completion and grand opening of the new Lila Bringham Community Park in Warm Springs.
23. Completed phase one project at California Nursery Historical Park, including the installation of utility infrastructure, pathways, parking lots, and irrigation facilities.
24. Completed the detailed park design documents and site demolition for the Dusterberry Neighborhood Park.
25. Completed citywide inventory of approximately 70,000 public trees in parks and right of ways to assist better response to customer inquiries and to support the upcoming Urban Forestry Management Plan.
26. Completed the upgrade of the Centerville Community Park tennis court lights.
27. Completed and opened to the public the first of 4 Innovation Plazas in the Warm Springs Innovation District.
28. Successfully applied for and received a \$4 Million Proposition 68 grant for Dusterberry Neighborhood Park.
29. Completed the park-wide park regulation signs project.
30. Developed and implemented a new Tree Contractor Certification Program, which will streamline property owner's permit tree removal and pruning procedures and improve quality control for City street trees.
31. Completed the Niles Community Park Erosion Control at Grau Pond project to stabilize the slope adjacent the recently sold G Street house at Niles Community Park.
32. Completed numerous approved City Council Staff Reports for Park Maintenance contract service terms and District 88 including Proposition 218, reengineering, engineering, reassessment, assessment and multiple budgets (benefit and cost zones).
33. Completed multiple community meetings with District 88 property owners to discuss Proposition 218 proposal, financial and service risk, and ballot process. Completed District 88 Proposition 218 Property Owner Ballot Process. Completed multiple engineering reports to support Proposition 218 results. Communicated Proposition 218 Ballot results to District 88 Property Owners.
34. Communicated to City Park Maintenance contractors no CPI adjustment for fiscal year 2021/22 due to economy conditions.
35. Started design and development process for the new Asset Maintenance and Management software, Cityworks.
36. Transition City Police Department Administration Atrium maintenance to the City Police Department.

Department Budgets | Community Services

37. Completed the purchase renewal of numerous maintenance service agreements to support City beautification, health, and safety.
38. Fully transitioned contract routing process to DocuSign.
39. Completed multiple and ongoing power washings to support the City's health and safety.
40. Responded to over 300 CRM service requests.
41. Responded and abated over 700 citywide tree work order requests for service.
42. Developed and implemented contract maintenance plan for Warm Springs Age Well Center.

Objectives FY 2022/23

1. Develop Marketing Plan for Recreation 189 Cost Center.
2. Return to FY 2018/19 registration levels by end of FY 2022/23.
3. Establish a new Active Adult Programming Health and Wellness Section to meet the unmet need identified in the Parks and Recreation Master Plan statistically valid community survey.
4. Update Recreation Facility Use Policy as part of Facility Standardization Initiative.
5. Complete Recreation program business plans to better track and implement business strategies to obtain or exceed annual division goals.
6. Meet recreation revenue goal of \$9.0 million .
7. Collaborate with community partners for funding and implementation on new cultural special event series.
8. Continue with playground safety and maintenance resurfacing program.
9. Expand historical programming opportunities with community and non-profit partners.
10. Expand volunteer opportunities throughout the Community Services department.
11. Develop an aging park playground replacement strategy focusing on sustainability, inclusivity, and equitability of our parks system.
12. Evaluate entire parks system concrete pathway inventory with current conditions and develop removal and repair strategy.
13. Continue to respond to citywide tree service requests and develop a parks tree canopy planting plan, incorporating volunteer opportunities.
14. Implement SB 1383 (Short-Lived Climate Pollutant Plan) compliance activities, such as expanding the use of compost in City operations and initiating edible food recovery programs, to meet organics recycling and edible food recovery targets.
15. Evaluate strategic locations to install cameras, to deter illegal dumping.

16. Implement mobile sanitation collection program to address illicit waste discharges from RV vehicles being used for habitation on City streets.
17. Complete construction of next phase California Nursery Historical Park projects including the Historic Orchard, relocation of LEAF, Packing Shed stabilization, and park entry improvements.
18. Complete park land swap with Fremont Unified School District at Patterson Ranch to help District with building construction challenges on their existing site.
19. Complete new restroom construction at Centerville Community Park.
20. Complete picnic area upgrades at Mammoth Picnic Area and Babbling Brook Picnic Area in Central Park.
21. Complete construction of the new all-inclusive outdoor exercise equipment complex and East Meadow Path project at Central Park.
22. Complete design for the new Central Park Loop Trail Parking Lot adjacent to the Skate Park.
23. Complete relocation of the Rix Park basketball court.
24. Begin construction for the Sylvester Harvey Park loop trail.
25. Complete design for multiple play area renovations including: Booster Neighborhood Park, Azaveda Neighborhood Park, Buena Vista Neighborhood Park, Centerville Community Park, Northgate Community Park, and Marshall Community Park.
26. Complete design for new Pickleball courts and/or court conversions.
27. Complete and adopt at City Council the Urban Forestry Management Plan.
28. Conduct two City Tree Contractor Certification Program trainings.
29. Begin exploratory work to purchase or acquire new park land to increase the City's overall park land inventory by up to 15 additional acres and improve the City's park equity across all neighborhoods, by purchasing new park land closer to people's homes, to address the City's Park Master Plan goals of ultimately having a park within a ten minute walk of every resident and to maintain the City park land standard of 5 acres of land per 1,000 population.
30. Complete Lease Agreement for Mission Peak and Stanford Staging Area.
31. Continue successful implementation of contract services to sustain the City's healthy quality of life.
32. Deploy and transition staff to interface with the City's Asset Maintenance and Management software, Cityworks.
33. Continue to update District 88 property owners on the financial and service level offered.
34. Complete construction for the new Dusterberry Neighborhood Park and hire staff to maintain park.
35. Contract maintenance for newly added Innovation Plaza Parcel C and E.

Department Budgets | Community Services

36. Complete City Council Staff Reports for Park Maintenance contract service terms and District 88 assessment and budget.
37. Negotiate and complete maintenance contract for Citywide Weed and Waste Abatement Services including meeting DIR requirements for project filing.
38. Continue power washing as permitted to support the City's health and safety.
39. Support ITs initiative to upgrade the City's telephone system.
40. Increase number of municipal owned lands utilizing compost from two to six locations in order to help meet the City's SB 1383 Short-Lived Climate Pollutant Plan) procurement obligation.
41. Obtain CalRecycle grant funding for City implantation of SB 1383 compliance activities.
42. Transition Clean Water Education program back to an in-person format while complying with County and FUSD guideline.
43. Support Safe Parking program implementation with waste collection and mobile sanitation services.
44. Expand participation of Fremont businesses in county reusable food service ware campaign to reduce volume of single use disposables.



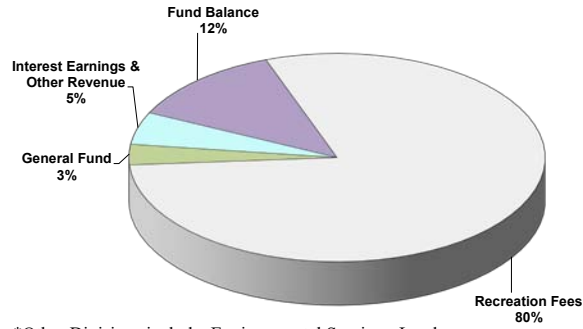
Performance Measurement

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Increase Recreation program registrants over prior year	5,796 ¹	20,000	15,554	20,000
Increase number of creek clean-up volunteers	190	500	550	600
Increase Public Tree Planting	127	150	175	200
¹ Reduced amount due to COVID-19 pandemic – assumes some restrictions continuing and loss of customers will update as more info available.				

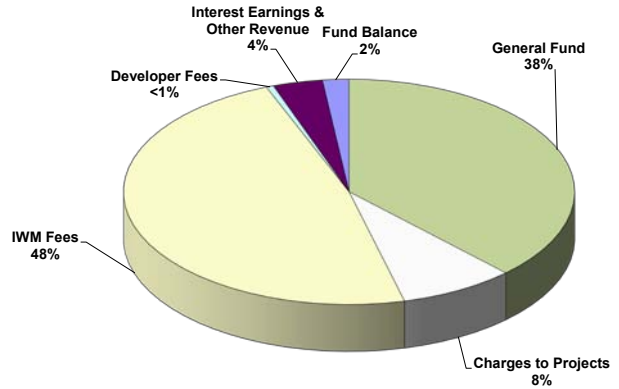
Community Services Sources of Funding

FY 2022/23: \$40,475,142

Recreation Division
\$10,732,250

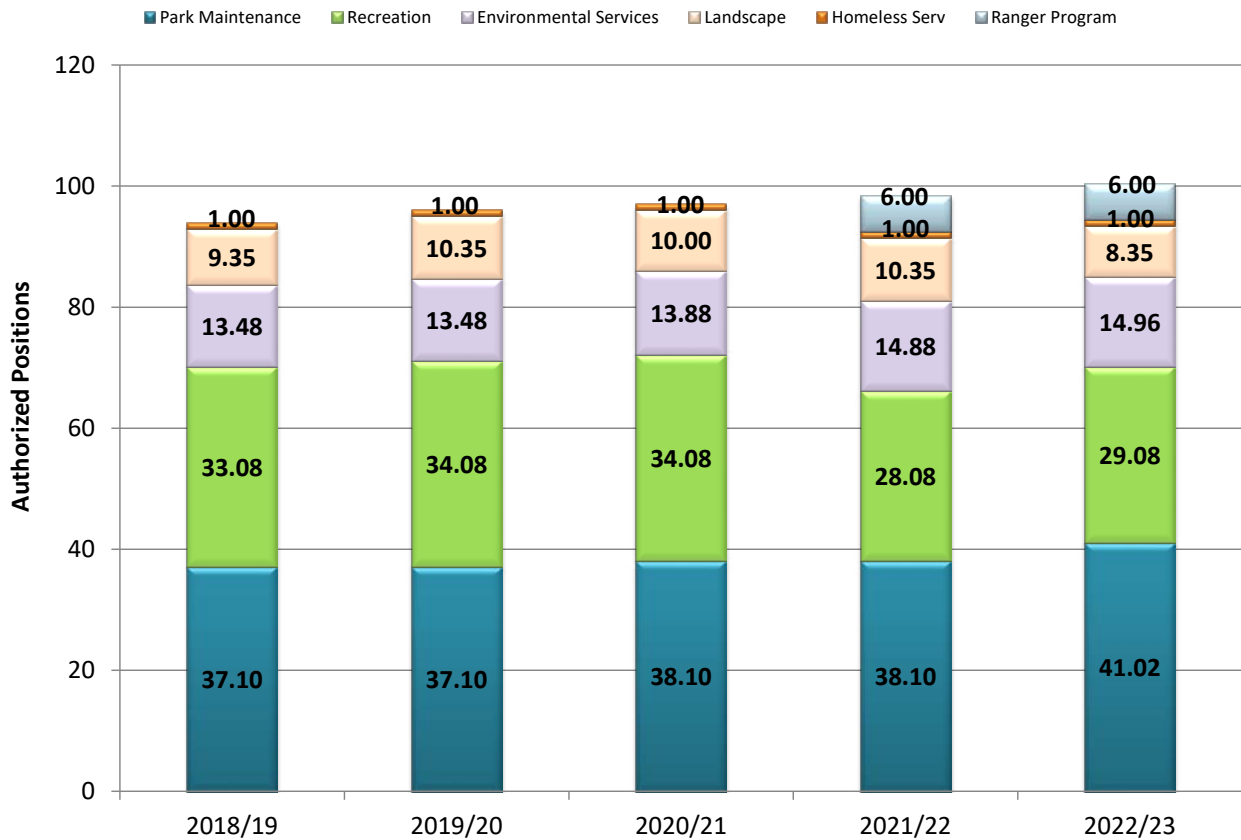


***Other Divisions**
\$29,742,892



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

Community Services Historical Authorized Staffing



Department Budgets | Community Services

Community Services: Historical Expenditures/Budget, by Category

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Salaries & Benefits	\$ 15,863,141	\$ 14,838,327	\$ 16,949,883	\$ 17,833,503	\$ 17,743,503	\$ 19,689,915
Operating Expenditures	13,342,230	13,617,541	15,806,430	16,713,445	16,278,582	17,824,956
Capital Expenditures	156,707	536,319	498,607	504,525	502,607	137,831
Indirect Expense Allocation**	3,988,069	3,814,306	2,447,061	2,447,061	2,447,061	2,822,440
Totals	\$ 33,350,147	\$ 32,806,493	\$ 35,701,981	\$ 37,498,534	\$ 36,971,753	\$ 40,475,142
% increase/(decrease), including all funds, from FY 2021/22 Adopted Budget						9.5%
<p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.</p>						

Major Changes

- The FY 2022/23 Community Services budget is \$3,503,389 (9.5%) more than the FY 2021/22 adopted budget.
- Salary and benefits are increasing by \$1,946,412 (11.0%) due to staffing increase of 2.0 FTE which includes the addition of 1.0 FTE Recreation Supervisor and 1.0 FTE Park Maintenance Worker I and conversion of the Urban Forester to City Arborist. In addition, salary and benefits costs in the proposed budget include a 3% placeholder increase as the City is currently engaged in collective bargaining with its employee groups.
- Operating expenditures are increasing by 1,546,374 (9.5%) mainly due to restoration of most of Recreation programming to pre-COVID levels.
- Capital expenditures are decreasing by \$364,776 (or -72.6%) mainly due to removal of one-time IWM vehicle purchase costs.
- The indirect expense allocation is increasing by \$375,379 (or 15.3%) mainly due to higher Information Technology and Risk insurance premium costs.

Staffing by Function - FY 2022/23

Community Services			
Park Maintenance			
Community Services Director	0.40		
Deputy Director	0.40		
Business Manager	1.00		
Executive Assistant	0.30		
Park Superintendent	1.92		
Parks/Urban Landscape Manager	0.60		
<u>Central Park</u>			
Park Field Supervisor	1.00		
Park Maintenance Worker II	2.00		
Park Maintenance Worker I	5.00		
<u>North End Parks</u>			
Park Field Supervisor	1.00		
Park Maintenance Worker II	2.00		
Park Maintenance Worker I	4.00		
<u>South End Parks</u>			
Park Field Supervisor	1.00		
Park Maintenance Worker II	3.00		
Park Maintenance Worker I	5.00		
<u>Construction/Irrigation</u>			
Park Field Supervisor	1.00		
<u>Construction</u>			
Park Maintenance Worker II	1.00		
Park Maintenance Worker I	2.00		
<u>Irrigation</u>			
Park Maintenance Worker II	1.00		
Park Maintenance Worker I	1.00		
<u>Urban Landscape</u>			
<u>Tree</u>			
Parks/Urban Landscape Manager	0.40		
Park Field Supervisor	1.00		
Park Maintenance Worker II	2.00		
Park Maintenance Worker I	2.00		
Recreation			
<u>Administrative & Support Services</u>			
Community Services Director	0.30		
Deputy Director	0.50		
Recreation Superintendent II	3.00		
Recreation Supervisor II	0.25		
Management Analyst II	1.00		
Executive Assistant	0.70		
Recreation Facility & Supply Spec	1.00		
Accounting Specialist II	0.75		
Office Specialist II	2.00		
<u>Park Visitor Services</u>			
Park Ranger Supervisor	1.00		
Recreation Supervisor I	0.75		
Park Ranger	5.00		
Office Specialist II	1.00		
<u>Recreation Services</u>			
Recreation Supervisor II	5.75		
Recreation Supervisor I	7.00		
Water Park Manager	2.00		
Tiny Tot Specialist	3.08		
<i>Program Staff - approx. 325*</i>			
Landscape Architecture			
Parks Planning and Design Manager	1.00		
Senior Landscape Architect	2.00		
Assoc. Landscape Architect	2.00		
Landscape Architect/Designer II	3.00		
Office Specialist II	1.35		
Environmental Services			
City Attorney	0.08		
Community Services Director	0.30		
Deputy Director	0.10		
Environmental Services Manager	1.00		
Solid Waste Administrator	1.00		
Sustainability Manager	0.75		
Park Superintendent	0.08		
Info Systems Appl Spec III	0.40		
Recreation Supervisor I	0.25		
Environmental Specialist II	7.00		
Environmental Specialist I	3.00		
Code Enforce Officer II	1.00		
Homeless Services			
Park Ranger	1.00		

*Temporary positions not counted in full-time equivalents.

Regular Full-Time Equivalents: 100.41

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Economic Development

Mission:

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

Major Services

Business Development

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

Marketing

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

Small Business and Business District Support

Support vitality in Fremont's Downtown and its 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

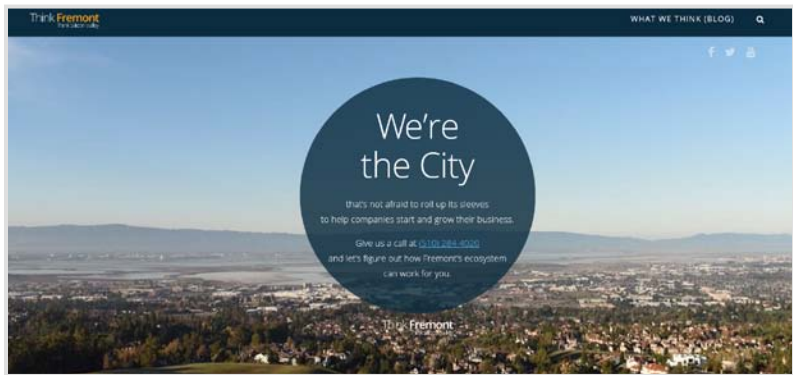
Build local and regional relationships, leverage existing resources, and make strategic connections between the public and private sectors to ensure that significant knowledge and resource transfer is taking place for the benefit of Fremont's business community.

Advance Key Economic Development Initiatives

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

Department Overview

The Economic Development Department (ED) proactively works with the business community, real estate brokers, developers, and property owners to create a supportive environment for desired retail, office, and technology/industrial development. Much of the work is accomplished through relationship building, leveraging existing resources, and making strategic connections between the public and private sectors. Specific activities include business retention & attraction, assisting with site selection, marketing, and permitting, facilitating development aligned with City's adopted land use plans, conducting business site visits; 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, ED 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. ED also works with several development organizations to strengthen Fremont's position at the local, regional, and national levels and supporting the City Council's leadership position in economic development efforts. Since the start of the COVID-19 pandemic, ED has also focused on assisting businesses through an evolving regulatory and safety environment while helping businesses – particularly small businesses – evolve for the long-term changes the pandemic has caused in our local economy.



Accomplishment Highlights FY 2021/22

On April 20th, 2021, ED presented to Council during a Special Work Session on the Department's proposed economic recovery framework to address the still ongoing economic impacts and disruptions stemming from COVID-19 pandemic. The framework focuses on broad-based economic recovery through three key areas: 1) Small Business Support; 2) Workforce Development Initiatives; and 3) Jobs and Tax Revenue Growth. The Accomplishment Highlights section has been ordered to show work performed under each key area.

1. Small Business Support

- a. Assumed a Small Business Ally function within the Economic Development team to focus on supporting new and existing small business owners in starting and running a business in Fremont.
- b. Researched Business Improvement District (BID) formation process through interviews with regional cities and initiated a RFP process to hire a BID consultant to evaluate the feasibility of BID in Fremont's Downtown.
- c. Hosted and Co-hosted numerous small business workshops covering topics such as ADA compliance, digital marketing tools, and virtual career workshops.

- d. Partnered with the Fremont Chamber of Commerce on ‘Dine Out Fremont,’ the City’s first ever restaurant patronage campaign.
- e. Launched a collaboration with Better Block on a design to activation project in the Mission San Jose neighborhood business district (NBD) to showcase ways of activating the neighborhood to improve vibrancy and strengthen existing retail.
- f. Began the revamping of Fremont.gov and ThinkSiliconValley.com websites to include additional resources and information for small business owners with a focus on improving the site navigational experience for this specific audience.
- g. Continued to be a member to and engage on best practices with Main Street Association, a nationwide network of cities, Main St. associations, and economic development organizations that seeks to create thriving and active “Main St.” environments. Main Street Association featured Downtown Fremont’s rise in their January newsletter, including photos from the Downtown Event Center grand opening and profiling recent developments and small business additions.
- h. Supported a public private partnership with local small businesses and Human Service’s Winter Relief Program by signing on four diverse and popular Fremont restaurants to provide weekly prepared meals for program participants, with meal expenses are being covered by a corporate grant from Cargill made to Humans Services.
- i. Launched an innovative partnership with Facebook and Alameda County Workforce Development Board to provide Fremont neighborhood business district associations and small businesses with free digital marketing and web services from local college-age youth who have been professionally trained by Facebook in digital marketing services.



- j. Continued to support Gift Fremont, an online e-gift card portal, where dozens of registered Fremont business have sold digital gift-cards that can be redeemed for future use. In addition to the City’s initial matching contribution, several corporations also provided matching funds for the program, including Facebook, Seagate, Pacific Commons, and Crossroads Shopping Centers. The program provided free marketing and tens of thousands of dollars to Fremont small businesses.
- k. Produced a photography campaign profiling local small business owners and Fremont “main streets” to help market and drive local small business activity and recovery. The campaign has been 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, which was

Department Budgets | Economic Development

November 27, 2021. The photographs were provided to businesses to enhance their online web presence and provide a personal connection between these businesses and the broader Fremont community.

- l. Provided dozens of small business tenant referrals and supported leasing efforts for Downtown Fremont and NBDs through marketing & business development activities.
- m. Shepherded small businesses through permitting processes, helping to verify zoning, apply for tenant improvements, and receive approvals from outside agencies like Union Sanitary, Alameda County Health Department, and California Alcohol & Beverage Control.
- n. Worked in collaboration with Planning and in communication with small businesses, commercial landlords, and local business associations to develop a framework for permanent outdoor dining to replace the temporary Citywide Sidewalk Dining Policy (known as Pop-Up Patio) upon its expiration. ED staff continued to work interdepartmentally to support new and existing Pop-Up Patio program users, which has allowed small businesses to bring their activities outdoors and enhance their retail environment.
- o. Worked with Community Development to expedite the permitting and entitlement process for essential businesses, many involved in COVID-19 response.
- p. Participated in small business roundtable hosted by Facebook parent company Meta that solicited feedback on the challenges being faced by small businesses and influenced the creation of digital marketing and business management tools specifically designed to support women and minority-owned businesses.
- q. Continued to staff an emergency business hotline phone number and email address to provide assistance for businesses struggling with responding to Health Orders and provide timely information on the City's commercial eviction moratorium, delivery fee cap ordinances, and other programs, directly assisting over 250 businesses.
- r. Assisted Public Works Department with outreach to small businesses related to the Centerville Complete Streets pilot program. An updated streetscape was approved by City Council in February 2022 based on community and business feedback.
- s. Monitored and communicated frequent changes in local health orders to business community regarding permitted business activities as well as resources available to businesses.
- t. Continued to maintain a "Business Resource Guide" posted on multiple websites and updated frequently with new content.

2. Workforce Development

- a. Hosted Fremont's second virtual Manufacturing Day event, drawing in hundreds of students from Fremont Unified School District and Ohlone College, with virtual tours and at several notable Fremont companies including Tesla, Evolve Manufacturing, ErlingKlinger, Bay Area Circuits, and ALOM Technologies. The companies also participated in an online question and answer forum which increased student engagement.
- b. Launched a combined instruction and on-job training pilot program called Earn and Learn Fremont (ELF) in partnership with Ohlone College, Alameda County Workforce, and

work2future, placing approximately 25 job seekers laid off from pandemic closures in an industry-recognized certificate program with paid employment at a Fremont-based medical device manufacturer assembling COVID-19 test kits. The success of the program led to Ohlone College receiving grant funding to launch a second round of the program, receiving letters of commitment from multiple Fremont employers including Tesla and Synnex/Hyve Solutions.

- c. Served as an advisory member for the Northern California Engineering Technology Apprenticeship Program (NCETAP), a structured career pathway program focused on training the next generation of engineering technologists for work in the Bay Area's expanding advanced manufacturing and research & development sectors.
- d. Sponsored a region-wide effort and application for Good Jobs Challenge, a \$500M workforce development program ran by the US Economic Development Administration focused on training for in-demand jobs of the future. If successful, Ohlone college would serve as one of the regional training hubs and program administrators.
- e. Partnered with Alameda County Workforce Development Board (ACWDB) and Facebook's Career Connections program to place local underserved jobseekers in digital marketing training and limited internship placement with local businesses.
- f. Connected several employers challenged by large-scale employment needs to regional workforce training and recruitment resources, including Bloom Energy, who anticipates hiring up to 400 people in manufacturing roles at its new factory in Fremont.

3. Job and Tax Revenue Growth

- a. Facilitated development activity including:
 - i. Existing Company Expansion (sample): Boehringer Ingelheim, EnerVenue, Bloom Energy, Enphase, Tesla, Facebook, Quanta Manufacturing.
 - ii. New Corporate Businesses (sample): Applied Materials, Alexza Pharmaceuticals, Lyten, Personalis, Velo3D, Hyundai Urban Air Mobility.
 - iii. New Retail/Hotel (sample): Banter Bookstore, Forest & Flour Bakery, SLIVER Pizzeria, Curio Collection hotel conversion, Homewood Suites by Hilton, Papé Machinery dealership, Enterprise car rental and dealership.
 - iv. Major Commercial Development Activity (sample):
 - Completion of construction and full leasing for Phase II of Pacific Commons South, a 2.7 million square foot advanced manufacturing campus. Fremont currently has an industrial development pipeline of over 2.5 million square feet across 12 projects, with most projects under City review.
 - Additional mixed-use projects are proposed in Downtown Fremont and City Center, including a 250-unit mixed-use project with new retail space under development by MIG Real Estate and a mixed-use project being proposed by Kimco with 314 residential units at the Fremont Hub.

Department Budgets | Economic Development

- Completion of a 209,000 square foot Duke Realty industrial project in Bayside fully leased to Applied Materials.
- Ongoing buildout of Facebook parent company Meta's Ardenwood campus, comprising over 20 buildings.
- Fremont Bank's new six-story headquarters in Downtown Fremont.



- b. Served as a co-applicant and serve as an Advisory Committee member to East Bay EDA's successful \$840,000 grant award with US EDA to support Resilient East Bay, a regional economic recovery strategy led by East Bay Economic Development Alliance (EBEDA). Resilient East Bay focuses on improving economic vibrancy, equity, and resilience through supporting the region's manufacturing ecosystem, with an emphasis on workforce retooling and supporting small and medium-sized businesses.
- c. Facilitated the growth of Fremont's life sciences sector from 125 to over 140 companies. This strategy includes leveraging permissible zoning, City expertise in facilitating complex operations, extensive industrial and R&D real estate inventory, workforce partnerships including Ohlone College's Biotechnology Program, and industry partnerships including with Biocom and California Life Sciences Association.
- d. Continued to accelerate the growth of Fremont's autonomous vehicle (AV) industry through business development and marketing, securing a 100,000 square foot expansion of Zoox to support their scale-up manufacturing of autonomous electric vehicles. Other auto-tech and AV expansions included Waymo, Pony.ai, and Tesla.
- e. Partnered with Biocom to host a life sciences industry event spotlighting Fremont's growing life sciences industry and highlighting the unique attributes that are attracting companies to the City.
- f. Participated in panel discussion at National League of Cities Conference regarding the burgeoning passenger air vehicle (PAV) market and Fremont's positioning as an innovator in the space, highlighting successful business attraction of Hyundai's Urban Air Mobility unit.

- g. Advised and contributed to East Bay Forward, a comprehensive regional economic recovery effort for the great East Bay that focuses on advancing the business climate and improving equitable outcomes in workforce and investment.
- h. Served as a private sector liaison for major City policy and planning efforts, including outreach to businesses for the under-development Climate Action Plan, I-880 Innovation Bridge, Pacific Commons Bridge overcrossing, and SR 262 redesign.
- i. Expanded the Economic Development Department section on the refreshed Fremont.gov website to include more information for small businesses and real estate investment opportunities in the City.
- j. Held official leadership roles in variety of regional economic development organizations, including Silicon Valley Economic Development Alliance (SVEDA), International Council of Shopping Centers (ICSC), Bay Area Urban Manufacturing Alliance (BAUM), and Alameda County Workforce Investment Board.
- k. Partnered with the Information Technology Services Department to survey businesses regarding their internet and 5G needs. The survey results are being used to help shape the City's Fiber Master Plan to increase Fremont's position as an innovative place to do business.
- l. Guided business outreach strategy for the City's Mobile Evaluation Team (MET) and CABS response focused on the area of Christy St., Albrae St., Boscell Rd., and Stewart Ave. Efforts include drafting of commutation and identifying and outreaching to key businesses and developers.
- m. Sponsored and advised on BART's successful US Department of Transportation grant application to develop a strategy for transit-oriented jobs creation along BART's Line A through Fremont.
- n. Helped facilitate a major industrial real estate transaction with Clarion Partners and 9th Street for vacant land in a prime location in Bayside Technology Park employment district. A new six-building advanced manufacturing campus is being proposed for the site that will generate substantial jobs, fees, and recurring general fund revenues once completed.
- o. Supported the ongoing adaptation of several shopping centers including the Fremont Hub and Pacific Commons to allow for new investment and retail tenants.

Objectives FY 2022/23

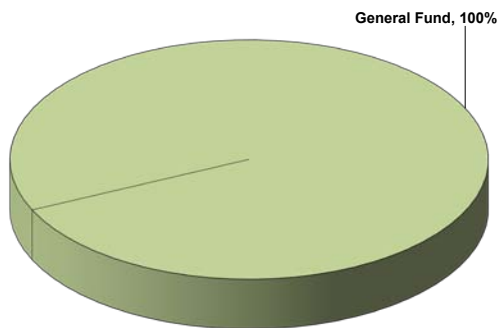
1. Continue implementing a post-COVID 19 economic recovery strategy focused on three key pillars to building a healthy and equitable economy in Fremont. These pillars, listed below, will guide the City's business and economic efforts moving forward:
 - i. Small Business Support and Main Street Revitalization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

Department Budgets | Economic Development

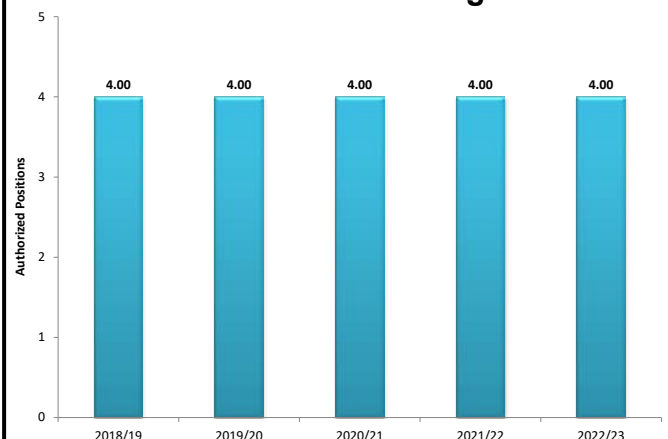
Performance Measurement

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Number of businesses assisted by Economic Development Department	754	200	420*	300
Number of business events that Economic Development Department staff hosted in Fremont, had prominent speaking role in, or directly supported organization/planning outside of Fremont*	18	15	16	15
Number of business appreciation visits and establishment of baseline for percentage of visits that lead to subsequent follow-up/interaction with City	37	35	20**	35
<p>* The pandemic greatly increased the number of inbound requests for assistance ED has received from businesses and has necessitated a significant allocation of staff resources.</p> <p>** Due to COVID-19 and staffing shortages, ED shifted focus from scheduling business visits to prioritizing the high volume of inbound requests for assistance. We expect to resume a regular cadence of business visits in FY 2022/23.</p>				

Economic Development Sources of Funding FY 2022/23: \$1,262,408



Economic Development Authorized Staffing



Department Budgets | Economic Development

Economic Development: Historical Expenditures/Budget, by Category

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Salaries & Benefits	\$ 876,882	806,121	787,659	922,622	886,732	890,729
Operating Expenditures	104,477	98,195	194,698	274,278	133,325	254,825
Capital Expenditures	6,875	-	-	-	-	-
Indirect Expense Allocation**	93,903	85,712	108,574	108,574	108,574	116,854
Totals	\$ 1,082,137	\$ 990,028	\$ 1,090,931	\$ 1,305,474	\$ 1,128,631	\$ 1,262,408
% increase/(decrease), including all funds, from FY 2021/22 Adopted Budget						11.9%
* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.						
** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.						

Major Changes

- The FY 2022/23 Economic Development budget is \$133,777 (11.9%) more than the FY 2021/22 adopted budget.
- Operating expenditures are increasing by \$121,500 (or 91.1%) mainly due to increased professional service to enhance activities to support the small business environment in the City.
- The indirect expense allocation is increasing by \$8,280 mainly due to higher Information Technology and Risk insurance premium costs.

Staffing by Function - FY 2022/23

Economic Development	
Economic Development Director	1.00
Economic Development Manager	1.00
Economic Development Coordinator	1.00
Economic Development Specialist	1.00

Regular Full-Time Equivalents: 4.00

Fire

Mission:

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

Major Services

Operations & Emergency Response

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

Emergency Medical Services & Rescue

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

Fire Prevention and Hazardous Materials Management

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

Emergency Management

Provide coordinated preparedness, response and recovery programs aimed at reducing vulnerability to natural and 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 13 in-service fire companies from 11 fire stations strategically located in the City. The primary goal of the department is reducing casualties and the loss of life, while improving patient outcomes, reducing property loss and damage, the successful extrication of trapped victims, and protecting the environment from the effects of hazardous materials releases. In calendar year 2021, the Fire Department responded to 15,886 calls for service, generating 20,875 engine and truck company responses. Our multi-tiered inspection effort resulted in nearly 1,000 engine company, fire prevention and hazardous materials inspections being completed. Additionally, the Fire Prevention Bureau, through our permit center, reviewed over 2,813 sets of plans, 909 residential and commercial complexes, and 460 hazardous materials facilities within Fremont.

Fire: Historical Expenditures/Budget, by Major Service Area

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Operations/Emergency Medical Service	44,443,372	46,130,518	48,373,186	47,966,252	\$ 47,915,420	\$ 52,667,506
Administration	7,294,159	7,376,056	8,440,414	8,552,682	8,486,899	9,982,432
Prevention	2,181,228	2,225,915	2,114,415	2,440,694	2,451,955	2,552,609
Disaster Preparedness	122,920	2,712	36,392	20,995	32,000	217,995
Total Fire	\$ 54,041,678	\$ 55,735,200	\$ 58,964,407	\$ 58,980,623	\$ 58,886,274	\$ 65,420,542

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

Accomplishment Highlights FY 2021/22

1. Operational Readiness

- Procured two Type I Fire Engines and one truck, in accordance with the Fleet Replacement Schedule.
- Conducted rope rescue training at both a rock quarry and Mt. Allison.
- Continued the transition of replacing outdated rope rescue equipment, using Bay Area UASI grant funding.
- Conducted training at the vacant Comfort Inn Silicon Valley, that including search and rescue with simulated smoke, hose advancement, ladder deployment, and firefighter down drills.
- Deployed Mutual Aid resources to multiple wildfire incidents, including Dixie Fire, Fawn Fire, KNP Complex, McFarland Fire, River Fire, Monument Fire, and more.

- f. Helmet shields were replaced to align with both internal and Alameda County Mutual Aid personnel accountability policies. The helmet identifier is one component in an accountability method that provides enhanced personnel safety while operating in an immediately dangerous life or health environment.
- g. Sold the 2013 Water Tender to Oak Creek Fire Protection District on January 3, 2022.
- h. Completed the first full year of data auditing and streamlining to ensure accurate reporting, using Power BI (Business Intelligence) data dashboard.
- i. Conducted electric vehicle auto extrication training.



2. Community Risk Reduction

- a. Continued to monitor, refine, and advance our California State Fire Marshal and CalEPA inspection programs, to further improve compliance with our mandated annual, biennial, and triennial inspection obligations.
- b. Received our triennial notice and began preparing for our Certified Unified Program Agency's (CUPA/Hazmat) 2022 audit from CalEPA.
- c. Provided High Intensity Hazardous Materials Storage Ordinance training to Planning Staff and expanded Plan Review, Hazardous Material and Fire Code training opportunities to bolster succession planning efforts.
- d. Eliminated the backlog of Engine Company Inspections created by the initial and episodic shelter-in-place orders received in response to the COVID-19 pandemic.

3. Emergency Management and Disaster Resilience

- a. In partnership with the American Red Cross, Human Services, Community Services, Fremont Unified School District, and Ohlone College, jointly conducted post-disaster shelter surveys of all public high schools, Age Well Centers, Community Centers, and other facilities. Prepared fourteen site-specific shelter pre-plans. Disseminated a survey to faith-based partners to assess capacity to support sheltering and other post-disaster relief services.
- b. Applied for the Cal OES Hazard Mitigation Grant Program Planning funds to prepare an updated Local Hazard Mitigation Plan for Fremont, in partnership with Tri-City local governments.

Department Budgets | Fire

- c. Prepared a post-disaster Care and Shelter Annex as well as a Public Alert and Warning Annex to the City's Emergency Operations Plan.
- d. Began the implementation of a Disaster Service Worker program and training for all City employees.
- e. On a quarterly basis, prepared and updated extensive internal and external contact information for City of Fremont Emergency Operations Center (EOC) staffing; Disaster Service Workers; and public, private, and non-governmental organization partners for emergency use.



4. Diversity and Inclusion

- a. Continued to work with the Fire Department's Human Relations Committee on diversity and inclusion initiatives.
- b. Continued to ensure equity in hiring and training and career development opportunities.

5. Health and Wellness

- a. Received grant funding through the FEMA Assistance to Firefighters Grant for baseline and annual medical examinations.
- b. Audited all diesel exhaust removal systems at the fire stations to ensure proper functionality.
- c. Continued biannual fitness equipment services to ensure proper function and reduce potential for injury.
- d. Purchased and distributed P100 Filters and SCBA Mask adapters for increased respiratory safety during overhaul.

**6. Organizational Development**

- a. Conducted a lateral recruit academy for 10 firefighters.
- b. Conducted Fire Engineer, Fire Captain, and Acting Battalion Chief academies to prepare for promotional exam processes for proactive succession planning.
- c. Promoted three personnel to the rank of Fire Captain.
- d. Conducted promotional Fire Engineer exams.
- e. Recruited and filled the Deputy Fire Marshal position within the Fire Prevention Bureau.
- f. Reinstated continuous quality assurance and improvement within operations, training, and EMS.

Objectives FY 2022/23

1. Operational Readiness

- a. Continue rope rescue training, tower training, hazardous material training and recruitment to the Special Operations Task Force.
- b. Send incumbent personnel to paramedic school to meet department's succession needs.
- c. Purchase and implement a new fire station alerting system.
- d. Conduct Zonehaven evacuation management collaborative training with multiple internal and external stakeholders.
- e. Purchase a new water tender to be in service by the summer 2022 in time for wildland fire season.
- f. Staff a 14th company purchase equipment with impact fees..

2. Community Risk Reduction

- a. Review and adopt, with updates to Fremont's local amendments, the 2022 California Fire Code.
- b. Receive and respond to our formal 2022 Certified Unified Program Agency's (CUPA/ Hazmat) audit from CalEPA.
- c. Refine, and advance our CSFM and CalEPA inspection programs to align with the anticipated filling of vacant and possibly new Fire Prevention Bureau Staff.

3. Emergency Management and Disaster Resilience

- a. Institute on-going specialized training for Emergency Operations Center staff.
- b. Implement a rotating OES Duty Officer program, improving readiness to activate the Emergency Operations Center (EOC) and coordinate and issue public alerts and warnings in an emergency.
- c. Complete the Tri-Cities Multi-jurisdictional Local Hazard Mitigation Plan, securing California Governor's Office of Emergency Services and Federal Emergency Management Agency approval.
- d. Prepare additional annexes to the Emergency Operations Plan, including a post-disaster structural Safety Assessment guide and Disaster Debris Management Plan.
- e. Equip the EOC with improved technology, including laptops, audio-visual displays, and interoperable, redundant communications devices.

4. Diversity and Inclusion

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

5. Health and Wellness

- a. Conduct baseline medical exams for all suppression personnel.

6. Organizational Development

- a. Conduct a new hire fire academy.
- b. Recruit and hire for the positions of Senior Fire Inspector, Fire Inspector, and Hazardous Materials inspector.
- c. Recruit and hire a Management Analyst I/II, Emergency Services Coordinator, and fifteen (15) Firefighters.



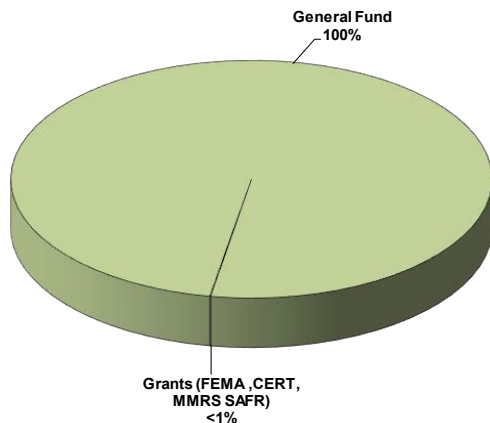
Performance Measurement

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
911 calls processed within 1:30 minutes	90.0%	90.0%	90.0%	90.0%
Crew responding within 2:00 minutes of dispatch	85.4%	90.5%	90.0%	90.0%
Crew travels to incident within 4:00 minutes of dispatch	55.7%	84.0%	90.0%	90.0%
FFD Paramedic on scene of a medical emergency within 7:30 minutes from 911 call	83.9%	88.2%	90.0%	90.0%
Fire Engine arrives at the scene of a fire within 7:30 from 911 call	73.0%	98.8%	90.0%	90.0%
Ladder Truck arrives at the scene of a fire or rescue within 11:30 from 911 call	87.3%	97.0%	90.0%	90.0%
Vegetation fire is confined to one acre or less	92.3%	97.5%	90.0%	90.0%
Structure fire is contained to the room of origin	87.9%	94.4%	90.0%	90.0%
Patient extricated from a vehicle collision within 30 minutes	100.0%	82.4%	90.0%	90.0%
Provide sufficient amount of quality training to maintain operational readiness	31 hours per person per month	33 hours per person per month	20 hours per person per month	20 hours per person per month
Provide sufficient amount of quality training to maintain required licenses and certifications	Required licenses and certifications 100% compliance	Required licenses and certifications 100% compliance	Met this measure with 100% compliance	Met this measure with 100% compliance

Performance Measurement (continues)

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Percent of inspections of State Fire Marshal (SFM) regulated occupancies	Met this measure with 54% compliance, down from 81% in CY 2019	Met this measure with 54% compliance, down from 81% in CY 2019	Complete inspections of 95% of SFM regulated occupancies in a given year	Complete inspections of 100% of SFM regulated occupancies in a given year
Percent of inspections of permitted Hazardous Materials (Haz Mat) facilities	Completed 22% of Haz Mat Facility, (vs. 25%) and 100% of Underground Storage Tank (UST) inspections	Complete 30% of Haz Mat Facility and 100% of Underground Storage Tank (UST) inspections	Complete 33% of Haz Mat Facility and 100% of Underground Storage Tank (UST) inspections in a given year	Complete 33% of Haz Mat Facility and 100% of Underground Storage Tank (UST) inspections in a given year
* Data tracked on a calendar basis.				

Fire Sources of Funding
FY 2022/23: \$65,420,542



Fire Authorized Staffing



Department Budgets | Fire

Fire: Historical Expenditures/Budget, by Category

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Salaries & Benefits	\$ 45,128,210	\$ 48,086,453	\$ 49,436,891	\$ 49,624,716	\$ 49,595,137	\$ 54,450,348
Operating Expenditures	2,429,473	2,197,516	2,671,665	2,697,410	2,535,028	3,113,945
Capital Expenditures	959,571	268,391	432,535	429,290	328,585	488,003
Indirect Expense Allocation**	5,524,424	5,182,840	6,427,524	6,427,524	6,427,524	7,368,246
Totals	\$ 54,041,678	\$ 55,735,200	\$ 58,968,615	\$ 59,178,940	\$ 58,886,274	\$ 65,420,542
% increase/(decrease), including all funds, from FY 2021/22 Adopted Budget						11.1%
* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.						
** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.						

Major Changes

- The FY 2022/23 Fire Department budget is \$6,534,268 (11.1%) more than the FY 2021/22 adopted budget.
- Salary and benefits are increasing by \$4,855,211 (9.8%) due to the addition of 10.0 FTE that includes 3.0 FTE Fire Captains, 3.0 FTE Fire Engineers, and 3.0 FTE Firefighters to support the addition of one fire truck company, and 1.0 FTE Emergency Services Coordinator. In addition, salary and benefits costs in the proposed budget include a 3% placeholder increase as the City is currently engaged in collective bargaining with its employee groups.
- Operating expenditures are increasing by \$578,917 (or 22.8%) mainly due to a new Fire Academy and the addition of a fire truck company.
- Capital expenditures are increasing by \$159,418 (or 48.5%) mainly due to capital replacement purchases.
- Indirect expense allocation is increasing by 14.6% mainly due to higher Information Technology and Risk insurance premium costs.

Staffing by Function - FY 2022/23

Fire I			
Fire Chief's Office			
Fire Chief		1.00	
Operations		Fire Prevention	
Deputy Fire Chief	1.00	Fire Marshal	1.00
Division Chief	1.00	Deputy Fire Marshal	1.00
Battalion Chief	6.00	Haz Materials Program Manager	1.00
Emergency Services Manager	1.00	Senior Haz Mat Inspector	1.00
Emergency Services Coordinator	1.00	Haz Mat Inspector	3.00
Fire Captain	45.00	Senior Fire Prevention Inspector	1.00
Fire Engineer	41.00	Fire Prevention Inspector	3.00
Firefighter	50.00	<i>Public Service Assistant (PSA) 0.5*</i>	
<i>Public Service Assistant (PSA) 0.5*</i>			
Emergency Medical Services/Training		Administration/Personnel	
Deputy Fire Chief	1.00	Business Manager	1.00
Clinical Nurse Educator	1.00	Public Affairs Manager	1.00
		Management Analyst II	2.00
		Senior Executive Assistant	2.00
		Administrative Assistant	3.00
		Senior Office Specialist	2.00
		Office Specialist I	1.00
*Part time, Temporary positions not counted in full-time equivalents.			

Regular Full-Time Equivalents: 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.





As the COVID-19 pandemic continued to impact the community in the last year, the Human Services Department expanded food distribution services to those in need along with PPE supplies which aided many of our non-profits and constituents they served. Human Services maintained and expanded essential mental health, substance use disorder, crisis intervention, and homeless services. It also provided wellness checks, and essential transportation access for seniors and individuals with disabilities, and financial coaching support services to community members impacted by Covid-related job loss or reduction in wages. In anticipation of an influx of refugees from Afghanistan, the Human Services Department raised funds to support many Bay Area nonprofits, Alameda County, and other agencies meeting the needs of refugees settling in the area.

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

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Family Resource Center	\$ 3,201,940	\$ 6,789,130	\$ 18,101,945	\$ 16,847,278	\$ 16,807,001	\$ 4,276,743
Youth and Family Services	3,187,848	3,248,626	3,357,769	3,946,299	3,877,336	4,013,211
Aging and Family Services	4,189,882	4,446,891	4,851,073	5,081,260	5,051,066	5,361,556
CDBG/Rent Review	2,308,802	2,875,766	2,644,890	4,355,374	3,377,545	2,961,147
Paratransit	1,753,137	1,478,208	1,834,493	2,471,385	2,471,003	2,200,020
Administration	1,792,402	2,010,235	2,545,609	2,324,657	2,315,311	2,833,523
Social Services Grants	751,449	569,222	797,605	947,605	797,605	821,533
Home Grant	186,615	300,221	498,559	404,791	404,791	404,791
Homeless Services	1,722,268	1,531,536	5,634,253	4,249,123	4,134,251	4,427,166
Total Human Services	\$ 19,094,343	\$ 23,249,835	\$ 40,266,196	\$ 40,627,772	\$ 39,235,909	\$ 27,299,690

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

Accomplishment Highlights FY 2021/22

1. When the US withdrawal from Afghanistan was imminent, the City of Fremont mobilized an effort to raise funds to help Afghan newcomers to the area pay for urgent expenses. The effort drew national attention, receiving donations from 40 states, for a total of over \$441,000 and counting. Due to the outpouring of support, the Afghan Relief Help Fund (ARHelp Fund) developed a process for organizations serving Afghan newcomers to access these funds in support of their efforts.
 
2. During the pandemic, the Department increased its communication to ensure that the public received the most up-to-date information regarding available services and programs. The Department sent 51 weekly email updates to its approximately 7,000 constituents. The FRC increased its communications to the community by sending over 115 e-mail updates, providing approximately 79 Facebook posts per month, and continuing to publish its quarterly FRC News in a digital format. The monthly Age Friendly Fremont newsletter shifted to a primarily digital format and added a Chinese language version to increase its reach.
3. The Housing Navigation Center celebrated its first year of operation on October 1, 2021. Operating at reduced COVID capacity, it served 66 individuals, and moved 66% of its exiting residents into housing.
4. The Winter Relief program operated from December 1, 2021 through March 31, 2022, utilizing 20 hotel rooms, serving 40 individuals and families per night. The Islander Motel temporary shelter program was extended through February 28, 2022 and sheltered 69 individuals during the fiscal year. Including previous fiscal years, this program sheltered a total of 110 individuals, with a rehousing rate of 66%.
5. The Safe Parking Host Site Pilot program launched on January 31, 2022. The program is a collaboration with faith-based host sites, offering their parking lot as a safe overnight parking location, with the City of Fremont as coordinator, and Compassion Network for volunteer management. Currently, up to 15 vehicles can be supported in this rotational, overnight parking program.
 
6. Through a multi-departmental collaboration of Human Services, ITS, Community Development and Community Services, the Homelessness option within the City's Fremont App was activated. This is a new mechanism in which community members can submit requests related to social service needs, encampments, and inhabited RVs.
7. Keep Fremont Housed, a program to distribute \$17 million in rental and utility assistance funds from the U.S. Treasury Department and State Block grant, was launched on April 1, 2021. Funds were used to assist households below 80% of area median income, who have been negatively impacted by COVID-19. Lower income households at 30% of median income were given priority. As of June 30, 2022, 90% of program funds have been committed or paid to assist low-

Department Budgets | Human Services

income households in paying their back rent and utilities, and over 1,000 Fremont households have been assisted. Priority assistance was given to those whose income was at 30% or below area median income.

8. The Financial Navigator Program, a program that provided free financial consultations over the phone to Alameda County residents, served 265 households, by connecting them to over 1,500 referrals and discussing 35 different financial topics and needs. Financial consultation was available in Spanish, English, Dari, and Arabic.
9. The FRC held over 55 bi-weekly food and supply giveaways during the pandemic, distributing over 6,000 bags that included groceries, PPE, diapers, children's backpacks, books, and toys. During FY 21-22, the 5SikhSEVA Food Truck distributed 4800 free hot vegetarian meals at these giveaway events. The FRC also held one COVID-19 testing event and two vaccination events.
10. The Age Friendly 5-year Action Plan, previously adopted by the Fremont City Council, was filed with the World Health Organization and the American Association of Retired People. The plan includes strategic directions for nine domains and a policy platform to support older adults.
11. The new Age Well Center at South Fremont opened, a sister site to the Age Well Center at Lake Elizabeth. The new center is 11,000 sq. feet and specifically designed to meet the needs of adults over the age of 55 years. The new center has an outdoor garden and seating area, bocce ball court and is centrally located near several senior housing complexes.
12. The two Age Well Centers served 2,659 adults age 55+, providing classes and health screening to keep them engaged, social and healthy.
13. The two Age Well Centers served over 10,400 hot meals, giving adults age 55+ a healthy, hearty, affordable meal option and the ability to spend time with peers. The Age Well Centers also provided 4,280 free bags of groceries, to keep them sustained and nourished during the pandemic in partnership with a local nonprofit agency. Lastly, the center provided 3,125 frozen meals to Islander Motel temporary shelter participants, adults experiencing homelessness, which helped them shelter in place safely and access healthy meals.
14. The Ride-On Tri-City program provided mobility management support to 480 seniors and individuals with disabilities. 10,828 subsidized rides were provided for program participants' essential health care appointments, grocery shopping, errands, and other daily needs.
15. The Department fully implemented MyEvolv, an Electronic Health Record system, which facilitates cross program coordination, and satisfies contract goal documentation and meets billing needs.
16. Through SparkPoint Fremont, over 400 low-income individuals, were assisted in building assets and reaching their financial goals. 71% of clients made significant progress toward their goals. During the Pandemic, the program moved to virtual coaching to assist families dealing with additional economic stress due to the COVID-19 crisis. SparkPoint Coaches provided financial workshops for parent groups and employee groups on subjects such a credit, taxes and insurance.



17. The FRC provided free tax preparation as part of the Bay Area-wide Earn It! Keep it! Save It! Coalition, including “Virtual VITA” services for low income families. Customers who could not manage virtual services were able to drop off documents for preparation at the FRC. VITA volunteers helped ensure that individuals and families impacted by COVID-19 were able to access their Economic Impact Payments and other public and private resources.
18. YFS recruited and trained 16 graduate level clinical counseling interns, who provided services on school sites and at the YFS Clinic. Interns provided 14,000 volunteer service hours, bringing a value of more than half a million dollars in mental health counseling services to youth and families in the community.
19. YFS continued to provide bi-weekly virtual parent support groups in English and Spanish. Groups supported parents dealing with multiple family stressors from job loss to assisting children with remote learning. YFS held 40 groups offered on a bi-weekly basis twice per week. The groups were funded with a COVID relief grant, allowing parents and caregivers of youth to attend at no cost.
20. YFS screened 500 referrals for youth behavioral healthcare services and provided more than 11,000 direct counseling and collateral services to 350 youth and their families. Due to COVID, many counseling sessions utilized a new Telehealth platform. Referrals for students from Fremont Unified School District increased by 35% in comparison to the previous fiscal year.
21. YFS Substance Use Disorder (Alcohol and Drug) treatment team provided 130 hours of in-person and virtual outreach events to the community. These events reached 1400 students through psychoeducation and interactive presentations about alcohol and drugs, and 200 teachers and counselors through education workshops. This team also provided intensive individual and group services to 50 adolescents and more than 700 service sessions.
22. YFS hosted the third annual Youth Wellness Ambassadors’ Community Service Project. This year, 10 high school students were selected out of more than 100 applicants to study the role that technology (and specifically mobile applications) plays in relation to mental health and wellness. The student cohort was led by an American High junior and produced and hosted a virtual Mental Health and Wellness Forum for the community.



23. YFS hosted the 5th annual Children’s Mental Health Awareness Art Competition, with the theme “My Courage and Strength.”
24. The Stay Housed Program assisted 25 families with \$158,307 in longer-term rental assistance as well as wrap-around services, enabling them to build assets to become financially self-sufficient.

Department Budgets | Human Services

25. The City hired a second Crisis Intervention Specialist as part of the Mobile Evaluation Team (MET).
26. The 2021 Giving Hope appeal raised over \$39,000 from people in the community. The appeal fulfilled wish lists for 71 families and 150 seniors, including 19 with companion animals. Raised funds are used to support residents throughout the year through the Department's Urgent Needs Funds.

Objectives FY 2022/23

Continue to evolve programs both quickly and thoughtfully, as the COVID-19 restrictions diminish, and on-site services reopen to the public.

1. Transition the Keep Fremont Housed Rent Relief Program as program funds are substantially expended into a housing stability program funded by the remainder of administrative funds to assist and support low income Fremont families most at risk of homelessness and eviction.
2. Implement specific strategies and action steps outlined in Year Five of the FRC's 5-year Strategic Plan 2018-2023 and begin planning the FRC 5-year Strategic Plan 2024-2029.
3. Partner with Washington Hospital and Alameda County Emergency Medical Systems to understand and effectively meet the needs of individuals who repeatedly call 911 and are assessed for 5150 evaluations.
4. Increase the average number of meals produced at the Age Well Center and adapt the service model to include safe dine-in options, as well as drive up and/or pick-up options.
5. Continue offering online Age Well Center classes, to reach those that may prefer on-line learning and engagement or may not be able to get out of the home and come to a center
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 2022/23 goal is to serve 350 participants.
7. Continue to maintain the Tri-City Workforce Training Website www.fremont.gov/workforcetraining to connect interested individuals with short term low cost career track training that leads to living wage careers, and continue to participate and support local workforce training initiatives focused on low-income households.
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 25 families facing social, emotional, economic crises to remain in their homes and return to financial stability by providing short-term (up to two years) rental assistance through Stay Housed and SparkPoint services.

Department Budgets | Human Services

10. Oversee the City's Homeless and Housing fund as well as HHAP, PLHA and CDBG CARES funding focused on mitigating the impacts of homelessness and COVID-19, respectively.
11. Continue to increase and strengthen diversified funding streams for the Humans Services Department to offset service costs, by expanding cultivation of individuals, foundations, and corporate partners and improving stewardship efforts to improve donor retention.

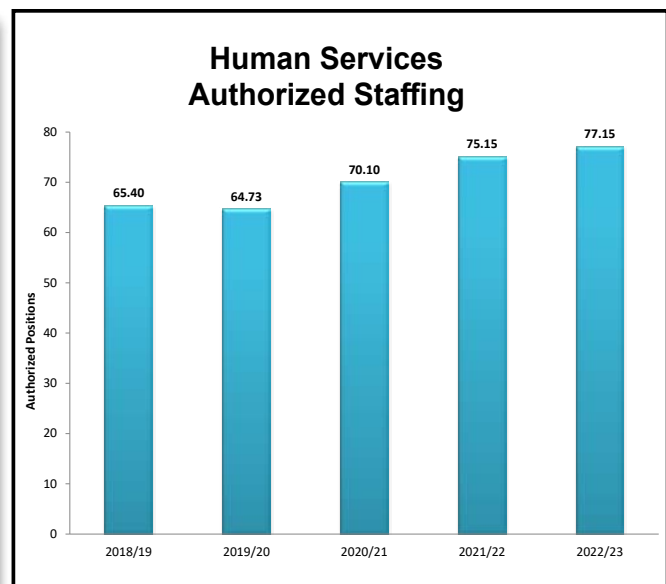
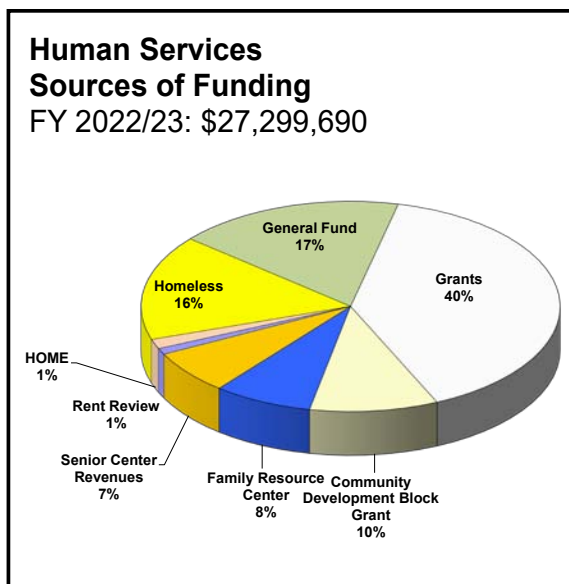
Performance Measurement

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Percent of Long-term SparkPoint Clients achieving economic mobility ¹	75%	75%	72%	75%
Increase number of paid members at both Age Well Centers ²	586	1,143	1,138	1,194
Percent of youth who improved in their social behavioral health and were observed as stable after receiving counseling services ³	75%	75%	75%	75%

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

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

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



Department Budgets | Human Services

Human Services: Historical Expenditures/Budget, by Category

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Salaries & Benefits	\$ 10,733,333	\$ 11,060,128	\$ 12,244,648	\$ 13,429,640	\$ 13,409,846	\$ 14,200,078
Operating Expenditures	6,855,003	10,561,020	23,362,044	25,156,220	23,861,440	10,823,379
Capital Expenditures	144,312	87,658	2,889,836	188,833	40,322	233,598
Indirect Expense Allocation**	1,361,695	1,541,029	1,769,668	1,853,079	1,924,301	2,042,635
Totals	\$ 19,094,343	\$ 23,249,835	\$ 40,266,196	\$ 40,627,772	\$ 39,235,909	\$ 27,299,690
% increase/(decrease), including all funds, from FY 2021/22 Adopted Budget						-30.4%
* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.						
** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.						

Major Changes

- The FY 2022/23 Human Services budget is \$11,936,219 (or -30.4%) less than the FY 2021/22 adopted budget.
- Salary and benefits are increasing by \$790,232 (5.9%) due to staffing increase of 2.0 FTE, which includes 1.0 FTE Case Manager to enhance support for homeless care and response and 1.0 FTE Senior Office Specialist to support Medi-Cal program activities. In addition, salary and benefits costs in the proposed budget include a 3% placeholder increase as the City is currently engaged in collective bargaining with its employee groups.
- Operating expenditures are decreasing by \$13,038,061 (or -54.6%) mainly due to decrease of one time ERAP grant, also known as the "Rental assistance" grant.
- Capital expenditures are increasing by \$193,276 (or 479.3%) mainly due to one-time costs associated with the Discovery Cove renovation and furniture replacement.
- Indirect expense allocation is increasing by \$118,334 (or 6.1%) mainly due to higher Information Technology and Risk insurance premium costs.

Staffing by Function - FY 2022/23

Human Services			
HS Administration			
Human Services Director	1.00		
Deputy Director Human Services	1.00		
Human Services Development Officer	1.00		
Management Analyst I	1.00		
Management Analyst II	2.00		
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		
Youth and Family Services		Family Resource Center	
Family Services Administrator	1.00	Family Services Administrator	1.00
Clinical Supervisor	2.00	Clinical Supervisor	1.00
Senior Program Coordinator	2.00	Management Analyst II	1.00
Counselor	8.30	Program Coordinator	2.00
Administrative Assistant	1.00	Case Manager	2.85
Human Services Specialist II	2.00	Human Services Specialist II	1.00
Office Specialist II	0.50	Senior Office Specialist	1.00
Accounting Specialist II	1.00	Office Specialist II	1.50
Accounting Specialist I	0.50	Counselor	1.00
<i>Counseling Interns*</i>		Administrative Assistant	1.00
		<i>Public Service Assistant*</i>	
Age Well Centers		Aging and Family Services	
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	2.60
<i>Public Service Assistants*</i>		Senior Office Specialist	1.00
		Human Services Specialist II	1.00
		Accounting Specialist I	0.50
		<i>Outreach Workers*</i>	
Homeless Services		Rent Review Admin	
Homeless Services Manager	1.00	Senior Office Specialist	1.00
Case Manager	1.00		
Crisis Intervention Specialist	2.00		
Mobile Hygiene Unit Operator	1.00		
<i>*Temporary positions not counted in full-time equivalents</i>			

Regular Full-Time Equivalents: 77.15

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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

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Patrol Operations/Dispatch	\$ 47,985,676	\$ 51,119,943	\$ 52,726,053	\$ 57,029,246	\$ 56,486,495	\$ 59,956,107
Administration/Records	19,565,081	19,016,276	21,092,308	21,226,821	20,164,750	22,837,800
Investigations	15,275,950	15,952,396	16,002,030	17,545,156	17,463,352	13,903,954
Detention and Evidence Storage	3,291,894	3,097,964	2,708,608	3,418,739	3,408,576	3,629,062
Aminal Services	1,493,150	1,403,200	1,601,052	1,690,011	1,684,633	2,917,959
Community Engagement/Public Affairs	1,047,037	1,072,372	917,752	1,108,339	1,107,226	1,824,545
Mobile Evaluation Team	515,024	868,294	1,012,192	990,154	968,437	1,075,552
SWAT Team	587,987	651,085	613,727	636,427	630,088	649,425
Totals	\$ 89,761,799	\$ 93,181,530	\$ 96,673,722	\$ 103,644,893	\$ 101,913,557	\$ 106,794,404

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

Accomplishment Highlights FY 2021/22

1. Analyzed the commercial burglary issue in January 2021 and sought alternative methods of reducing crime in the city's southern area. Representatives from the police department met with city personnel to develop policing strategies for engaging homeless offenders and directed response to common locations and offering social service assistance before enforcement. This methodology contributed to a 26% decrease in commercial burglaries in 2021 (UCR).
2. Investigations redeployed resources into a Gun Violence Reduction Team (GVRT) whose main objective is to mitigate the impact of shooting and firearm related crimes.
3. Developed "real time" capabilities to support patrol with situational awareness and officer safety. Integration and implementation of a data visualization platform for Real Time Information Center (RTIC) for crime analysis and investigations.
4. Patrol deployed multiple Side-Show Suppression Teams in specific locations throughout the City to prevent and deter illegal Side-Show gatherings.
5. The police department purchased two electric motorcycles, which have been assigned to the Traffic Unit and will be utilized to in the need of police services in off road or remote locations along with special events.



6. 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.

7. The Police Department has continued to prioritize the hiring of new officers and dispatchers.
8. Continued forward with the centralization of all training materials, policies and procedures into a central depository which provides the community with easier direct access to these department documents via our transparency portal on the department website.
9. The Fremont Detention Facility transitioned from a Type I facility to a Temporary Holding Facility. Detention personnel transitioned to Detention Transport Officers and received focused training regarding transporting, Santa Rita Jail booking procedures, less lethal weapon use, Emergency Vehicle Operations and Arrest and Control Techniques.
10. A wellness application, which provides employees with a wide range of wellness assistance in a mobile app, was launched for all employees in the department.
11. The Mobile Evaluation Team (MET) provided briefing training to all Patrol shifts, including updates on response to call involving mental health crisis and homelessness and also worked with other City departments to plan and implement a large-scale homeless encampment clean-up in the areas of Christy St, Albrae St, Boscell Rd and Stewart Ave. This resulted in the removal of over 18 tons of debris/garbage and towing numerous abandoned vehicles.

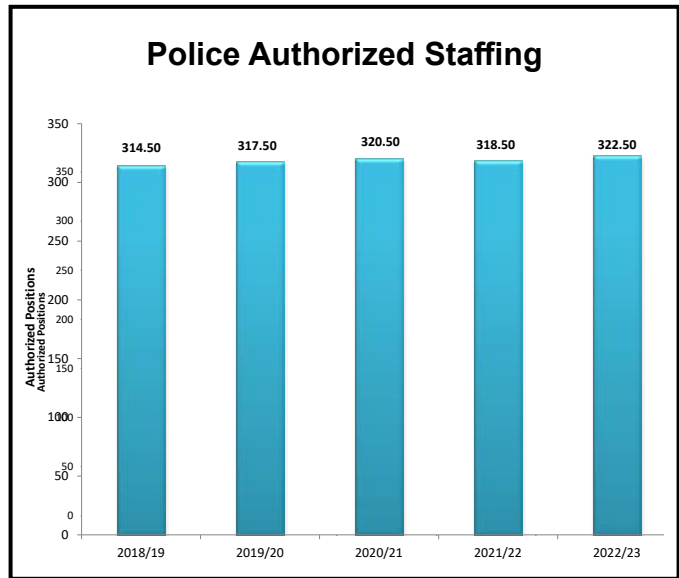
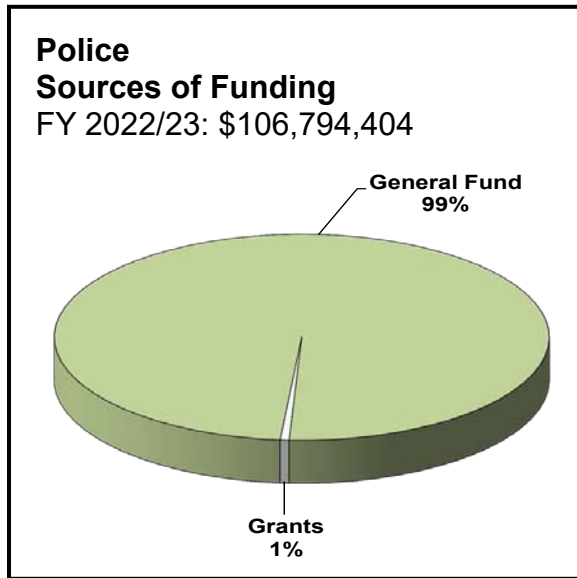


Objectives FY 2022/23

1. Develop, promote and implement data-driven crime reduction strategies to include crime prevention, disruption and apprehension.
2. Continue to enhance our understanding of Intelligence-led Policing principles and practices throughout all levels of the organization.
3. Reduce gun violence through intelligence sharing and analysis in partnership with the Gun Violence Reduction Team (GVRT).
4. Traffic personnel will focus on reducing injury collisions and enhancing roadway safety.
5. Reduce sworn and professional vacancies across all departmental positions.
6. Focus efforts to reduce retail theft in collaboration with the local business community.
7. Increase the frequency of scenario-based training for Police Officers in an effort to support de-escalation and use of force training.
8. With other City departments, use a coordinated approach to mitigate the impact of the unhoused on our community and on the individuals within it.
9. School Resource Officers will continue to enhance their relationships with the schools to provide comprehensive services and education.
10. Offer a baseline medical analysis or wellness initiative to department employees in support of employee health.

Performance Measurement

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Continue to apply the strategies, tactics, and methods used to sustain present level or further reduce the incidence of residential burglaries*	290 ¹ (single/multiple residences only) 864 ¹ (all burglaries)	Sustain present level or further reduction from previous year	263 ² (single/multiple residences only) 686 ² (all burglaries)	Sustain present level or further reduction from previous year
Continue to apply the strategies, tactics, and methods used to sustain present level or further reduce the incidence of violent crimes and property crimes*	407 ¹ (violent crimes) 5,722 ¹ (property crimes)	Sustain present level or further reduction from previous year	469 ² (violent crimes) 5,693 ² (property crimes)	Sustain present level or further reduction from previous year
Minimize the number of injury collisions as compared to the previous year*	379 ¹	Reduction from previous year	429 ²	Reduction from previous year
Enrollment of all employees in a baseline medical analysis exam or wellness initiative	25%	Increase from previous year	Funds were diverted to purchase the employee wellness app	50%
Increase staffing levels to full allocations for the positions of Police Officer and Communications Dispatcher	94%	Increase from previous year	92%	95%
¹ Calendar Year 2020. ² Calendar Year 2021. * Figures reported by Uniform Crime Reporting (UCR) calendar year.				



Police: Historical Expenditures/Budget, by Category

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Salaries & Benefits	\$ 76,347,224	\$ 80,863,815	\$ 81,768,744	\$ 88,347,956	\$ 87,591,213	\$ 90,793,122
Operating Expenditures	4,159,800	3,974,771	5,141,234	5,615,941	5,145,347	5,326,308
Capital Expenditures	566,786	1,386,178	1,032,512	949,764	445,765	799,563
Indirect Expense Allocation**	8,687,989	6,956,766	8,731,232	8,731,232	8,731,232	9,875,411
Totals	\$ 89,761,799	\$ 93,181,530	\$ 96,673,722	\$ 103,644,893	\$ 101,913,557	\$ 106,794,404
% increase/(decrease), including all funds, from FY 2021/22 Adopted Budget						4.8%
* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.						
** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.						

Major Changes

- Capital expenditures are increasing by \$353,798 (or 79.4%) mainly due the addition of one-time field equipment costs.
- Indirect expense allocation is increasing by \$1,144,179 (13.1%) mainly due to higher Information Technology and Risk insurance premium costs.

Department Budgets | Police

Staffing by Function - FY 2022/23

Police			
Chief's Office			
Police Chief		1.00	
Executive Assistant		1.00	
Business Services			
Business Manager	1.00		
Accounting Technician	1.00		
Senior Accounting Specialist	2.00		
Senior Office Specialist	1.00		
Equipment Room Specialist	1.00		
Equipment Room Assistant	1.00		
Public Service Assistant 10* (Equipment Room)			
			Office of Professional Standards & Accountability
			Deputy Chief 1.00
			Police Sergeant 1.00
			Management Analyst I 1.00
			Special Investigator to the Chief
			Police Sergeant 1.00
Patrol Division		Special Operations Division	Administrative Operations Division
Police Captain	1.00	Police Captain	1.00
Police Lieutenant	5.00	Police Lieutenant	2.00
Police Sergeant	23.00	Police Sergeant	2.00
Police Officer	120.00	Police Officer	3.00
Traffic Enforcement Specialist	1.00	Crime Intel & Analysis Manager	1.00
Senior Community Service Officer	4.00	Crime and Intelligence Analyst	2.00
Community Service Officer	11.00	Public Affairs Manager	1.00
Parking Compliance Officer	2.00	Management Analyst II	1.00
Public Safety Communications Manager	1.00	Public Affairs Specialist	2.00
Police Communications Dispatch Supervisor	7.00	Community Service Officer	2.00
Police Communications Dispatcher	26.00	Police Records Specialist	2.00
Administrative Assistant	1.00	Administrative Assistant	1.00
Reserve Officer 6*		Public Service Assistant 2* (Alarm Abatement, Comm Eng)	
Public Service Assistant 2* (Red Light, Court Liaison)			
			Police Records Administrator 1.00
			Police Records Supervisor 3.00
			Police Records Specialist 9.00
			Police Records Assistant 3.00
			Animal Services Manager 1.00
			Animal Services Supervisor 2.00
			Animal Services Officer 4.00
			Animal Services Vet Technician 0.50
			Administrative Assistant 1.00
			Senior Office Specialist 3.00
			Office Specialist II 1.00
			Special Assistant 8* (Personnel)
			Public Service Assistant 11* (Animal Services)

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

Regular Full-Time Equivalents: 322.50

Public Works

Mission:

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

Major Services

Engineering - Transportation

Plan, provide, and operate a multimodal transportation system with safe and convenient choices for people walking, bicycling, driving and using transit, through local actions and in coordination with regional and State transportation agencies. A key service includes managing and modernizing the City's system of 230 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 450 vehicles and 120 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 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.

The Department's overall work activity is expected to increase with the influx of new federal infrastructure investment from the \$1.2 trillion Infrastructure Investment and Jobs Act approved in November 2021. Significant new funding will soon be available to repair and improve roads and bridges; support clean energy and vehicles; expand broadband communication networks; and improve multimodal mobility and safety.

To address the transition toward a not yet defined increase in work activity, staffing in Public Works is focused primarily on filling vacant positions, using temporary employees, and procuring professional services from the private sector. Public Works currently manages about 50 consultant contracts to support the delivery of public works projects and services.

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

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Hazardous Materials	\$ 398,671	\$ 360,943	\$ 382,680	\$ 420,405	\$ 413,284	\$ 376,497
Streets	3,568,393	3,841,451	3,820,252	4,487,097	4,482,102	4,738,221
Public Buildings	8,225,142	7,696,362	8,018,041	8,340,917	8,325,670	8,914,242
Fleet Maintenance	3,343,360	3,699,298	4,056,141	3,839,032	3,828,862	4,364,213
Engineering	15,316,247	16,014,363	16,201,935	16,514,368	16,353,719	17,518,940
Administration	1,907,374	1,770,248	2,109,243	2,206,768	2,191,514	2,404,627
Total Transportation & Operations	\$ 32,759,187	\$ 33,382,665	\$ 34,588,292	\$ 35,808,587	\$ 35,595,151	\$ 38,316,740

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

Accomplishment Highlights FY 2021/22

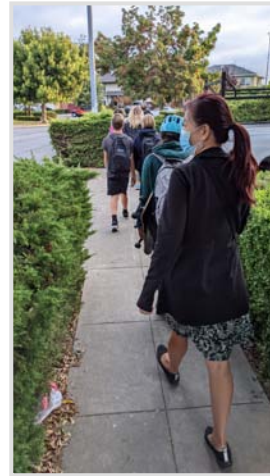
1. The Public Works Department is **ready to pursue new funding investment** from federal and other sources. Many projects have been developed to be competitive for funding grants based on completion of planning, environmental clearance, or final design work phases. These include: Irvington BART station; new bike/pedestrian trail extensions over freeways at I-680/Sabercat Trail and I-880/Innovation District; freeway interchange modernization projects at I-680/Mission (North) and I-880/Decoto; the Dumbarton to Quarry Lakes trail corridor; and complete street improvements in the Decoto Road and Fremont Boulevard corridors. In addition, planning studies have been completed to define the City's municipal needs related to electric vehicle charging infrastructure; electrification of City building systems (replacing natural gas); and a municipal broadband master plan.



2. Three new signature projects completed construction during the 2021/22 fiscal year. The Warm Springs **West Access Bridge and Plaza** at the Warm Springs BART Station was opened in February 2022. With spectacular architecture, this \$41 million project (funded with a \$30 million grant from Alameda CTC) has created a central gathering place for the South Fremont/Innovation District community. In October 2021, the new \$25 million **Downtown Event Center and Plaza** opened in the heart of the growing Downtown Fremont district. The \$10 million **Age Well Center at South Fremont** opened in August 2021.
3. Fremont's Vision Zero **traffic safety** program continues to attract attention as a national best practice. In July 2021, the program was selected as the Transportation Safety Achievement of the Year by the Institute of Transportation Engineers, recognizing a sustained 5-year effort to reduce major traffic crashes. Fremont's safety improvement efforts were also recognized by US Transportation Secretary Pete Buttigieg at a January 27, 2022 press conference announcing the new National Roadway Safety Strategy. Following a spike in traffic fatalities in early 2021 related to reckless speeding and homeless pedestrians walking at night, staff worked with the Police Department on enforcement actions to deter speeding, and with the Human Services Department to distribute safety kits to Fremont's unhoused community to provide them with reflective gear and flashlights to increase their night-time visibility. Major safety improvements projects were completed at the intersections of Fremont/Mowry and Fremont/Stevenson (funded by a federal safety grant), and a safety enhancement project was completed along Niles Boulevard in March 2022 providing a new traffic signal at Niles/Rock and pedestrian flashing beacons at Niles/Rancho Arroyo and Niles/El Portal intersections.

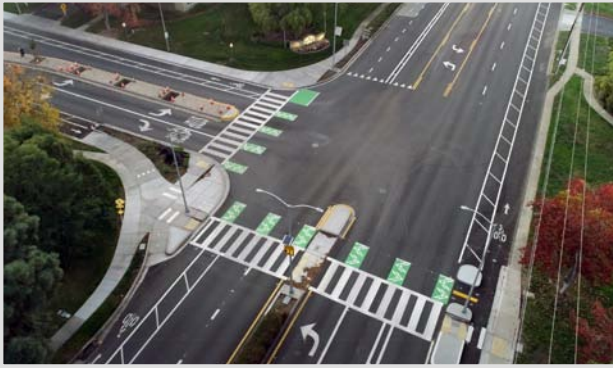
Department Budgets | Public Works

4. Fremont's General Plan and Mobility Action Plan place an emphasis on increasing **walking and bicycling** as a travel mode. In 2021/22, more bike lanes with safety buffers were completed bringing the Citywide total mileage of separated bike lanes to more than 50 miles. The League of American Bicyclists now ranks Fremont as a "silver-level" bike-friendly city. Many other projects are funded and in development that will continue to enhance the City's pedestrian and bicycle infrastructure. Among these include the Centerville Complete Streets project (planned to start construction in early 2023) as well as numerous additional locations are planned to have flashing beacons at pedestrian crosswalks. In September 2021, the City adopted a **Trail Strategy Plan**, which provides a vision for more than doubling the City's trail network from 61 miles to 140 miles.



5. Fremont's **Safe Routes to Schools** program has been ramping up activities and participation since students have returned to in-class learning. City Council and FUSD Board of Trustees adopted a goal to have all Fremont schools significantly participate in "walk and roll to school" activities by Spring 2023. The City/School Liaison Committee is meeting regularly to monitor a "continuous improvement process" involving City staff, FUSD staff, Alameda County Safe Routes to School Program, Fremont Mobility Commission, and the Parent-Teacher Association (PTA) Council.
6. In January 2021, construction started on the **Fremont Boulevard Safe and Smart Corridor Project**. This \$11 million signal modernization and smart transportation corridor demonstration project will install new modern traffic signal controllers, adaptive signal coordination systems, vehicle and bicycle video detection cameras, intersection analytic systems, modern emergency vehicle preemption systems, connected vehicle communication equipment, smart transportation/street light systems, and new fiber optic communication lines along a 9-mile segment of Fremont Boulevard (between Ardenwood and South Fremont). The project will also install a new smart parking management and enforcement system at the Centerville Train Depot parking lots, as well as a number of dynamic message radar signs along the corridor for traffic calming, incident management, and railroad crossing preemption notification purposes. The construction is scheduled to be completed at the end of 2022.
7. The **railroad quiet zone** project at Nursery Avenue near Niles Boulevard was completed at the end of 2021. With the completion of various safety improvements, the City was able to enact a quiet zone consistent with federal regulations, which allows for train operators to cease the routine sounding of their safety horns when approaching the railroad crossing and ultimately

reducing the noise impact to the surrounding residential neighborhoods. In December 2021, the City Council approved actions to initiate a new set of railroad quiet zone projects in the Centerville rail corridor, which includes six crossing locations at Blacow Road, Dusterberry Way, Maple Street, Fremont Boulevard, Shinn Street, and Clarke Drive. The Centerville Quiet Zone project is eligible to receive regional grant funding based on railroad crossing improvement priorities set by the Alameda CTC.



8. Basic **street maintenance activities** for 2021/22 are on track to include repairs to over 1,800 potholes, ongoing street sweeping, and the clearing of over 5,000 linear feet of storm lines. Graffiti is trending upwards and the Public Works Street Maintenance section anticipates abating over 450 reported incidences of graffiti. Sidewalk repairs continue to be a high priority and over 1,000 sections of uneven sidewalk are expected to be grinded and patched.
9. Annual projects continue to be delivered to **fix aging streets and sidewalks**. For 2021/22, the City Council approved public works construction contracts for pavement rehabilitation (\$1.8 million), pavement sealing (\$2.8 million), and sidewalk repairs and ADA curb ramps (\$2.1 million). The overall Pavement Condition Index (PCI) for Fremont streets is rated as “good” (PCI 72) and has remained steady since 2017.
10. Staff from the Public Works Building Maintenance and Facilities Engineering teams provide ongoing **building maintenance and improvement** services to support the functional needs of the City building occupants. Approximately 4,000 service requests are completed annually related to the building systems, building security, heating, ventilation, plumbing, electrical, and roofing systems. Significant improvement projects that commenced in 2021/22 include: elevator modernizations at the Main Library and Police Center, various building security and fire alarm system upgrades, Police Center back-up generator replacement, and Central Park sewer pump replacement (at Boathouse restroom).



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11. The Public Works **Fleet Maintenance** section provides scheduled maintenance services to ensure reliable performance and to maximize the life cycle of the City's 570 vehicles and equipment, including 320 vehicles for police and fire services. About 2,400 service activities are completed annually ranging from oil changes, tune ups, tire rotations/replacements to testing and troubleshooting advanced public safety communication systems. Eight new vehicles were procured to meet needs for vehicle replacement and service enhancement, including seven electric vehicles and six plug-in hybrid vehicles.



12. In support of approved **private development** projects providing new jobs, housing, and retail services, Public Works is working with design consultants and construction contractors to build required public infrastructure improvements consisting of streets and storm water drainage systems. Approximately 50 projects are in various stages of implementation. Major projects in the works include projects in the Downtown area (Walnut/Liberty Apartments, Fremont Bank Residences and Headquarters); Warm Springs BART Station area (Toll Brothers Metro West, Lennar Homes, Lennar Multi-Family Apartments); and various other in-fill industrial, residential and mixed-use projects across the City.
13. Public and private **utility work** has been very active. Annually, Public Works reviews and issues approximately 1,000 encroachment permits for work related to water, sewers, gas lines, electrical power, and communication systems. Permits were issued to Verizon and their contractors to complete a Citywide deployment of **5G small cell equipment** located on approximately 200 street light poles, and work was substantially completed at the end of 2021.

14. The annual **Development Impact Fee (DIF)** report was prepared and presented to Council on December 14, 2021, and an inflationary increase to DIFs was presented and approved by Council on March 1, 2022. The City collects development fees to expand park, transportation, and civic facilities to mitigate infrastructure demands associated with private development growth.

Objectives FY 2022/23

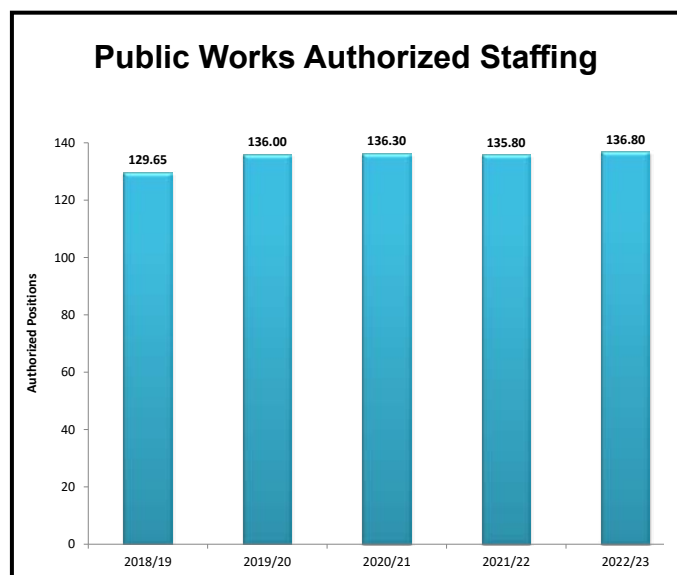
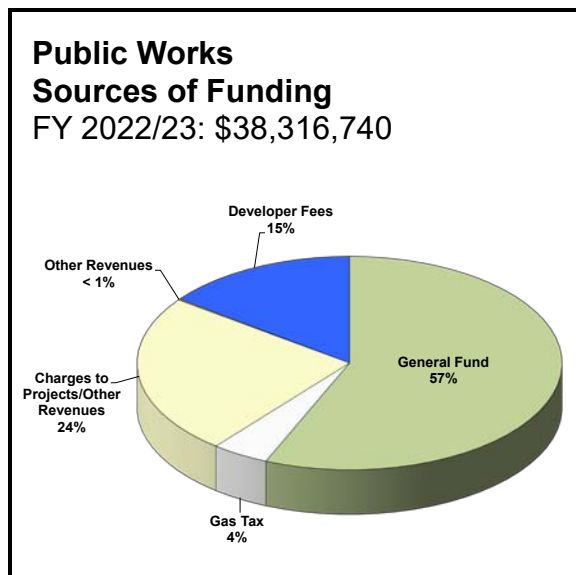
The core work objective for the Public Works Department in 2022/23 will be to continue delivering high quality engineering and maintenance services to support the City’s public infrastructure, as funded by the General Fund, the City’s capital program, private development, and regional agencies. Among the numerous projects and work activities, the following are notable for 2022/23:

1. Actively **pursue new funding opportunities** from regional, state, and federal sources facilitated by new federal infrastructure investment. Priority projects include: Irvington BART station; new bike/pedestrian trail extensions over freeways at I-680/Sabercat Trail and I-880/Innovation District; freeway interchange modernization projects at I-680/Mission (North) and I-880/Decoto; the Dumbarton to Quarry Lakes trail corridor; and complete street improvements in the Decoto Road and Fremont Boulevard corridors. In addition, funding opportunities are expected to also support pavement maintenance, traffic safety improvements, complete streets, electric vehicle charging infrastructure; and broadband infrastructure.
2. Continue implementation of Fremont’s Vision Zero **traffic safety** action plan, including seeking State legislation for safer speeds; encouraging support from regional partners related to State Highways (Caltrans), safer vehicles, and regional safety education (Metropolitan Transportation Commission); and delivering projects for safer streets related to traffic signals, pedestrian crossings, intersections, complete streets, and bikeways.
3. Complete the Fremont Boulevard Safe and Smart Corridor project and continue other efforts to **modernize the Citywide traffic signal system** for improved traffic flow and reliability and implement smart mobility technologies.
4. Continue to coordinate with the City/School Liaison Committee and other stakeholders to expand participation in the **“Walk and Roll to School” program** and with the Mobility Commission to advance the goals of the Mobility Action Plan.

Department Budgets | Public Works

Performance Measurement

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Percent of preventative maintenance repairs Fleet services performed on-schedule (e.g., completed within two weeks of scheduled service)	57%	75%	70%	75%
Number of “clean fuel” vehicles in City fleet	72	68	68	74
Number of persons severely or fatally injured in traffic crashes Note: Baseline condition is 37 in 2015 (8 fatalities)	15 in Calendar Year 2020 (4 fatalities)	Continuous improvement	24 in Calendar Year 2021 (9 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% / 88%	Continuous improvement	53% / 92%	60% / 90%



Public Works: Historical Expenditures/Budget, by Category

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Salaries & Benefits	\$ 20,858,620	\$ 21,884,217	\$ 21,938,279	\$ 22,978,391	\$ 22,978,390	\$ 24,201,555
Operating Expenditures	8,861,308	8,873,316	9,519,357	9,826,398	9,635,057	10,623,261
Capital Expenditures	395,889	230,363	169,952	43,094	21,000	32,826
Indirect Expense Allocation**	2,643,370	2,394,769	2,960,704	2,960,704	2,960,704	3,459,098
Totals	\$ 32,759,187	\$ 33,382,665	\$ 34,588,292	\$ 35,808,587	\$ 35,595,151	\$ 38,316,740
% increase/(decrease), including all funds, from FY 2021/22 Adopted Budget						7.6%
* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.						
** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.						

Major Changes

- The FY 2022/23 Public Works budget is \$2,721,589 (7.6%) more than the FY 2021/22 adopted budget.
- Salary and benefits are increasing by \$1,223,165 (5.3%) due to the addition of 1.0 FTE Engineering Technician II position. In addition, salary and benefits costs in the proposed budget include a 3% placeholder increase as the City is currently engaged in collective bargaining with its employee groups.
- Operating expenditures are increasing by 988,204 (or 10.3%) mainly due to contractual service increases, utility, gasoline, and maintenance items.
- Capital expenditures are increasing by \$11,826 mainly due to various one-time capital expenditures.
- Indirect expense allocation is increasing by \$498,394 (16.8%) mainly due to higher Information Technology and Risk insurance premium costs.

Department Budgets | Public Works

Staffing by Function - FY 2022/23

Public Works			
Maintenance Services		Engineering	
Administration		Administration	
Public Works Director	0.30	Public Works Director	0.70
Deputy Director,	1.00	City Engineer	0.25
Maintenance & Business Operations		Management Analyst II	1.00
Business Manager	1.00	Executive Assistant	0.95
Executive Assistant	0.05	Senior Office Specialist	2.00
Administrative Analyst	1.00	Office Specialist II	1.65
Office Specialist II	3.00		
Environmental Compliance		Design, Development, Transportation and Construction Engineering	
Management Analyst II	1.00	City Engineer	0.75
		Assistant City Engineer	1.00
Fleet Maintenance		Principal Civil Engineer	3.00
Fleet Maintenance Manager	1.00	Principal Transportation Engineer	1.00
Fleet Mechanic II	1.00	Facility & Real Property Manager	1.00
Fleet Supervisor	1.00	Senior Civil Engineer	6.00
Fleet Mechanic I - Light Equipment	1.00	Senior Transportation Engineer	2.00
Fleet Mechanic I - Heavy Equipment	4.00	Real Property Agent	2.00
Equipment Support Coordinator	1.00	Land Surveyor	1.00
Mechanic Assistant	3.00	Associate Civil Engineer	5.00
Office Specialist II	1.00	Associate Transportation Engineer	4.85
		Facilities Design/Construction	1.00
Public Buildings		Project Supervisor III	
Building Maintenance Manager	1.00	Facilities Design/Construction	2.00
Management Analyst II	1.00	Project Supervisor II	
Building Maintenance Coordinator	1.00	Supervising Construction Coordinator	3.00
Building Maint. Field Supervisor	3.00	Civil Engineer II	3.00
Building Maintenance Worker II	13.00	Chief of Party	1.00
		Civil Engineer I	3.00
Street Maintenance		Transportation Engineer II	1.00
<u>Pavement Maintenance</u>		Transportation Engineer I	2.00
Street Maintenance Manager	0.35	Info Systems Appl Spec III	0.30
Street Field Supervisor	1.00	Senior Construction Inspector	4.00
Street Maintenance Worker II	4.00	Construction Inspector	5.00
Street Maintenance Worker I	5.00	Construction Materials Inspector	1.00
		Survey Instrument Operator	1.00
<u>Street Sanitation</u>		Senior Engineering Specialist	1.00
Street Maintenance Manager	0.30	Engineering Specialist	3.00
Street Field Supervisor	1.00	Engineering Technician II	2.00
Street Maintenance Worker II	7.00	Engineering Technician I	1.00
Street Maintenance Worker I	2.00		
<u>Traffic Safety</u>			
Street Maintenance Manager	0.35		
Street Field Supervisor	1.00		
Street Maintenance Worker II	5.00		
Street Maintenance Worker I	2.00		

Regular Full-Time Equivalents: 136.80

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 2022/23

City Manager's Office

1. Pursue efforts that assist City departments and City Council to reconcile the budget with the fiscal impacts of the Coronavirus 2019 pandemic, while still allowing for continuance of essential city services and employee workforce retention.
2. Pursue legislative efforts and strengthen state and federal partnerships to promote the best interests of the City, while implementing the Council's 2022/23 Legislative Guiding Principles and Priorities.
3. Pursue staff actions and efforts that assist with the implementation of the top three Council priorities for the year, established at the 2022 City Council Retreat: 1. Continue to innovate and find solutions to address and respond to homelessness in Fremont; 2. Enhance public safety; and 3. Increase the vitality of commercial corridors.
4. Continue to build and promote a City of Fremont citywide communications program that highlights the City's priorities, provides vital emergency information, legislative actions, services, business industry and that encourages public engagement.
5. Warm Springs/South Fremont Development Area: Continue to work with local and regional partners, as well as State and Federal Legislators, to ensure continued infrastructure development and private investment in the Warm Springs/South Fremont area, recognizing the strategic importance of this area as an employment center for Fremont and the region.
6. Downtown Fremont: Continue to commit time and resources towards the implementation of the Downtown Community Plan to ensure that Downtown is poised to become a vibrant mixed-use district within the City Center that will serve as a destination for the city and region.
7. Economic Development: Attract and retain an appropriate mix of retail, office, and industrial or technology uses, in order to foster a dynamic economy and a stronger tax base. We also plan to continue our efforts to nurture the Innovation Economy in Fremont and help foster growth industries that are driving significant new investment and employment, including advanced manufacturing, clean tech, and life sciences. Further information about Economic

Department Budgets | Administrative Departments

Development's objectives can be found in the Economic Development Department section in the budget document.

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

City Attorney's Office

9. Assist staff with updating and amending standard contract forms, the records retention schedule, and City ordinances to comply with state law, such as the Zoning Ordinance and Subdivision Ordinance.
10. Continue to provide Brown Act and Public Records Act advice and training to City boards, commissions, and employees.
11. Continue to provide assistance to Council and City Departments during the COVID emergency by responding to emerging issues.
12. Continue to 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.
13. Continue to provide assistance with negotiating leases and acquisition of park land.
14. Support City Council priorities and City development and transportation projects.
15. Assist with negotiating and drafting a City policy regarding project labor agreements for large public works projects.
16. Provide training to staff on procurement, bidding, and contract requirements.
17. Continue to provide legal advice, drafting, and negotiating assistance for complex projects, including acquisition of solar facilities at City property and other City initiatives.

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. Administer the 2022 November Election, swearing-in, and transition of the newly elected Councilmember(s).
21. Continue to efficiently and accurately manage the electronic preparation and distribution of agenda packets.

- 22. Monitor the changing postal service environment and accommodate changes as needed to the mail room during the fiscal year.
- 23. Continue to work with City departments to review and update each department's Records Retention Schedule, to ensure the schedules are current.
- 24. Implement Public Records Act request software to improve tracking and timely responses to requests.

Finance Department

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

Human Resources

- 27. Facilitate ongoing COVID-19 related service delivery recovery and process improvements for City of Fremont staff.
- 28. Complete revisions of City's Personnel Rules in partnership with City's nine bargaining units.
- 29. Complete labor negotiations and implementation of successor MOU's with all units.
- 30. Seek professional services consultant to assist staff in the advancement of the critical work in diversity, equity, and inclusion for the benefit of our employee population and the communities we serve.

Information Technology Services

- 31. Address Data Management Design. ITS plans to streamline the addressing process, automate, and integrate with business systems (GIS, CRM, Accela Permitting, 911 Dispatch, etc.) to better serve City Staff, Fremont's community and businesses. In addition, the work will include documenting and detailing the addressing needs of the Fremont addressing workflow for the design of new workflow, modification of existing ones and/or creation of software programs to automate and accelerate the process.
- 32. City Fiber Master Plan Proposal Implementation. The City Council, City Management, and ITS realizes the economic benefits of having a City owned fiber infrastructure. Current and future technologies will undoubtedly require fast and reliable communications between host and end devices. Fiber fulfills this requirement and serves as the foundation for Smart City initiatives including IoT (Internet of Things), autonomous vehicles, traffic signal management, public Wi-Fi, smart lighting, security cameras, etc. The goal of this project is to continue with meeting the recommendations outlined in the fiber master plan.

Department Budgets | Administrative Departments

33. Compliance, Risk, and Security Vulnerability management platform. ITS deploys a Compliance, Risk, and Security Vulnerability management platform to identify weaknesses that need correction, as well as measure cybersecurity compliance and regulatory needs for areas such as HIPAA, PCI DSS, CJIS misconfigurations, and policy non-compliance vulnerabilities.
34. Computer Aided Dispatch (CAD) and Records Management System (RMS). In partnership with the City of Fremont Police Department and the City of Union City Police Department, ITS will commence the first phase of implementing a new, intelligence driven, fully integrated CAD and RMS software system to replace the City's aged CAD and RMS software. The new system will be Criminal Justice Information Services (CJIS) compliant and contain the following submodules: Automated Reporting System (ARS), Jail/Corrections Management System (J/CMS), Property Module, Crime Analysis Module, and Mobile Data Computer (MDC). In addition, the new system will leverage the City's investment in Microsoft's premier infrastructure (SSRS reporting, SQL Servers, Power BI Platform).
35. Identity & Access Management (IAM) – Zero Trust Architecture Tools. ITS plans to deploy a set of Identity & Access Management tools following NIST SP 88-207 (Zero-Trust Architecture) and the Executive Order recommendation on “Improving the Nation’s Cybersecurity” in the following areas:
 - a. Enhanced Identity Governance
 - b. Using Micro-Segmentation
 - c. Enterprises-wide/universal Adaptive Multifactor Authentication (MFA)/Passwordless Authentication
 - d. Enhanced remote network and application secure access/private access
 - e. Workload segmentation
 - f. Network Infrastructure & Software Defined Perimeters
 - g. Device Identity Management
 - h. Wi-Fi Security
 - i. Enterprise-wide/universal Single Sign-On (SSO)
 - j. Universal Directory (UD)
 - k. Advanced Server Access (ASA)
 - l. Application Access Gateway
 - m. Privilege Account Management (PAM)
36. Independent and Continuous Cybersecurity Assessment & Regulatory Compliance Program. ITS will implement a continuous assessment process, which will consist of providing the City with an independent resources to conduct various assessments that will consist of readiness analysis, gap analysis, and risk assessments. The outcome of those assessment will assess in defining a remediation process and compliance maturity roadmaps that will bring many City's department enterprise systems and processes over time to a continuous compliance and best-practices status.

37. Telephone System Replacement. ITS is currently upgrading the City's outdated telephone system with a new digital voice-over-ip (VoIP) system. The new system incorporates new features including integration with Office 365, remote paging, and new digital phone sets. The upgrade is expected to be completed by December of 2022.
38. Work Order Management System. In partnership with Public Works and Community Services, ITS will update the work order management system to provide improved asset tracking, mobile access, enhanced geo-location services, and CRM integration that will translate into improved services for Fremont residents.

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City Manager

Mission:

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

Major Services

Public Policy Support

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

Citywide Service Delivery

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

Communications and Public Education

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

Organizational Leadership and Development

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

Department Overview



The City Manager's Office is responsible for providing support and advice to the City Council, offering leadership and legislative policy support for departments, fostering community partnerships and interagency collaboration, championing efforts to support citywide initiatives and efforts to increase organizational development and resiliency.

Department Budgets | City Manager

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

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
City Manager's Office	\$ 3,042,055	\$ 2,933,857	\$ 3,186,795	\$ 3,264,282	\$ 3,125,834	\$ 3,274,327
Communications and Marketing	294,504	419,434	594,535	688,863	683,164	724,390
Total City Manager's Office	\$ 3,336,559	\$ 3,353,291	\$ 3,781,330	\$ 3,953,145	\$ 3,808,998	\$ 3,998,717

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

Accomplishment Highlights FY 2021/22

1. Coronavirus 2019 Disease Response: The City continued to respond to the ongoing pandemic by adapting policies and providing or assisting with community support. Under the leadership of City Manager, the City Manager's Office took the following actions to continue to best protect the Fremont community and to support City employees and departments:

- Presented a balanced FY 2021/22 Budget to the City Council, with multiple budget balancing measures including use of American Rescue Act funding to supplement reduced revenue.
- The City partnered with Bay Area Community Health (BACH) and Asian Health Services to provide additional testing capacity in the City.
- Staff continued to support and promote vaccination of City staff, including boosters.
- Staff continued to communicate information about COVID-19, including vaccination and testing opportunities in the community.
- Staff across City Departments developed innovative and flexible ways to provide services, often virtually, or ensuring proper COVID safety protocols, if in-person. In some cases, staff noticed higher attendance and engagement due to the flexibility that virtual services afford.
- Continued to refine and improve the online building permit interface and process that was originally initiated on an emergency basis early in the pandemic.
- Continued to issue Emergency Zoning Administrator Permits through a City Council approved executive order to better support businesses and health care facilities responding to urgent COVID-19 related needs.
- Provided support for small businesses by staffing a small business hotline; providing grants through CARES Act funding; hosting numerous webinars; supporting programs such as Dine Out Fremont, Pop-up Patio, and Gift Fremont; and promoting federal and state funding opportunities.
- Worked with businesses and property owners to understand rapidly changing regulatory environment.



- Continued the Park Business Operating Permit program to allow fitness businesses to operate outdoors at no cost.
- Continued the Fremont Cares Rent Relief Program to provide rental assistance to households with a COVID 19-related loss of income. The program allocated almost \$9 million dollars so far.
- Staff continued to share COVID-19 updates through the City's wide variety of communication channels.

2. Communications and Community Engagement: As the City of Fremont continues to grow and navigate through the wide spectrum of current events, the demand for transparent, prompt communication is at an all-time high. Recognizing this need, and in response to the Council's direction, the City Manager's Office expanded Fremont's communications efforts over the last year. Highlights include.

- Authorized and filled the new Director of Communications and Legislative Affairs position.
- The citywide communications team, with representatives from most City departments meets weekly to collaborate on city-wide initiatives and share information across all departments in an effort to identify communication and engagement opportunities for the public.
- Created a new e-newsletter, The Fremont Connection, that is delivered weekly to all subscribers and provides the latest City updates to community members.
- Implemented a weekly Council Update, to provide timely information regarding a wide range of City activities for Council members to share with their constituents.
- Launched a newly revamped and designed Fremont.gov website, as well as an internal intranet in the spring of 2022.
- Broadened partnership with the Hoffman Agency, as well as with other third-party support services to provide extra assistance, resources and expertise on high-level City-wide initiatives, branding, priorities as well as strategic business initiatives, such as enhancing the Think Silicon Valley micro-site.
- A new pilot language access program was implemented to provide and expand translation services to City-wide communications.

3. Other Accomplishments

- Hosted a City Council retreat in February 2022 to provide an opportunity for Council members and executive staff to work together to develop norms, protocols, strengthen Council-staff teamwork, and identify Council priorities for the upcoming year.
- Enhanced City's legislative affairs efforts through increased coordination with City lobbyists and more frequent interaction with state and federal delegations. Through these efforts, Fremont was awarded \$7.2M in the 2021 CA State Budget for the City's critical 680/Mission Boulevard Interchange Modernization Project.

Department Budgets | City Manager

- Proactively launched the Afghan Refugee Help Fund to support refugee resettlement organizations and local non-profits to meet the many needs of new arrivals from Afghanistan. The fund has raised over \$425,000 and the Human Services Department is actively distributing the funds and encouraging continued support.
- The City of Fremont and Washington Hospital Healthcare System participated in the 2021 Cities of Opportunities Action Cohort. Cities of Opportunity is a framework developed and coordinated by the National League of Cities and funded by the Robert Wood Johnson Foundation, which aims to improve health equity by addressing underlying factors of health and well-being in cities and help build resilient futures for all residents. The City's project focused on better developing coordination between the City, Hospital and Alameda County, in order to better assist community members experiencing behavioral health crises.
- Launched the Safe Parking Host Site Pilot Program. City Council adopted the program in July 2021, and the program began operation 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. This is one of many programs the City continues to provide to address homelessness.



- Completed the 2021 Redistricting Process. The City began its redistricting process in July 2021, and hosted a series of four public hearings, community workshops, and public outreach for input on important attributes about Fremont's communities of interests and neighborhoods in order to best redraw the City's Council District Map to be balanced in population and reflect equitable opportunities for Fremont residents. The City Council conducted extensive public outreach and received 11 maps from the public and 3 maps from the City's demographer consultant for review. The City Council selected a redrawn Council district map, which will be implemented during the November 2022 election.
- The construction of Phase 1 of the future Civic Center project located in the heart of the Downtown on Capitol Avenue, between State Street and Liberty Street continued through the pandemic. The Downtown Event Center and Plaza is a public realm designed to include a gathering place for governmental and community activities and opened in October 2021.
- The Warm Springs West Access Bridge and Plaza project opened to the public in February 2022. The project consists of a pedestrian and bicycle bridge and urban plaza that connects the Warm Springs/South Fremont BART Station to properties west of the Station over the Union Pacific railroad corridor. The project is a partnership between the City and BART, and its construction was funded by Measure BB.

Objectives FY 2022/23

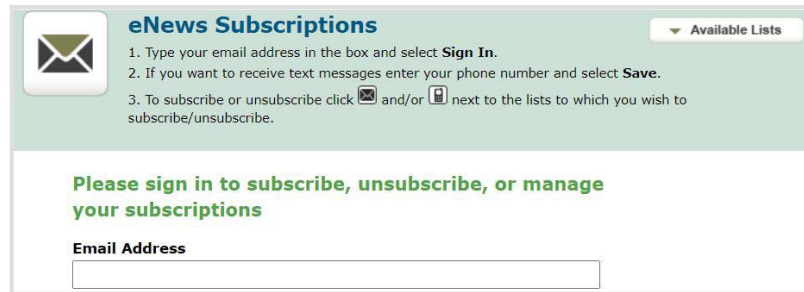
1. Pursue efforts that assist City departments and City Council to reconcile the budget with the fiscal impacts of the Coronavirus 2019 pandemic, while still allowing for continuance of essential city services and employee workforce retention.
2. Pursue legislative efforts and strengthen state and federal partnerships to promote the best interests of the City, while implementing the Council's 2022/23 Legislative Guiding Principles and Priorities.
3. Pursue staff actions and efforts that assist with the implementation of the top three Council priorities for the year, established at the 2022 City Council Retreat: 1. Continue to innovate and find solutions to address and respond to homelessness in Fremont; 2. Enhance public safety; and 3. Increase the vitality of commercial corridors.
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. 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.



6. 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.
7. Economic Development: Attract and retain an appropriate mix of retail, office, and industrial or technology uses, in order to foster a dynamic economy and a stronger tax base. We also plan to continue our efforts to nurture the Innovation Economy in Fremont and help foster growth industries that are driving significant new investment and employment, including advanced manufacturing, clean tech, and life sciences. Further information about Economic Development's objectives can be found in the Economic Development Department section in the budget document.

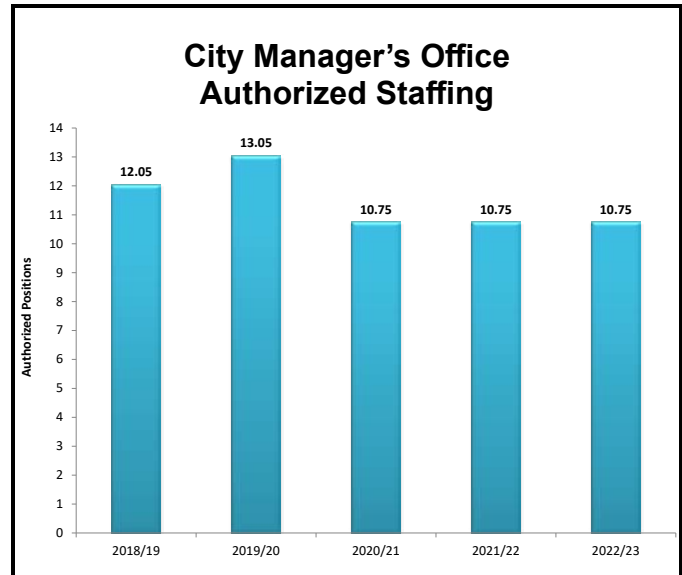
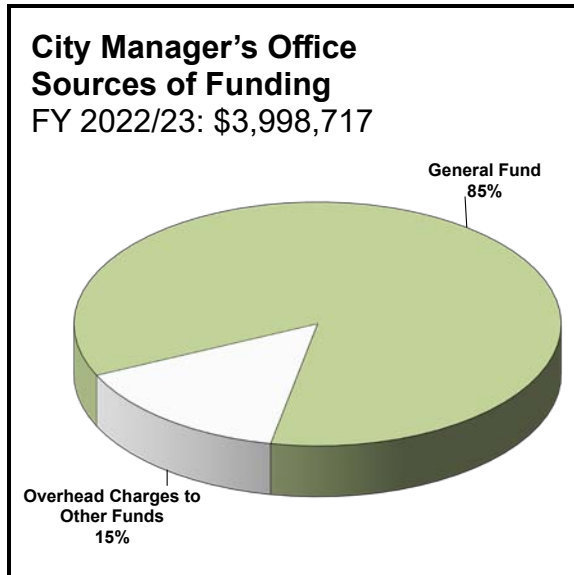
Department Budgets | City Manager

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



Performance Measurement

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Percent of residents that agree that Fremont is a “good” or “excellent” place to live ¹	N/A	77%	N/A	75%
Percent of employees that feel “prepared” and “trained” to do their jobs ²	N/A	N/A	N/A	N/A
Number of social media accounts ³ maintained by the City	33	35	34	35
Number of likes, followers and subscribers of the social media accounts	222,500	282,000	247,141	282,000
¹ The community survey is a biennial survey. Due the continuation of the COVID-19 pandemic, the survey did not occur FY 2021/22. The next one is anticipated to take place in within the next year. ² The employee survey is a biennial survey. Due the continuation of the COVID-19 pandemic, the survey did not occur FY 2021/22. The next one is anticipated to take place in within the next year. ³ Social media accounts refer to the Facebook, Twitter, Youtube, Google+, Instagram, and Nextdoor platforms.				



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

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Salaries & Benefits	\$ 2,440,665	\$ 2,560,020	\$ 2,845,935	\$ 2,900,783	\$ 2,850,136	\$ 2,950,056
Operating Expenditures	62,985	626,322	701,892	819,359	725,859	792,076
Capital Expenditures	639,706	287	3,500	3,000	3,000	3,000
Indirect Expense Allocation**	193,203	166,662	230,003	230,003	230,003	253,585
Totals	\$ 3,336,559	\$ 3,353,291	\$ 3,781,330	\$ 3,953,145	\$ 3,808,998	\$ 3,998,717
% increase/(decrease), including all funds, from FY 2021/22 Adopted Budget						5.0%
<p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.</p>						

Major Changes

- The FY 2022/23 City Manager's Office budget is \$189,719 (5.0%) more than the FY 2021/22 adopted budget.
- Operating expenditures are increasing by 66,217 (or 9.1%) mainly due to contractual service increase.
- Indirect expense allocation is increasing by \$23,582 mainly due to increase to the Information Technology and Risk insurance premium costs.

Department Budgets | City Manager

Staffing by Function - FY 2022/23

City Manager's Office	
City Manager	1.00
Assistant City Manager	1.75
Assistant to the City Manager	1.00
Management Analyst II	3.00
Executive Assistant to the City Manager	1.00
Executive Assistant	1.00
Communications Office	
Communications & Legislative Affairs Director	1.00
Communications Manager	1.00

Regular Full-Time Equivalents: 10.75

City Attorney

Mission:

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

Major Services

City Attorney

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

Risk Management

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

Department Overview



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

Department Budgets | City Attorney

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

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
City Attorney	\$ 2,489,268	\$ 2,783,263	\$ 2,097,049	\$ 2,516,350	\$ 2,509,736	\$ 2,842,221
Risk Management	5,585,581	8,272,795	8,018,350	8,778,062	8,743,918	10,153,088
Total City Attorney's Office	\$ 8,074,849	\$ 11,056,058	\$ 10,115,399	\$ 11,294,412	\$ 11,253,654	\$ 12,995,309

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

Accomplishment Highlights FY 2021/22

1. Assisted staff with City Council priorities including working with staff to implement the Safe Parking program, apply for Project HomeKey funds, respond to COVID emergency issues including facilitating virtual meetings for employee and public safety, providing vaccine and testing opportunities to employees, facilitating telework policies and assisting staff with rental eviction moratorium issues.
2. Managed the legal defense of the City against civil lawsuits pending in state and federal court.
3. Analyzed and managed disposition of administrative and workers' compensation claims.
4. Performed legal review of contracts entered into by the City including adequacy of insurance coverage, and mitigation of risk of liability exposure to the City. Worked with staff to update City contract templates including provision requiring contractor compliance with City's minimum wage ordinance.
5. Assisted staff with revisions and updates to City policies and regulations, including the adoption of a new affordable housing ordinance, solid waste ordinance, noise ordinance, special events ordinance, Parks Master Plan and various administrative regulations and Police Department policies.
6. Provided Brown Act, Public Records Act and conflicts training and advice to elected and appointed City officials and staff.
7. Assisted Council with an amendment to the City Council Handbook of Rules and Procedures.
8. Assisted staff code enforcement efforts by obtaining inspection warrants, facilitated the court appointment of a receiver for substandard houses and defended appeals of administrative orders to abate nuisances.
9. Assisted with drafting and reviewing annual and five-year reports for the City's Development Impact Fee project.
10. Assisted staff with the negotiation of a settlement regarding the construction of the West Access Bridge in South Fremont and interim agreement with BART to facilitate opening of the bridge as soon as possible.

11. Assisted Finance in the refunding of the 2012 and 2013 General Obligation Bonds.
12. Assisted staff with the opening of the new Age Well Senior Center in South Fremont and the Downtown Event Center.
13. Assisted with drafting and negotiating contracts for major projects including new CAD RMS system for Police Department and the School Resource Officer (SRO) Program.
14. Assisted City Clerk's office and City departments in responding to Public Records Requests, subpoenas for personal appearance, and production of records.
15. Advised on procurement issues and bid protests and worked with staff to facilitate City contracting efforts for goods, services, and facilities.
16. Supported transportation projects and City Council priorities to facilitate quiet zones, improve traffic flow, enhance bike lanes, and protect pedestrians through traffic safety calming measures and street re-designs. Support multi-mobility projects that connect streets, bike lanes and trails.
17. Assisted with negotiating leases of City property and acquisition of park land.

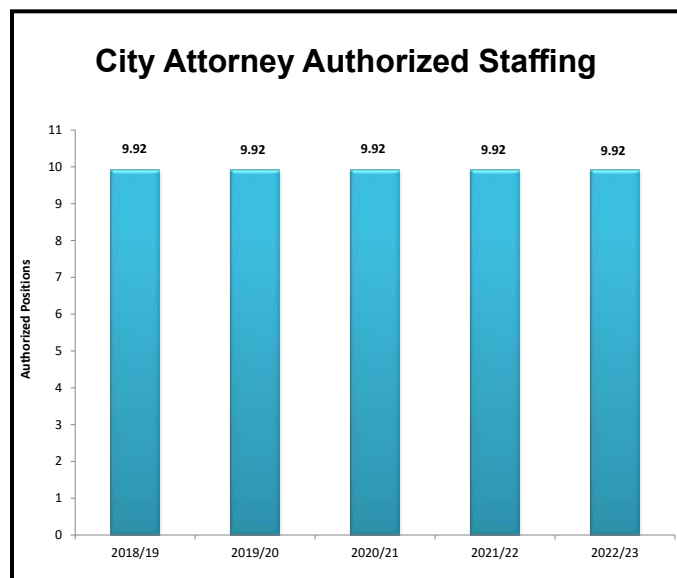
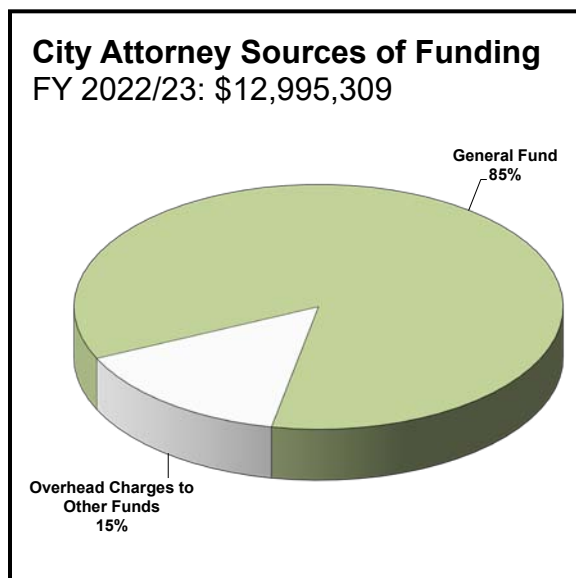
Objectives FY 2022/23

1. Assist staff with updating and amending standard contract forms, the records retention schedule, and City ordinances to comply with state law, such as the Zoning Ordinance and Subdivision Ordinance.
2. Continue to provide Brown Act and Public Records Act advice and training to City boards, commissions, and employees.
3. Continue to provide assistance to Council and City Departments during the COVID emergency by responding to emerging issues.
4. Continue to 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.
5. Continue to provide assistance with negotiating leases and acquisition of park land.
6. Support City Council priorities and City development and transportation projects.
7. Assist with negotiating and drafting a City policy regarding project labor agreements for large public works projects.
8. Provide training to staff on procurement, bidding, and contract requirements.
9. Continue to provide legal advice, drafting, and negotiating assistance for complex projects, including acquisition of solar facilities at City property and other City initiatives.

Department Budgets | City Attorney

Performance Measurement

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Percent of standard contracts reviewed within 5 business days of receipt	90%	90%	90%	90%
Percent of liability (damage) claims reviewed and insufficiency noted within 14 days of receipt	100%	100%	100%	100%
Percent of all serious work-related injuries reported to Cal OSHA within 8 hours of being informed of injury	100%	100%	100%	100%



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

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Salaries & Benefits	\$ 2,954,888	\$ 3,354,475	\$ 2,697,052	\$ 3,268,142	\$ 3,262,100	\$ 3,366,560
Operating Expenditures	4,991,195	7,573,177	7,239,014	7,885,032	7,812,219	9,409,195
Capital Expenditures	-	1,500	-	-	-	-
Indirect Expense Allocation**	128,766	126,906	179,333	141,238	179,335	219,554
Totals	\$ 8,074,849	\$ 11,056,058	\$ 10,115,399	\$ 11,294,412	\$ 11,253,654	\$ 12,995,309
% increase/(decrease), including all funds, from FY 2021/22 Adopted Budget						15.5%
<p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.</p>						

Major Changes

- The FY 2022/23 City Attorney's Office budget is \$1,741,655 (15.5%) more than the FY 2021/22 adopted budget.
- Operating expenditures are increasing by \$1,596,976 (20.4%) mainly due to contractual service increases and higher insurance premium costs in Risk Management.
- Indirect expense allocation is increasing by \$40,219 mainly due to higher Information Technology costs and Risk insurance premium costs.

Department Budgets | City Attorney

Staffing by Function - FY 2022/23

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

Regular Full-Time Equivalents: 9.92

City Clerk

Mission:

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

Major Services

Legislative Process

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

Elections

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

Public Records Act and Public Records Retention

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

Mail Room

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



Department Overview

The Office of the City Clerk is an internal service department that supports all City departments. The City Clerk oversees the preparation of the City Council agenda, documents and maintains the official record of all City Council proceedings, maintains a computerized legislative history, and is responsible for safeguarding official records. The City Clerk is the elections officer for the City and is responsible for the administration of all general and special municipal elections.

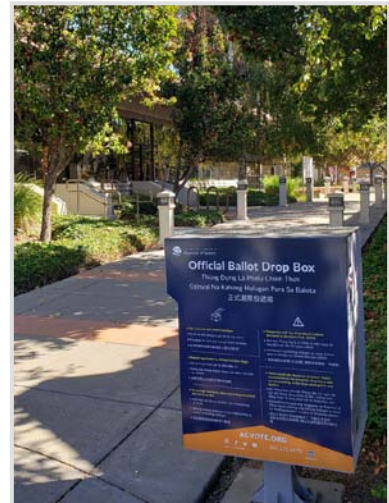
The City Clerk is the administrator and filing officer for the Fair Political Practices Commission and City of Fremont Conflict of Interest regulations and also oversees a records management system that provides for the electronic research and storage of City records, responds to public requests for information, and oversees distribution of mail to City facilities. To streamline service delivery and staff efficiency, the City Clerk's Office implemented a fully automated (paperless) electronic web-based agenda automation software system.

Accomplishment Highlights FY 2021/22

1. Continued to lead the City's efforts to ensure City Council and Board & Commission meetings were administered virtually, with proper Brown Act protocols followed, in order to maintain transparency, community participation and safety during the continuation COVID-19 Pandemic.
2. Continued delivery of City Clerk services throughout the COVID-19 pandemic.
3. Managed the Boards and Commissions Vacancy Process and assisted with the transition of boards and commissions members.
4. Administered the Ceremonial Document Request webpage to allow for customers to easily to request and fill out the form online. The City received 65 requests.
5. Assisted City departments with review and completed the update of department's Records Retention Schedules to ensure the schedules are current.

Objectives FY 2022/23

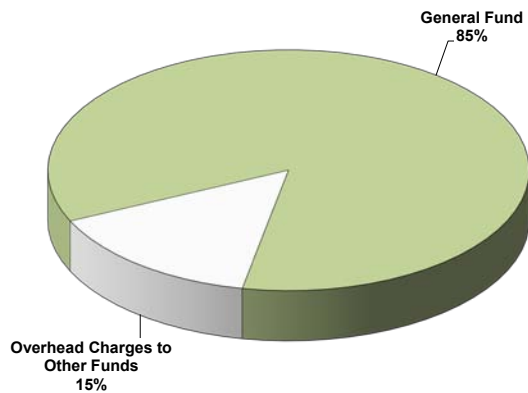
1. Ensure open access to information, documents, and the legislative process that increase transparency in City government.
2. Achieve and maintain prompt responses across all City departments for routine public records requests.
3. Administer the 2022 November Election, swearing-in, and transition of the newly elected Councilmember(s).
4. Continue to efficiently and accurately manage the electronic preparation and distribution of agenda packets.
5. Monitor the changing postal service environment and accommodate changes as needed to the mail room during the fiscal year.
6. Continue to work with City departments to review and update each department's Records Retention Schedule, to ensure the schedules are current.
7. Implement Public Records Act request software to improve tracking and timely responses to requests.



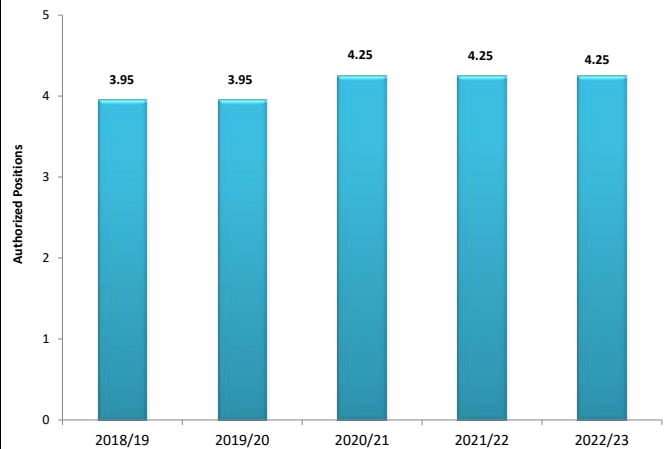
Performance Measurement

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Percent of time City Council Meeting minutes are posted online no later than 2 weeks after the original City Council Meeting date ^{*†}	N/A	10%	15%	5%
Percentage of Public Records Requests that received a responsive email within the 10-day compliance period under the California Public Records Act [*]	N/A	95%	90%	95%
<p>[*]This performance metric was added for review in FY2021/22.</p> <p>[†]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.</p>				

City Clerk Sources of Funding
FY 2022/23: \$1,147,658



City Clerk Authorized Staffing



Department Budgets | City Clerk

City Clerk: Historical Expenditures/Budget, by Category

	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Salaries & Benefits	\$ 832,000	\$ 762,084	\$ 789,657	\$ 815,551	\$ 806,771	\$ 826,627
Operating Expenditures	178,182	165,197	198,501	235,380	235,380	235,380
Capital Expenditures	-	-	2,000	6,000	6,000	6,000
Indirect Expense Allocation**	51,872	48,409	67,404	67,341	67,341	79,651
Totals	\$ 1,062,054	\$ 975,690	\$ 1,057,562	\$ 1,124,272	\$ 1,115,492	\$ 1,147,658
% increase/(decrease), including all funds, from FY 2021/22 Adopted Budget						2.9%
<p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.</p>						

Major Changes

- Indirect expense allocation is increasing by \$12,310 mainly due to higher Information Technology and Risk insurance premium costs.

Staffing by Function - FY 2022/23

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

Regular Full-Time Equivalents: 4.25

Finance

Mission:

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

Major Services

Accounting

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

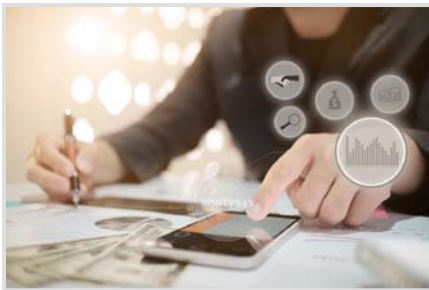
Provide accounts payable and purchasing services.

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.



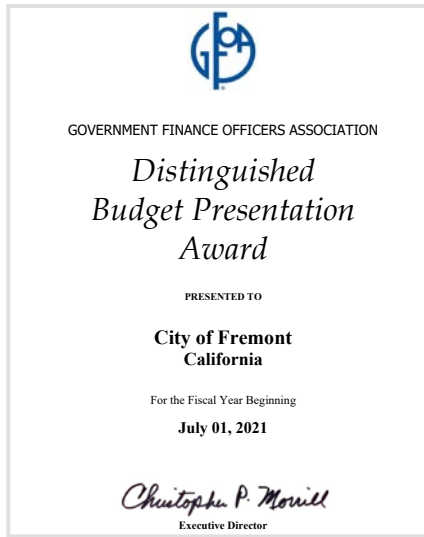
Department Overview

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. The department supports the organization's immediate as well as long-range resource allocation decisions, and responds to both economic fluctuations and changes in the State's fiscal outlook.

Department staff evaluate the effects of budget changes on service levels, assist departments with business planning, support citywide economic development projects, and provide recommendations on proposals with a financial impact.

Accomplishment Highlights FY 2021/22

1. Received awards for Excellence in Financial Reporting for the 37th consecutive year and Distinguished Budget Presentation for the 25th consecutive year from the Government Finance Officers Association of the United States and Canada (GFOA).



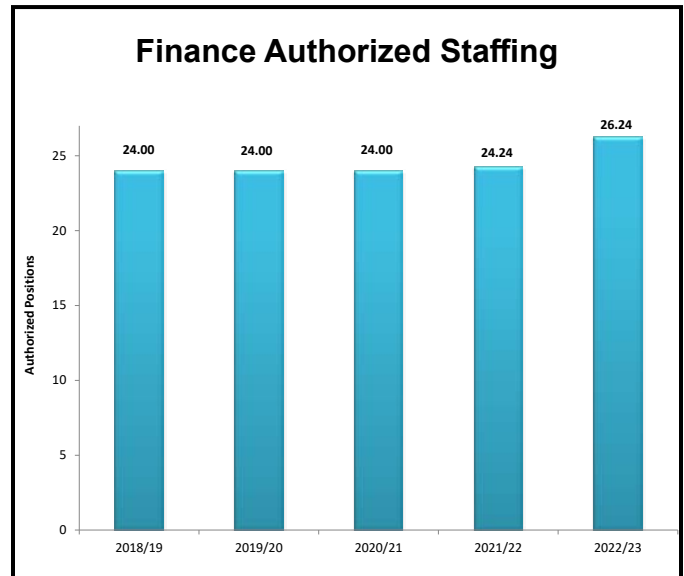
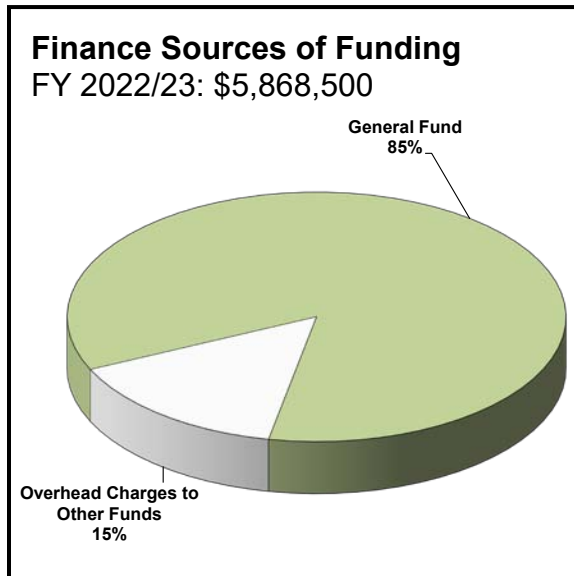
2. Continued to promote online business tax services by operationally emphasizing online correspondence and self-service capabilities.
3. Implemented hybrid teleworking policy for office staff while restoring in-person service at the Permit Center revenue counter.
4. Implemented new Tyler Cashiering system and enhanced its integration with existing Tyler Munis financial management system, Accela permit system, and HdL business tax system.

Objectives FY 2022/23

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

Performance Measurement

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
Number of bids/RFPs issued	48	50	50	60
Percent of Business Tax certificates issued online	68%	69%	73%	77%



Finance: Historical Expenditures/Budget, by Category

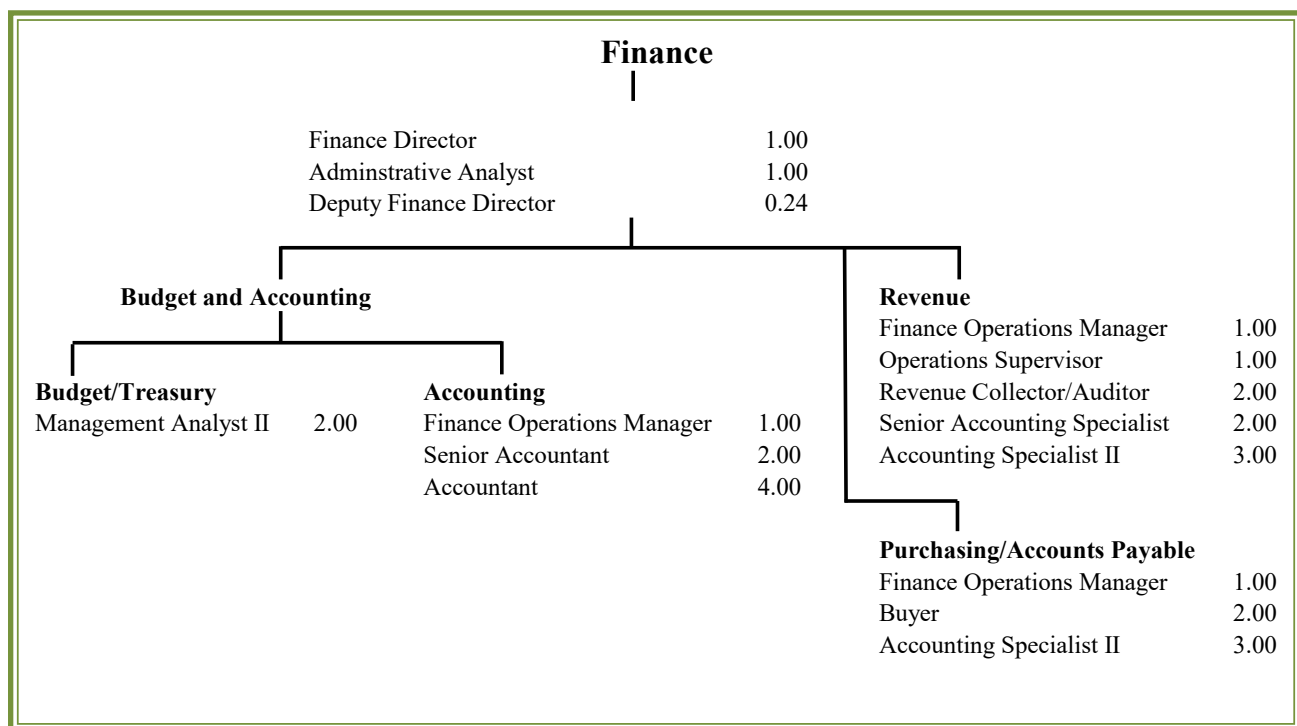
	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Salaries & Benefits	\$ 4,408,753	\$ 4,351,366	\$ 4,438,728	\$ 4,657,446	\$ 4,633,879	\$ 4,918,174
Operating Expenditures	436,967	488,911	421,047	472,213	458,125	530,524
Capital Expenditures	4,685	12,496	1,000	1,500	1,500	13,101
Indirect Expense Allocation**	312,939	290,007	381,041	381,041	381,041	406,701
Totals	\$ 5,163,344	\$ 5,142,781	\$ 5,241,815	\$ 5,512,200	\$ 5,474,545	\$ 5,868,500
% increase/(decrease), including all funds, from FY 2021/22 Adopted Budget						7.2%
<p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.</p>						

Department Budgets | Finance

Major Changes

- The FY 2022/23 Finance Department budget is \$393,955 (7.2%) more than the FY 2021/22 adopted budget.
- Salary and benefits are increasing by \$284,295 (6.1%) mainly due to the addition of 1.0 FTE Accountant and 1.0 FTE Accounting Specialist II. In addition, salary and benefits costs in the proposed budget include a 3% placeholder increase as the City is currently engaged in collective bargaining with its employee groups.
- Operating expenditures are increasing by \$72,399 (15.8%) mainly for contractual services.
- Indirect expense allocation is increasing by 6.7% mainly due to higher Information Technology and Risk insurance premium costs.

Staffing by Function - FY 2022/23



Regular Full-Time Equivalents: 26.24

Human Resources

Mission:

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

Major Services

Employee and Labor Relations

Maintain effective working relationships between the City, bargaining units, and employees.

Citywide Policy Development

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

Employee and Organizational Development and Training

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

Recruitment, Examination, 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 questions, and ensures compliance with Federal and State employment and income tax laws.

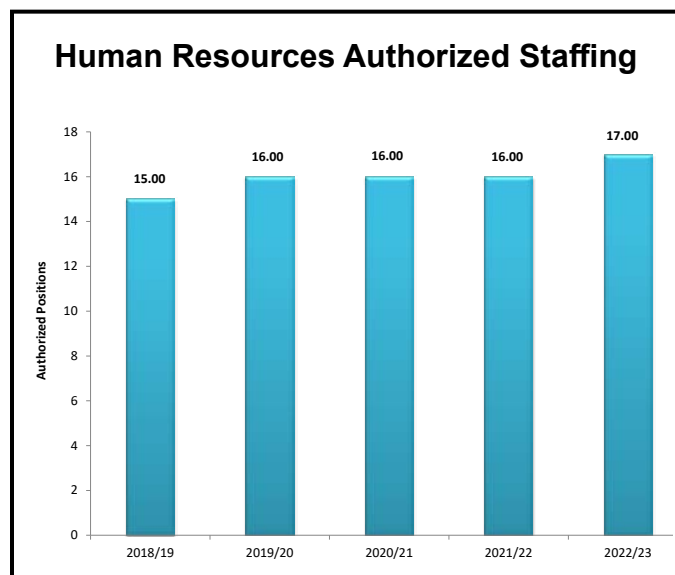
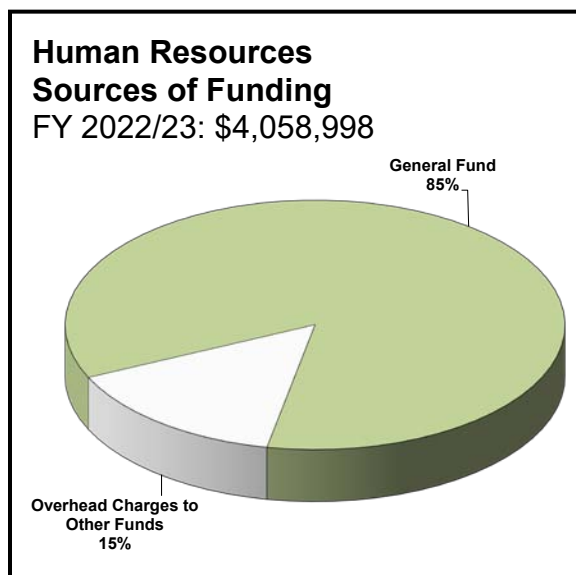


Accomplishment Highlights FY 2021/22

1. Continued to implement 2022 COVID-19 Supplemental Paid Sick Leave program in response to the Families First Coronavirus Response Act (FFCRA) for all employees.
2. Developed and implemented a Transitional Hybrid Telework Policy to transition employees to a hybrid (in-person/remote) working schedule.
3. Developed a process and implemented Alameda County Health Officer Order No. 21-05 which requires first responders and employees engaged in work requiring them to enter High-Risk Health Care Facilities to be vaccinated or tested weekly for COVID-19.
4. Continued to implement online/virtual health benefits open enrollment.
5. Provided 4 flu shot clinics in partnership with health provider.
6. Enhanced the recruitment and onboarding activities to include virtual services.
7. Adopted health/dependent care flexible spending options arising out of the emergency relief acts.
8. Implemented 15 virtual training classes including required anti-harassment training.

Objectives FY 2022/23

1. Facilitate ongoing COVID-19 related service delivery recovery and process improvements for City of Fremont staff.
2. Complete revisions of City's Personnel Rules in partnership with City's nine bargaining units.
3. Complete labor negotiations and implementation of successor MOU's with all units.
4. Seek professional services consultant to assist staff in the advancement of the critical work in diversity, equity, and inclusion for the benefit of our employee population and the communities we serve.



Department Budgets | Human Resources

Performance Measurement

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 Target
% of employees participating in a 457(b) deferred compensation plan for retirement savings	73%	80%	74%	80%
% of employees who have received a formal evaluation in the last 12 months	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Average days between prospective police officer application and issuance of offer letter (police officer) ²	184 ³	154	TBD	124
Average days between application and issuance of offer letter (all non-sworn police positions)	243 ³	213	TBD	183
¹ Measure every other year by employee survey. The Citywide employee survey was postponed in FY 2020/21 and FY 2021/22 and plan to conduct a Citywide employee survey in FY 2022/23. ² 17 Police Officers were hired in FY 2020/21. ³ The average number of days to fill a sworn Police Officer position in FY 2020/21 increased by 48 days due to COVID-19 delays and other external factors. The average number of days to fill a non-sworn police position in FY 2020/21 increased by 21 days.				

Human Resources: Historical Expenditures/Budget, by Category

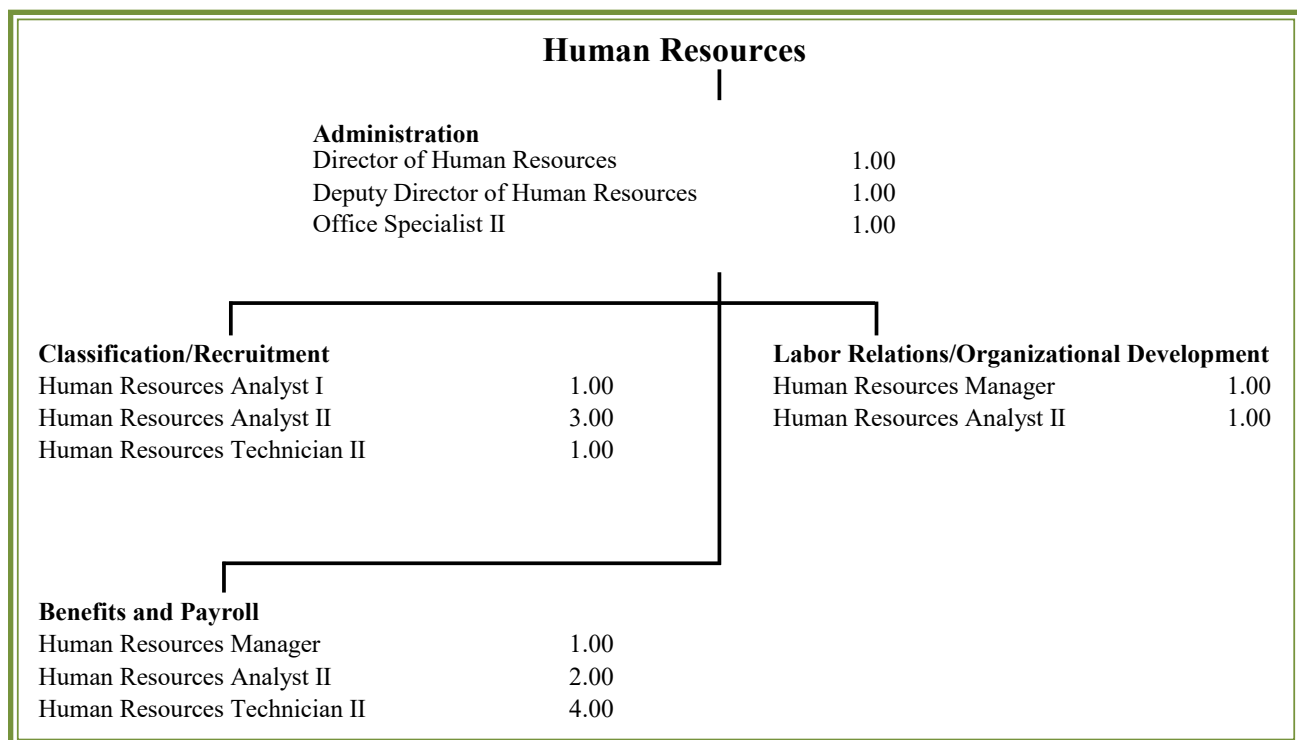
	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Salaries & Benefits	\$ 2,885,953	\$ 2,733,340	\$ 3,137,304	\$ 3,137,304	\$ 3,096,183	\$ 3,372,445
Operating Expenditures	223,244	140,564	320,875	308,380	320,380	445,380
Capital Expenditures	3,143	-	-	-	-	-
Indirect Expense Allocation**	167,065	174,141	228,630	228,630	228,630	241,173
Totals	\$ 3,279,405	\$ 3,048,045	\$ 3,686,810	\$ 3,674,315	\$ 3,645,193	\$ 4,058,998
% increase/(decrease), including all funds, from FY 2021/22 Adopted Budget						11.4%
* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.						
** Indirect expense allocation displays the department's share of the City's total costs for information technology, vehicle replacement, workers' compensation costs, and general liability insurance.						

Department Budgets | Human Resources

Major Changes

- The FY 2022/23 Human Resource Department budget is \$413,805 (11.4%) more than the FY 2021/22 adopted budget.
- Salary and benefits are increasing by \$276,262 (8.9%) due to the addition of 1.0 FTE Human Resources Analyst. In addition, salary and benefits costs in the proposed budget include a 3% placeholder increase as the City is currently engaged in collective bargaining with its employee groups.
- Indirect expense allocation is increasing by \$12,543 mainly due to higher Information Technology and Risk insurance premium costs.

Staffing by Function - FY 2022/23



Regular Full-Time Equivalents: 17.00

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.

Major Services

Customer Support Services

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

Infrastructure Services

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

Enterprise Systems

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

Geographic Information Systems (GIS)

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

Cybersecurity

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

Department Overview

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



Accomplishment Highlights FY 2021/22

- 1. Annual Pen Test.** ITS conducted an annual penetration test of the internal, external, and wireless City's networks. The goal of the project was to allow ITS to gain a comprehensive understanding of potential risk associated with current vulnerabilities, evaluate current in-place controls effectiveness, ensure City's cybersecurity efforts are aligned with best security practices, and enhance the City's cybersecurity program deliverables where needed.
- 2. ArcGIS Open Data Hub.** ITS launched an ArcGIS Open Data Hub, which serves as a portal to GIS data, applications, storymaps and resources for the community and businesses. Designed as an online library and reference tool, the Open Data Hub contains an abundance of information, internal and external resources, and Geographic Information System (GIS) data which are useful for community members and businesses.
- 3. Civic Engagement Platform.** ITS, with the collaboration of the City Manager's Office Communications Team, implemented a Civic Engagement Platform. This platform enables the City to support community engagement activities on current and future City projects and initiatives. Through this Civic Engagement Platform, the City is dedicated to receiving community input to help leverage alignment and drive community-informed decisions, and help identify and correct false narratives and misconceptions, to present searchable facts that are reliable to the public.
- 4. City Fiber Master Plan Development.** In partnership with Magellan Advisors, ITS completed the fiber master plan for the City. The fiber master plan was presented to City Council in March of 2022. The plan calls for the build out of the City's fiber infrastructure to support current and future broadband needs for the community, economic development and City assets (i.e. public safety cameras, Wireless Fidelity internet in Parks, etc.). There are three phases to the plan: 1) fill in the "gaps" to connect all City facilities while creating redundant network pathways (aka "rings") to help prevent network communication failures due to earthquakes and cable cuts. 2) support the City's Traffic Engineering's signal modernization project to include a pre-emptive emergency vehicle system, new traffic cameras, new control cabinets, and traffic/pedestrian safety sensors. 3) create diverse routes to connect the City's network to different internet service providers (ISP) in order to achieve redundancy and availability.
- 5. City Website Replacement.** In partnership with the City Manager's Office, ITS implemented a contemporary website using Granicus' government CMS (content management system). The

new website takes advantage of advanced design and features, which streamlines information delivery, mobile optimization (it adapts to any mobile device's screen), enhanced search capabilities and prominently displays the City's citizen/community's most important services. In addition, the flexible CMS allows the City to quickly revamp, revise, or redo any portion of the website to meet the Citizen's changing needs. The new website seamlessly integrates with the CRM solution for a "one-stop shopping" user experience.

6. **Council Chambers A/V Upgrade.** ITS completed the upgrade of the City Council Chamber's audio visual (AV) system and associated broadcasting control room. The project successfully replaced an aging analog based AV system with a state-of-the-art digital system. The new AV system allows for the sharing of media and AV functionality between the Council Chambers and the newly built Downtown Event Center. A new feature supporting virtual/hybrid meetings with Zoom integration was incorporated into the new system.
7. **Endpoint Detection and Response (EDR) tool.** ITS deployed a robust endpoint detection and response (EDR) tool and technology to protect computer hardware devices from potential threats. The new (EDR) system provides a real-time visibility into endpoint activities and proactively prevents threats by automatically analyzing various endpoint data. The new EDR system is monitored and supported by 24/7/365 Security Operation Center (SOC).
8. **Mapping Applications for Small Cell Equipment.** ITS developed a City Staff and Public online mapping applications for locating Small Cell Equipment installed on public streetlights. The data is generated from the permit application process in Accela. The map shows the wireless carrier equipment owner and pertinent data associated to the permit.
9. **Network Extension to new Downtown Event Center.** The grand opening of the City's new Downtown Event Center occurred on October 8, 2021. ITS connected the new facility to the City's fiber backbone by installing new conduit and deploying fiber along Capitol Avenue. Additionally, new network switches, IP telephones, and Wi-Fi access points were configured and installed. By providing wireless access throughout the building and parking lot, City staff and the public are able to access the internet.
10. **Public Records Request Management System.** ITS launched, in collaboration with the City Clerk's Office and City Attorney's Office, a Public Records Request Management System. This system offers members of the community, an intuitive, and easy-to-use interface to submit public records requests to the City. The web-based would guide members of the community through the process of accessing desired information and documents, whether through prompts to locate already-published information or through web forms for submitting formal public record information requests.
11. **Security Information and Event Management (SIEM) system:** ITS deployed a Security Information and Event Management (SIEM) system to provide a holistic views of what is happening on the network in real-time and help the ITS team to detect and prevent and/or recover from both emerging cybersecurity attacks and increased threat landscape. The new SIEM system is monitored and supported by a 24/7/365 Security Operation Center (SOC).
12. **Story Maps.** The City launched Fremont's first Story Map called "Get to Know Your City Council." This new, user-friendly map, developed by the City's Information Technology GIS Team, will help encourage the Fremont community to learn about its diverse City Council, find

Department Budgets | Information Technology Services

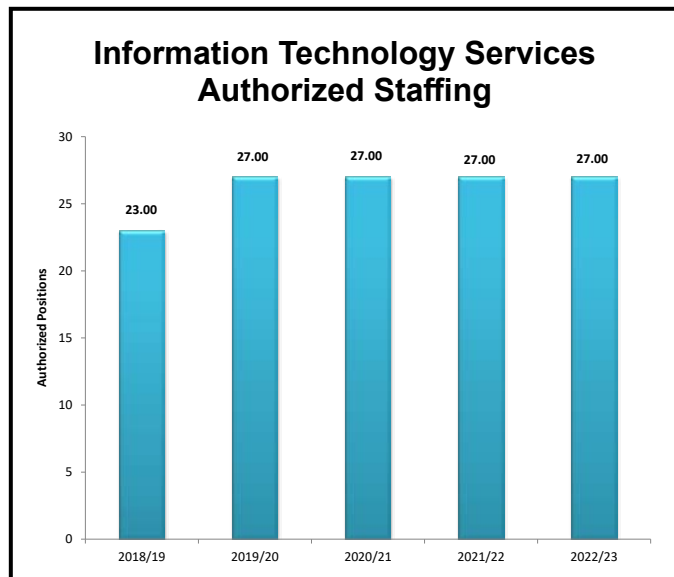
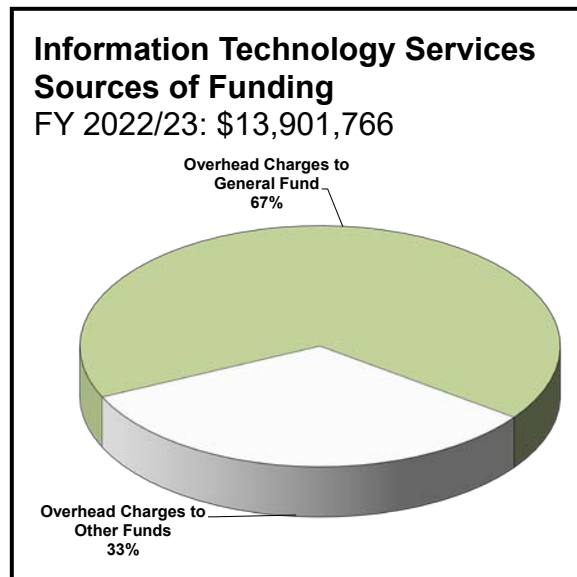
their District, and learn about each District's services and facilities. For reference, Story Maps are interactive mapping applications used to inform and educate the community through narrative text, multimedia, and interactive functions. Visit <https://arcg.is/TCbrD> to view the "Get to Know Your City Council" Story Map.

Objectives FY 2022/23

1. **Address Data Management Design.** ITS plans to streamline the addressing process, automate, and integrate with business systems (GIS, CRM, Accela Permitting, 911 Dispatch, etc.) to better serve City Staff, Fremont's community and businesses. In addition, the work will include documenting and detailing the addressing needs of the Fremont addressing workflow for the design of new workflow, modification of existing ones and/or creation of software programs to automate and accelerate the process.
2. **City Fiber Master Plan Proposal Implementation.** The City Council, City Management, and ITS realizes the economic benefits of having a City owned fiber infrastructure. Current and future technologies will undoubtedly require fast and reliable communications between host and end devices. Fiber fulfills this requirement and serves as the foundation for Smart City initiatives including IoT (Internet of Things), autonomous vehicles, traffic signal management, public Wi-Fi, smart lighting, security cameras, etc. The goal of this project is to continue with meeting the recommendations outlined in the fiber master plan.
3. **Compliance, Risk, and Security Vulnerability management platform.** ITS plans to deploy a Compliance, Risk, and Security Vulnerability management platform to identify weaknesses that need correction, as well as measure cybersecurity compliance and regulatory needs for areas such as HIPAA, PCI DSS, CJIS misconfigurations, and policy non-compliance vulnerabilities.
4. **Computer Aided Dispatch (CAD) and Records Management System (RMS).** In partnership with the City of Fremont Police Department and the City of Union City Police Department, ITS will commence the first phase of implementing a new, intelligence driven, fully integrated CAD and RMS software system to replace the City's aged CAD and RMS software. The new system will be Criminal Justice Information Services (CJIS) compliant and contain the following submodules: Automated Reporting System (ARS), Jail/Corrections Management System (J/CMS), Property Module, Crime Analysis Module, and Mobile Data Computer (MDC). In addition, the new system will leverage the City's investment in Microsoft's premier infrastructure (SSRS reporting, SQL Servers, Power BI Platform).
5. **Identity & Access Management (IAM) – Zero Trust Architecture Tools.** ITS plans to deploy a set of Identity & Access Management tools following NIST SP 88-207 (Zero-Trust Architecture) and the Executive Order recommendation on "Improving the Nation's Cybersecurity" in the following areas:
 - a. Enhanced Identity Governance
 - b. Using Micro-Segmentation
 - c. Enterprises-wide/universal Adaptive Multifactor Authentication (MFA)/Passwordless Authentication
 - d. Enhanced remote network and application secure access/private access

- e. Workload segmentation
 - f. Network Infrastructure & Software Defined Perimeters
 - g. Device Identity Management
 - h. Wi-Fi Security
 - i. Enterprise-wide/universal Single Sign-On (SSO)
 - j. Universal Directory (UD)
 - k. Advanced Server Access (ASA)
 - l. Application Access Gateway
 - m. Privilege Account Management (PAM)
- 6. Independent and Continuous Cybersecurity Assessment & Regulatory Compliance Program.** ITS will implement a continuous assessment process, which will consist of providing the City with independent resources to conduct various assessments that will consist of readiness analysis, gap analysis, and risk assessments. The outcome of those assessments will help define a remediation process and compliance maturity roadmaps to bring City department enterprise systems and processes to a continuous compliance and best-practices status.
- 7. Telephone System Replacement.** ITS is currently upgrading the City's outdated telephone system with a new digital voice-over-ip (VoIP) system. The new system incorporates new features including integration with Office 365, remote paging, and new digital phone sets. The upgrade is expected to be completed by December of 2022.
- 8. Work Order Management System.** In partnership with Public Works and Community Services, ITS will update the work order management system to provide improved asset tracking, mobile access, enhanced geo-location services, and CRM integration that will translate into improved services for Fremont residents.

Department Budgets | Information Technology Services



Performance Measurement

Measure	FY 2020/21 Actual	FY 2021/22 Target	FY 2021/22 Estimate	FY 2022/23 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%	83%	73%	80%
Percent of requests for GIS Street Naming and Addressing projects completed within agreed-upon time frames	89%	80%	94%	80%

Department Budgets | Information Technology Services

Information Technology Services: Historical Expenditures/Budget, by Category

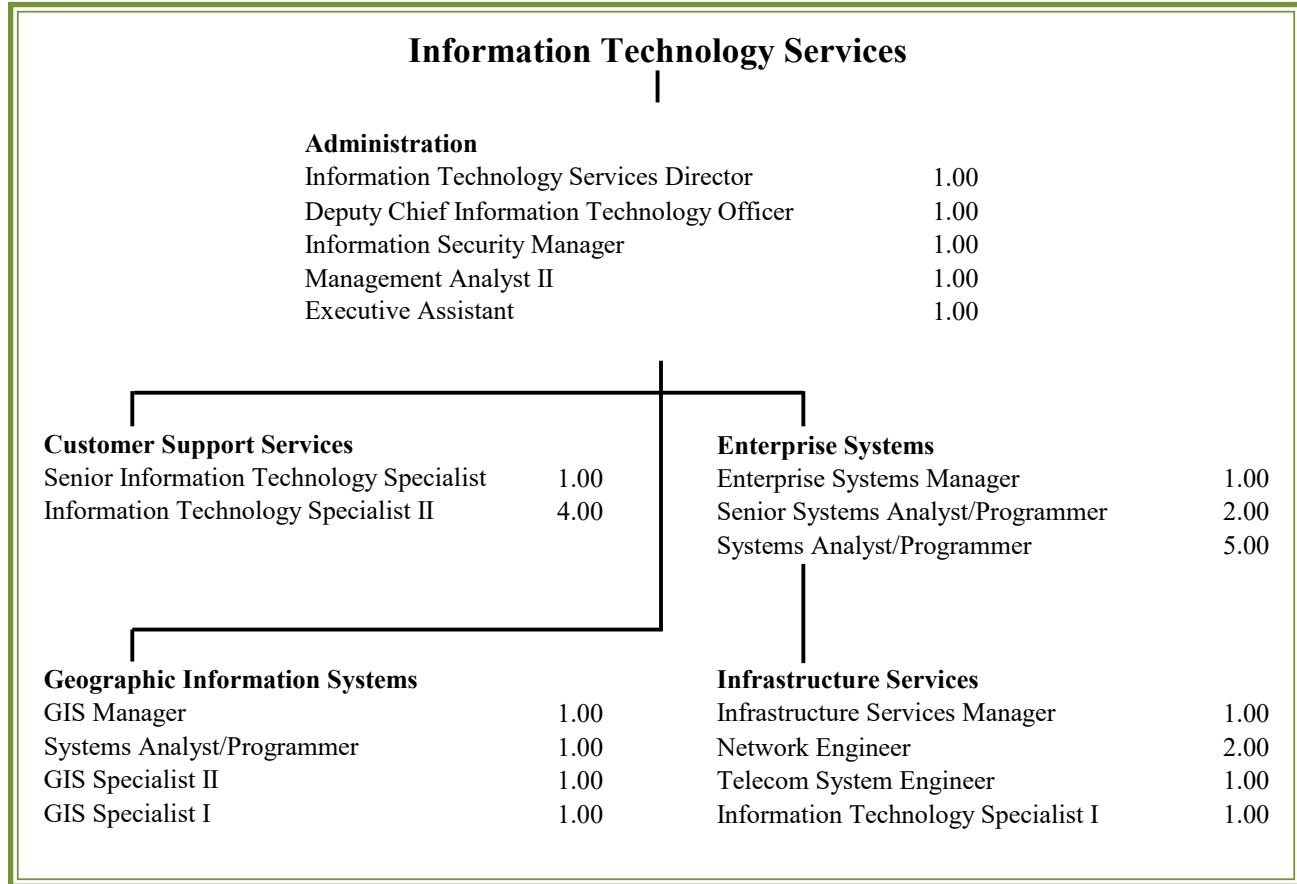
	2019/20 Actual	2020/21 Actual	2021/22 Estimated Actual	2021/22* Adjusted Budget	2021/22 Adopted Budget	2022/23 Proposed Budget
Salaries & Benefits	\$ 4,862,572	\$ 4,965,644	\$ 5,850,439	\$ 5,850,439	\$ 5,850,439	\$ 5,924,957
Operating Expenditures	2,446,535	3,092,291	4,263,098	4,265,682	3,808,839	5,851,437
Capital Expenditures	1,573,017	1,915,919	2,857,431	3,008,135	2,811,907	1,963,250
Indirect Expense Allocation**	659,007	617,252	126,008	126,008	129,835	162,122
Totals	\$ 9,541,131	\$ 10,591,106	\$ 13,096,976	\$ 13,250,264	\$ 12,601,020	\$ 13,901,766
% increase/(decrease), including all funds, from FY 2021/22 Adopted Budget						10.3%
<p>* Adjustments commonly include encumbrances, which represent obligations from the prior year for expenses paid in the current year, and interfund transfers for costs budgeted in the non-departmental budget, but incurred in the department, such as accrued employee leave cash out.</p> <p>** Indirect expense allocation displays the department's share of the City's total costs for vehicle replacement, workers' compensation costs, and general liability insurance.</p>						

Major Changes

- The FY 2022/23 Information Technology Services Department budget is \$1,300,746 (10.3%) more than the FY 2021/22 adopted budget.
- Operating expenditures are increasing by \$2,042,598 (or 53.6%) mainly due to increases in contractual services.
- Capital expenditures are decreasing by \$848,657 (-30.2%) mainly due to removal of one-time capital expenditures.
- Indirect expense allocation is decreasing by \$32,287 mainly due to higher Information Technology and Risk insurance premium costs.

Department Budgets | Information Technology Services

Staffing by Function - FY 2022/23



Regular Full-Time Equivalents: 27.00

Staffing

Regular Position Summary

Overview

The total authorized regular staffing level of 995.57 for FY 2022/23 has increased by 26.0 full time equivalent (FTE) positions from the FY 2021/22 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 2022/23 staffing increases serve to enhance public safety response capability and fiscal sustainability, improve service delivery, address homelessness, and support other wrap-around services to the community.

The Community Development Department staffing increase of 4.0 FTE includes a Principal Plan Check Professional, Plan Check Manager, Associate Planner, and Administrative Analyst to help manage the high demand for development permits, including major new commercial/industrial expansions and processing of affordable housing projects.

The Community Services Department staffing increase of 2.0 FTE includes the addition of 1.0 FTE Recreation Supervisor and 1.0 FTE Park Maintenance Worker I and conversion of the Urban Forester to City Arborist. The new positions will oversee operations at the newly opened Downtown Event Center and support the new Dusterberry Neighborhood Park.

	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>
<u>PUBLIC SAFETY</u>					
Fire	161.00	162.00	162.00	162.00	172.00
Police	314.50	317.50	320.50	318.50	322.50
TOTAL	475.50	479.50	482.50	480.50	494.50
<u>OTHER COMMUNITY SERVICES</u>					
Community Development	80.25	81.25	81.55	83.55	87.55
Community Services	94.01	96.01	97.06	98.41	100.41
Economic Development	4.00	4.00	4.00	4.00	4.00
Human Services	65.40	64.73	70.10	75.15	77.15
Public Works	129.65	136.00	136.30	135.80	136.80
TOTAL	373.31	381.99	389.01	396.91	405.91
<u>ADMINISTRATIVE SYSTEMS</u>					
City Manager's Office	12.05	13.05	10.75	10.75	10.75
City Attorney	9.92	9.92	9.92	9.92	9.92
City Clerk	3.95	3.95	4.25	4.25	4.25
Finance	24.00	24.00	24.00	24.24	26.24
Human Resources	15.00	16.00	16.00	16.00	17.00
Information Technology Services	23.00	27.00	27.00	27.00	27.00
TOTAL	87.92	93.92	91.92	92.16	95.16
CITYWIDE TOTAL	936.73	955.41	963.43	969.57	995.57

Note: Total number of positions anticipated at the end of June 2022 shown for FY 2021/22.

Staffing | Regular Position Summary

Finance Department staffing increase of 2.0 FTE includes the addition of 1.0 FTE Accountant and 1.0 FTE Accounting Specialist II to address new reporting requirements and improve payment processing.

The Fire Department staffing increase of 10.0 FTE includes 3.0 FTE Fire Captains, 3.0 FTE Fire Engineers, and 3.0 FTE Firefighters to support the addition of one fire truck company. To enhance readiness of the City's Emergency Operations Center, 1.0 FTE Emergency Services Coordinator was added to further develop the City's preparedness to respond to complex, large-scale incidents.

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

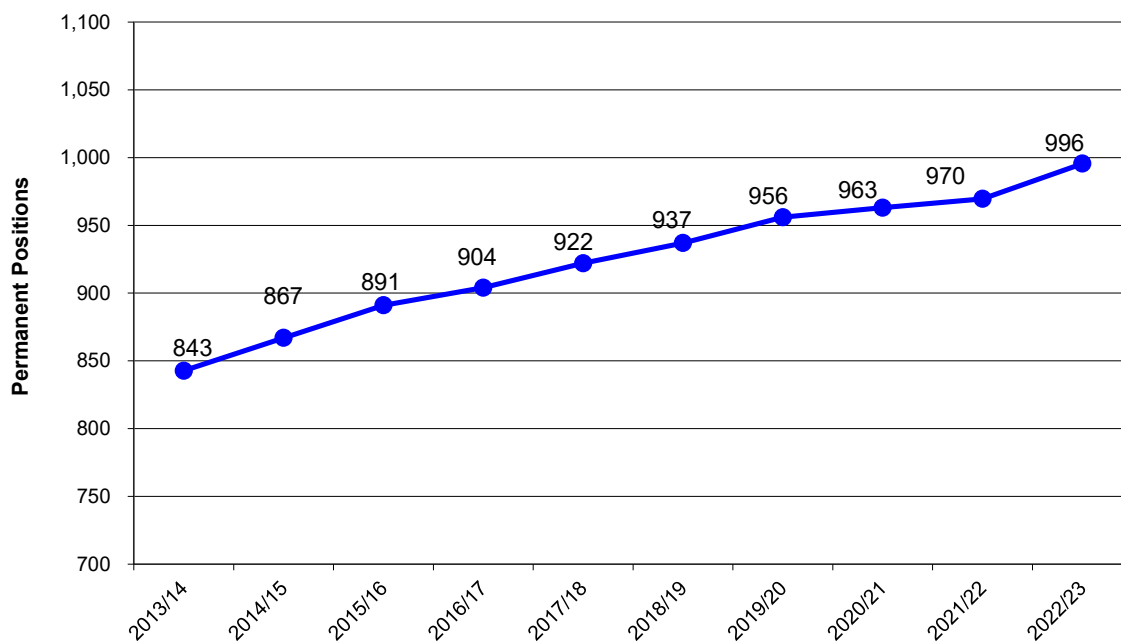
The Human Services Department staffing increase of 2.0 FTE includes 1.0 FTE Case Manager to enhance support for homeless care and response and 1.0 FTE Senior Office Specialist to support Medi-Cal program activities.

The Information Technology Services Department staffing restructure resulted in no overall change to the department's FTE count. The restructure eliminated 1.0 FTE Senior Systems Analyst/Programmer and added 1.0 FTE IT Specialist I, along with the conversion of 1.0 FTE Division Manager and 2.0 FTE IT Specialist I to 1.0 FTE Deputy Chief Information Officer and 2.0 FTE IT Specialist II, respectively.

The Police Department staffing increase of 4.0 FTE includes the addition of 2.0 FTE Police Officers to enhance public safety response capability, 1.0 FTE Property Officer, and 1.0 FTE Animal Services Supervisor. A 1.0 FTE Chief Forensic Specialist position was eliminated with the addition of 1.0 FTE Management Analyst I to better align staffing with department needs.

The Public Works Department staffing increase of 1.0 FTE represents the addition of one Engineering Technician II position to support development projects.

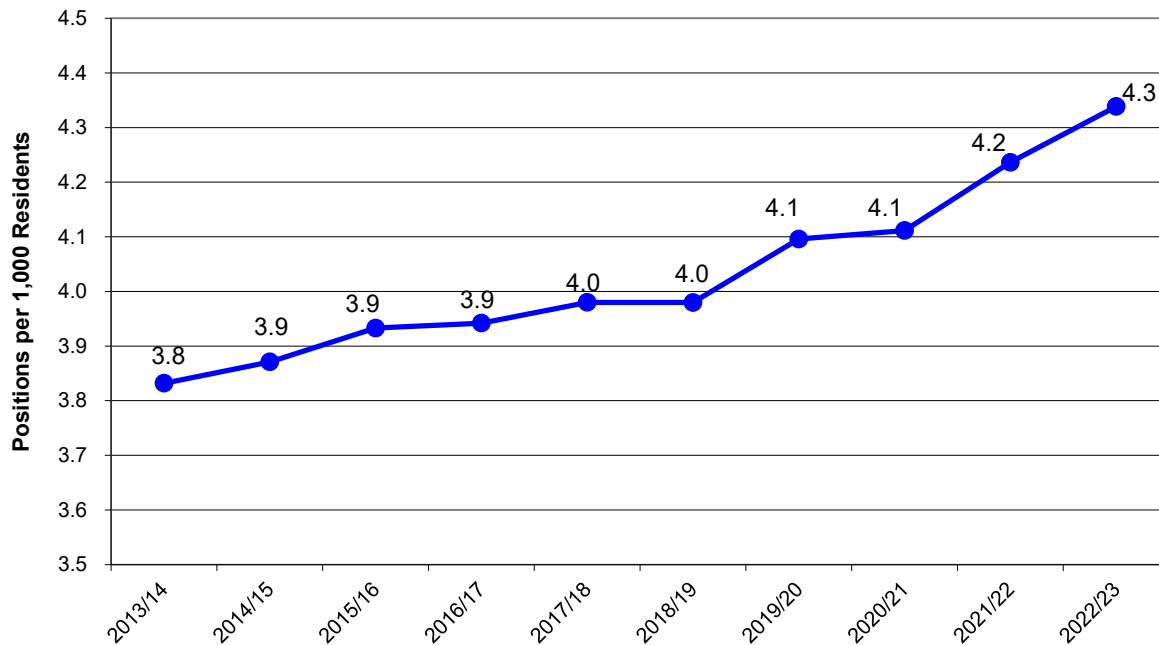
Budgeted Positions



Historical Perspective

City staffing has remained relatively constant over the past 10 years, growing by just over 1% per year to the modest level of 4.3 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 when adding back staff as the economy recovered from the last recession.

City Workforce per 1,000 Residents



The FY 2022/23 budget continues the City's modest staffing and related service levels even though the FY 2022/23 overall staffing level has increased by 26.0 FTEs compared to FY 2021/22. With the addition of two Police Officers and a Fire Truck Company, as well as maintenance, planning, engineering, recreation, human services, emergency response, and animal services positions, the staffing increases serve to enhance public safety response capabilities, operate new public facilities, provide support to homeless residents, and match the increased activity levels and growing demands of City residents and businesses.

The Staffing Level Comparison table on the next page reveals that the City maintains an extremely low ratio of budgeted position to residents. Fremont's low staffing ratio is driven by resource limitations, yet continues to work due to prudent planning and efficient City operations. Fremont has less per capita revenue to pay for basic public safety and maintenance services than other larger California cities, its neighboring cities, and other cities known for their high quality of life. Through FY 2021/22, 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	2021 Population	Citywide Positions	Positions per 1,000 Residents
Oakland	435,514	4,182	9.60
Palo Alto	67,657	557	8.23
Santa Clara	130,746	779	5.95
San Jose	1,029,782	5,943	5.77
Sunnyvale	153,827	817	5.31
Pleasanton	78,371	372	4.75
Union City	72,779	318	4.37
Livermore	91,216	380	4.16
Fremont	234,239	965	4.12
Newark	48,859	163	3.33

Source: FY2021/2022 published city budgets, financial reports and California Department of Finance Population Estimates for 2021

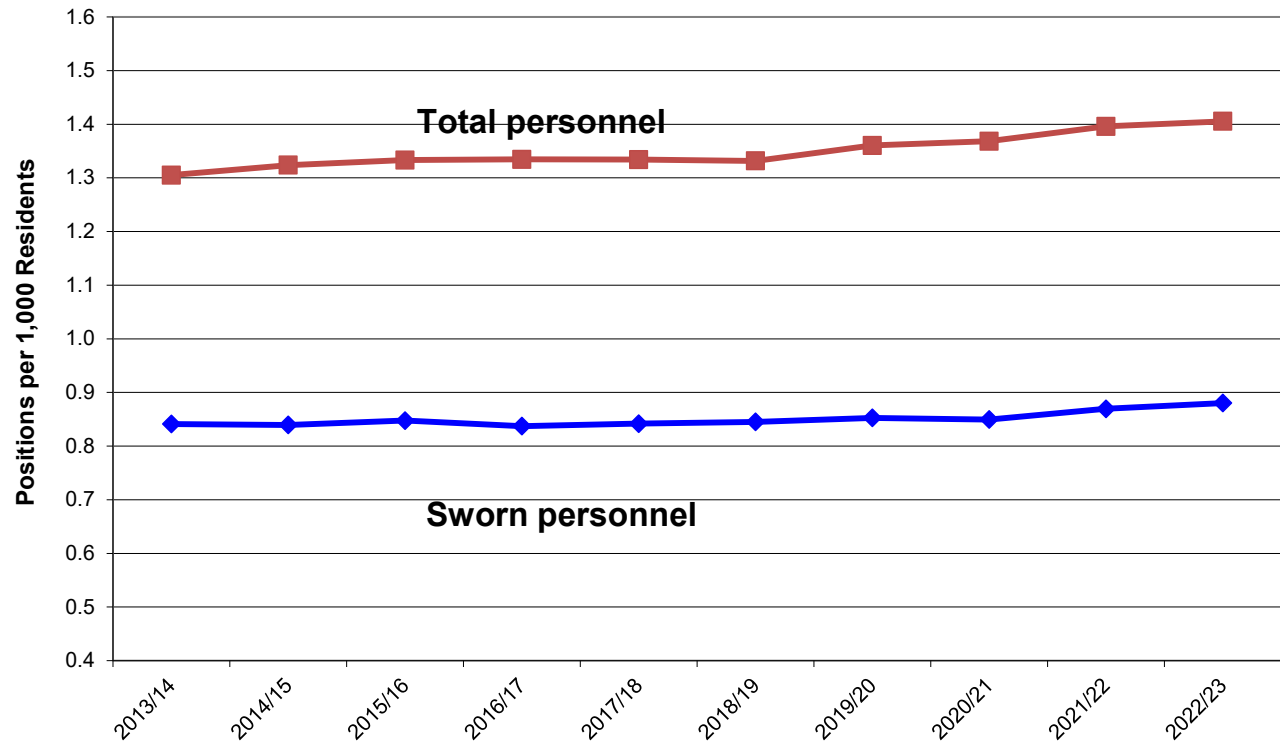
Note: Services provided by each community surveyed, and respective funding arrangements, vary widely among cities. The table reflects staffing levels in various communities, with the following adjustments to improve comparability with Fremont:

1. **Oakland:** total positions reduced by the number of positions supporting library services, city auditor, and race & equity city auditor, police commission, public ethics commission, violence prevention, and workplace and employment standards (not provided by the City of Fremont)
2. **Palo Alto:** total positions reduced by the number of positions supporting utility, library services, and city auditor (not provided by the City of Fremont)
3. **Santa Clara:** total positions reduced by the number of positions supporting library services, city auditor, water & sewer utilities, and electric utilities (not provided by the City of Fremont)
4. **San Jose:** total positions reduced by the number of positions supporting airport, library, city auditor, independent police auditor, and retirement services (not provided by the City of Fremont)
5. **Newark:** although no adjustment has been made, it is noteworthy that fire protection services for Newark are provided by the Alameda County Fire Department (ACFD); therefore there are no staff budgeted by Newark for this function
6. **Pleasanton:** total positions reduced by the number of positions supporting library, water, and sewer storm water services (not provided by the City of Fremont)
7. **Sunnyvale:** total positions reduced by the number of positions supporting library, NOVA workforce services, water, wastewater, and solid waste services (not provided by the City of Fremont)
8. **Union City:** although no adjustment has been made, it is noteworthy that fire protection services for Union City are provided by the Alameda County Fire Department (ACFD); therefore there are no staff budgeted by Union City for this function
The 2021 Annual Comprehensive Financial Report was not available, used most current report, 2020 ACFR.
9. **Livermore:** total positions reduced by the number of positions supporting library, water, and airport services (not provided by the City of Fremont)

Police

Police Department staffing increased by 4.0 FTE for FY 2022/23. Sworn staffing has increased by two Police Officers for FY 2022/23, at a per capita staffing level of 0.88 sworn officers per 1,000 residents. This level of police officer coverage per thousand residents has increased just slightly over the last ten years. The service level is illustrated by the graph below.

Police Positions per 1,000 Residents



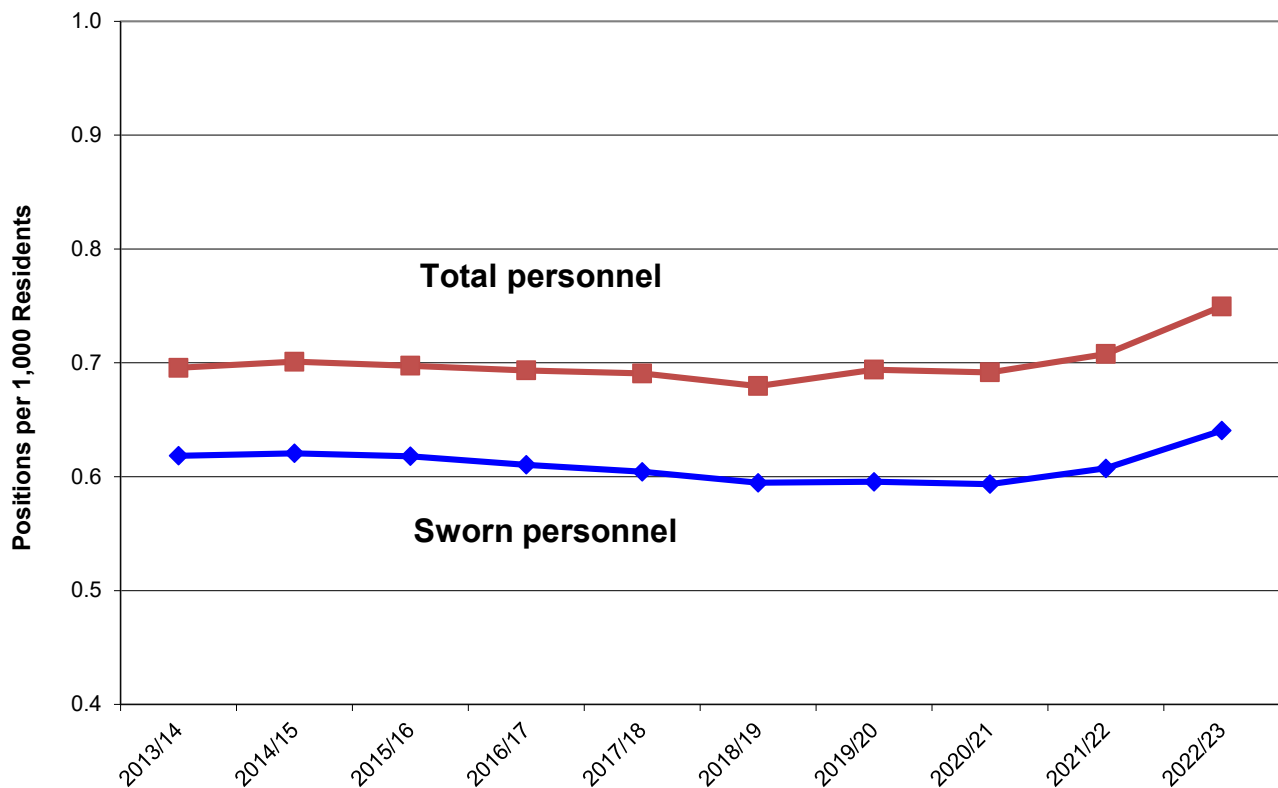
Staffing | Regular Position Summary

Fire

Fire Department staffing increased by 10.0 FTE for FY 2022/23. Sworn staffing increased by nine for FY 2022/23 at 0.64 firefighters per 1,000 residents. As illustrated by the graph below, the addition of a fire truck company will return the level of staffing to just above where it was ten years ago.

Fremont continues to have one of the lowest levels of sworn fire employees per capita in either Alameda or Santa Clara Counties. Additionally, Fremont's Fire Department serves 92 square miles with 11 fire stations, an average of one fire station per eight square miles. By comparison, Oakland averages one fire station for every two square miles, San Jose averages one station for every six square miles, and Hayward averages one station for every seven square miles.

Fire and Emergency Services Positions per 1,000 Residents



Maintenance

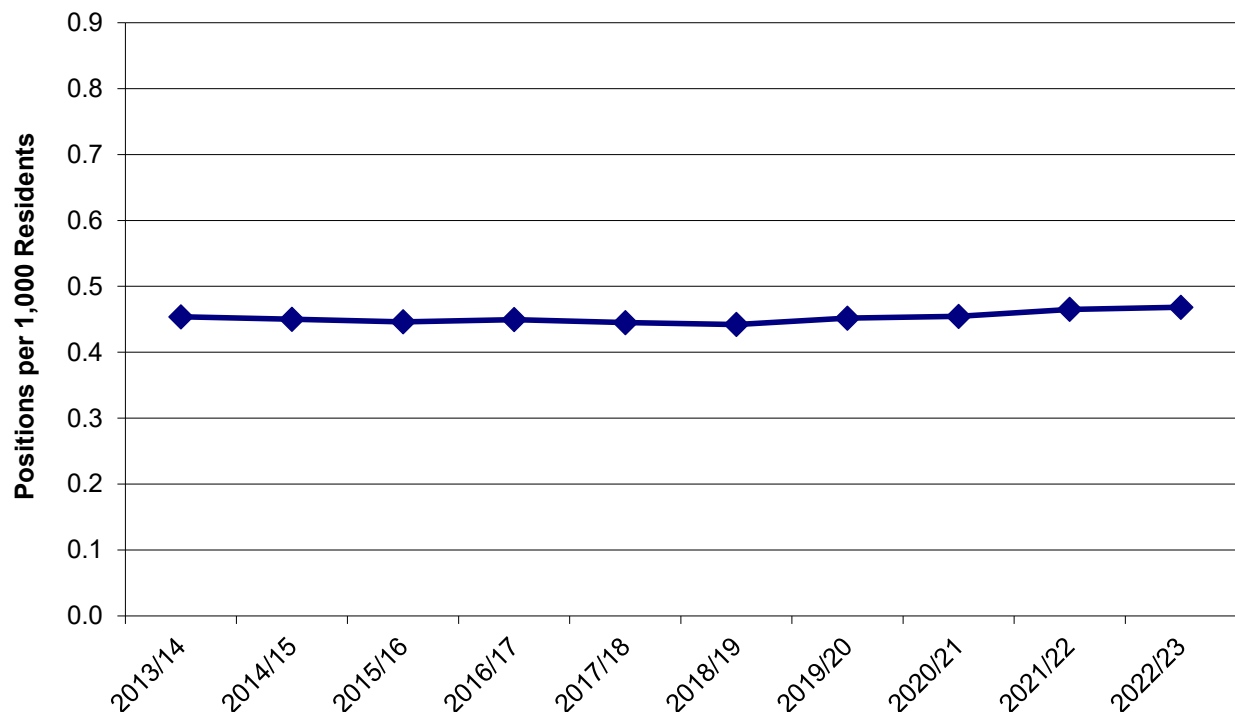
Low staffing presents a challenge to City efforts to maintain its public buildings, streets, parks, and urban forestry. The following table illustrates the maintenance needs:

FY 2022/23 Maintenance Statistics

Asset	FY 2022/23
Public Buildings	896,176 sq ft
Streets	1,094 lane miles
Trees Along Streets	55,611 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.

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 February or March, the Finance Director provides an update to the City Council on the current year's budget and outlines policy issues facing the City. The City Council provides feedback and direction regarding proposed priorities for the future programming of General Fund resources. With this direction and the Finance Department's revenue projections, each department prepares a proposed budget. The Budget Team works closely with department managers to ensure that budgets reflect the City Council's interests, priorities, and goals.

Several weeks before the budget is adopted, the Finance Director presents the budget for the coming year to the City Council, along with information on current year accomplishments and future year goals. Copies of the proposed budget document are available to the public at public hearings, and they are also available in the City Clerk's Office, and on the City's website. The Finance Director presents the budget to the City Council in a televised public forum. Included in the Finance Director's presentation are an update of the City's financial position and General Fund forecast; a review of the national, state, and local economies; a discussion of financial policies; and an update on department activities. After reviewing the proposed budget and receiving public comment at public hearings, the City Council may direct staff to revise the proposed budget. On or before June 30, the City Council votes to adopt the budget, including any revisions to the proposed budget. At any time after the adoption of the budget, the City Council may amend or supplement the budget.

Policies and Glossary | Policies and Practices

Upon final adoption by the City Council, the budget becomes the legal authorization for the various departments to expend resources, subject to conditions established by the City Manager and City Council. Through a resolution adopted by the City Council, the City Manager is authorized to transfer appropriations as needed from any account in the budget to any other accounts within the same fund to meet overall budget requirements. This resolution further authorizes the City Manager to transfer funds designated as “Transfers” in appropriate increments and intervals. The City Council has adopted several financial and budgetary policies, which address debt, reserves, and spending authorizations, and which help guide long-term planning.

Budget Process Calendar

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
1 Start of new Budget/fiscal year	■											
2 City Council work session on year end review of prior year results				■								
3 Prepare and distribute budget instructions to departments						■						
4 Departments prepare mid-year analyses and submit budget requests							■	■				
5 Council work session on mid-year report and preliminary direction on budget								■				
6 City Manager conducts discussions with departments regarding community priorities								■	■			
7 Analyze current year revenues and make budget projections								■	■	■		
8 Produce the Proposed Budget								■	■	■	■	
9 City Council presentation on Proposed Budget											■	
10 Public hearings on Proposed Budget											■	■
11 Budget adoption												■

Citizen Participation

Citizens of Fremont participate in the budget planning process in various ways, such as participating on Council-appointed boards and commissions, providing feedback on the Fremont Open City Hall online civic engagement forum, attending budget presentations and public hearings, or meeting with City staff. Presentations to review the City’s budget and discuss relevant policy issues are held at regular City Council meetings.

Public hearings for the budget adoption typically occur in early June. Citizens have the opportunity to speak about budget issues at these hearings and at any City Council meeting during the year. All Council meetings are televised on the local cable access channel and streamed over the internet.

The City Council will hear a presentation of the City Manager’s proposed FY 2022/23 budget at a televised meeting on May 17, 2022. Televised public hearings will be held on June 7 and June 14, 2022.

Other Major Planning Processes

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

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

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

The CIP planning process takes place every two years. The product is a funded five-year plan for building and maintaining City infrastructure. While the CIP keeps a five-year planning horizon, it appropriates funds for a two-year period. The current CIP was adopted on June 15, 2021, and appropriates funds for projects and maintenance activities for FY 2021/22 and FY 2022/23. Therefore, the capital funding information included in the Operating Budget is for display purposes only.

Including maintenance in the capital budgeting process is intended to overtly balance the planning for capital improvements with funding needs to maintain existing infrastructure. The amount of General Fund to be transferred to the CIP is determined in the annual Operating Budget process and may vary annually from the amount projected as revenue in the CIP. However, the CIP expenditure appropriation does not change without specific City Council action. The process for developing the FY 2021/22-2025/26 CIP began during the summer of 2020. Appropriations reflect any changes in other City funding capabilities. Conversely, the capital projects adopted in the FY 2021/22-2025/26 CIP informs the FY 2022/23 Operating Budget.

Basis of Budgeting

The City uses a multi-year financial forecast model to ensure that current budget decisions consider future financial implications. The basis for the multi-year forecast projections is current year estimated revenues and expenditures.

Revenues: The City receives revenues from a variety of sources. Property tax and sales tax comprise approximately 75% of the General Fund. The City receives the balance of its revenues from local taxes, fees, charges for services, and transfers from other funds for General Fund services. Revenue projections for the coming budget year are based on the estimated actual revenue projected for the current year, historical trends, and anticipated changes in economic activity.

The City has a long-standing practice of dedicating one-time revenues to fund a variety of one-time projects. Increases in the General Fund associated with one-time revenues are not programmed for ongoing operations in the multi-year forecast. This ensures that future revenues and expenditures are reasonably projected.

Fees and Charges: The City charges for services at rates that, where possible, match the cost of providing the service. Several departments charge for services such as hazardous materials inspections, animal vaccination and sterilization services, and counseling.

Expenditures: The City budgets at the governmental fund level, and funds are grouped for budget presentation. Major fund groups include the General Fund, Cost Center/Internal Service funds, Special Revenue funds, and Capital funds.

While all funds budgeted are included in the operating budget, this document focuses on the General Fund, which contains the majority of the City's discretionary resources for basic services such as police, fire, and maintenance. Departmental base budgets for a given budget year are determined by the following process:

Starting with the adopted budget for the prior year,

1. Reduce the adopted prior year budget for any one-time appropriations the department received,
2. Multiply the adjusted budget by percentage factors for cost changes associated with negotiated bargaining unit agreements and inflation, and
3. Implement any necessary service reductions or enhancements determined by the City Manager.

City funds are budgeted on the modified accrual basis of accounting. This method recognizes revenues when they become measurable and available to finance expenditures of the period. Expenditures are recorded when the related fund liability is incurred, with the exception of principal and interest on long-term debt, which are recorded when due.

Basis of Budgetary Accounting

The basis of budgetary accounting that follows describes how the City presents the estimated revenues, budgeted expenditures and expenses, and capital asset purchases in this budget. This description is intended to help the reader understand the differences and similarities in the budget presentation of such financial elements compared to how they are presented in other City publications, such as the City’s CIP or its 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 247). The operating budget for the 2022/23 fiscal year is scheduled for adoption on June 14, 2022. The fiscal years before FY 2022/23 shown in the operating budget are for contextual purposes only and are not adopted by the City Council in its budget resolution for FY 2022/23.

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, 2021, may be obtained on the City’s website at www.fremont.gov, or by contacting the City’s Finance Department. The ACFR for the fiscal year ending June 30, 2022, will be available no later than December 31, 2022.

Expenditures are budgeted in governmental funds on the modified accrual basis of accounting, and expenses are budgeted in proprietary funds on the full accrual basis of accounting. The primary difference between the two bases of accounting is that “expenditures” emphasize the reporting of financial resource outflows (cash and cash-like resources) in the period in which they are disbursed, while “expenses” emphasize the matching of the obligation to disburse economic resources (cash and all other assets causing a change in fund net assets) to the period in which the obligation was incurred by the City.

Capital asset acquisitions are shown somewhat differently in the budget than in the ACFR. Capital assets are used in the City's operations, have an estimated useful life of more than one fiscal year, and cost \$5,000 or more. These long-lived assets include land and buildings and their improvements, vehicles, machinery and equipment, and streets and sidewalks. The City's planned capital asset purchases are shown in two places in the budget: (1) in the departmental capital outlay for capital assets to be purchased from annual operating appropriations during the budgeted fiscal year, and (2) in the Capital Budget Summary (CIP) for capital assets to be acquired over several years or which involve specific financing plans. In the ACFR fund financial statements, all capital asset acquisitions are reported in the governmental funds acquiring them as "Capital Outlay" on their operating statements, and in the proprietary funds the acquiring funds report their acquisition as uses of cash on their statements of cash flow (the assets are also capitalized on their balance sheets).

Operating/Capital Expenditure Accountability

The annual budget sets appropriations by fund or with further allocation by department or program. At the fund level, expenditures may not legally exceed appropriations. The City Manager is authorized to transfer budgeted amounts between departments or programs within any fund. The City Council may adopt supplemental appropriations during the year.

The annual budget resolution authorizes the City Manager to increase appropriations for operating expenditures due to increases in grant or activity-based revenues in an amount not to exceed the increased grant or activity-based revenues. The City Manager may also increase appropriations for operating expenditures for the Development Cost Center and Recreation Cost Center when fee revenue in those funds exceeds the amount estimated at the time of budget adoption because of increased activity. Additionally, the City Manager may appropriate and transfer from the operating funds any amounts necessary to maintain adequate funding of the worker's compensation and liability reserves. All other revisions or transfers that alter the total appropriations of other funds must be approved by the City Council.

The City maintains a multi-year forecasting model for operating revenues and expenditures and also produces a five-year capital plan. The multi-year forecast is regularly updated to reflect current revenue and expenditure assumptions and is presented to the City Council at mid-year and during the budget process for the next fiscal year. The City's five-year capital plan is updated every two years.

Long-Term Financial Planning

The City Council continues to focus on the long-term benefits of transportation infrastructure improvement, recruitment of consumer retail uses to balance the City's business-to-business sales tax base, and development of a pedestrian-oriented urban center in the City's Downtown. Significant resources have been invested in the City's estimated share of freeway interchanges. Four interchanges were constructed using local funds to allow the completion of extensive freeway investments funded by the County, the State, and the federal government. This investment completed the upgrades to I-880 through Fremont years earlier than would have otherwise been the case. Construction was completed on two grade separation projects that will increase safety, reduce congestion, and facilitated the extension of the Bay Area Rapid Transit District commuter rail system south to the City's Warm Springs district and to San Jose.

The City has accumulated balances in the development impact fee funds which are intended for infrastructure and improved amenities in the community. The park development impact fee funds also accumulated adequate funding for a significant park improvement program. The impacts of maintenance and operational costs are balanced with the cost of acquiring or developing parkland, consistent with standards in the City's park master plan.

Cash Management

Cash temporarily idle during the year is invested in obligations of the U.S. Treasury and agencies of the federal government, commercial paper, corporate bonds, bankers acceptances, qualifying mutual funds, time deposits, money market accounts, and governmental investment pools. For financial reporting purposes, investment income includes appreciation/depreciation in the fair value of investments. These unrealized investment gains and losses are not included in the budget. Pursuant to State law, the City's investment policy is adopted by the City Council annually.

Risk Management

The City of Fremont uses a risk management program to reduce its workers' compensation and general liability claim costs. The City employs a professional risk manager, a safety coordinator, and staff, supplemented by professional claim administration firms, to minimize losses. The City participates in two multi-agency joint powers authorities to provide excess insurance coverage, one for general liability coverage and one for workers' compensation coverage. The joint powers authorities and the City rely on estimates prepared by professional actuaries to set aside funds adequate to meet potential losses. Excess coverage provided by the joint powers authorities covers claims in excess of \$1,000,000 for general liability and \$500,000 for workers' compensation claims.

Pension and Other Post-employment Benefits

The City provides pension and medical benefits for its public safety and non-safety employees through two contracts with CalPERS. The contracts include benefit levels negotiated by the City with its employee units and for which it has executed contract amendments. The plans also include some benefit levels approved by the State Legislature without contract amendment and funding mechanisms approved by the CalPERS Board of Administration. The City also provides other post-retirement benefits in the form of limited contributions toward health insurance costs for certain retirees based on the provisions of labor agreements in effect at the date of the employee's retirement.

Reserve or Stabilization Accounts

Reserves accumulated during years when revenues exceed expenditures allow the City to more gradually adjust spending in response to economic downturns. The General Fund maintains two reserves: the Contingency Reserve and the Budget Uncertainty Reserve. The City also maintains reserves for fee-based cost center operations and certain other special revenue funds, including the following:

- Development Cost Center Contingency Reserve
- Development Cost Center Technology and System Improvement Reserve
- Human Services Special Revenue Fund Contingency Reserve
- Integrated Waste Management Disposal Differential Reserve
- Integrated Waste Management Vehicle Replacement Reserve
- Urban Runoff Clean Water Program Contingency Reserve
- Recreation Cost Center Contingency Reserve
- Recreation Cost Center Operating Improvement Reserve

General Fund Contingency Reserve

The General Fund Contingency Reserve is intended to mitigate the effects of unanticipated situations such as natural disasters and severe, unforeseen events as well as serving as back-up liquidity to the Risk Management Fund if this need were to arise. Contingency Reserve funds are also available to provide a source of working capital for new programs or undertakings that have the potential for receiving significant funding from outside sources, and organizational retooling, process improvement, and strategic entrepreneurial opportunities.

The General Fund Contingency Reserve will be funded each year at 16.7% of budgeted expenditures and transfers out, the minimum level recommended by the Government Finance Officers Association of the United States and Canada.

All uses of the General Fund Contingency Reserve must be approved by the City Council. Any such uses are to be repaid to the General Fund Contingency Reserve over a period to be determined by the City Council at the time of approval, with a target repayment period of no more than three years. (Adopted by the City Council on June 11, 2019)

General Fund Budget Uncertainty Reserve

The Budget Uncertainty Reserve is intended to offset revenue shortfalls resulting from future economic downturns and unanticipated cost increases (including increases in fuel and utility prices, and increases to CalPERS pension contribution requirements resulting from changes in actuarial assumptions, poor investment performance, or updated demographic data).

The funding level for this reserve is determined by measuring the level of financial risk associated with revenue and expenditure uncertainty over the three-year forecast period, with the goal of providing sufficient resources to maintain service levels while giving the City an opportunity to respond appropriately to its budgetary challenges.

All uses of this reserve must be approved by the City Council. (Adopted by the City Council on June 4, 2002, and modified on June 11, 2019)

Development Cost Center Contingency Reserve

The Development Cost Center maintains an operational contingency reserve to help maintain service levels during temporary slowdowns in development activity. The contingency reserve is to be funded at twenty-five percent of the combined Development Cost Center annual operating budget. All uses of the contingency reserve must be approved by the City Manager. (Adopted by the City Council on June 13, 2017)

Development Cost Center Technology and System Improvement Reserve

The Development Cost Center also maintains a technology and system improvement reserve to provide a source of capital for the following:

- Ongoing hardware and software acquisition
- Technology investment
- System improvement

The The technology and system improvement reserve is to be funded at a level of \$4 million. All uses of the technology and system improvement reserve must be approved by the City Manager. (Adopted by the City Council on June 3, 1997; Revised June 13, 2017)

Development Cost Center Unreserved Fund Balance

To ensure that development fees do not exceed the level required to maintain full cost recovery, the development fee structure will be evaluated when unreserved fund balance reaches more than ten percent of the combined Development Cost Center annual operating budget. (Adopted by the City Council on June 13, 2017)

Human Services Special Revenue Fund Contingency Reserve

City Council policy is to maintain a Human Services Special Revenue Fund Contingency Reserve to help mitigate the effects of economic downturns and natural disasters, and to maintain flexibility in staffing or program levels during times of temporary decreases in grant or contract funding. The contingency reserve will be funded at a level at least equal to 15% of the Human Services Special Revenue Fund annual operating expenditures and transfers out. All uses of the contingency reserve will be approved by the City Manager. Any such uses will be repaid to the reserve over a period of no more than three years. (Adopted by the City Council on June 12, 2012)

Integrated Waste Management Disposal Differential Reserve

The Integrated Waste Management Disposal Differential Reserve represents the difference between disposal fees collected through the solid waste rates and actual landfill disposal or material processing expenses. This balance occurs because of the difference between actual solid waste volumes and those used in the rate setting process, or changes in disposal regulatory fees or requirements that occur within the rate period. The use of the disposal differential reserve for specific rate years will be determined by the City Council with the setting of biennial solid waste collection rates. (Adopted by the City Council on July 11, 2006)

Integrated Waste Management Unallocated Fund Balance

The Integrated Waste Management unallocated fund balance will be maintained to fund unexpected costs associated with providing solid waste services that occur between rate setting periods, including post-disaster debris management costs. Unexpected costs associated with providing solid waste services can result from such causes as (including, but not limited to) changes in law, extraordinary circumstances (as defined in the various solid waste contracts), and implementation of new or expanded solid waste programs or environmental initiatives (e.g., the Sustainability Element of the General Plan). In the event of a natural disaster, this fund balance will provide a source of funds for disaster response and clean-up efforts with the objective of recycling, reusing, or otherwise diverting disaster debris from the landfill to the greatest extent possible. The unallocated fund balance will be maintained at a level between 8% and 15% of the annual revenue of the solid waste collection contract. This unallocated fund balance will serve as a mechanism for managing and stabilizing rates over time by eliminating the need to fund unexpected costs with immediate solid waste rate changes. The fund balance will be evaluated with the setting of biennial solid waste collection rates during even years to determine whether adjustments in fee levels may be warranted. (Adopted by the City Council on July 11, 2006, and revised on June 8, 2010)

Integrated Waste Management Vehicle Replacement Reserve

City Council policy is to maintain an Integrated Waste Management Vehicle Replacement Reserve to replace equipment dedicated to solid waste activities performed by the City's maintenance division, consistent with the City's vehicle replacement schedule. A sufficient reserve balance will be maintained to provide for the acquisition of Integrated Waste Management vehicles according to the City's replacement schedule based on projected replacement costs. (Adopted by the City Council on June 8, 2010)

Urban Runoff Clean Water Program Contingency Reserve

City Council policy is to maintain a \$300,000 contingency reserve to respond to unfunded events such as changes in law, new initiatives, fluctuating program costs, and changing program requirements. The contingency fund balance will be evaluated on a biennial basis to determine if the level is appropriate. (Adopted by the City Council on June 1, 1999)

Urban Runoff Clean Water Program Unallocated Fund Balance

Unallocated Urban Runoff Clean Water Program funds will be used to support a multi-year focused watershed management program to enhance the Regional Water Quality Control Board's storm water quality standards. Program components may include erosion control, community education, and storm water management techniques to improve the quality of water through the watershed. The unallocated fund balance will be evaluated on a biennial basis as to the levels necessary to support project objectives. (Adopted by the City Council on June 1, 1999)

Recreation Cost Center Contingency Reserve

City Council policy is to maintain a Recreation Cost Center contingency reserve for operations to help mitigate the effects of economic downturns and natural disasters, to maintain full-time staffing levels during temporary loss of program facilities, and to deliver prepaid recreation services. The contingency reserve will be funded at a level at least equal to 15% of the Recreation Division's annual operating expenditures. All uses of the contingency reserve will be approved by the City Manager. Any such uses will be repaid to the contingency reserve over a period of no more than three years. (Adopted by the City Council on June 3, 1997 and revised on June 12, 2012)

Recreation Cost Center Operating Improvement Reserve

City Council may appropriate an annual contribution from the Recreation Cost Center to the Recreation Cost Center operating improvement reserve to provide a source of capital for the following:

- Ongoing hardware and software acquisition
- Capital and/or technology investment
- Process improvement and organizational retooling
- Entrepreneurial program opportunities that have the potential to generate revenues to cover expenditures within a three-year period

The operating improvement reserve was funded initially at a level of \$1 million. This level of reserve is maintained to the extent market conditions and revenues permit. The City Manager will recommend annually an amount to be contributed to such a reserve. All uses of the reserve will be approved by the City Manager. (Adopted by the City Council on June 3, 1997)

Cost Center Spending Authorizations

Recreation Cost Center Spending Authorization

When revenue estimates for the Recreation Cost Center exceed the amount identified in the budget due to increases in recreation fee activity as verified by the Finance Director, the City Manager is authorized to increase appropriations for expenditures for the fiscal year in an amount not to exceed the amount of increased revenue. Approval of increased appropriations shall be made in writing by the City Manager, filed with the Finance Director, and reported to City Council as part of the fiscal year year-end financial report. (Adopted by the City Council on June 10, 2014)

Development Cost Center Spending Authorization

When revenue estimates for the Development Cost Center exceed the amount identified in the budget due to increases in development and fee activity as verified by the Finance Director, the City Manager is authorized to increase appropriations for expenditures for the fiscal year in an amount not to exceed the amount of increased revenue. Approval of increased appropriations shall be made in writing by the City Manager, filed with the Finance Director, and reported to City Council as part of the fiscal year year-end financial report. (Included in the annual resolution in prior years and adopted by the City Council on June 10, 2014)

Development Cost Recovery

The multiplier rate was established in the 1992/93 fiscal year to recover all department costs associated with an employee's direct chargeable hours on a project. The multiplier concept replaced the flat rate charging system that applied an average departmental charge for all employees. The two principal components of the multiplier rate are the direct chargeable hours and the departmental budget. Direct chargeable hours are specifically attributed to a particular project and exclude hours that are not associated with a project. Chargeable hours are determined based on an estimated percentage of employee-dedicated hours to a chargeable area. The multiplier used to calculate billing rates for planning and engineering services provided by the Development Cost Center was updated to 3.25 in FY 2014/15 and could be subsequently modified.

Interfund Loans and Debt Management

Interfund Loans

The City Council delegates authority to the City Manager to approve short-term loans of one year or less and long-term advances of five years or less between City funds under the following terms and conditions:

1. The City Manager is authorized to approve loans of one year or less and advances of five years or less between City funds; provided, that such loans and advances comply with the interfund borrowing policy and that the City Manager and Finance Director concur that such loans and advances are in the financial best interests of the City under then existing circumstances.

2. Each loan or advance approved by the City Manager will be documented in a writing signed by the City Manager and the Finance Director that states all of the following:
 - a. The purpose for which the loan or advance is being made.
 - b. The identification of both the lending and borrowing fund, or funds.
 - c. The dollar amount of the loan or advance.
 - d. The maturity date on which all principal together with all accrued and unpaid interest will be due and payable.
 - e. The scheduled dates and amounts of all principal and interest installment payments.
 - f. The applicable nominal interest rate or discount rate.
 - g. The borrowing fund's right to make full prepayment at any time without penalty.
 - h. The source or sources from which the borrowing fund or funds is expected to repay the loan or advance.
3. All loans and advances will be repaid by the borrowing funds. Because each loan or advance is expected to be free from risk of default, the Finance Director will establish the nominal interest rate or discount rate to be applied to each transaction using then prevailing interest rates on indebtedness of a comparable term issued by the Treasury Department of the United States of America.
4. No individual loan or advance approved by the City Manager will exceed the sum of forty million dollars (\$40,000,000), and the total of all loans and advances so approved and outstanding at any one time will not exceed the sum of one hundred million dollars (\$100,000,000).
5. Although the loans and advances will be unsecured, an adequate source of repayment or refunding (including future external debt issuance) is to be identified. Under all circumstances, repayment of the loans will be subordinate to claims and encumbrances established by covenants related to any debt, regardless of issue date, issued into the external financial markets by the City of Fremont, the Fremont Public Financing Authority, or any of them (collectively, the City and/or its affiliated agencies).
6. No loans or advances will be made from a City fund that is reasonably likely during the contemplated term of the loan or advance to need the same cash to pay for projects or activities for which the lending fund originally received the cash. No loan or advance will be made that will either violate any law or cause the City and/or its affiliated agencies to breach any restrictive covenant, contractual provision, or grant term. Any loan of developer impact fees will be reported in accordance with California Government Code Section 66006(G).

7. No loan or advance will be made involving any of the following: any funds holding State Gas Tax proceeds (including, without limitation, the Special Gas Tax Street Improvement Fund), any funds holding federal streets and highway monies, any funds holding revenues collected pursuant to voter-approved measures (including, without limitation, Proposition 1B funds and general obligation bond funds) or trust funds.

(Adopted by the City Council on June 9, 2009)

Debt Management

This Debt Management Policy (the “Debt Policy”) of the City of Fremont (the “City”) is intended to comply with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt issuances undertaken by the City.

In addition to this Debt Policy, the City has separately adopted Local Goals and Policies for Special Assessment and Mello-Roos Community Facilities District Financing, Disclosure Policies and Procedures, and an Interfund Loans Policy.

The Debt Policy may be amended by the City Council as it deems appropriate from time to time in the prudent management of the City’s debt. Any approval by the City Council of a debt issuance that is not consistent with this Debt Policy shall constitute a waiver of this Debt Policy.

The City recognizes that a fiscally prudent debt management policy is required to:

- Maintain the City’s sound financial position;
- Ensure the City has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses;
- Protect the City’s credit-worthiness;
- Ensure that all debt is structured to protect both current and future taxpayers, ratepayers and constituents of the City; and
- Ensure that the City’s debt is consistent with the City’s planning goals and objectives and capital improvement program or budget, as applicable.

I. Purposes for Which Debt May Be Issued

A. Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land, to be owned and operated by the City.

1. Long-term debt financings are appropriate when any of the following conditions exist:

- The project is included in the City’s five-year capital improvement program (CIP) and is in conformance with the City’s General Plan.

- The project to be financed, if not included in the CIP, is necessary to provide essential services or is mandated by state or federal requirements.
 - The project to be financed will provide benefit to the community over a period equal to or exceeding the term of the financing.
 - Total debt does not constitute an unreasonable burden to the City and its taxpayers and ratepayers.
 - The debt is used to refinance outstanding debt to produce debt service savings or to realize the benefits of a debt restructuring.
2. Long-term debt financings will not be considered appropriate for current operating and routine maintenance expenses.
 3. The City may use long-term debt financings subject to the following conditions:
 - The project to be financed must be approved by the City Council.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
 - The City estimates that sufficient revenues will be available to service the debt through its maturity.
 - The City determines that the issuance of the debt will comply with applicable state and federal law.

B. Short-term debt. Short-term debt may be issued for the following purposes:

1. To fund cash flow deficits in a fiscal year arising from a timing mismatch between revenues and expenditures.
2. To provide interim financing in anticipation of long-term debt issuance, property sale proceeds, grants, or other sources of funding to retire the short-term debt.
3. To finance the acquisition of shorter-lived capital assets such as fire apparatus or solar panel arrays.

C. Pooled Financings. Pooled financings with other government agencies will be considered, as appropriate.

D. Financings on Behalf of Other Entities. The City may find it beneficial to issue debt on behalf of other governmental agencies or private third parties to further the public purposes of the City. In such cases, the City shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with this Debt Policy.

II. Types of Debt

For purposes of this Debt Policy, “debt” shall be interpreted broadly to mean bonds, notes, certificates of participation, financing leases, or other financing obligations, but the use of such term in this Debt Policy shall be solely for convenience and shall not be interpreted to characterize any such obligation as an indebtedness or debt within the meaning of any statutory or constitutional debt limitation where the substance and terms of the obligation comport with exceptions thereto.

The following types of debt are allowable under this Debt Policy:

General Obligation Bonds – Bonds secured by a promise to levy ad valorem property taxes in an unlimited amount as necessary to pay annual debt service. General obligation bonds must be approved by a two-thirds vote of the qualified electors, and the bonds may only be used to finance the acquisition or improvement of real property. Because they are secured by the property tax levy, general obligation bonds are considered by investors to have the highest credit quality and consequently bear the lowest interest rates.

Revenue Bonds – Bonds may be secured by revenues generated by the facility that is financed, dedicated user fees, or another source of dedicated revenues such as a voter-approved additional sales (transactions) tax. Voter approval may not be required if debt service is paid solely from a special fund consisting of enterprise or other legally-restricted revenues.

Lease Revenue Bonds, Certificates of Participation, and Lease-Purchase Transactions – The City enters into a tax-exempt lease with a nonprofit corporation, joint powers authority, leasing company, bank, or other lessor. The lessor acquires the leased asset (which could include real property or equipment), either by purchasing it from a third party or by leasing it from the City. If applicable, the lessor, with the assistance of the City, undertakes the acquisition and/or construction of the financed project and leases the leased asset back to the public agency pursuant to a financing lease. The lessor’s rights to receive payments under the financing lease are sold to investors and the proceeds of the sale are used to pay the costs of acquiring and/or constructing the financed asset. The lease financing structure may be used to finance the cost of acquiring land and equipment and constructing improvements, and the leased asset does not have to be the asset being acquired or constructed. Lease financing does not require voter approval, but generally bears a higher interest rate than general obligation debt due to a perceived higher risk of default.

Special Assessment Bonds or Special Tax (Mello-Roos) Bonds – The City may establish special assessment districts or community facilities districts to finance acquisition or construction of real or personal property. A two-thirds majority vote of property owners or residents within a community facilities district is required to approve a special tax and to issue bonds. A majority vote of property owners in a special assessment district (weighted based on proportional benefit from the financed project) is required to approve an assessment. In the case of a special assessment district the assessment amount is proportional to the benefit attributable to the property owner. In a community facilities district the special tax is levied pursuant to a rate and method of apportionment that defines the special tax formula for each property type. In the event of a default by a property owner in the payment of its assessment or special tax, the lien of the assessment or special tax has the same priority as property taxes. Bondholders rely on the

special taxes/assessments and, typically, a commitment by the City to foreclose on delinquent properties to collect delinquent special taxes/assessments, and have no recourse to the City's General Fund.

Tax and Revenue Anticipation Notes (TRANs) – TRANs are issued to fund cash flow deficits in a fiscal year arising from a timing mismatch between revenues and expenditures. Typically, TRANs would be issued at the beginning of the fiscal year with repayment coming from any funds received during that fiscal year. TRANs can mature in either the same fiscal year as issued or in the following fiscal year.

Bond or Grant Anticipation Notes (BANs/GANs) – Notes are issued to provide temporary financing, to be repaid by long-term financing or grant proceeds.

The City may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

III. Relationship of Debt to the City's Capital Improvement Program and Budget

The City is committed to long-term capital planning. The project priority process used in developing the city's five-year capital improvement program (CIP), including criteria for evaluating projects and project viability, is reviewed by the City Council as part of the biennial update of the CIP.

The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's capital budget and the CIP.

The City shall integrate its debt issuances with the goals of its CIP by timing the issuance of debt to ensure that facilities and equipment are available when needed in furtherance of the City's public purposes.

The City shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues and avoid the use of debt financing for these purposes.

IV. Policy Goals Related to Planning Goals and Objectives

The City is committed to long-term financial planning, maintaining appropriate reserve levels and employing prudent practices in governance, management and budget administration. The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's annual operating budget and CIP.

It is a policy goal of the City to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City will maintain open communications with rating agencies, investors, and other market participants to enhance the market value of the City's outstanding debt and minimize borrowing costs.

The City will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the City to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 3% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

V. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the City shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The City will periodically review the requirements of and will remain in compliance with the following:

- Any continuing disclosure undertakings under SEC Rule 15c2-12;
- Any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues;
- Any covenants and reporting requirements specified in financing documents; and
- The City's investment policies as they relate to the investment of bond proceeds.

It is the policy of the City to ensure that proceeds of debt are spent only on lawful and intended uses. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the City will submit written requisitions for such proceeds. The City will submit a requisition only after obtaining the signature of the Finance Director or designee. In those cases where it is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the Finance Director shall retain records of all expenditures of proceeds through the final payment date for the debt.

VI. Debt Issuance Considerations

A. Funding Methods for Capital Projects. Before pursuing debt issuance for a project, consideration should be given to the full range of available funding options which may include pay-as-you-go and interfund borrowing.

1. Pay-as-you-go

With a pay-as-you-go approach, the City uses available cash to pay for projects. Funding sources can include the City's General Fund, special revenue funds, and capital project funds, user charges, impact fees, grants, private contributions, or capital replacement funds set up specifically to pay for capital improvements or replacements.

2. Interfund Borrowing

Interfund loans may be appropriate for financing priority needs on a case-by-case basis. The City's Interfund Loans Policy specifies the terms and conditions under which the City Manager may approve interfund loans and advances.

B. Debt Limits.

1. Legal Restrictions

City staff will work with bond counsel and the financial advisor to ensure that any proposed debt issuance is consistent with federal and State law, the City's municipal code and policies, contractual obligations of the City, and any applicable bond referenda approved by voters.

California Government Code Section 43605 limits the issuance of general obligation bonds to no more than 15% of the City's gross assessed valuation. For measurement purposes, the City converts assessed valuation data from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted.

2. Financial Restrictions

Debt service supported by the General Fund will not exceed 7% of total budgeted General Fund expenditures and transfers out.

The General Fund may be used to provide back-up liquidity to improve the viability of a self-supported debt issue, but only if the General Fund is not exposed to significant risk of loss of assets or impairment of liquidity. This evaluation of risk will consider such things as the following:

- Volatility and collection risk of the revenue source identified for repayment of the debt; and
- The likelihood that the General Fund will be reimbursed within one year for any payments it might potentially need to make in its role as back-up guarantor.

If the City Council determines the risk of loss of assets or impairment of liquidity to the General Fund to be relatively minimal, self-supported debt service for debt that relies on the General Fund as a back-up guarantor will not exceed 7% of budgeted General Fund expenditures and transfers out. This limitation is separate from and in addition to the debt limitations for General Fund supported debt service described above.

C. Debt Structuring Practices.

The amortization schedule and use of optional redemption features will reflect the anticipated availability of funds for debt service and redemption, as well as the potential trade-offs between the City's operational flexibility and the cost of funds.

Debt shall be issued as fixed rate debt unless the City makes a determination that a variable interest rate would be beneficial in a specific circumstance (e.g., interim financing, potential change in taxability, redemption flexibility, debt service savings).

The City will seek credit enhancements, such as letters of credit or bond insurance, when necessary or advantageous.

D. Debt Issuance Practices.

The City will engage an independent municipal advisor to assist with each debt issuance. All financing professionals and service providers will be selected in accordance with the procurement provisions in the City's municipal code.

Whenever the City anticipates incurring debt to finance a project and advancing project costs (e.g., project development costs, architectural costs, studies, etc.) before the debt proceeds are available, the City will adopt a resolution declaring its intent to reimburse itself for those costs.

Costs incurred by the City, such as bond counsel and financial advisor fees, printing, underwriters' discount, and project design and construction costs, will be charged to the bond issue to the extent allowable by law.

The City will generally conduct financings on a competitive basis; however, negotiated financings may be used when market volatility is a concern, or the financing mode, size, security or structure warrants a negotiated sale.

E. Use of Derivatives.

A derivative - or swap - is a financial instrument created from or whose value depends upon (is derived from) the value of one or more separate assets or indices of asset values. As used in public finance, derivatives may take the form of interest rate swaps, futures and options contracts, options on swaps, and other hedging mechanisms such as rate locks.

Prior to considering a swap or other derivative product, the City should first determine whether staff has the appropriate expertise and resources to understand and monitor the transactions, prepare necessary financial reports and audit footnotes on an ongoing basis, as well as manage the variable rate instruments and liquidity facilities associated with the derivative product. If the City determines that the appropriate expertise and resources are available, it should develop a comprehensive derivatives policy prior to entering into its first derivatives transaction.

Unfunded Liabilities

Pension Liability Funding Policy

The annual pension contributions calculated by CalPERS reflect actuarial methods that result in steadily increasing retirement costs in the near term and higher absolute costs over the long term. To slow or eliminate growth in annual retirement contributions over the next decade and reduce the City's overall retirement costs, the City Council has directed the City Manager to incorporate an additional pension contribution payment into development of the proposed operating budget each year using a minimum additional contribution equal to 10% of the unfunded liability contributions specified by CalPERS, with a larger additional contribution contingent on availability of funds. (Adopted by City Council on November 21, 2017)

Glossary of Budget Terms

Adopted Budget

The adopted budget is the annual City operating budget approved by the City Council for the fiscal year.

Agency Fund

Agency funds are used to account for assets held by the City on behalf of others as their agent. Agency funds are custodial in nature (i.e., assets equal liabilities) and do not involve the measurement of results of operations. Agency funds are not included in the annual operating budget, but are included in the comprehensive annual financial report.

Annual Operating Contingency

An account, appropriated in the adopted budget used at the discretion of the City Manager to fund emergency or extraordinary items.

Appropriation

An authorization by the City Council to make expenditures and to incur obligations for a specific purpose within a specific time frame.

Assessed Valuation

A dollar value placed on real estate or other property by Alameda County as a basis for levying property taxes.

Audit

Scrutiny of the City's accounts by an independent auditing firm to determine whether the City's financial statements are fairly presented in accordance with generally accepted accounting principles.

Balanced Budget

The budget for a fund is balanced when total budgeted resources, including revenues, transfers in from other funds, and unallocated fund balance from previous years, meet or exceed total budgeted use of resources, including expenditures and transfers out to other funds.

Base Budget

Under traditional budgeting, the base budget is that amount carried over from one year to the next. Each year, approved amounts may be added to or subtracted from the base budget.

Beginning Balance

Unencumbered resources available in a fund from the prior fiscal year after payment of prior fiscal year expenditures.

Bond

Capital raised by issuing a written promise to pay a specified sum of money, called the face value or principal amount, with interest at predetermined intervals.

Budget

A fiscal plan of financial operation listing an estimate of proposed expenditures and the proposed means of financing them. The budget must be approved by the City Council prior to the beginning of the fiscal year.

Budget Principles

Principles used by the City Council and staff to guide development of budgets. For the City of Fremont, these principles fall into three primary categories: General Fund Preservation, Reduce the Cost of Doing Business, and Revenue Generation.

California Public Employees' Retirement System (CalPERS)

The retirement system, administered by the State of California, to which all regular City employees belong.

Capital Asset/Capital Outlay

Land, infrastructure, and equipment used in operations that have initial useful lives greater than one year. The City has set the capitalization threshold for reporting infrastructure capital assets at \$25,000, and for all other capital assets at \$5,000. Expenditures made for capital assets are commonly referred to as "Capital Outlay," and are shown in either the CIP (see next page) or department budgets depending on whether the capital asset to be acquired is part of the City's long-term capital improvement program or needed for daily departmental operations.

Capital Budget

A plan of proposed capital outlays and the means of financing them for the current fiscal year period. For a five-year capital budget, the third through fifth year of the Capital Improvement Program is adopted-in-concept.

Capital Improvement Program (CIP)

The five-year financial plan for improving assets and integrating debt service and capital assets maintenance, adopted in a separate budget document and updated every two years.

Certificates of Participation (COPs)

A lending agreement, similar to lease revenue bonds, secured by a lease on the acquired asset or other assets of the City.

Consumer Price Index (CPI)

An indicator of inflation, used in some salary-increase or other calculations.

Cost Center

Cost centers are funds established to account for the transactions and activities related to specific City services, and the fees are used for the benefit of the fee payers. The Development Cost Center, for example, is a fund that accounts for services related to planning, engineering, and inspection of public and private development construction projects.

Debt Service

Payment of the principal and interest on an obligation resulting from the issuance of bonds, notes, or certificates of participation (COPs).

Deficit

An excess of expenditures over revenues (resources).

Department

An organizational unit comprised of divisions or functions. It is the basic unit of service responsibility encompassing a broad mandate of related activities.

Encumbrances

A legal obligation to pay funds for expenditures yet to occur, such as when a purchase order has been issued but the related goods or services have not yet been received. Encumbrances cease to exist when the obligations are paid or terminated.

Expenditure

The actual spending of governmental funds.

Fiscal Year

A twelve-month period of time to which a budget applies. In Fremont, the fiscal year is July 1 through June 30.

Fund

An independent fiscal and accounting entity with a self-balancing set of accounts, used to record all financial transactions related to the specific purpose for which the fund was created.

Fund Balance

The difference between fund assets and fund liabilities.

Gann Limit

State of California legislation that limits a City's appropriations growth rate to changes in population and either the change in California per capita income or the change in the local assessment roll due to non-residential new construction.

General Fund

The primary fund of the City used to account for all revenues and expenditures of the City not legally restricted as to use. This fund is used to accumulate the cost of the City's general operations.

GASB

Governmental Accounting Standards Board. This is the organization that establishes generally accepted accounting principles (GAAP) for state and local governments.

General Obligation Bond

Bonds backed by a voter-approved property tax increase, used to acquire and improve real property.

Grant

A contribution or gift of cash or other assets from another governmental entity or foundation to be used or expended for a specific purpose, activity, or facility. An example is the Community Development Block Grant (CDBG) provided by the federal government.

Hotel/Motel Occupancy Tax

A tax imposed on travelers who stay in temporary lodging facilities within the City. Also referred to as a Transient Occupancy Tax.

Infrastructure

Facilities on which the continuance and growth of the community depend, such as roads, sidewalks, parks and public buildings.

Interfund Transfers

Moneys transferred from one fund to another, such as from a fund receiving revenue to the fund through which the resources are to be expended.

Internal Service Fund

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

Lease Revenue Bonds

A lending agreement, similar to certificates of participation, secured by a lease on the acquired asset or other assets of the City.

Local Improvement District (LID) Bonds

Bonds paid for by special assessments on benefitted property for specific public capital improvements, generally infrastructure.

Materials, Supplies and Services

Expenditures for items that are ordinarily consumed within a fiscal year.

Memoranda of Understanding (MOUs)

The documented agreements resulting from labor negotiations between the City of Fremont and its various bargaining units.

Multi-year Forecast

The Finance Department's three-year forecast of revenues and expenditures.

Non-departmental

Appropriations of the General Fund not directly associated with a specific department. Expenditure items and certain types of anticipated general savings are included.

Object Code

A four-digit number describing a revenue or expenditure.

Objectives

The expected results or achievements of a budget activity.

Operating Budget

Annual appropriation of funds for ongoing program costs, including salaries and benefits, services and supplies. This is the primary means by which most of the financing, acquisition, spending and service delivery activities of the City are controlled. Reserves and contingencies are also components of Fremont's operating budget.

Operating Transfer

Amounts transferred between funds; not considered a revenue or expense. For example, legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended are shown as operating transfers.

Ordinance

A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries.

Other Post-employment Benefits (OPEB)

Post-employment benefits are those benefits other than pension benefits, including post-employment healthcare (retiree medical) and other non-pension benefits.

Overhead

Charges to various funds to cover the cost of administrative services, rent, custodial services, etc.

Performance Measurement

A process for collecting and reporting information regarding performance. It can involve looking at processes/strategies in place, as well as whether outcomes are in line with the intent of the activity.

Performance Measures

Quantitative measures that provide information about products, services, and the processes that produce them. They are a tool to help understand, manage, and improve the services an organization provides.

Proposed Budget

The proposed budget is the budget that is sent to the City Council by the City Manager. The proposed budget, including changes made by the City Council during its review, is approved and then becomes the adopted budget.

Proprietary Funds

City of Fremont activities that operate in a manner similar to private enterprises. Revenues are derived from fees charged to users, and the programs are largely cost-covering. Also referred to as Enterprise Funds.

Resolution

A special order of the City Council, with a lower legal standing than an ordinance.

Revenues

Revenues include tax proceeds and compensation received for specific services to the public (external revenues), as well as revenues received from other funds (internal revenues).

Salaries and Benefits

A budget category that generally accounts for salaries of regular and temporary employees, overtime, and employee benefits, such as medical, dental, pension, and retiree healthcare.

Special Revenue Fund

This fund type is used to account for City revenues from sources that, by law or administrative action, are designated to finance particular functions or activities of government.

Transfers In and Transfers Out

Movement of revenue out of one fund and into another. The recipient fund uses the money to cover the cost of services provided (such as when the General Fund transfers money to the Recreation Cost Center) or to cover the cost of fee-funded activities provided for the benefit of the general public (such as when the General Fund transfers money to the Development Cost Center).

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