City of Alameda Budget and Forecast

Budget Process / Basis of Accounting

Summary of Budget Process / Timeline

The City of Alameda operates on a fiscal year basis that begins on July 1 of each year, and ends the following year on June 30. The City Manager's Office and Finance Division manage the budget process, with support from each of the operating departments. The preparation of the budget takes place between January and June, culminating with the adoption of a two-year budget by the City Council, with Council adopting any adjustments prior to the beginning of the second fiscal year as part of a mid cycle review performed by staff.

Public hearings and community workshops are conducted on the proposed budgets to review all appropriations and sources of financing. Budgeted expenditures are then adopted through the passage of a resolution. The budget represents the maximum authorized expenditures for the year and cannot legally be exceeded except by subsequent amendments of the budget by the City Council. Any amendments or transfers of appropriations between object group levels within the same department must be authorized by the City Manager. Any amendments to the total level of appropriations for a fund or transfers between funds must be approved by the City Council. See the detailed budget preparation calendar for the City in the Appendix for details on this process.

Basis of Budget and Accounting

Expenditures are controlled at the fund level for all budgeted departments within the City. This is the level at which expenditures may not legally exceed appropriations. The budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP) in accordance with standards established by the Governmental Accounting Standards Board (GASB), California Society of Municipal Finance Officers (CSMFO) and Government Finance Officers Association (GFOA).

The accounting policies of the City conform to generally accepted accounting principles. The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Fund accounting segregates funds according to their purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

All governmental funds (i.e. General, Special Revenue, Capital Projects and Funds) are accounted for on the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. Expenditures are recorded in the accounting period when the liability is incurred.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding at year-end do not constitute GAAP basis expenditures or liabilities because the commitments will be honored during the subsequent year.

Proprietary funds (i.e. Enterprise and Internal Service Funds) are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized when the liability is incurred.

Financial and Debt Policies

In planning for and preparing the annual budget, many fiscal decisions are made to help sustain the long-term health and well-being of the City. Accordingly, the City Manager strives to make fiscal recommendations in the proposed budget that adhere to the following financial guidelines. These policies have been developed and approved by City Staff.

Balanced Budget The City shall strive with its two year budget to balance resources with expenditure appropriations. The City Council requires the City Manager to control expenses so that department expenditures do not exceed the levels that are appropriated in the annual budget and for which the City has funds to support.

Pursuit of New Revenues/Maximizing Use of Non-General Fund Revenues City departments shall pursue revenue sources, when reasonable, in support of department goals. Departments will maximize use of non-General Fund revenues prior to using General Fund revenues to fund programs.

Use of "One-Time" Funds City Council policy states that one-time revenues shall be dedicated for use as one-time expenditures. Annual budgets are not increased to the point that ongoing operating costs become overly reliant on cyclical or one-time revenues sources. During periods of economic downturn or any significant State "take-aways", the use of one-time sources of funds or reserves may be used to ease the transition to downsized and/or reorganized operations.

Cost Recovery through Fees Departments must utilize fees to recover costs where reasonable, once all cost-saving options have been explored. There must be statutory authority for the City to levy a fee, and the fee must be approved by the City Council. If permissible by law, fees and charges shall recover costs of the services provided, unless otherwise directed by the City Council. Programs funded by charges for services, fees, grants, and special revenue sources should pay their full or fair share of all direct and indirect costs to the extent feasible and legally permitted.

Grants Any new grant award that requires funds/matching requirements or other commitments must be reviewed by the City Manager. The City Manager reviews and approves any proposed allocation of grant monies before departmental submission of the grant application to the granting agency. When applying for grants for ongoing programs, as opposed to planning or capital grants, departments must consider funding to be provided for the duration of the program. To the extent legally possible, all grant applications should be based on full costing, including overhead and indirect costs. Unless long-term funding is secure, departments should avoid adding staff to support new grant supported programs. If it is necessary to add staff, limited term positions should be used.

Interest Earnings Unless otherwise prohibited by law or Generally Accepted Accounting Principles (GAAP), interest earnings in operating funds are allocated to each fund semi-annually, based upon its proportionate share of idle cash invested. City Council policy cautions against undue reliance on interest earnings as a recurrent revenue source.

Cost Allocation Overhead costs shall be allocated based upon an internally developed cost allocation and implementation plan developed annually. The City uses a "Double Step Down" method by first allocating overhead to all departments, exclusive of unallowable items (i.e. capital expenditures, debt service, and other various costs as defined by OMB Circular A-87), then secondarily allocating these costs down only to operating departments.

The following represents the basis for allocating various types of overhead costs

Type of Overhead Cost	Basis for Allocation to Departments
General Government	Department Agenda Frequency, Size of Operating Budget, Number of Full Time Equivalent Employees
Information Technology	Number of Employees and computers and by dollar value of contract services used
Risk Management	Number of Employees and Dollar Value of Claims
Human Resources	Number of Employees and Recruitments
Telecommunications	Number of Phones
Fleet Maintenance	Number of Repairs Performed
Facility Maintenance	Building Square Feet and Number of Repairs Performed
Mail Services	Interoffice Mail Activity and Dollar Value of Postage used
Facility and Equipment Replacement	Dollar Value of Equipment/Facilities and useful life

Budget Reductions Reductions shall be evaluated on a programmatic basis to reach the appropriation levels required within available funding. When budget reductions are necessary, departments prioritize service programs and propose reductions in areas that have the least impact upon services to the community and the overall attainment of City goals. Departments also consider the potential effects on interrelated or cross-departmental programs when developing budget reductions.

General Fund Support/Net City Cost General Fund Support is the amount of General Fund money allocated to a given program budget after revenues and other funding sources are netted against program expenditures. Significant variances from budgeted General Fund Support/Net City Cost amounts during the fiscal year may result in a recommendation to reduce expenditures to ensure that the budgeted net costs are achieved by fiscal year end.

Debt Financing Debt is incurred for the purpose of financing capital projects cost effectively in those years in which the improvement will provide benefits. Debt is also incurred to reduce future costs such as refinancing (pension obligation bonds, general obligation bonds, certificates of participation) at lower interest rates. The City finances and administers debt consistent with established City Council policies, which are as follows:

- The City will limit the use of debt so as not to place a significant burden on the fiscal resources of the City and its taxpayers.
- The City will limit long-term borrowing to capital improvements or projects that cannot be financed from current revenues.
- When capital projects are financed, the City will amortize the debt within a period not to exceed the expected useful life of the project.
- An internal analysis will be conducted for each proposed long-term financing to analyze the impacts of the estimated annual debt service costs on current and future budgets

- External financial advisers and bond counsel will be consulted regarding each proposed bond issue. These parties will be selected in a manner consistent with the City's purchasing policy.
- The debt ratio (debt guaranteed by the General Fund) will not exceed the maximum allowed under State law.

To the extent resources are available, the City provides for the routine maintenance of City facilities and infrastructure from operating resources. The City attempts to fund capital projects with grants, impact fees, or other non-recurring resources. If these funding sources are insufficient, developing new funding sources using general revenues, operating surplus, capital reserves or leveraging these resources through long-term debt is pursued.

General Fund Fund Balance General Fund fund balance that is available at the close of any given fiscal year is estimated during the final stages of the budget development process for the following fiscal year. Fund balance is used to achieve and maintain the City's reserve goals, and to balance subsequent budgets only when recommended by the City Manager and approved by the City Council. It is the policy of the City Council to maintain available General Fund reserves of at least 20% of annual expenditures. In addition, the City should strive to reduce its reliance upon prior year's remaining fund balance to finance subsequent year operations.

Contingency Reserves In the General Fund, the City shall strive to maintain a minimum of $200,000 of its operating budget in budgeted contingency. Contingency should be used to support economic uncertainties, one-time operating cost increases, special studies or reports necessary to fulfill the organization's mission.

Sewer Fund Reserves In its Sewer Fund, the City shall strive to maintain a minimum of six months of operating revenues and $2 million for future capital projects in its reserves, to account for delays in receipt of sewer charges placed on the County tax roll and to ensure sufficient available cash to pay operating and capital expenses.

Community Development Core Staffing Level Fund In this fund, the City shall strive to maintain a minimum of 90 days of operating revenues to account for variable development cycles for building and planning services.

City of Alameda Budget and Forecast

Budget Calendar

- Budget kickoff meeting – January
- Distribution of December Interim Financial Reports – March
- Budget presentations to Executive Team – January through May
- Submission of capital budget project sheets – January through April
- Budget items due to Finance – March
  - Budget worksheets addressing base budget request
  - Budget document program pages addressing proposed base budget
- Presentation of Mid-Year Report to City Council – March
- Finance reviews budget worksheets for accuracy and completeness – March through May
- First draft of recommended capital budget / CIP – April
- Proposed program budget changes due to Finance – March
- Administrative Services meets with departments regarding 2013-14 and 2014-15 budgets – March and April
- Budget Executive Team reviews proposed budget options – April
- Updates to fees & charges for programs – May/June
- Special budget study sessions with City Council – April through June
- Public Hearing on adoption of budget and Gann Limit - June

Proposition 4 (Gann Limit) Analysis

Section 7910 of the California Government Code and Article XIIIB of the California Constitution (commonly referred to as the "Gann Limit") restrict the amount of revenue that cities can appropriate in any fiscal year. Annually, the City must adopt a resolution to approve the appropriations limit based on actual appropriations in FY 78-79, adjusted by a.) the greater of growth in California per capita income or the percentage change in the local assessment roll from the preceding year due to the addition of new nonresidential construction in the City, and b.) the greater of the growth in City or County population.

Section 37200 requires that the Gann limit and the total appropriations subject to the limitation be published in the annual budget. The City's limitation is calculated annually and was adopted by City Council resolution on June 11, 2013, as part of its annual operating budget. Below is the calculation:

1. California Per Capita Personal Income Change converted to a ratio: 1.0512
   (The % change resulting from new non nonresidential construction was not available)
2. Population Change converted to a ratio
   (Greater of the Change in City (%) and County (%) Population 1.0121

Calculation of factor to be used	1.0512 x	1.0121	=	1.0639
FY12-13 Appropriations Limit				$ 89,894,797
FY13-14 Appropriations Limit				$ 95,639,075
FY13-14 Revenues subject to Appropriations Limit				$ 51,714,653
Unused Appropriations Limit				$ 43,924,422

For Fiscal Year 2013-2014, the City will continue to maintain a comfortable cushion between the appropriations limit and net proceeds of taxes. The following represents a trend analysis of the appropriations limit versus the net proceeds of taxes for the last five fiscal years, which shows that the City should remain under its appropriations limit well into the future.

	2009-10	2010-11	2011-12	2012-13	2013-14
Appropriations Limit	$84,266,213	$83,029,235	$85,785,664	$89,894,797	$95,639,075
Net Proceeds from Taxes	42,876,149	44,066,110	49,746,368	49,484,525	51,714,653
Difference	41,390,064	38,963,125	36,039,296	40,410,272	43,924,422
% of Limit	51%	53%	58%	55%	54%

Additional appropriations to the budget funded by non-tax sources such as beginning fund balances, grants, or service charges are unaffected by the appropriations limit. However, any supplemental appropriations funded through increased tax sources are subject to the appropriations limit and can not exceed the difference noted above. Any overall actual receipts from tax sources greater than the variance would result in taxes in excess of the appropriations limit and would require refunds of the excess in the next two years or voter approval of an increase in the appropriations limit.

A. City Long-Term Debt

The City generally incurs long-term debt to finance projects or purchase assets that will have useful lives equal to or greater than the term of the related debt. Bond discounts and issuance costs of long-term debt issues are amortized during the life of the related debt. The City's long-term debt activities for the year ended June 30, 2012, are as follows:

	Balance June 30, 2011	Additions	Retirements	Transferred to Successor Agency	Balance June 30, 2012	Current Portion
Governmental Activity Debt:						
Certificates of Participation:						
2002 City Hall	$8,305,000		$445,000		$7,860,000	$465,000
2008 Refinancing Project	4,165,000		425,000		3,740,000	435,000
Total Certificates of Participation	12,470,000		870,000		11,600,000	900,000
2003 General Obligation Bonds	9,375,000		220,000		9,155,000	230,000
2003 ARRA Demand Revenue Bonds	12,300,000		300,000		12,000,000	300,000
Leases Payable	134,720	$3,257,194	67,360		3,324,554	364,517
HUD Section 108 Loan	6,691,000		162,000		6,529,000	174,000
Other Loans Payable	65,300		40,000		25,300	25,300
Subtotal	41,036,020	3,257,194	1,659,360		42,633,854	1,993,817
CIC Long-Term Debt:						
2002 Series A & B Subordinate Taxable Tax Allocation Bonds	855,000		855,000			
2003 Tax Allocation Refunding Bonds	16,500,000			$16,500,000		
2003 Tax Allocation Bonds, Series A1, A2 & B	45,990,000			45,990,000		
2011 Tax Allocation Bonds, Series A & B	11,035,000		295,000	10,740,000		
Discount	(125,326)		(4,043)	(121,283)		
2006 CRA/ERAF Loan Program	400,000		35,000	365,000		
Total CIC	74,654,674		1,180,957	73,473,717		
Total Governmental Activity Debt	115,690,694	3,257,194	2,840,317	73,473,717	42,633,854	1,993,817
Business Activity Debt:						
1995 Certificates of Participation	2,465,000		305,000		2,160,000	320,000
State Construction Loan	59,571		22,328		37,243	23,085
State Water Resources Control Board	967,591		127,050		840,541	130,608
State Revolving Fund Loan, 1998	1,059,745		120,877		938,868	124,020
State Revolving Fund Loan, 1999	528,170		52,632		475,538	54,050
State Revolving Fund Loan, 2004	1,042,751		75,160		967,591	77,114
Equipment Purchase Agreements	118,850	303,722	183,575		238,997	73,810
Total Business Activity Debt	6,241,678	303,722	886,622		5,658,778	802,687
Total City Debt	$121,932,372	$3,560,916	$3,726,939	$73,473,717	$48,292,632	$2,796,504

With the dissolution of the CIC as discussed in Note 14, a Successor Agency assumed the long-term debt and loans of the CIC as of February 1, 2012, which has been reported as a transfer above and as an Extraordinary Item in the Statement of Activities. See part E of this section to obtain additional information regarding this debt.

B. Description of the City's Long-Term Debt Issues

The balance of the City's debt is in various forms as follows:

Governmental Activity Debt

Certificates of Participation

Some of the City's debt is in the form of Certificates of Participation, which are a type of long-term borrowing secured by lease payments made by the City under non-cancelable lease agreements. The cost of the assets securing these leases and the balance of the debt evidenced by these Certificates of Participation have been included in the City's financial statements, as these leases are in essence financing arrangements with ownership of the financed assets reverting to the City at the conclusion of the lease term.

2002 City Hall Refinancing Project Certificates of Participation – The City issued Certificates of Participation in the original principal amount of $11,370,000, bearing interest at 2.25-4.75%, on September 10, 2002, in order to refund the City's outstanding $10,565,000 1995 City Hall Seismic Upgrade and Renovation Project Certificates of Participation. The 1995 COP was to finance the seismic upgrade and renovation of City Hall and certain fire station facilities under a non-cancelable lease of these facilities extending to May 1, 2025. Under this lease, the City makes semi-annual payments May 1 and November 1 from General Fund revenues, which are sufficient to pay the principal and interest on the 2002 Certificates of Participation. Ownership of the leased premises reverts to the City at the end of the lease. The balance of debt evidenced by the 2002 Certificates of Participation has been included in the City's financial statements as this lease is in essence a financing arrangement, with ownership of the financed assets reverting to the City at conclusion of the lease term. Principal and interest are payable semi-annually each November 1 and May 1 through 2025.

The refunding proceeds of the 2002 Bonds were used to purchase non-callable US government securities, which were deposited in an irrevocable trust to provide for all future debt service payments of 1995 COPs. Accordingly, the trust account assets and the liability for the refunded portion of the 1995 COPs are not included in the financial statements.

2008 Refinancing Project Certificates of Participation

In July 2008, the City Council authorized the issuance of the Certificates of Participation (2008 Refinancing Project) in the amount of $4,575,000 to refinance the 1996 Police Building Refunding and Equipment Financing Certificates of Participation and the 1996 Library and Golf Course Upgrade and Renovation Certificates of Participation. The 2008 Certificates bear

interest rates from 4% to 5% which are payable semi-annually in May and November. The City's principal payments commenced on May 1, 2011.

General Obligation Bonds

2003 General Obligation Bonds – On November 7, 2000, the voters approved the issuance of General Obligation Bonds, which the City issued on March 25, 2003, in the principal amount of $10,600,000, in addition to a reoffering premium of $268,000, to finance the acquisition and construction of a new main library and improvements to two branch libraries within the City. The bonds bear interest at 2.00-5.00%. The repayment of the bonds is secured by all non-restricted revenue of the City. Principal payments are due annually on August 1. Interest payments are due semi-annually on February 1 and August 1 through August 1, 2033.

2002 Community Improvement Commission Subordinate Taxable Tax Allocation Bonds, Series A & B

On March 1, 2002, the Community Improvement Commission issued Tax Allocation Bonds in the principal amount of $4,640,000. Bond proceeds were used to repay a loan from the City to the Community Improvement Commission related to the Commission's Business and Waterfront Improvement Project. The bonds are payable from tax increment revenues received by the project area. Principal and interest are payable semi-annually on February 1 and August 1 through February 2012. The interest rates on the bonds vary from 4.4% to 6.8% for Series A and 6.05% to 7.75% for the Series B. The bond was paid off in fiscal year 2012.

2003 Base Reuse (ARRA) Variable Rate Demand Revenue Bonds – On December 1, 2003, the Alameda Public Financing Authority issued Variable Rate Revenue Bonds in the original principal amount of $13,440,000 at a variable rate of interest determined on a weekly basis. The proceeds from the bonds were used to refund the 1999 ARRA Revenue Bonds, which were issued to finance the costs of certain improvements at Alameda Point, and to finance professional services for land use planning and other activities required for the redevelopment process at Alameda Point. Repayment of these bonds is from lease revenues paid to ARRA from certain land, buildings, fixtures and equipment. Interest is payable on the first business day of each month.

The pledge of sublease revenues ends upon repayment of the $14,773,632 in remaining debt service on the Bonds, which is scheduled to occur in 2034. As disclosed in the bond indenture documents, pledged future sublease revenues are expected to provide coverage over debt service of 1.5 during the life of the Bonds. For FY11-12, sublease revenues amounted to $13,057,452 which represented coverage of 29.02% over the $450,024 in debt service.

Leases and Loans Payable

Leases Payable – At June 30, 2012, the City held the following leases payable. Under the lease agreements, ownership of the capital assets reverts to the City at the end of the lease terms. Since the leases are in essence financing arrangements, the costs of the capital assets and the amounts of the lease terms have been included in the City's financial statements.

Fire Truck Lease Payable -- On April 1, 2003, the City entered into a non-cancelable lease agreement in the amount of $674,467 with Bank of Alameda to acquire two fire trucks. The City agreed to pay the lease in quarterly payments of $21,597 for ten years. Balance of the lease as of June 30, 2012, was $67,360.

Fire Apparatus Lease Payable – On October 19, 2011, the City entered into a lease agreement in the amount of $1,750,000 with Oshkosh Capital to acquire two fire apparatus vehicles. The City agreed to pay the lease starting on October 19, 2012, in annual payments of $147,127, which includes interest, for fifteen years. Balance of the lease as of June 30, 2012, was $1,750,000.

Radio Lease Payable – On October 1, 2011, the City entered into a lease agreement in the amount of $1,507,194 with Holman Capital Corporation to acquire 206 hand-held radios and 124 vehicle radios. The City agreed to pay the lease starting on October 11, 2012, in annual payments of $231,896, which includes interest rate of 1.89%, for 7 years. Balance of the lease as of June 30, 2012, was $1,507,194.

HUD Section 108 Loan – On January 5, 2006, the City entered into an agreement to borrow $7,000,000 from the Housing and Urban Development Department. In September 2006, the City drew down $4,000,000 for the construction of the Alameda Theater Garage Project. In August 2007, the City drew down an additional $3,000,000 for the same project. Principal and interest payments of both loans are due semi-annually on August and February through 2027. The loan carries a variable interest rate of 20 points above the LIBOR rate. Repayments of the loans are funded by a BEDI (Brownfields Economic Development Initiative) grant, parking garage and retail and cinema lease revenues. The outstanding balance as of June 30, 2012 is $6,529,000.

Other Loan Payable -- The City entered into a loan with Alameda Municipal Power for the replacement of deteriorated street lights. Through June 30, 2012, Alameda Municipal Power had expended $627,300 for street light replacement, and the City had made payments of $602,000. Annual installments of $40,000 are scheduled until the loan is repaid. At June 30, 2012, the outstanding balance was $25,300.

Business Activity Debt

Certificates of Participation

1995 Sewer System Refinancing & Improvement Certificates of Participation - On December 14, 1995, the City issued Certificates of Participation in the original principal amount of $5,850,000, bearing interest at 4.05-5.15%. Of these proceeds, $5,035,792 of the proceeds plus $434,355 from the 1988 refunded debt reserves were used to establish an escrow account for principal and interest payments on the 1988 refunded debt through March 1, 1998, and to redeem the 1988 COPs at 103% on March 1, 1998. The remaining $815,000 of the proceeds was used for Sewer Fund Projects relating to the closure of the Alameda Naval Air Station. The COPs mature on March 1, 2018. The installment payments are made from the net revenues of the Sewer Services Enterprise Fund.

The pledge of future net revenues terminates upon repayment of the $2,542,932 in remaining debt service on the City's Sewer System Refinancing & Improvement Certificates of Participation Bonds, which is scheduled to occur in 2018. As disclosed in the originating offering documents, projected net revenues are expected to provide coverage over debt service of 1.2 over the life of the Bonds. For fiscal year 2011-12, Sewer Fund revenues, including operating revenues and non-operating interest earnings, amounted to $7,638,530. Operating costs, including operating expenses and excluding interest, depreciation or amortizations, amounted to $4,837,748. Net Revenues available for debt service amounted to $2,800,782 which represented coverage of 6.6 over the $425,169 in debt service.

Loans Payable

State Construction Loan - On May 2, 1989, the City entered into a loan with the State of California State Water Resources Control Board for $400,431 at 3.39% interest to construct facilities for the control and prevention of water pollution. The loan is payable from Sewer Service Enterprise Fund operating revenues. The City agreed to make annual payments of $24,349 through December 1, 2013. The balance as of June 30, 2012, was $37,243.

State Water Resources Control Board - On February 8, 1996, the City entered into a loan with the State of California State Water Resources Control Board for up to $2,324,502 at 2.8% interest, of which all has been drawn down. The purpose of the loan is to provide funding to install sanitary sewer facilities. The loan is payable from Sewer Service Enterprise Fund operating revenues. The City agreed to make annual payments of $154,144 through August 5, 2017. The balance as of June 30, 2012, was $840,541.

State Revolving Fund Loan 1998 - The City entered into a contract on July 1, 1998, to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to replace sewers to correct infiltration and inflow. The maximum loan amount is $2,292,025, of which all has been drawn down. This loan bears interest at 2.6% per year for a term of twenty years. The balance as of June 30, 2012 was $938,868.

State Revolving Fund Loan 1999 - The City entered into a contract on September 29, 1999, to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to replace sewers to correct infiltration and inflow. The maximum loan amount is $1,193,529 and bears interest at 2.7% per year for a term of twenty years. The balance as of June 30, 2012, was $475,538.

State Revolving Fund Loan 2004 - The City entered into a contract on August 12, 2004, to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to replace sewers to correct infiltration and inflow. The maximum loan amount is $1,840,292 and bears interest at 2.6% per year for a term of twenty years. The balance as of June 30, 2012, was $967,591.

Equipment Purchase Agreements

At June 30, 2012, the City held the following equipment purchase agreements payable. Under the purchase agreements, ownership of the equipment reverts to the City at the end of the purchase agreement terms. Since the purchase agreements are in essence financing arrangements, the costs of the equipment and the amounts of the purchase agreement terms have been included in the City's financial statements.

On April 18, 2001, the City entered into a non-cancelable lease agreement in the amount of $404,934 with Textron Financial Corporation to acquire certain electric golf equipment. On April 5, 2004, the City traded-in the golf equipment in exchange for a new lease agreement with Textron Financial Corporation in the amount of $444,077. On July 12, 2007, the City again traded in the golf equipment in exchange for a new non-cancelable lease agreement with Textron Financial Corporation in the amount of $449,753. Under the new lease agreement the City agreed to pay $8,879 for 49 months. The balance of the lease was paid off as of June 30, 2012.

On October 15, 2006, the City entered into a lease agreement in the amount of $200,609 with Wells Fargo Financial Leasing, Inc. to acquire various golf maintenance equipment. The City agreed to pay the lease in monthly payments of $3,798 for 60 months. The balance of the lease was paid off as of June 30, 2012.

On August 1, 2011, the City entered into a lease agreement in the amount of $303,722 with Yamaha Motor Corporation, U.S.A., to acquire 120 golf cars. The City agreed to pay the lease in monthly payments of $7,500, which includes interest, for 48 months. The outstanding balance of the lease agreement as of June 30, 2012, was $238,997.

C. Annual Debt Service Requiements for City / AMP

Annual debt service requirements are shown below for all long-term debt:

					Component Unit	
	Governmental Activities		Business-Type Activities		Alameda Municipal Power	
For the Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2013	$1,993,817	$1,575,315	$802,687	$208,700	$3,300,781	$1,578,846
2014	1,957,860	1,491,735	822,602	178,273	1,129,386	1,548,668
2015	2,136,724	1,417,882	837,727	147,379	1,163,204	1,511,204
2016	2,273,752	1,338,886	789,587	110,953	1,133,330	1,476,899
2017	2,094,947	1,259,036	2,209,344	171,350	1,170,000	1,435,053
2018-2022	11,436,937	5,049,925	196,831	7,708	6,730,000	6,203,441
2023-2027	11,184,817	2,651,198			9,115,000	3,873,265
2028-2032	6,650,000	1,071,180			9,437,909	949,339
2033-2037	2,905,000	171,293				
Total	$42,633,854	$16,026,450	$5,658,778	$824,363	$33,179,610	$18,576,715
Less deferred amount on refunding					(993,350)	
Total					32,186,260	

D. Special Assessment Debt Without City's Commitment

Paragon Gateway Community Facilities District #2, Harbor Bay Community Facilities District #1 (Harbor Bay Business Park), and the Alameda Public Financing Authority (Marina Village Assessment District Bond Refinancing), have also issued debt, but the City has no legal written liability with respect to the payment of this debt, which is secured by assessments on the properties in these Districts.

At June 30, 2012, the combined outstanding debt amount for all of these assessment districts was $16,690,000.

E. Successor Agency Debt

The Successor Agency assumed the long-term debt of the Redevelopment Agency as of February 1, 2012.

Current Year Transaction and Balances

	Transfer from Community Improvement Commission as of February 1, 2012	Retirements	Balance June 30, 2012	Due within one year	Due more than one year
2003 Tax Allocation Refunding Bonds, Series	$16,500,000	$505,000	$15,995,000	$525,000	$15,470,000
2003 Tax Allocation Bonds, Series A1, A2 & B	45,990,000	105,000	45,885,000	1,065,000	44,820,000
2011 Tax Allocation Bonds, Series A & B	10,740,000		10,740,000		10,740,000
Discount	(121,283)		(121,283)		(121,283)
Total Bonds	73,108,717	610,000	72,498,717	1,590,000	70,908,717
2006 CRA/ERAF Loan Program	365,000	35,000	330,000	75,000	255,000
Total	$73,473,717	$645,000	$72,828,717	$1,665,000	$71,163,717

2003 Community Improvement Commission Tax Allocation Refunding Bonds

On October 1, 2003, the Community Improvement Commission issued Tax Allocation Refunding Bonds related to the Business and Waterfront Improvement Area in the principal amount of $18,535,000, with Series 2003 C issued in the amount of $17,510,000 and Series 2003 D in the amount of $1,025.000. The proceeds were used to retire the 2002 Financing Authority Variable Rate Revenue Bonds. The Bonds are payable from tax increment revenues receivable by the Project Area. Principal is payable annually on February 1, with interest payable semi-annually on February 1 and August 1 through February 2032. The interest rates vary from 2% to 4.75%. The outstanding balance as of June 30, 2012 was $15,995,000.

2003 Community Improvement Commission Tax Allocation Bonds

On December 1, 2003, the Community Improvement Commission issued Series 2003 Al and A2 Tax Allocation Bonds in the principal amount of $37,390,000 and Series 2003 B Subordinated Tax Allocation Bonds in the principal amount of $9,205,000, for a total original principal amount of $46,595,000, for the Commission's merged improvement areas. The proceeds were used to finance certain redevelopment projects, to repay a loan of $2,200,000 for the project area, and to finance $12,200,000 of demolition costs incurred in the project area. The Series 2003 Al and A2 are secured by a pledge of certain tax increment revenues for the Merged Project Area. The Series 2003 B are secured by a subordinate pledge of tax revenues. Interest is payable semiannually on March 1 and September 1 through 2033; principal is payable annually on March 1 through 2033. The interest rates on the bonds vary between 2 to 6.25%. The outstanding balance as of June 30, 2012 was $45,885,000.

2011 Community Improvement Commission Tax Allocation Bonds

On May 1, 2011, the Community Improvement Commission issued Series 2011 A Subordinated Tax Allocation Housing Bonds in the principal amount of $9,870,000 and Series 2011 B Subordinated Tax Allocation Housing Bonds in the principal amount of $1,165,000, for a total original principal amount of $11,035,000, for the Commission's merged improvement areas. Proceeds from the sale of the Bonds will be used to (a) finance certain housing activities of the Agency, (b) refinance the obligations of the Agency under a 1992 Loan Agreement, (c) make a deposit to the Reserve Account for the Bonds in an amount equal to the initial Reserve Requirement, and (d) pay the costs of issuing the Bonds. The Series 2011 A and B are secured by a subordinate pledge of tax revenues. Principal and interest are payable annually on September 1 through 2041. The interest rates on the bonds vary between 2 to 8.5%. The bond was issued with $125,326 discount. The outstanding balance as of June 30, 2012 was $10,861,283, net of discount.

With the dissolution of the CIC discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. In addition, under the provisions of the laws dissolving the CIC, the Successor Agency only receives the funds necessary to fulfill its approved obligations.

ERAF Loan Program

In April 2007, the Community Improvement Commission borrowed $695,000 from the California Statewide Communities Development Authority to pay for Educational Revenue Augmentation Fund (ERAF) payments due to Alameda County. Both principal and interest payments are made semiannually on November and March through March 2016. The loan carries a 6% interest rate. The outstanding balance as of June 30, 2012 was $330,000.

F. Annual Debt Service Requirements for City / AMP

Annual debt service requirements for all Successor Agency debt are shown below:

For the Year Ending June 30	Principal	Interest
2013	$1,665,000	$4,303,083
2014	1,755,000	4,227,970
2015	1,850,000	4,141,920
2016	1,955,000	4,049,896
2017	1,965,000	3,948,043
2018-2022	11,945,000	18,058,067
2023-2027	16,445,000	14,304,205
2028-2032	23,140,000	8,761,889
2033-2037	9,800,000	2,528,875
2038	2,430,000	568,651
Less Discount:	(121,283)	
Total	$72,828,717	$64,892,599

City of Alameda Budget and Forecast

Fire Vehicle Financing Plan

Fiscal Year	Apparatus	Cost / Principal	Annual Debt Payment*	Term (years)	Total Debt Service for Fiscal Year
2011/2012	Engine 4	$676,000		15	
	Truck 1	$1,144,000	$147,122	15	
Sub-Total		**$676,000**	**$147,122**		**$ -**
2012/2013	Engine 1	$676,000		15	
	Truck 2	$1,144,000	$162,546	15	
	Medic 4	$160,000	$25,584	7	
	Type II Ambulance	$65,000	$16,758	4	
Sub-Total		**$2,045,000**	**$204,889**		**$ 198,228**
2013/2014	V-80 Medic 501 Remount	**$ 140,000**	**$ 22,964**	7	**$ 212,428**
2014/2015	Engine 2	**$ 703,040**	**$ 62,400**	15	**$ 437,375**
2015/2016	V-84 Medic 502 ReMount	**$ 145,600**	**$ 23,882**	7	**$ 461,257**
2016/2017	Engine 3	**$ 790,824**	**$ 70,196**	15	**$ 514,694**
2017/2018	N/A	**$ -**	**$ -**		**$ 514,694**
2018/2019	Medic 4 Remount	**$ 127,749**	**$ 20,954**	7	**$ 534,598**
2019/2020	Medic 1	**$ 232,000**	**$ 38,054**	7	**$ 573,702**
2020/2021	Engine	$ 925,152	$ 82,119	15	
	Truck	$ 1,570,000	$ 139,357	15	
Sub-Total		**$ 2,495,152**	**$ 221,476**		**$ 746,630**
2021/2022	Medic 2	**$ 241,280**	**$ 39,576**	7	**$ 786,206**
Sub-Total					

*Annual Debt Payment for FY 11/12 and FY 12/13 are actual. Payments for FY 13/14 through FY 26/27 is projected based on 4% APR and a term equal to the life expectancy of the vehicle.

**Financing terms for FY 11/12 and FY 12/13 are one year deferment, year one payment source is Equipment Replacement Reserve. The Type II Ambulance payment began FY 12/13.

City of Alameda
Golf Fund
Ten-Year Forecast with Minimum Rent Projections

	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22
Beginning Balance	$ 713,457	$ 655,378	$ 553,627	$ 450,848	$ 348,069	$ 463,009	$ 622,649	$ 782,289	$ 941,929	$ 1,151,569
Expenses										
Debt Service Driving Range *	130,500	130,500	130,500	130,500	130,500	130,500	130,500	130,500	130,500	130,500
Urban Runoff Fee	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
ARPD Director **	14,000	14,000	14,000	14,000	14,000					
Project Management Consultant		14,700	14,700	14,700	14,700					
Harbor Bay Parkway Maint.	13,120	13,120	13,120	13,120	13,120	13,120	13,120	13,120	13,120	13,120
Concession Utilities	57,240	57,240	57,240	57,240	57,240	57,240	57,240	57,240	57,240	57,240
Drainage Maintenance	20,000	20,000	20,000	20,000						
Cost Allocation		28,972	30,000	30,000	30,000					
Total Expenses	314,860	358,532	359,560	359,560	339,560	280,860	280,860	280,860	280,860	280,860
Reimbursements										
Greenway Payments										
Annual Rent	75,000	75,000	75,000	75,000	300,000	300,000	300,000	300,000	350,000	350,000
ARPD Director	14,000	14,000	14,000	14,000	14,000					
Harbor Bay Parkway Maintenance	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Sale of Existing Inventory	27,281	27,281	27,281	27,281						
Other Payments										
Restaurant Concessions	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000
Cell Tower	55,500	55,500	55,500	55,500	55,500	55,500	55,500	55,500	55,500	55,500
Total Reimbursements	256,781	256,781	256,781	256,781	454,500	440,500	440,500	440,500	490,500	490,500
One-Time Lease Payment		1,000,000								
Net Change for Year	(58,079)	(101,751)	(102,779)	(102,779)	114,940	159,640	159,640	159,640	209,640	209,640
Projected Ending Fund Balance	**$ 655,378**	**$ 553,627**	**$ 450,848**	**$ 348,069**	**$ 463,009**	**$ 622,649**	**$ 782,289**	**$ 941,929**	**$ 1,151,569**	**$ 1,361,209**
Advance of Funds from F280 (Cumulative)	**$ -**	**$ (446,373)**	**$ (549,152)**	**$ (651,931)**	**$ (536,991)**	**$ (377,351)**			**$ -**	**$ -**

* Debt Service to be paid off by the end of Fiscal Year 2021-22
** To be paid out of ARPD Budget beginning in the sixth fiscal year

ACCWP: The Alameda Countywide Clean Water Program educates the public on how to keep businesses and homes from contributing to stormwater pollution.

ACCYF: The Alameda Collaborative for Children, Youth and Their Families program provides support services for children, youth, and families.

ACI: Alameda County Industries provides residential, commercial and industrial collection services for recyclables, organics and garbage within the City of Alameda.

Ad Valorem Tax: A tax based on value (e.g. a property tax).

Advance Refunding: A procedure by which an outstanding debt issue is eliminated from the municipality's gross debt in advance of its natural maturity by issuing a new bond issue to call the existing debt. The proceeds from the new issue are used to purchase U. S. Treasury obligations to secure payments of interest and principal of the "refunded issue" until the outstanding issue is called.

AFIS: Automated Fingerprint Identification System.

AMP: Alameda Municipal Power

Appropriation: An authorization made by the City Council, which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period, though multi-year appropriations can be established for capital projects and other special purpose funds. Multi-year appropriation authority remains in effect until the amount appropriated has been totally expended or until the fund, program, or project is closed because its assigned purpose has been changed or accomplished.

ARRA (Base Reuse): Formerly the Alameda Reuse and Redevelopment Authority, this department supports the operations and maintenance of the former Alameda Naval Air Station property.

Assessed Valuation: A valuation set upon real estate or other property by a government as a basis for levying taxes.

AFT (Recreation): Formerly the Athletic Trust Fund Administration program provides oversight and management of Alameda Recreation and Park Department programs.

AUSD: Alameda Unified School District.

BEDI: Brownfields Economic Development Initiative.

BLS: Basic Life Support.

Benefits: Those benefits paid by the City to employees as conditions of employment. Examples include insurance and retirement benefits.

Bond (Debt Instrument): A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital expenditures.

Budget: The official financial spending and resource plan submitted by the City Manager and adopted by the City Council.

Budget Calendar: The schedule of key dates or milestones, which the City follows in the preparation and adoption of the budget.

Budget Message: A written explanation by the City Manager of the approved budget. The budget message explains principal budget and policy issues, and presents an overview of the City Manager's budget recommendations.

CalOSHA: California Occupational Safety and Health Administration – State Division

CALPERS: The California Public Employees Retirement System provides retirement benefits for the employees of public agencies in the State of California.

Capital Assets: Expenditures made to acquire, reconstruct, or construct major fixed or capital assets. A fixed asset is a tangible object of a long-term character, which will continue to be held or used, such as land, buildings, machinery, furniture and other equipment. A capital (fixed) asset must be at least $10,000 in cost and have an expected useful life expectancy of at least four years.

Capital Improvements: Buildings, structures, or attachments to land such as sidewalks, trees, drives, tunnels, drains, and sewers.

Capital Investment Program (CIP): A plan for capital expenditures to be incurred setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

Capital Projects Fund: Capital Projects Funds are used to account for financial resources used in the acquisition or construction of major capital facilities other than those financed by Enterprise or Trust Funds.

Capital Outlay: Vehicles, equipment, improvements, software, and furniture purchased by the City which individually amount to an expenditure of more than $10,000 and which have an expected life of more than one year.

Carryover: An unspent appropriation of one fiscal period reauthorized for a subsequent period.

CDBG: Community Development Block Grant. A program of the U.S. Department of Housing and Urban Development to fund local community development activities such as affordable housing, anti-poverty programs, and infrastructure development.

CDIAC: California Debt and Investment Advisory Commission.

CERT: Community Emergency Response Team is a volunteer program conducted by the City's Fire Department.

CDF: Community Development Fee.

Charter City: A city or county which derives its local powers from a legal charter independent of state statutes.

CIT: Construction Improvement Tax.

CMP: Congestion Management Program.

Community Development Block Grant (CDBG): Federal grant funds distributed from the U.S. Department of Housing and Urban Development that are passed through to the City's CDBG (special revenue) fund. The City primarily uses these funds for housing rehabilitation, public improvements, and local social programs.

Community Improvement Commission (CIC): The CIC is the City's former redevelopment agency. Effective February 1, 2012, redevelopment agencies throughout the State of California were dissolved as a result of State legislation. The City of Alameda is the Successor Agency for the CIC's non-housing activities, and the Housing Authority of the City of Alameda is the Successor Housing Agency.

Certificates of Participation (COP): A certificate of participation is a form of long-term financing which represents a divided share of a lease that is assigned or marketed to investors. These debt instruments typically represent general obligation debt but can also be issued by enterprises.

Citizens' Option for Public Safety (COPS): A State-funded program that provides supplemental funding to local jurisdictions for front-line municipal police services.

CLETS: California Law Enforcement Telecommunications System.

COLA: Cost of Living Adjustment.

Comprehensive Annual Financial Report (CAFR): The official financial report of the City. It includes an audit opinion as well as basic financial statements and supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions.

Consumer Price Index (CPI): A statistical description of price levels provided by the U.S. Department of Labor. The change in this index from year to year is used to measure the cost of living and economic inflation.

Contingency Account: An account in which funds are set aside for unforeseen expenditures which may become necessary during the year.

Contract Services: Services provided from the private sector or other public agencies.

Cost Allocation: A fair and equitable methodology for identifying and distributing direct and indirect costs among various cost centers based upon some predetermined basis of allocation. In performing the cost allocations, all indirect costs have been allocated to direct cost activities.

CPR/AED: Cardiopulmonary Resuscitation and Automated External Defibrillator.

CSMFO: The California Society of Municipal Finance Officers, a statewide organization of municipal finance professionals. CSMFO annually sponsors a Budget Awards Program that recognizes municipal budgets in four categories: operating budgets, capital budgets, public communications documents, and innovations in budgeting.

Debt: An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, and notes.

Debt Service: Payment of interest and repayment of principal to holders of the City's debt according to a pre-determined schedule.

Debt Service Fund: Fund used to account for the accumulation of resources for and payment of general long-term debt principal, interest, and related costs.

Delinquent Taxes: Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached. Even though the penalty may subsequently be waived and a portion of the taxes may be abated or canceled, the unpaid balances continue to be delinquent taxes until abated, canceled, paid or converted into tax liens.

Department: A major administrative division of the City, which indicates overall management responsibility for an operation or a group of related operations within a functional area. A department usually has more than one program and may have more than one fund.

Depreciation: (1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) That portion of the cost of a capital asset that is charged as an expense during a particular period.

Developer Fees and Permits: Fees that are charged for specific services provided by Community Development, Fire and Public Works.

Division: A program or activity, within a department, that furthers the objectives of the City Council by providing services or products.

DOJ: Department of Justice.

DUT: Dwelling Unit Tax.

East Bay Regional Park District (EBRPD): East Bay Regional Park District is a system of beautiful public parks and trails in Alameda and Contra Costa counties.

Employee Compensation: The City has established an employee compensation plan that is designed to attract and retain highly qualified individuals who are capable of delivering a high level of service in a streamlined organization. The City is committed to providing competitive, market-based compensation. As part of this policy, market surveys will periodically be performed of similar positions in the local area and salary ranges will be adjusted based upon these surveys. Salary adjustments are periodically provided to employees within their classification survey upon completion of a comprehensive performance appraisal. As part of its employee compensation package, the City offers the following range of benefits (depending on bargaining unit) to its regular full and part-time employees:

Choice of medical plans (with employer contributions)	Flexible benefits: dependent care, medical spending accounts
Paid holidays and leave	457 Deferred Compensation Plan
Dental coverage	Life insurance
Wellness program	Disability insurance
Employee Assistance Program	Vision insurance
CalPERS Retirement Plan (For Classic PERS Employees - 3% @ 50 for Sworn; 2% @ 55 for all other employees) (For employees new to PERS – 2.7% @ 55 for Sworn, 2% @ 62 for all other employees)	

There are several employee bargaining groups within the City, and the outcomes from these negotiations have a significant effect on these costs.

EMS: The Emergency Medical Services Division of the Fire Department provides for emergency medical first responder and ambulance transport services.

EMT: Emergency Medical Technicians.

Encumbrances: Commitments related to contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities but represent the estimated amount of expenditures ultimately to result if contracts in process are completed. A purchase order is a common encumbrance.

Enterprise Fund: A fund type used to account for operations that are financed or operated in a manner similar to private business enterprise, where the intent of the governing body is that costs of providing goods and services be recovered primarily through user charges.

EPA: Environmental Protection Agency. An agency of the federal government of the United States charged with protecting human health and the environment.

ERAF: This represents an annual shift in property taxes from local government agencies to the State's Educational Revenue Augmentation Fund (ERAF).

Expenditures: Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants entitlement and shared revenues.

FAAS: Friend of the Alameda Animal Shelter is a non-profit entity that assumed the operations of the Animal Shelter in fiscal year 2011-12.

Fiduciary Funds: Funds used to report assets held in a trustee or agency capacity for others.

Final Budget: Term used to describe revenues and expenditures for the upcoming year beginning July 1 as adopted by the City Council.

Financial Advisor: A consultant to an issuer of securities who provides the issuer with advice with respect to the structure, timing, terms, or other similar matters concerning a new issue of securities.

FISC: The Fleet Industrial Supply Center program manages the lease activity at the former Fleet Industrial Supply Center, including property management and infrastructure repair.

Fiscal Year: The time period beginning on July 1 of a calendar year and ending on June 30 of the following calendar year. Budgeting is carried out on a fiscal year schedule.

Fixed Assets: Assets of a long-term character which are intended to be held or used, such as land, buildings, machinery, furniture, and other equipment.

FLSA (Fair Labor Standards Act): The Fair Labor Standards Act sets minimum wage, overtime pay, equal pay and Child Labor Standards for private and public sector employees. Enforcement of the FLSA is assigned to the Department of Labor, Wage, and Hour Division.

Franchise: A special privilege granted by a government, permitting the continued use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

Full-time Equivalents (FTE): The amount of time a position has been budgeted for in terms of the amount of time a regular, full-time employee normally works in a year. For example, a full-time employee (1 FTE) is paid for up to 2,080 hours while a .25 FTE employee would work up to 520 hours per year (both excluding overtime).

Fund: A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources and related liabilities, and residual equities or balances and changes therein, are recorded and

segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Accounting: System used by nonprofit organizations, particularly governments. Since there is no profit motive, accountability is measured instead of profitability. The main purpose is stewardship of financial resources received and expended in compliance with legal requirements.

Fund Balance/Equity: The excess of fund assets and resources over fund liabilities. A portion of the equity of a governmental fund may be reserved or designated; the remainder is referred to as fund balance.

Generally Accepted Accounting Principles (GAAP): The standard framework of guidelines for financial accounting, including standards, conventions, and rules accountants following recording and summarizing and in the preparation of financial reports.

Governmental Accounting Standards Board (GASB): Establishes standards for state and local governmental accounting and financial reporting that will result in useful information for users of financial reports and will guide and educate the public, including issuers, auditors, and users of those financial reports.

General Fund: A specific fund which accounts for tax supported activities of the City and other types of activities not accounted for elsewhere. In the City budget, this fund is divided into departments. The General Fund is a governmental fund.

Government Finance Officers Association (GFOA): The Government Finance Officers Association of the United States and Canada. GFOA annually sponsors a Distinguished Budget Presentation Awards program and makes awards to those governmental budgets that meet program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

Goals and Objectives: Accomplishments a department intends to achieve during the period.

HUD: U.S. Department of Housing and Urban Development. HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all.

Interfund Transfers: Contributions from one City fund to another in support of activities of the receiving fund. Loans are not included.

Intergovernmental Revenue: Revenue received from other governmental agencies and municipalities, such as grants from the State or Federal government.

Internal Service Fund: A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government or to other governments on a cost-reimbursement basis.

LAWCX: Local Agency Workers' Compensation Excess Joint Powers Authority.

Lease: A contract for temporary use of equipment or facilities at a negotiated price.

Levy: The total amount of taxes, special assessments, or service charges imposed by a government.

London Interbank Offered Rate (LIBOR): The LIBOR is the average interest rate that leading banks in London charge when lending to other banks.

Long-Term Debt: Financial obligations with maturity of more than one year after the date of issuance.

Long-Term Financial Plan: A plan which identifies fiscal issues and opportunities, establishes fiscal policies and goals, examines fiscal trends, produces a financial forecast, and provides for feasible solutions.

Measure B: Countywide voter-approved ballot measure that can be used for street construction, repair, maintenance and bicycle pathways.

Measure WW: East Bay Regional Park District issued Measure WW bonds as a parcel tax. The Bond's purpose is to finance the District's completion of its Regional Park District Master Plan and to provide funds to cities and local park and recreation districts for acquisition and development of local parklands.

MOUs: Memorandums of Understanding are bilateral agreements between the City of Alameda and the employees of the City of Alameda.

MSC: Mastic Senior Center provides social recreational programs and support services for the City's growing senior community.

Municipal Code: A book containing City Council approved ordinances in effect.

NCIC: National Crime Information Center.

NCPA: Northern California Power Agency.

NENA: National Emergency Number Association.

NERC: North American Electric Reliability Corporation.

NFPA: National Fire Protection Association.

NPDES (National Pollution Discharge Elimination System): Permit system established by the U.S. Environmental Protection Agency to regulate discharge of treated sewage, storm water and urban runoff.

Operating Budget: Day-to-day costs of delivering City services.

Operating Transfer: Routine or recurring transfer of assets between funds.

Ordinance: A formal legislative enactment by the City Council. If it is not in conflict with any higher form of law, it has the full force and effect of law within the boundaries of the municipality to which it applies.

OSHA: Occupational Safety and Health Administration – Federal Division

PCCD: Peralta Community College District.

PCI: Pavement Condition Index.

Performance Measures: An indicator of the attainment of an objective. It is a specific quantitative measure of work performed or services provided within an activity or program, or it may be a quantitative measure of results obtained through a program or activity.

Personnel Services: The classification of all salaries, wages, and fringe benefits expenditures. Fringe benefits include FICA, retirement benefits, hospital and medical insurance, and life insurance.

POST: California Police Officer Standards and Training.

Program: Organizational units directed to attain specific purposes or objectives.

Program Activity: A broad function or a group of similar or related services/activities, which have a common purpose.

Program Budget: A budget wherein expenditures are displayed based on programs of work, and secondarily by the character and object class of the expenditure.

Projected Surplus/Deficit: The projected surplus/deficit is the net of forecasted receipts and forecasted disbursements. A surplus is the result of receipts exceeding disbursements, and a deficit is the result of disbursements exceeding receipts.

Proposition 13: Limits the local property tax rate to a maximum of 1% of a property's assessed market value, rolled back assessments to 1975-76 values, and unless a property was sold, capped the annual increase in assessed values to 2%. New taxes, such as a parcel tax, must be approved by two-thirds of local voters.

Proposition 218: A statewide initiative passed by the voters of California on November 5, 1996. The initiative provided voters with the right to vote on new taxes.

Proprietary Fund Types: Sometimes referred to as income determination or commercial-type funds, the classification used to account for a government's ongoing organizations and activities that are similar to those found in the private sector. The GAAP used are generally those applicable to similar businesses in the private sector and the measurement focus is on determination of net income, financial position, and changes in financial position.

PUB: Public Utilities Board.

Quimby Act: The California Legislature first established the Quimby Act in 1965. It provides provisions in the Subdivision Map Act for the dedication of fees and/or parkland. California State law requires developers to dedicate fees or land for public parks at a ratio of 5 acres per 1,000 residents in a new development.

Reserve: An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

Resolution: An order of a legislative body requiring less formality than an ordinance.

Retained Earnings: An equity account reflecting the accumulated earnings of a proprietary (internal service or enterprise) fund.

Revenue: Income received by the City in support of a program of services to the community. It includes such items as property taxes, fees, user charges, grants, fines and forfeits, interest income and miscellaneous revenue.

Revenue Bonds: Bonds issued pledging future revenues to cover debt payments.

Risk Management: An organized attempt to protect an organization's assets against accidental loss in the most cost effective manner.

RMS: Records Management System.

ROPS: The Recognized Obligation Payment Schedule outlines the City's obligations based upon the former City's Redevelopment Agency (Community Improvement Commission).

RPTTF: Alameda County's Redevelopment Property Tax Trust Fund (RPTTF) used for payment of obligations of the Successor Agency.

SAFER: Staffing for Adequate Fire and Emergency Response, i.e. a grant provided to the City by the Federal Government.

Salaries and Wages: Amounts paid for personnel services rendered by employees in accordance with rates, hours, terms, and conditions authorized by law or stated in employment contracts. This category also includes overtime and temporary help.

SR2S: Safe Routes to School. A State program to reduce injuries and fatalities to school children and to encourage increased walking and bicycling among students.

Special Assessment Bonds: Bonds payable from the proceeds of special assessments levied on properties.

Special Revenue Fund: A fund used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditure for specified purposes. GAAP only require the use of special revenue funds when legally mandated.

Subventions: Revenues collected by the State that are allocated to the City on a formula basis. The major subventions received by the City from the State of California include motor vehicle in-lieu and gasoline taxes.

Supplemental Appropriation: An appropriation approved by the City Council after the initial budget is adopted.

Supplies: Items such as office supplies, short-lived minor equipment with no material value, periodicals, books and generic computer software.

Taxes: Compulsory charges levied by a government to finance services performed for the common benefit.

TC: Transportation Commission.

TOT: Transfer and Occupancy Tax is imposed on room rates for stays of 30 days or less at a rate of 10% on the room rate.

Transfers: All interfund transactions except loans or advances, quasi-external transactions, and reimbursements.

Triple Flip: Proposition 57, the Governor's Economic Recovery Bond bill, was approved by the voters in March 2004. This bill authorized the State to sell $15 billion of deficit financing bonds to put the budget back in balance. Proposition 57 includes a "triple flip," which essentially swaps one-quarter percent of the local sales tax for an equal amount of "in-lieu" sales tax.

True Interest Cost: The federal Truth in Lending Act requires lenders to disclose the true cost of credit to their borrowers and prospective borrowers in the consumer-loan agreement. This cost must be computed by a standard formula that incorporates interest, fees and other costs. This prevents lenders from making misleading statements about the real cost of borrowing from them.

Trust & Agency Funds: These funds are used to account for assets held by the City in a trustee capacity or as an agent.

Urban Runoff Clean Water Program (URCWP): A water drainage fee.

USCTA: United States and Canada Treasurer's Association

User Fees: The payment of a fee for direct receipt of a public service by the person benefiting from the service.

Vehicle License Fees (VLF): An annual fee on the ownership of a registered vehicle in California paid to the Department of Motor Vehicles (DMV). The state retains authority over both the amount of revenues that are collected and the method of their distribution to local governments, and the Legislature may alter the level of VLF revenue.

WiFi: Technology that allows electronic data exchange wirelessly over a computer network.

Working Capital: Net Working Capital is a common accounting formula used for financial analysis. It is defined as current assets minus current liabilities.

Warrant: Security, generally short-term in nature, issued by a municipality and used in the payment of bills.

Workload Measures: Indicators that quantify the amount of output performed by a department, program or service.

City of Alameda Budget and Forecast

Index

	Section
Administrative Services	H-J
Alameda Municipal Power	R
All Funds Budget Summary	B
Appropriations Limit	W
Basis of Accounting	W
Base Reuse	N
Budget Process	W
Capital / Maintenance Projects	T
Capital Improvement Project Summary	B
Central Services	J
City Attorney	D
City Clerk	E
City Council Listing	ii
City Council	C
City Manager	F
City Profile and Map	ii
Citywide Organization Chart	ii
Community Development	M
Community Services	K-L
Debt Obligations	W
Debt Policies	W
Debt Service Schedules	W
Demographic Statistics	ii
Development Services	M-O
Expenditure Summary by Department – All Funds	B
Expenditure Summary by Fund	B
Finance	H
Financial Policies	W
Fire	P
Fund Information	U
Fund / Department Matrix	U
Gann Limit	W
General Fund Budget Summary	A
General Fund – Expenditures by Program	A
General Fund Expenditure Summary	A
General Fund Five-Year Trends	A
General Fund Revenue and Expense Trends	A
General Fund Revenue Summary	A
General Government	C-G
Glossary of Terms	W
History of the City	ii
Housing Department	O
Human Resources	I
Library	K
Maintenance Project Summary	B
Mission Statement, Core Values and Goals	ii
Non-Departmental	G
Parks and Recreational Facilities	L
Police	Q
Position Classification Summary	B
Position Summary	B
Principal Officers	ii
Public Safety Services	P-Q
Public Services	R-T
Public Works	S
Recreation and Parks	L
Resolution for Adoption of Budget	ii
Revenue Assumptions	A
Revenue by Source – General Fund	A
Revenue Summary by Fund	B
Transfer Summary	B
Transmittal Letter	i
Trend Information	V

City of Alameda, California

People and Places in the City